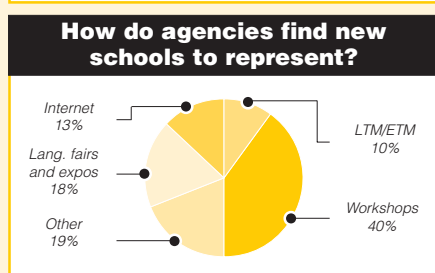
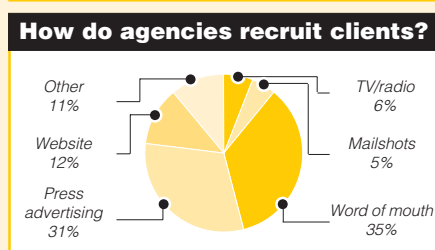
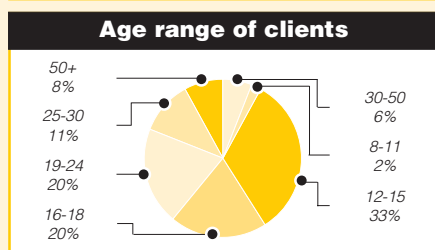
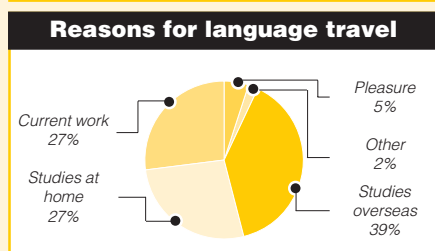
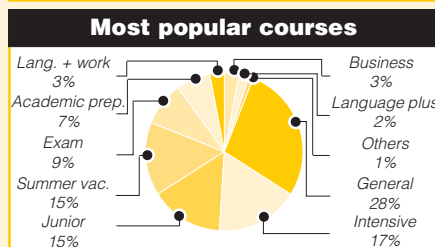
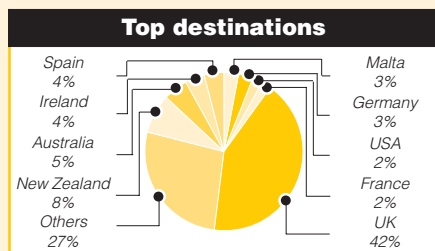


Russia's vitality

Russian agents reported another healthy year in 2001 and are confident that the market will continue on its growth curve in the foreseeable future.



Key points

- The total number of students placed in 2001 by our 10 agency respondents was 1,162
- Individual agencies placed between 14 and 235 students on language courses per year
- Average growth of combined agency business in 2001 was 19.9 per cent
- The average length of stay for Russian students was five weeks
- Commission rates from schools ranged from 19 to 25 per cent, averaging 20 per cent
- 57 per cent of Russians took their language course in the months of June, July and August
- 65 per cent of Russian students stayed with host families
- Six agents charged a handling fee of between US\$50 and US\$150
- The average spend on tuition and accommodation was US\$340
- The number of countries represented by the agencies ranged from four to 24

Market growth

The Russian language travel market remains buoyant, with all but one of the 10 language travel agencies that took part in our survey this year reporting growth of between 10 and 40 per cent (the remaining respondent said student numbers had remained the same). Overall, growth averaged at just under 20 per cent in 2001, following growth of 23.5 per cent in 2000 (see *Language Travel Magazine*, September 2001, pages 16-17). The main reason given by the agents for this enviable performance is the continued growth of the Russian economy and the rise in consumer purchasing power. Two agents also mentioned the fact that they had stepped up their advertising activities, which had contributed to their business growth.

Student trends

The Russian market is characterised by a relatively young clientele. Under-18 year olds represented over 60 per cent of agency clients among our respondents, in comparison to, for example, Brazil where they accounted for only 32 per cent of

clients (see *Language Travel Magazine*, April 2002, pages 12-13). Junior and teenage students were identified by most respondents as the future because, according to one agent, parents wanted to invest in their children's education to secure their future. The relatively low age of students also meant that learning a language for studies at home was the most common reason for students taking a language course.

Language and destination trends

While nothing has changed much in terms of language choice - with English accounting for over 80 per cent of bookings, German in second place and Spanish in third - there have been some shifts in destination choice. The UK still took the lion's share of Russian bookings, but in 2001, New Zealand was in second place, followed by Australia. The USA, which was in sixth position, accounted for an average of only two per cent of bookings in 2001, compared with seven per cent last year. One agent mentioned that problems with Australian visas had caused a decline in bookings for this country.

Forecast for 2002

All respondents were optimistic about the future. Many mentioned that the growing economy would continue to make language travel affordable for a wider cross-section of the population. One agent added that declining standards at some universities would tempt more students to consider study abroad.

Economic overview

- Despite the sharp downturn in the world's economy, Russia maintained its healthy GDP growth, which was up by 5.1% in 2001, following increases of over 5.5% in 2000 and 8.3% in 1999.

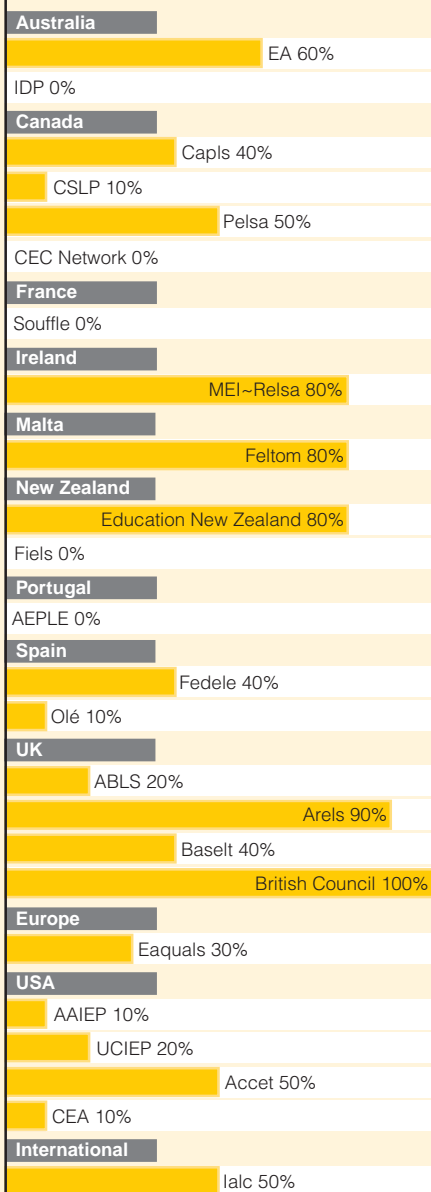
- Production and investment was also up, with industrial production increasing by 5% and investment in the production sector by almost 9%. Between 2000 and 2001, there was also a 21% growth in the export of machinery and vehicles.

- In 2001, the real average disposable income of the Russian population grew by 6%, while average real monthly earnings of workers rose by 19.8%. However, the distribution of wealth is extremely uneven, and it is estimated that around 30% of the population still lives near or below the poverty line.

- Economists estimate GDP growth of between 2% and 4% in 2002, while inflation will be at about 16%, and investment will grow by 5% to 6%.

Source: CCTV.com; Executive Intelligence Review

Percentage of agents who recognised each of the following organisations



Thank you to the following agencies for taking part in our survey:

Greenwich Meridian Tours; International Tourism Company; Language Link; Meganom; Oxbridge Educational Travel Consulting; Parta; System-3 Language and Communication School; University Council; Uros; VIP Service International

Russian agents named a range of language programmes they work with, including: In Australia: Insearch UTS, Sydney; Centre International d'Antibes, Nice; Ecole des Roches, Paris; In Canada: Aspect I.L.A., Toronto; Red Leaf Student Programs, Toronto; In Germany: Did Deutsch Institut, various; Humboldt Institut, various; In Ireland: Alpha College of English, Dublin; Icon International School, Dublin; Homer School of English, Dublin; In Malta: European Centre of English Language Studies, St Julians; Inlingua School of Languages, Sliema; In New Zealand: Aspect I.L.A., Auckland; AJT International House, Auckland; Kiwi English Academy, Auckland; In Spain: Don Quijote, Salamanca; In Switzerland: Village Camps, various; In the UK: Anglo Continental School of English, Bournemouth; Ardmore Language Schools, Maidenhed; Buckswood Grange, Lockfield; Central School of English, London; Edinburgh School of English, Edinburgh; Eastbourne School of English, Eastbourne; Harrow House International College, Swanage; Aspect I.L.A., various; Frances King School of English, London; LTC International College, Eastbourne; OISE Intensive Language Schools, Oxford; Passport Language Schools, Bromley; Regent Language Training, various; St Bede's International Summer School, Halesham; St Giles' Colleges, London; Severnvale Academy, Shrewsbury; In the USA: ESL Western Kentucky University, Bowling Green, KY; Internexus Language Centres, various; **Worldwide:** Geos, Sprachcafe.