

Brazil - Market Report



Education UK Fair 03 – 11 November 2004 – Julie Hutchinson

Purpose of visit:

- Attend the Education UK fair the 03-11 November in Rio (one day), Sao Paulo (two days), Belo Horizonte (one day) and Curitiba (one day).
- Raise awareness of English UK and give presentations to BELTA members and British Council staff
- Clarify current ELT market situation
- Establish key contacts for possible Inward Mission in 2005

Key Facts

Area:	3,286,470 square miles
Population:	178 million
Biggest Cities:	São Paulo (10.4 million), Rio de Janeiro (5.8 million), Salvador (2.4 million), Belo Horizonte (2.2 million), Capital - Brasília (2 million), Recife (1.4 million)
Labour Force:	Agriculture 26%, Industry 24%, Services 53%
Unemployment Rate:	12.3% (2003 est.)
Gender Distribution:	49.9% male, 50.1% female
Age Breakdown:	35% under 15, 28% 15 to 29, 19% 30 to 44, 10% 45 to 59, 6% 60 to 74, 2% 75 and over
Internet users:	15 million (up by 23.7% on last year)

Following three centuries under the rule of Portugal, Brazil became an independent nation in 1822. By far the largest and most populous country in South America, Brazil has overcome more than half a century of military intervention in the governance of the country to pursue industrial and agricultural growth and development of the interior. Exploiting vast natural resources and a large labour pool, Brazil is today South America's leading economic power and a regional leader. Highly unequal income distribution remains a pressing problem.

Possessing large and well-developed agricultural, mining, manufacturing, and service sectors, Brazil's economy outweighs that of all other South American countries and is expanding its presence in world markets. From 2001-03 real wages fell and Brazil's economy grew, on average, only 1.1% per year, as the country absorbed a series of domestic and international economic shocks. The fact that Brazil absorbed these shocks without financial collapse is a tribute to the resiliency of the Brazilian economy and the economic program put in place by former President Cardoso and strengthened by President Lula da Silva. The three pillars of the economic program are a floating exchange rate, an inflation-targeting regime, and tight fiscal policy.

Market Overview

The Economy:

The US\$ is down to 3, but in 1994 at the beginning of the “plano real” it was less than 1. It is therefore now 3 times as expensive to study abroad. Inflation is down and salaries are rising, but real disposable income has dropped by nearly 20% in 18 months. But the problem with statistics is that depending on the source they can be conflicting and most have been gathered just after Lula had taken office when things were still a bit shaky and confused. Many figures may be better than before but things are still extremely high e.g. unemployment, interest rates etc. With the GBP getting stronger, affordability is the key issue and the trend is shifting from short courses as in previous years, to 6 months plus in order to take advantage of combined work and study.

Brazil, Agents and ELT:

Parents and young professionals see English courses abroad as a good investment, not only because the knowledge of a second language is considered important, but they also see it as a useful cultural experience. Employers consider it a major advantage to have employees with an international dimension to their portfolio but of course I am sure this is old news to those of you who have been in the world of ELT for many years! For some, the Brazilian market has been difficult to break into even following an exhausting barrage of marketing activities but it seems that agents in the past have favoured private language schools when it comes to promoting ELT to students. Though agents do of course refer students to Universities and FE Colleges it is more for further academic studies than ELT, mainly due to the following points:

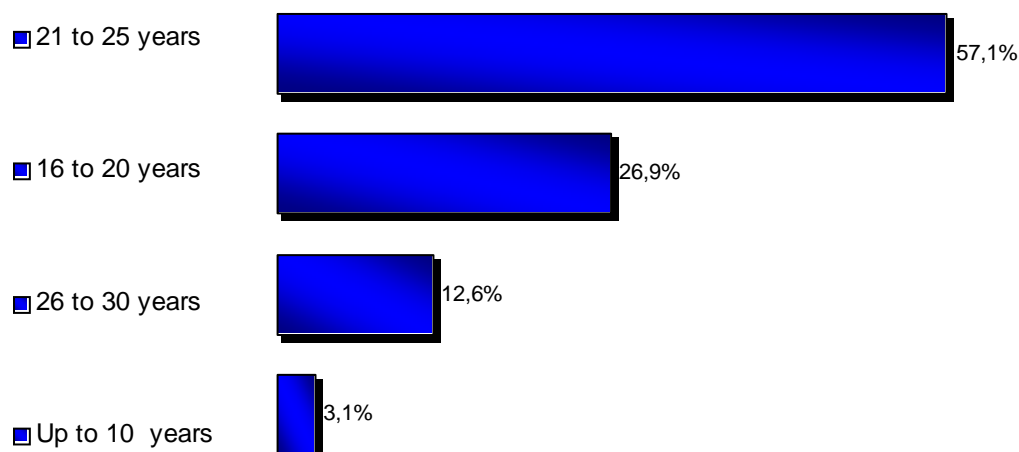
- Well established agents have more leverage for demanding better commissions/ discounts/credit periods/promotional help
- They are not interested in seeing new institutions unless
 - there are differentials which are actually important to the market
 - they are accredited AND cheaper than everywhere else
 - they are introduced by someone trusted and respected
- They are predominantly interested in promoting/selling those language centres which have supported them during the economic crisis. Want a quick response to enquiries relating to students, bookings, commission, problems etc.

The Brazilian Education & Language Travel Association (BELTA) www.belta.org.br was founded in 1992 and has grown to 59 members representing 90% of the international educational education market in Brazil. Between them they have 560 outlets. To become a member agents have to be trading for 2 years, obtain references from existing BELTA members as well as international schools and pay a yearly subscription.

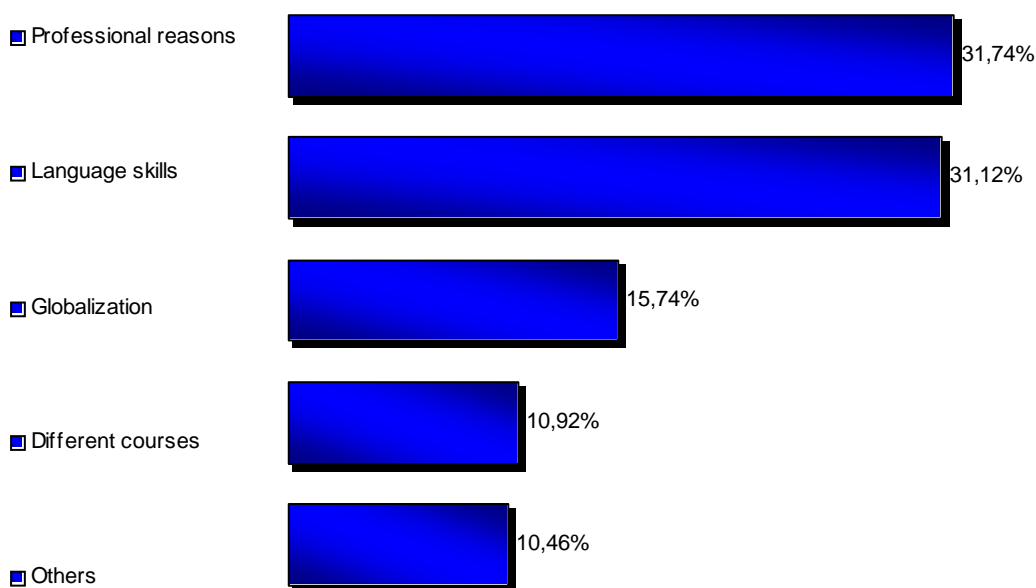
The current President of BELTA is Tatiana Mendes – Tatiana@belta.org.br
Regional Coordinator is Ana Beatriz Faulhaber – anabeatriz@belta.org.br

The following was part of a survey undertaken by BELTA 2004

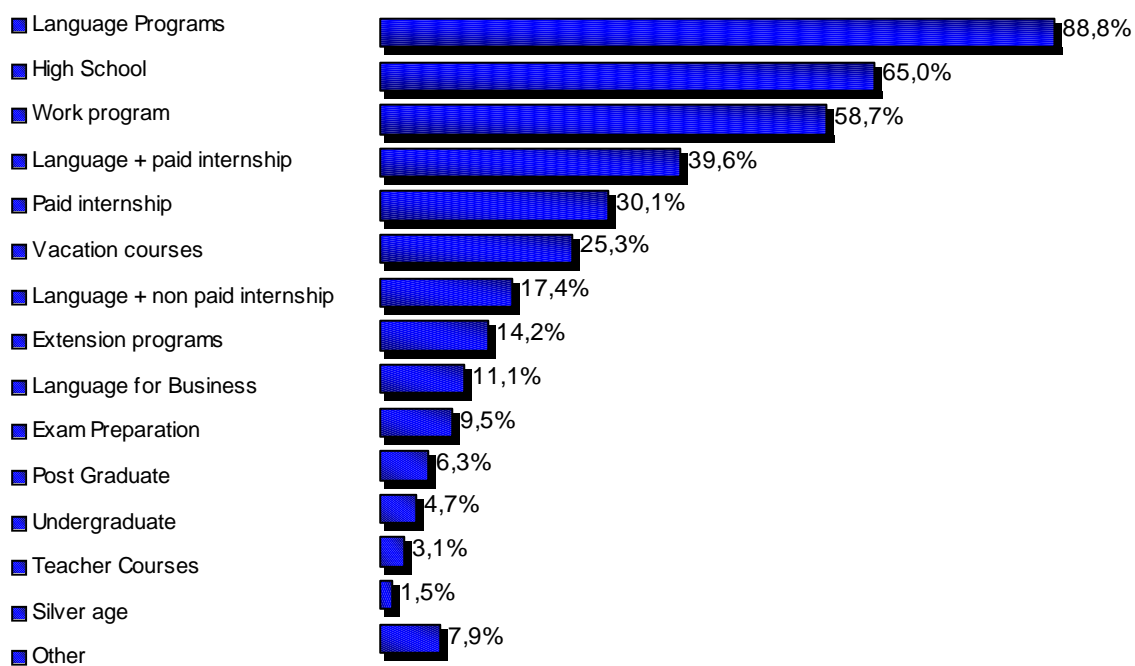
Age range of students studying abroad



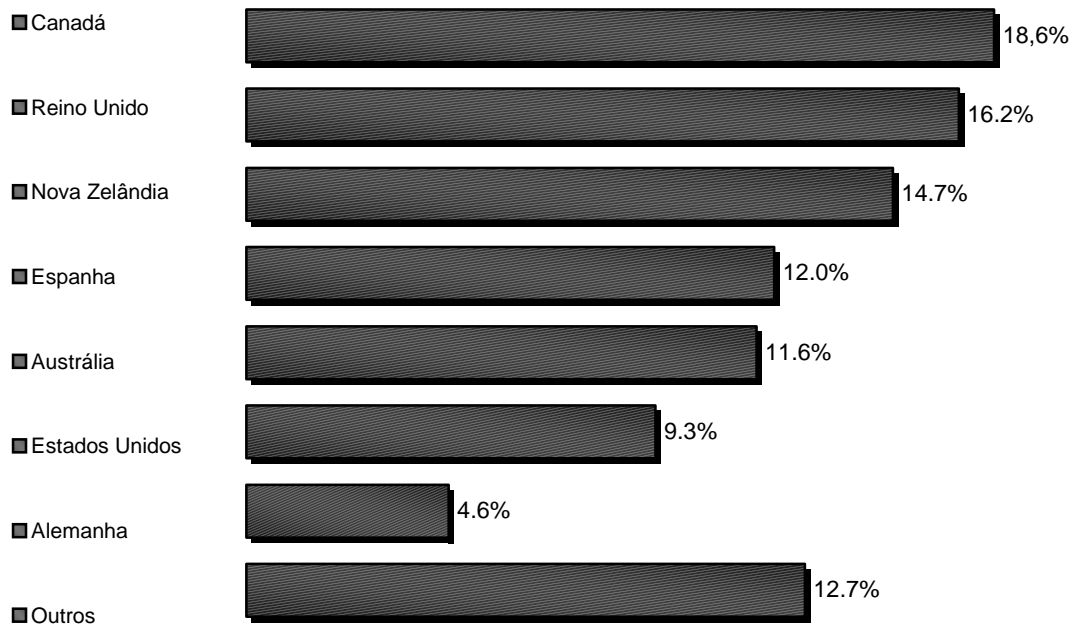
Why do students wish to study abroad:



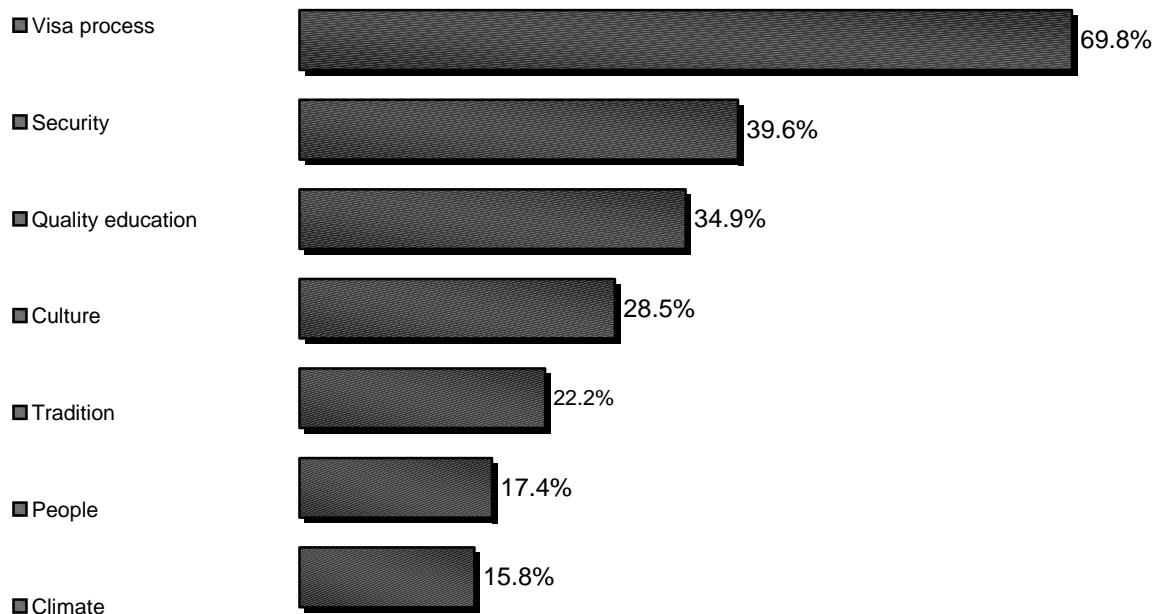
Most wanted course:



Easiest country to sell:



The reasons why:



British Council and the Education UK Fair

The market briefings were given by Isobel Oliveira, Marketing Manager British Council Brazil prior to the Rio and Sao Paulo Fairs, though feedback from members attending suggested information was too generic and not sufficiently target specific.

A welcome speech by Tim Dearden Deputy Consul-General and Mike Winter BC Director Sao Paulo was well received at a BC arranged cocktail buffet in Sao Paulo for exhibitors, agents, British Consulate-General and other invited guests, which was a perfect forum for networking. Unfortunately apart from the exhibitors no one else was wearing badges, tables were delegated to agents but not all were sat at them so it became a bit confusing as to who was who.

The Fair overall was well organised with more booth space given than in the previous year to ELT exhibitors. However numbers through the doors were very disappointing but as they say quality is better than quantity and feedback suggests bookings were taken.

Rio = 1017
Sao Paulo = 1117 Saturday – 1238 Sunday
Belo = 600
Curitiba = 700

Total = 4672

Exhibitors – Rio and Sao Paulo
Universities = 16
Colleges = 5
ELT = 7 plus English UK

Exhibitors – Belo and Curitiba
Universities = 9
Colleges = 1
ELT = 3 plus English UK

(most of the above exhibitors returned home following the Sao Paulo fair)

Online usage is very high in Brazil and 40% of bookings for this exhibition came from the online registration facility. The most popular sites for searches in Brazil are Google, MSN and Yahoo, similar to most countries, but the most popular Brazilian portal is vol.com.br.

Opportunities for English UK members within the work of BC Brazil include entries on the website within the news or events sections. Rodrigo Gasper – BC Brand & Communications Manager confirmed that he and his team would be happy to assist members in making entries relevant to Brazilians. One idea was to introduce a “school of the month” for example, giving profile to a different school each month.

Visas:

There are two visa offices in Brazil, the Embassy in Brasilia; only issues Diplomatic visas and the Consulate in Rio de Janeiro; which issues all others. In Rio approximately 3000 visas are issued per year, 25% of these are study visas. Out of the 3000 4% are refused with 11% of study visas being refused. This leaves a total of 678 student visas granted. A meeting with the head of the visa section in Rio – Andrew Cole – confirmed that Brazilians at present do not require a visa to enter the UK, either for less than 6 months or for study periods of longer than 6 months. This was confirmed by a call to UK Visas in London on my return. They stated that this situation will not change “in the foreseeable future”. However there has been an increase in voluntary applications for pre-entry clearance as students are applying to avoid the possibility of being turned away by immigration authorities on arrival. The visa section is advising that students need to give plenty of notice of 4 weeks minimum if applying for pre-entry clearance, applications must be in English, have a correctly completed form, correct fee, valid passport and 2 photos.

Events:

The British Council and BELTA have proposed to combine the Education UK and BELTA events for 2006. This is scheduled to take place in March 2006.

For 2005:

- EXPOBELTA March 2005
- São Paulo 05 & 06 March
- Curitiba 08 March
- Rio de Janeiro 10 March
- Salvador 12 March
- Goiania 14 March (tbc)

ExpoBELTA applications & information - expobelta2005@belta.org.br
Discount to UK institutions through British Council/UKTI Sesa Funding for 9 UK institutions - MYCCI BRAZIL TRADE MISSION bubble 7 - 11 March (for all venues)

UKTI applications & information - Mohammed.Ahmed@MYCCI.CO.UK

English UK Inward Mission proposed for May 2005

Brazil and the UK: Outline educational equivalence chart

year	Brazil	Age	England, Northern Ireland and Wales	Age	Scotland	year
	Doctorate 4 Years	28		28		
		27		27		
		26		26		
		25		25		
	Masters 2 - 3 years	24	Doctorate usually 3 years	24	Doctorate usually 3 years	
		23		23		
	Especialização PG dips and certs 1- 3 years (optional)	22	Masters / MBA usually 1 year	22	Masters / MBA usually 1 year	
		21		21		
	Undergraduate 4 - 6 years	20	Undergraduate 3 - 5 years	20	Undergraduate 4 - 6 years	
		19		19		
	Tecnologia Licenciatura 3 years	18	HND 2 years	18	SCE Scottish Certificate of Education (Higher)	
	Curso Superior Seqüencial 2 years	18		18	Sixth year Studies (optional)	
		18		18	HNC 2 years	
3rd	Vestibular	17	GCE A/AS Level "IB"	17	SCE Scottish Certificate of Education (Higher)	Yr 12
2nd	Ensino Médio (Secondary Education) 3 years	16	Vocational A/AS Level 2 years	16		Yr 11
1st	Ensino Técnico (Vocational Education) 3 years	15		15		Yr 10
8th	Ensino Fundamental (Primary Education) 8 years	14	GCSE General Certificate of Secondary Education 5 years	14	SCE Scottish Certificate of Education (Standard) 4 years	Yr 9
7th		13	General / National Vocational Qualification 5 years	13	SVQ - Scottish Vocational Qualification 5 years	Yr 8
6th		12		12		Yr 7
5th		11		11		Yr 6
4th		10		10		Yr 5
3rd		9		9		Yr 4
2nd		8		8		Yr 3
1st		7		7		Yr 2
	6		6		Yr 1	
	5		5			
	4		4			
	3		3			
	2		2			
	Pre-school up to 5/6 years (Optional)	4	Pre-preparatory (Nursery School) up to 3 years (Optional)	4	Preparatory up to 3 years (Optional)	
		3		3		
		2		2		

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