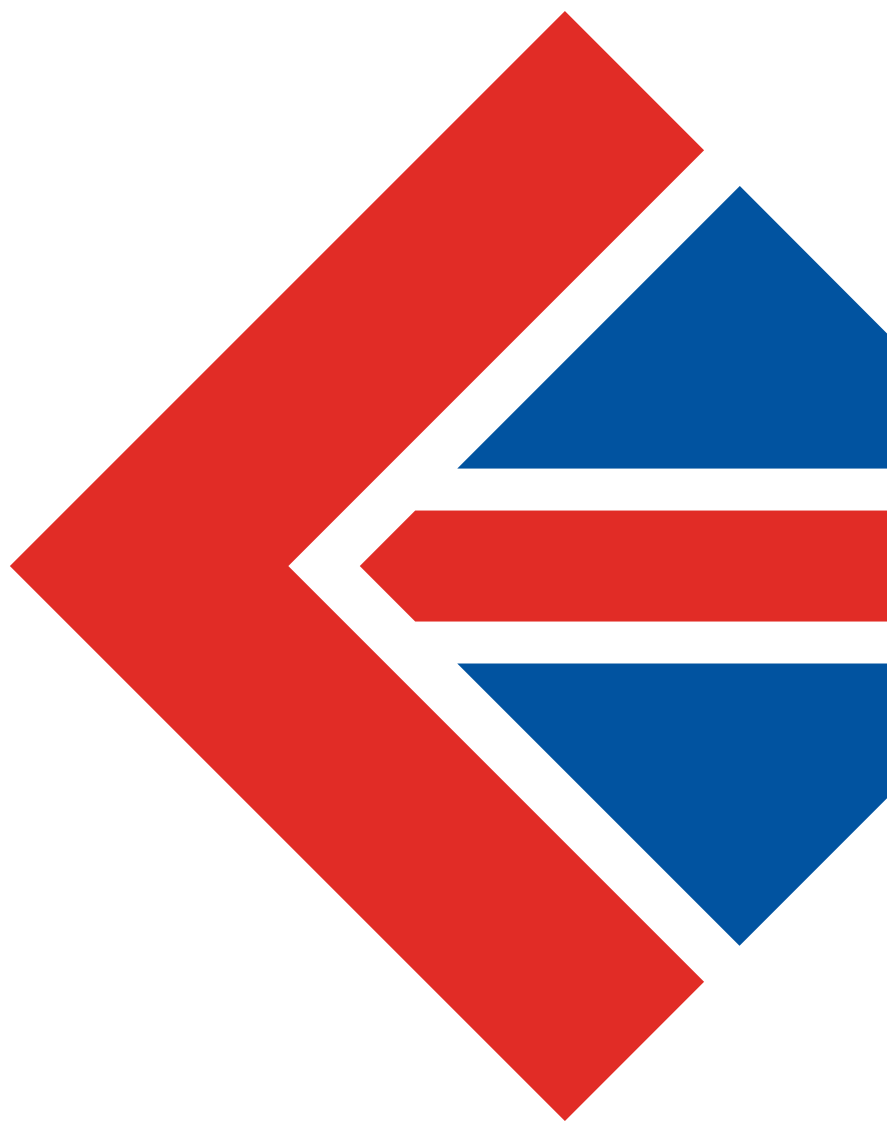


ENGLISH UK SCOPING VISIT TO CHILE

November 2009



Executive summary

Chile is recognised as an economic success story within Latin America, and has largely managed to avoid the economic turbulence that has caused so many problems for neighbouring Argentina, Peru and Bolivia recently. The Chilean economy has benefited from macroeconomic stability for the last 20 years, and has consequently attracted high levels of overseas investment. Chile was the first Latin American country to privatise state enterprises, reduce import tariffs, liberalise investment and actively seek foreign capital. It has experienced over 10 consecutive years of record growth (an average of 7% per annum since the 1990s), making the Chileans the new rich of Latin America. There was a wobble in this stability when the price of copper (a crucial Chilean export) fell in 1999 but the economy and growth rates soon recovered.

Although the international economic problems have not hit Chile particularly hard, they have highlighted the need for globalisation of the economy, and therefore the need for an improvement in language skills for international business. In the past, there has been a reluctance to invest in English language training in Chile- people tended to select 'budget' General English classes, if at all. Agents also suggested that apathy amongst older generations, particularly parents, may also account for a lack of demand for good ELT provision in Chile. Often, young Chileans do not realise that English skills are necessary until they reach employment, by which time it is far more difficult to find the time or resources for study.

A lack of commitment to learning English is perhaps also demonstrated by the fact that the 18-24 year age group invariably choose to study in places such as Canada or Australia and take part in working holiday programmes, with less emphasis on English. These competitor destinations benefit from the fact that they offer a diverse range of activity holidays, they have better weather, and crucially, they provide working travel options for short term stays. This is in spite of the fact that the UK has the best reputation for quality, and that British English is very desirable. Students who do choose the UK are very specific about what they want- 'the best of the best'. Relatively small numbers of people fit into this category, but those who do often have an above average level of English, and would opt for executive or intensive courses. They tend to be very serious and keen to take advantage of the higher quality option.

The need for English and the desire to learn it is, however, beginning to spread throughout Chile. Consequently, as the country becomes more involved in international affairs, an increasing number of professionals require knowledge of English, at least at basic level, and many universities are now making English a mandatory component of degree courses.

The Ministry of Education continues to stress the importance of the English language for the country's development. Its recent reforms, and the English Opens Doors programme (discussed in more detail shortly) promote better ELT provision within schools. However, the funding and resources are limited; many state secondary school teachers face English language classes of 40 to 50 mixed ability students. There is also an enormous deficit in the number of suitably trained and qualified English teachers. Demand for courses for teachers of English is certainly high, and is expected to continue to increase in the future.

The demand for English, and perhaps the lack of good ELT in the state education system, may explain why the number of private English language teaching institutes has increased so dramatically in the past five years. Santiago has hundreds of language teaching institutes, from dubious operations to large, well-established ELT institutes, such as the Instituto Chileno Norteamericano de Cultura (American English) and the Instituto Chileno Británico de Cultura (British English), both highly professional organisations with well-developed programmes and high academic standards, which were founded in Santiago more than 60 years ago. The Norteamericanos, known as bi-national centres (BNCs), were founded all over South and Central America and Mexico during the 1940s and 1950s. The Británicos, known as Anglos in some parts of Latin America, share a similar pedigree. They are teaching and examination centres for the Cambridge examinations: PET; KET; FCE; CAE and CPE.

The largest and most important universities are located in the city, such as the Universidad Catolica, Universidad de Chile, Universidad Metropolitana de Chile, and the Universidad de Santiago, and English is taught in all of them. Some of these, such as the Metropolitan University, are also teacher training universities. In addition to these institutions, there are many private schools where English is an important part of the syllabus.

Several agents referred to the fact that Chileans can be slightly insular- they described themselves as the 'Britain of Latin America', almost outsiders who are not that enthusiastic about mixing with foreigners. They are becoming increasingly aware of the fact that in order to continue their economic growth, they will need to work with the rest of the world, and language skills will be crucial to this. Younger Chileans are facilitating this shift, and are encouraged by access to new media and networking sites which help to break down these barriers.

The agents identified two main areas of interest for the Chilean ELT market- young learners studying for 3-4 weeks, and adults aged 25-35, who are too old to have received good ELT in school, but are young enough to see it as important, especially in business. There is also growing recognition amongst the 30-45 year age group of the importance of English language skills. Although Chileans within this category are unlikely to fund their own ELT courses, some companies are now funding courses for their employees- only general English or TOEFL preparation at the most. Finally, courses for teachers of English are required more and more as the ELT market as a whole expands.

UK Border Agency Entry Clearance Statistics – summary of student applications for Chile (Santiago)

	Received	Issued
2008 - 2009	345	335
2007 - 2008	550	530
2006 - 2007	365	365
2005 - 2006	276	274
2004 - 2005	280	280
2003 – 2004	260	260
2002 – 2003	14	14
2001 – 2002	11	11

Group Discussion: Relationships with agents

Chilean agents were dismayed that they had been 'neglected' by the UK in general. It quickly became clear that competitor destinations, such as New Zealand, Australia, and South Africa had been stepping up their advertising and promotional campaigns over the last year, and directed them at both agents and students. Consequently, many agents feel that 'the UK is not interested in Chile'- it is under-represented at fairs in the country, and UK school representatives are often not as meticulous about follow-up and continued contact following occasions when they do meet agents.

They pointed out that they have fairly limited knowledge of what the UK ELT market has to offer and that they don't receive much information from schools about the details of courses. They generally only hear from those with whom they have already established relationships. Again, the agents drew a comparison with schools in Australia, Canada and New Zealand, who are in much more frequent contact.

The agents indicated that attendance at educational fairs is considered very important in Chile, in terms of raising the profile of a particular school or destination, as well as maintaining good business relationships through face-to-face contact and networking. They emphasised the importance of meeting the owners, teachers, or directors of a school before working with them. They would hope to keep in contact and meet partners at least twice a year.

Finally, they felt that they were poorly informed about the recent changes to the visa process. They pointed out that other embassies arranged briefing sessions specifically for agents twice a year. In the case of New Zealand and Australia, this is an ongoing programme (even though they have not recently implemented changes).

Meeting with Alan Walker (Marita Sepulveda), Monica di Santi (E-1 Network) and Liliana Vecchiola, (Job Travel Tours- jobtravel@mi.cl)

The group comprised two relatively new agencies, plus one established one, who had already been sending students to London, Exeter, Brighton and Bristol.

All three agents agreed that the first issue that comes up when selecting a destination for study is cost, and that this is a real problem where the UK is concerned. In Chile, English language skills are not yet established as something fundamentally important (although this is changing). This means that clients would not select the more expensive option (of the UK) if they can find a cheaper alternative, even if the alternative is considered to be of a slightly lower standard. They indicated that as the Chilean economy becomes increasingly globalised, this is likely to change.

Liliana in particular was keen to stress the need for a nationwide improvement in the standards of English in Chile. She is optimistic about the prospects of UK ELT in Chile, and would always recommend the UK ahead of other destinations, as the 'home' of the English language. Her clients are large commercial enterprises, which means that they are not so constrained by financial issues and can afford to select the slightly more costly, high quality option. Liliana again mentioned that she receives many marketing materials and contacts from schools in Australia and Canada, but not from the UK, and consequently feels somewhat overlooked.

Alan Walker pointed out that there is now a government directive to improve the standards of English in Chile, and this means that Chile is an excellent market for UK providers to look to for the future. There is much potential, particularly as students who have benefited from the improved ELT scheme in schools look to improve their English skills further once they graduate. He also mentioned that the position of Australia and New Zealand is strengthened by the scholarship exchange programmes that they run with

Chile as part of a special trade agreement. Some institutions are also benefitting from the funding provided by the government for 3000 ESOL examinations. Alan pointed out that Universities are also investing in English language teacher training, whereby the government sponsors overseas study of English for up to six months. Participants of the scheme are then obligated to teach English within the public sector for a minimum of two years after their return. The UK was considered as a destination for this scheme, but was ruled out for being too expensive.

Alan agreed with Liliana that there is likely to be a significant increase in the number of students coming to the UK from Chile over the next 12 months as it becomes established as a market. He noted that people have always seen the UK as high quality, and added that agents need to promote the advantages of immersion, the diversity of courses offered in the UK, and the travel benefits of studying somewhere in Europe. Any materials from schools and destination marketing tools to help with this would be much appreciated.

The group indicated that price is the biggest disadvantage for the UK market. There is not a great deal of importance given to the differentiation between British and US English, as neither country dominates as an employer of Chileans. They noted that recommendations from friends and family are crucial to the decision-making process, in terms of choosing a school and a country in which to study. Testimonials are also important- if not from a Chilean, then a student would at least like to hear about the experiences of another Latin American.

The agents described two main activities for student recruitment: firstly attendance at fairs such as AREI Chile, and secondly visits to schools and universities- arranging presentations and information sessions for students in partnership with language providers. They emphasised the importance of face-to-face meetings with school representatives before sending students, and added that many students and parents would be more likely to select a school that they had met. They added that they would be very happy to collaborate with English UK schools and accompany them if they were interested in arranging something similar in the future. It would be useful to include destination marketing, particularly for places outside London, as young Chileans often don't know much about what the rest of the UK has to offer.

Meeting with Andrew Chadwick, British Council

The British Council in Chile was in the process of restructuring, and moving from large 'open' offices to smaller premises with no resources to advise to advise students directly. However, Andrew did indicate that they would like to develop new means of engaging with students and agents in the future.

In terms of the promotion of English language, Andrew described strong ties with the Instituto Chileno Britanica, which is based in Santiago and was established over 70 years ago by the British Council. The British Council in Santiago is currently developing a programme of in-country training for teachers, which will include the production of materials and online courses. They are also involved in the 'English Opens Doors' programme which is being run by the government (and will be discussed in more depth shortly). Finally, the BC runs a language assistant programme, under which it sends 30 Chileans a year to the UK to work as language assistants. However, Andrew noted that much of the focus on education within the British Council in Chile is directed at higher education. They attend numerous graduate and postgraduate fairs. The Council would be very happy to display marketing or promotional materials about UK ELT, and Andrew noted that they usually receive many questions about it at these educational fairs. They are keen to collaborate with English UK and member schools in the future, particularly at education fairs. Stand shares and/ or brochure racking at events such as AREI Chile would be welcomed.

Andrew also referred to the emerging realisation in Chile that English skills are important, particularly amongst the 25-35 year age group. However, he added that there is still some reluctance to travel outside Chile to obtain these skills, thus the dramatic increase in the number of in-country providers, particularly in Santiago.

The Ministry of Education in Chile runs a scholarship programme (BECAS Chile) which sends 2000 students overseas each year to study Masters or PHD programmes. The funding includes air fares and living costs as well as courses fees. So far, a minimal number of students have chosen the UK. Andrew indicated that this was largely due to the restrictive costs of UK ELT (even when other costs are covered)- otherwise students would jump at the chance to study in Britain. The UK market retains an excellent reputation and 'snob value', but the country is often neglected due to the costs and distances involved. In this respect, Australia and New Zealand benefit from shorter flying time and lower costs, and better weather.

www.britishcouncil.org/chile.htm

Meeting with Gloria Salazar, English Opens Doors Government Programme

English Opens Doors is an initiative of the Chilean Ministry of Education (MINEDUC), designed to improve English as a Foreign Language (EFL) teaching in Chile, and make it more accessible to all school-age Chileans. The English Opens Doors programme was created in 2003 and is supported by President Michelle Bachelet and Minister of Education Mónica Jiménez.

The most important element of the scheme is EFL teacher training. There are currently 6000 teachers following courses in Chile as part of this scheme, which include methodologies for high school teachers, and diplomas in ELT. They have also produced teacher support materials, such as DVD lesson plans, and online courses for teachers using YouTube, which are particularly targeted at schools in rural areas of Chile.

English Opens Doors includes a summer programme for 4000 Chilean high school students. The students attend camps within Chile and take part in English lessons, debating competitions and other activities designed to help them improve their English.

English Opens Doors also runs a semester abroad programme for university students, in partnership with the BECAS Chile programme. University students in their final year receive funding to study overseas for one term. They are obliged to study in a country where English is the first language. The scheme is designed to improve the standards of English amongst university graduates.

Finally, English Opens Doors provides scholarships for teachers of English to study overseas for a semester. The students' lessons are paid for, as are travel and living costs. Once students have completed their overseas training, they are obligated to teach English in the Public Sector in Chile for at least two years afterwards. Gloria indicated that these students would not be sent to the UK as the courses are considered to be expensive, as is the cost of living.

So far, the scheme has been very successful. A nationwide survey was carried out (using Cambridge ESOL examinations) to ascertain the nationwide standard of English language skills in 2003 when the scheme was initiated. When the programme began, only 5% of Chilean students left school with an acceptable level of English. As the scheme has progressed, this percentage has risen significantly.

www.puntonorte.cl/voluntarios/

Meeting with Eduardo Vasquez, Instituto Chileno Britanico de Cultura

The Institute was founded over 70 years ago in Santiago, and now has six branches in the city. It now also has a professional institute and a teacher training school. I met with Eduardo in the central school in Santiago. Eduardo began the meeting by pointing out the potential for growth in overseas ELT study amongst Chileans. The Institute only offers classes for those in country and runs no overseas programmes. The lessons at the institute are all oriented towards the UK and British English- most of the teachers are from the UK, and textbooks discuss UK culture.

However, he pointed out that the students who attend classes at the Institute are both clever and enthusiastic. He also noted that parents are increasingly interested in the idea of study abroad. He alluded to a 'Latin phenomenon' whereby parents are too concerned about their children, and suggested that parents would be more willing to send children to a school from where they had met a representative. Knowing that they were accompanied by a chaperone and that their safety was guaranteed is crucial. The students at the institute are already 'sold' on the excellent reputation of the UK, and it could therefore perhaps provide a useful channel for promotion for English UK and member centres. They would be happy to arrange meetings with their students for any EUK members visiting Chile in the future.

In order to create a market for young Chileans to travel to the UK, Eduardo suggested that more information must be provided to both agents and parents well in advance. He suggested that schools aim to visit the market or at least arrange meetings with Chilean agents at least twice a year in order to become established in the market.

www.britanico.cl/

Meeting with Matilde Esquiavel, OTEC Turismo Joven

OTEC specialises in General English courses for young learners. The company sends around 200 students a year overseas to study, but of this number only 15 are sent to the UK. At the same time, the company has seen an increase in the number of students choosing Australia, New Zealand and South Africa instead. The company generally has felt neglected by the UK market, especially in comparison to the markets mentioned above. They feel that they are badly informed about what the UK has to offer, and consequently send students elsewhere. Matilde indicated a trend whereby the average course length of students has increased in the last couple of years, and is usually between 8 and 22 weeks.

Matilde suggested that EUK schools attend more fairs and events in Chile if they would like to recruit students in the future. They also requested more general information about the UK- for example country maps, information about the food and the weather, or promotional posters.

Matilde (an ex-board member of AREI Chile) will be involved in the organisation of Expo Estudios, which will take place in Santiago on April 16-17, 2010. She emphasised that they are really keen to include schools from the UK in the event.

www.otecviajes.cl

Meeting with Florencia Eluchans, Cocha Joven

Cocha Joven is the youth section of the large Chilean travel agency Cocha. The company has a high profile in Santiago- they have numerous billboard adverts, and they have a prominent booth in the arrivals area of the airport.

They have only started arranging overseas ELT study relatively recently, and send about 10-15 students each month. Florencia identified Australia and New Zealand as particularly strong markets, especially in the summer. However, Cocha Joven would also like to develop stronger relationships with UK centres, as it has a better reputation for quality than many of its competitors.

The average course length for their students is ten weeks, and this is fairly consistent. The few students who do choose the UK may opt for slightly longer courses, partly because of the extra distance, but also because they tend to be more diligent students. Students decisions over which country to study in is influenced by their ability to study and work. The complicated processes involved with visa applications and the lack of working holiday visas available in the UK are a significant disadvantage.

Florencia Predicted a huge increase in the number of young Chilean students studying English abroad in the next 1-2 years, and suggested that UK schools interested in attracting students from Chile should begin to develop relationships with agents now. She recommended that this include visits to Chile and attendance at trade fairs and exhibitions.

www.cochenjoven.com

Meeting with Marianelly Nunez, Travel & Learn, and Marianella Concha, StudyTravel

Both agents have been heavily involved in AREI Chile since its foundation, and have recently been appointed to the board. Their agencies are both very positive about the UK, and would recommend it as the best option for the vast majority of their clients.

They were very critical of the lack of support that they receive from the British Council- they send over 250 students in groups as well as numerous individuals and yet could get not guidance or information from them. They described the attitude of many UK schools towards Chile as 'presumptuous', and drew a negative comparison with services provided by the Australian embassy.

Both agencies are currently investing in their high school markets and young learner programmes. They also identified a growing market for the age group 25-35. At the moment, study/work programmes are the biggest market in Chile, which sets the UK at a disadvantage, as many hoping to do this would automatically select Australia or New Zealand.

Their clients are middle or upper class, and are willing to invest in more expensive courses. As agents, they favour working with small, family run schools, or at least with institutions where they know a representative from the school well and continue to meet with them on a regular basis. They were also impressed by the work done by some of the English UK regional groups, and stressed that any UK destination marketing materials are really useful to agents.

They will both be involved in the organisation of Expo Ingles in 2010 and want to encourage the participation of more UK centres. They noted that in the past, there have been only one or two stands representing the UK, whereas there are always villages of schools from Canada, Australia and New Zealand. This has added to the feeling that the UK is just not interested in Chile as a market, which has discouraged agents from selecting the UK.

www.travellearn.cl

www.studytours.cl

Meeting with Ana Maria Cartagena, Centro Chileno Canadiense

Centro Chileno Canadiense is a well- established and prestigious language school in central Santiago. The centre has been sending students to Canada for ELT for the past 15 years, and is now looking to diversify what they offer. Their students are typically 24/ 25 years old professionals, intending to study overseas for a minimum of six months.

Ana Maria has also recently become interested in sending employees overseas for courses for teachers of English. She mentioned that she had had successful meetings with several schools at the recent São Paulo Fair in October (organised by the British Council, English UK, UK Trade & Investment and VisitBritain), and was impressed by the flexibility offered by UK institutions, and found that the two week option for courses for teachers of English particularly appealing. She has not been able to find shorter courses in Canada without paying a premium for them to be tailor-made. The two week option is preferable for reasons of cost and practicality.

Ana Maria described the Chilean market as 'conservative and serious', which is why she thinks that the UK could do very well in the future- it has maintained its reputation for excellent quality.

www.canadiense.cl

Appendix

Please find the following two reports in the appendix:

- 1. UK Trade & Investment Chile Sector Report – Education & Training**
- 2. British Council – a report on student decision making in Chile 2007 (data from the British Council’s online global student decision making survey)**

Sector Report

EDUCATION & TRAINING

CHILE

Produced by:
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Last revised JUNE 2008

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OVERVIEW

Political stability and an investment grade market economy is pushing Chile quickly towards developed country status. Corruption is low, GDP growth constant and inflation broadly maintained within independent Central Bank targets. An export boom in copper, fruit/veg, wine, cellulose and fish products has led the country's development with per capita GDP going from US\$9,900 per head in 2003 to US\$14,400 in 2008. The centre-left government enjoys a significant fiscal surplus, part of which is being directed towards spending in education (over 8% of GDP) and healthcare.

The UK's education system enjoys an excellent reputation in Chile and is one that schools often wish to emulate. British education influence is high at primary/secondary level in Chile but US university-led influence is very present within most universities. However, some 25% (300 per year) of further education students opt to study in the UK and this figure should go up rapidly with the government opting to increase funding for overseas studies, which should mean some 1,200 going to the UK every year in the near future. The government's programme is aimed at capacitating the country's future public/private sector leaders with a focus on innovation and entrepreneurship. Areas of special interest to Chilean students:

- **Science and biotechnology**
- **Energy**
- **Economy and business administration**

EDUCATION SYSTEM AND TRENDS

In 1980, Chile's military government launched a market-based education reform. Its objective was to promote greater efficiency through administrative decentralisation and open competition between public and private schools. However, the system has been strongly criticised as one that is centred mainly on quantitative financial and not enough on qualitative educational outcomes.

Some two decades later, President Michelle Bachelet, in her two Annual Report speeches (2007 and 2008) gave her full support to legislation creating a new General Law of Education, replacing the existing Pinochet-era law, known as the L.O.C.E. (Ley Orgánica Constitucional de Enseñanza). Education in Chile now operates under a three-part education system - schools are public, private, or privately owned but subsidised by the state according to the number of pupils. In the last two years, state subsidies as established by L.O.C.E have been raised several times per student and additionally increased per school location (urban vs. rural, wealthy area vs. low-income, regular education vs. special needs).

The L.O.C.E. was a Pinochet-era constitutional teaching law that essentially decentralised education in Chile, making it possible for almost anyone to open a school and receive government funding without having to conform to any standard of quality. The standards evaluation is still a point the Ministry of Education must work on as there does not exist an organisation similar to the British OFSTED (*Office for Standards in Education*) and there is no indication how it is going to be solved or when. So far, no

proposal has been put forward and evaluation is at best random and infrequent. Recent developments are suggesting however that some kind of control bodies (a regulator or Superintendency) shall be established in the near future.

More updated statistics on the Chilean economy can be found at the Chilean British Chamber of Commerce website www.britcham.cl

OPPORTUNITIES

The main opportunities for British business can be found in the **IT** sector for education. There is a requirement for British investment and products if appropriately priced.

Chilean GDP has been going up, the country is socially, politically and economically stable and Chileans are definitely technologically minded.

Chile has the highest ICT penetration in Latin America per capita even though Mexico, Argentina and Brazil have higher overall numbers (given that there are more people in both countries).

Some figures:

- Literacy rate 96%
- Total ICT spent in 2007 US\$ 300 million
- Number of personal computers: 13.7 per 100 people
- Internet users: 22 per 100 people

Chile is in the first place in Latin America as per number of PC with 13 for each 100. A big opportunity for suppliers will be the announcement in 2009 of the purchase of 30,000 **PCs** for primary 7 grade students with best academic results. Software for the increasing number of IWB will also be needed. Additionally, as per Ministry of Education plans, Chile is to become a bilingual country within the next 10 years so **English language software and books** will be of utmost importance.

The division between CDROM and **internet delivery** is now shifting towards the internet although many institutions - especially public ones - (given that they need hardcopy invoices) still prefer the "real" thing that they can actually show as something they have bought.

Opportunities can be found in niche certification and training such as insurance, banking, technical and professional. There is a great need for **international certification**.

Special Needs Education has finally become a point on the Government's agenda and a State subsidy for integration projects has been increased significantly per integrated pupil.

The number of scholarships offered by the Chilean Government to **post-graduate students** will increase by the year 2010 from 2,500 to 6,500. British Universities currently get some 25% of post-grad students after the USA and Spain. This kind of

opportunity should be explored by Universities as of now - it takes time to do the groundwork and convince University authorities and students that it is in their best interest to get a degree in the UK. Some interesting incentives (insurance, accommodation etc) might be offered.

CHARACTERISTICS OF MARKET

Compared with other middle-income countries, Chile is at a relatively advanced stage of educational development: universal coverage at primary school level (6-13) was achieved in the mid-sixties. Secondary education (14-17) reached 90% coverage. General literacy levels are 96% for both men and women.

For high income families the education system is very competitive - parents **can choose which schools their children attend and there is strong competition to secure places. The options are:**

- a) **State schools (55% of total enrolment)** – they are administrated by the municipalities who receive funding from the State and complement it with their own funding according to local means. That is why some Municipal schools have excellent results and infrastructure (high income Municipalities) while others fall behind badly. Local governments (around 300 in the country) are responsible for hiring academic and administrative staff. The central Ministry retains regulatory, quality assurance and major syllabus settings and they also prepare the measurement systems.
- b) **Private schools subsidised by the government** – get a monthly grant on the basis of enrolment and attendance records (34%). Most of them charge a fee and many are run by religious corporations. The grant acts as a powerful incentive for schools to develop strategies to improve student retention.
- c) **Fully private schools (9%)** – fees vary from U\$150 to U\$1,200 a month. These include the British Association of Schools (www.absch.cl) located mostly in Santiago and other larger cities.
- d) **Private technical vocational schools run by industrial groups (1.5%)**
Most of them offer apprenticeships. The five areas of specialisation (commercial, industrial, technical, agricultural and maritime) emphasise relatively low skills.

Professional Education

There are very few reputable professional institutes and schools although the need is great. Recent information has indicated the need for certification in areas such as tourism, mining, gastronomy, and computing to mention only a few. At the moment, the majority of people who work in the above mentioned areas have no formal training but rather on the job experience. Great scope for institutions offering professional skills and international certification.

Higher Education

A total of 63 universities and almost two hundred professional/technical institutes provide higher education.

Technical higher education

Technical education is provided at private institutes and at some universities. The length of courses vary from one year up to three years. In most cases, students pursuing technical studies are poor and thus unable to afford going to university (fees are more expensive and most courses last five years).

Standards tend to be low and the sector requires a major overhaul, establishing minimum standards of functioning, updating curricula, improving infrastructure and re-training staff. Businesses and education experts have pointed out that the deficiencies of technical education are responsible for the national shortage of qualified technicians and is holding back the country industrial development.

Until now, **grants** and scholarships were available only at university level. However, in 2000, for the first time, 3,000 studentships were offered to students of technical courses.

University education

University entrance used to be through the National University Entrance Examination, the Prueba de Aptitud Académica (PAA) which was changed to a more advanced system known as the Prueba de Selección Universitaria (PSU) - University Selection Test, a multiple-choice test which aims to assess general ability, as well as specific knowledge in different areas. Historically, pupils from private schools have tended to score much higher in the PAA than those from state-supported ones. The admission fee to do the PSU can be quite costly for students belonging to the poorer areas of society (up to \$28,000 Chilean Pesos or around US\$50). However, this year all low-income students from municipal and subsidised school will have their PSU fees covered by the State.

Universities fall into two categories:

- 1) **'Traditional' universities** - all of them can be accessed through the Consejo de Rectores website - an association that brings together traditional and accredited Chilean universities www.cruch.cl

Established prior to 1981, these are generally the most prestigious and deliver education which, at its best, reaches the highest international standards. Students at traditional institutions have normally reached higher PAA scores than those at private universities. Academics also tend to concentrate at traditional institutions, although salaries are lower than in private universities. However, there are wide variations between universities (e.g. those from Santiago are usually better than those from the provinces) and even between different departments in the same university.

2) **Private universities, set up from 1981 onwards.** The Pinochet government opened higher education to private capital. In 1980, Chile had eight universities. Now it has nearly 60, 40 of them private institutions with almost no state support, except for some limited bonus funding tied to students with high PSU scores.

Private universities concentrate on a narrower range of subjects, usually those with lower infrastructure costs (humanities), with basic sciences representing a small percentage of the courses offered. Although recently, thanks to excellent economic results, several universities opened medical and engineering careers.

Students at both types of university have to cover their fees. At US\$400 - 1,000 per month, tuition fees are equivalent to nearly half Chile's average monthly wage. Considering that the average length of university courses is five years, fees are a costly blow for the families concerned (often in a par with a mortgage) and thereby have played a major role in restricting entrance to the children of better-off families. Students attending private universities often come from such families because they can afford the fees.

KEY METHODS OF DOING BUSINESS

Chile is a modern and sophisticated market and people tend to know their business as well as UK counterparts. Chileans are usually well educated, often travel overseas and are well acquainted with state of the art technologies. They keep informed not only of issues relevant to their area but also politics, arts, etc.

Most schools, universities and institutes are based in Santiago but other Chilean cities such as Viña del Mar, Temuco, Concepción etc have similar structure to Santiago. Some of them are quite affluent and would like to have the same kind of education as their Santiago counterparts.

Although many speak English it is always recommendable that a British guests takes the trouble of learning at least some Spanish as a form of courtesy.

Companies new to Chile normally need to establish some form of partnership with a Chilean counterpart. It is essential to visit the market; face to face contact is vital to develop business relationships and research the sectors. Support you local representative with information about your products and follow up their enquires.

Chileans recognise the quality of UK products and services and are well disposed to doing business with the UK - but the main concern for Chileans is the final price and the final benefit. It is also extremely important that Chilean companies are able to offer guarantees, good service and technical support for equipment.

CHILE-EU ASSOCIATION AGREEMENT – It covers a free trade area in goods, services and government procurement, liberalisation of investment and capital flows, the protection of intellectual property rights, a co-operation for competition and an efficient and binding dispute settlement mechanism. The free trade area in goods is underpinned by transparent and strong rules, including provisions which aim at the

facilitation of trade in particular in the area of wines and spirits and sanitary and phyto-sanitary measures.

Additionally, the agreement aims to facilitate trading conditions between the EU and Chile including:

- simplification and harmonisation of import and export documentation based on international standards, including use of simplified declarations;
- improvement of customs procedures, through methods such as risk assessment, simplified procedures for entry and release of goods, granting of authorised trader status, using electronic data interchange (EDI) and automated systems;
- measures to improve transparency and appeal procedures against customs decisions and rulings;
- mechanisms to ensure regular consultation with the trade community on import and export regulations and procedures;

The full text of the agreement is available at http://ctrc.sice.oas.org/Trade/chieu_e/ChEUin_e.asp

A comprehensive Double Taxation Convention between the United Kingdom and Chile was signed in London on 12 July 2003. It includes provisions relating to the avoidance of double taxation and the prevention of tax evasion in respect of income tax and capital gains tax.

The text of the new Convention can be found www.inlandrevenue.gov.uk/pdfs/uk/chile_dtconvention.pdf

Its importance is related to the fact that no extra costs are attributable to taxes.

MORE DETAILED SECTOR REPORTS

Research is critical when considering new markets. UKTI provides [market research](#) services which can help UK companies doing business overseas including:

- **Overseas Market Introduction Service (OMIS)**. Bespoke research into potential markets, contacts and support during your visits overseas.
- **Export Marketing Research Scheme**. Advice on market research and help to contact subsidised market research administered by the British Chambers of Commerce on behalf of UKTI.

Contact your local [International Trade Advisor](#) if you are interested in accessing these services, or for general advice in developing your export strategy.

EVENTS

UK Trade & Investment's [Tradeshow Access Programme](#) (TAP) can help eligible UK businesses take part in overseas exhibitions. Attendance at TAP events offers significant benefits:

- possibilities for business opportunities both at the show and in the future
- a chance to assess new markets and develop useful contacts
- grants are available if you meet the criteria
- UKTI staff overseas will be available to assist delegates

Find out if you are eligible to apply to attend this event, and more about the support UKTI can offer, on the UKTI [Market Entry](#) web page.

Details of TAP events can be found in the **Events** portlet on the Chile page.

Other **Market Visit Support** may be available via your local International Trade Advisor.

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UKTI's **International Trade Advisers** can provide you with essential and impartial advice on all aspects of international trade. Every UK region also has dedicated sector specialists who can provide advice tailored to your industry. You can trace your nearest advisor by entering your postcode into the [Local Office Database](#) on the homepage of our website.

For new and inexperienced exporters, our [Passport to Export](#) process will take you through the mechanics of exporting. An International Trade Adviser will provide professional advice on a range of services, including financial subsidies, export documentation, contacts in overseas markets, overseas visits, translating marketing material, e-commerce, subsidised export training and market research.



Fresh thinking

A report on student decision making in Chile 2007

<https://secure.britishcouncilstats.org/sdmr/home.page>



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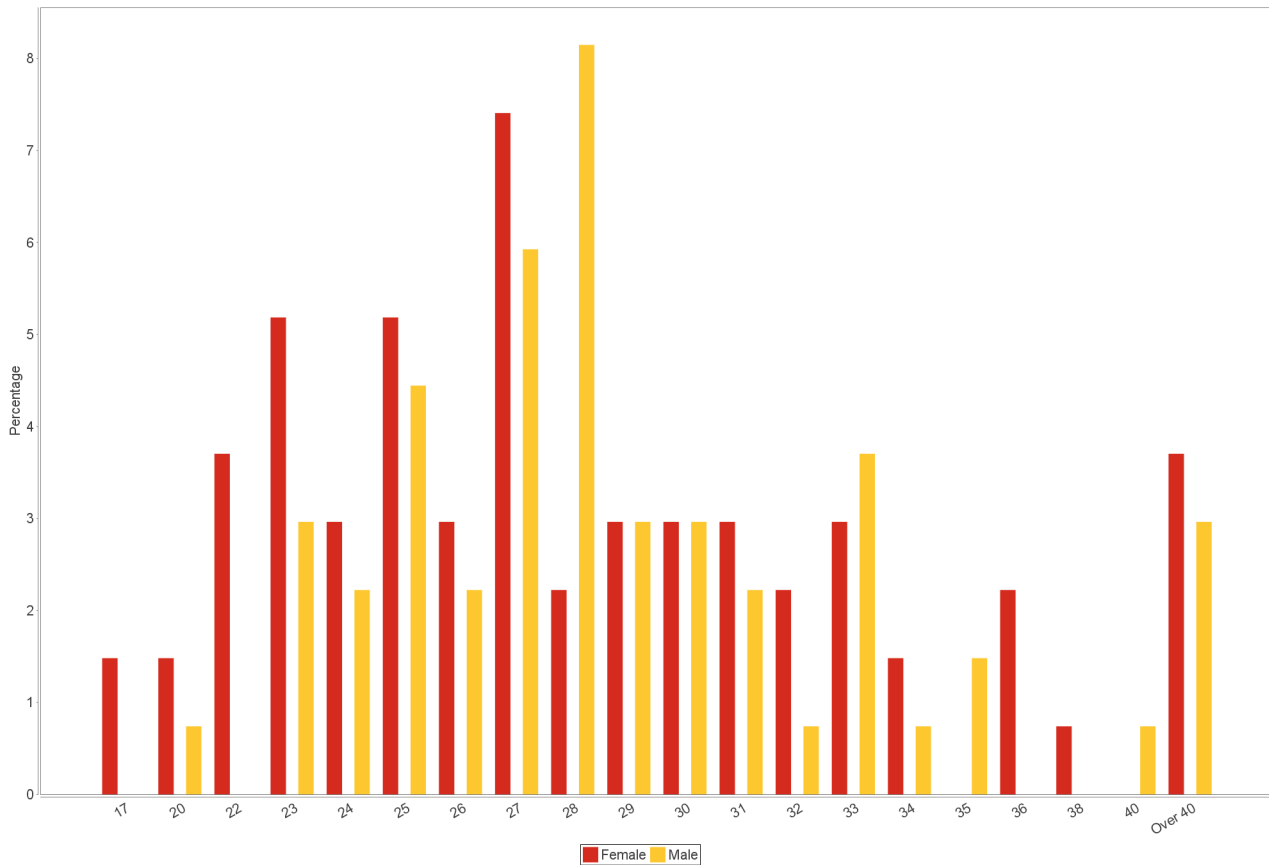
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Chile 2007

Age and gender

Amongst prospective students from Chile, 55% were Female and 45% were Male.



Base: 135

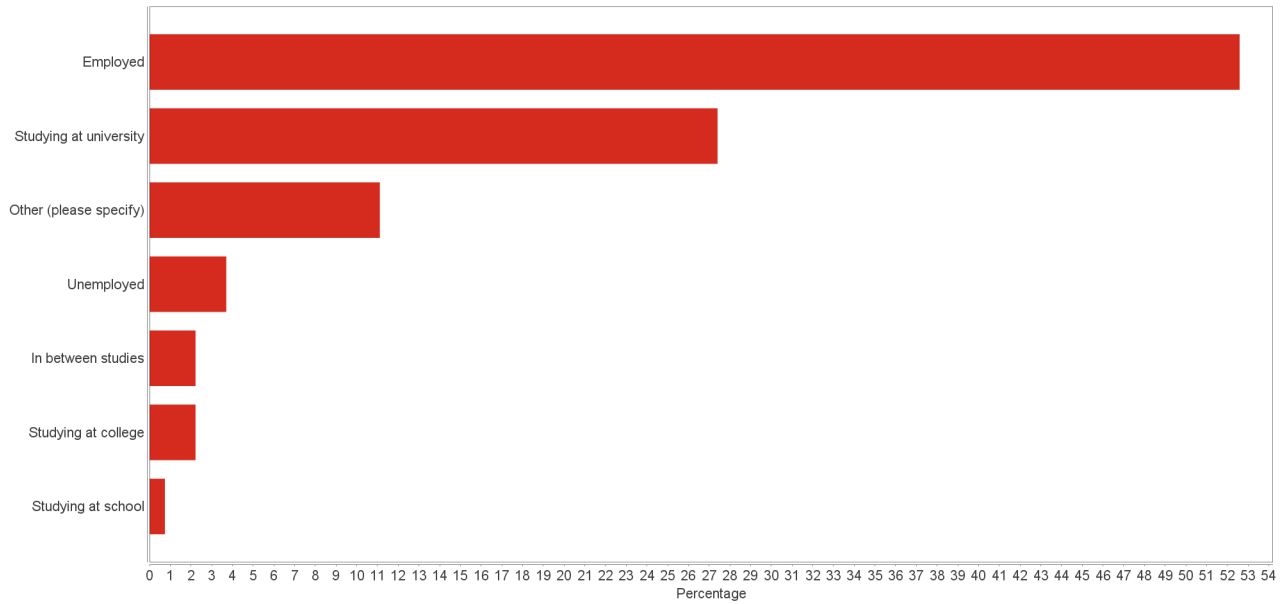
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Chile 2007

Current occupation

Most prospective students (53%) are Employed.



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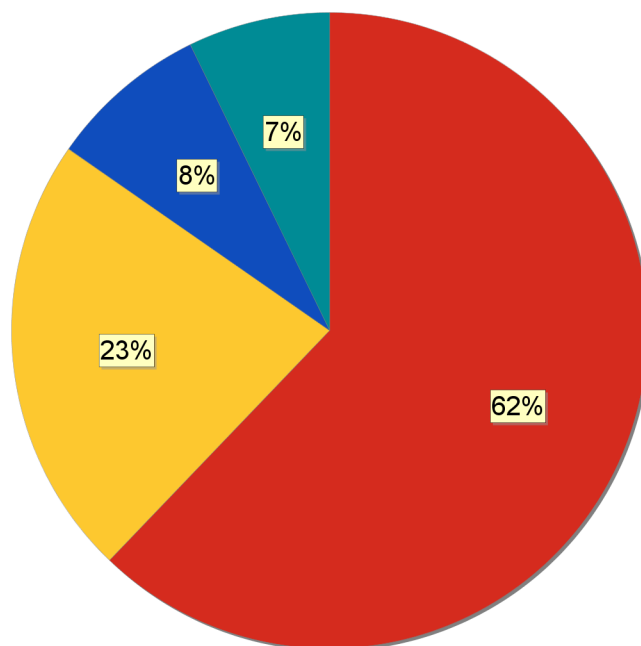
Chile 2007

What type of course are you considering

The most popular course type was Higher education (bachelors degree, Masters, Phd., MBA etc.) which 62% of prospective students are interested in studying.

Filter:

Those looking to study overseas only.



■ Higher education (bachelors degree, Masters, Phd., MBA etc.)
■ Pre-University course / A-Level / Foundation course / Vocational qualification / Other ■ English language
■ Professional Award (eg. ACCA etc.)

Base: 111

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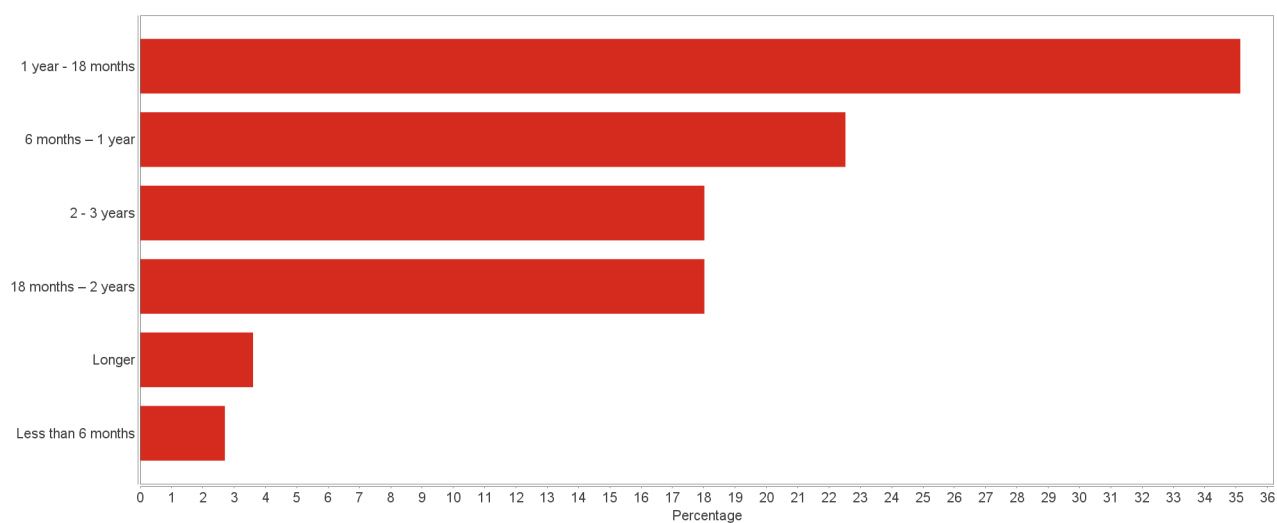
Chile 2007

How long from now do you intend to undertake the course

25% of respondents intend to start the course in the next 12 months with a further 35% planning to start in the next 12-18 months.

Filter:

Those interested in overseas courses only.



Base: 111

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Chile 2007

In what areas of study are you most interested (HE)

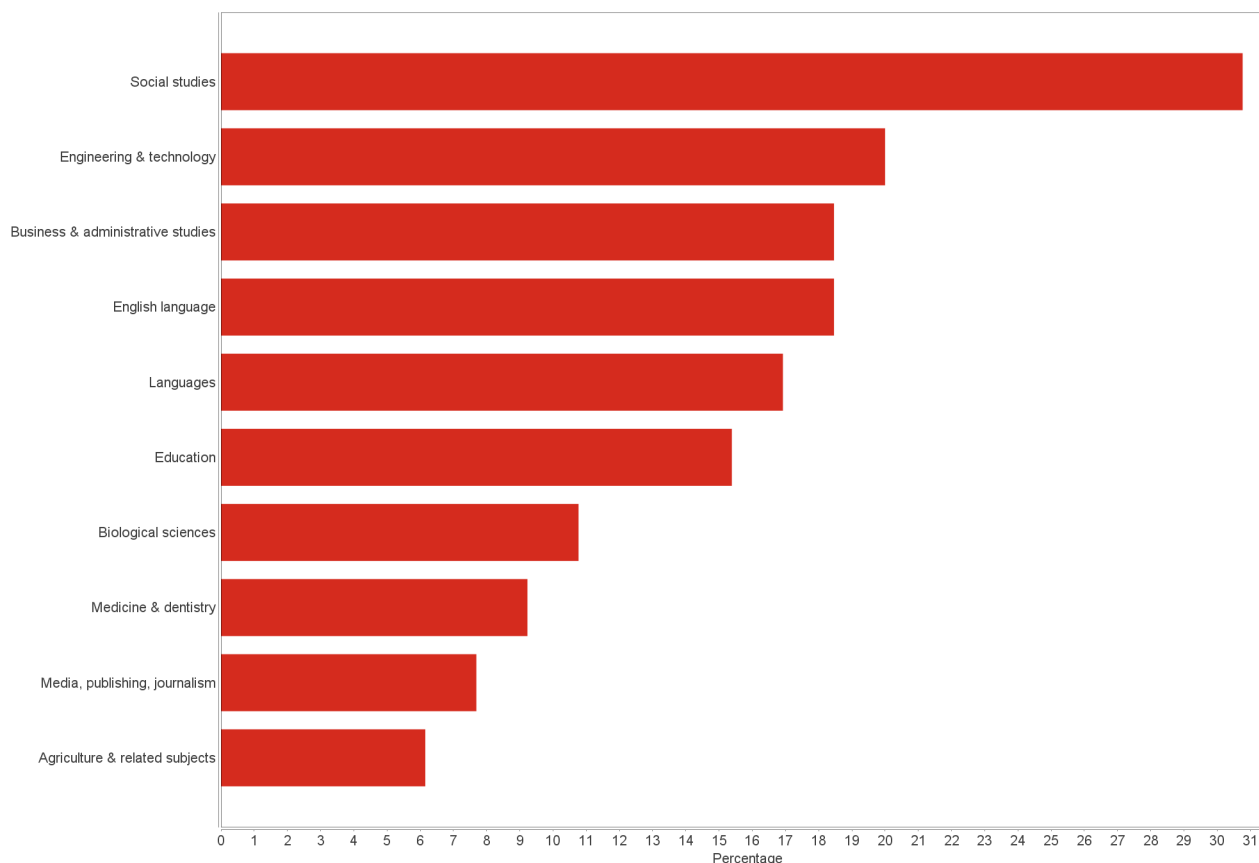
The most popular subject areas were Social studies (31%), Engineering & technology (20%), English language (18%) and Business & administrative studies (18%).

Filter:

Those interested in overseas HE courses only.

Respondents could select multiple answers.

Top 10 results only are shown.



Base: 65

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Chile 2007

In what areas of study are you most interested (Pre HE)

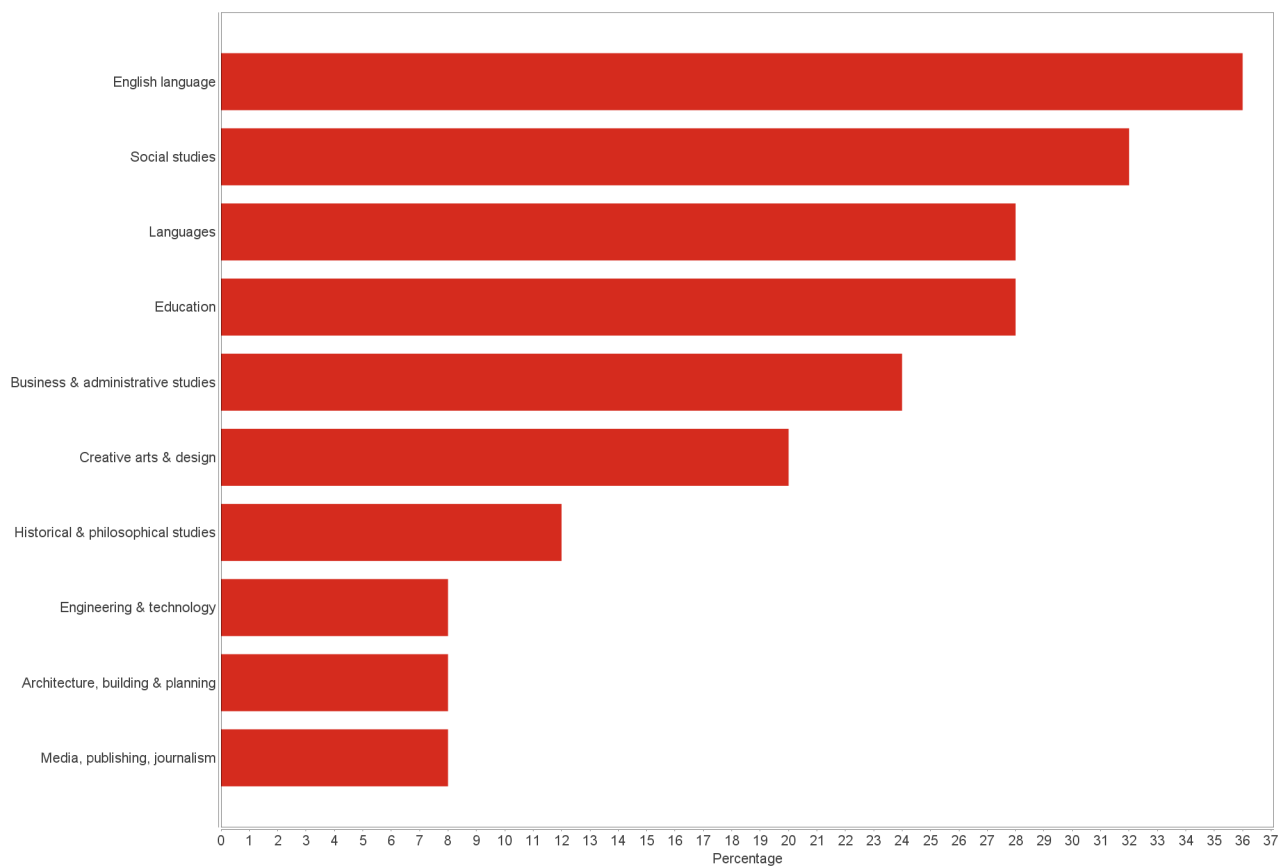
The most popular subject areas were English language (36%), Social studies (32%), Education (28%) and Languages (28%).

Filter:

Those interested in overseas pre HE courses only.

Respondents could select multiple answers.

Top 10 results only are shown.



Base: 25

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Chile 2007

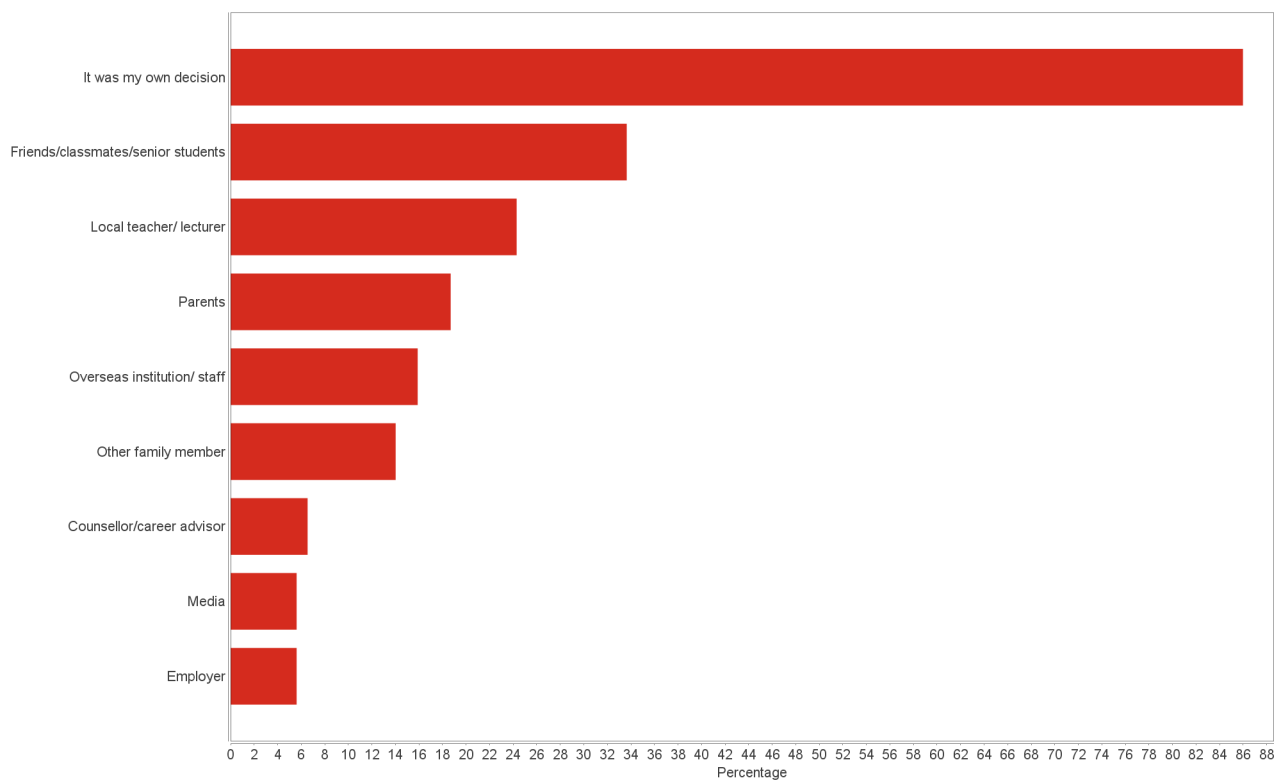
Factors influencing decision to study overseas

The most important influencing factor, on the decision to study overseas, was It was my own decision which was selected by 86% of respondents.

Filter:

Those looking to study overseas only.

Respondents could select up to three answers.



Base: 107

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Chile 2007

Selecting a school/college or university

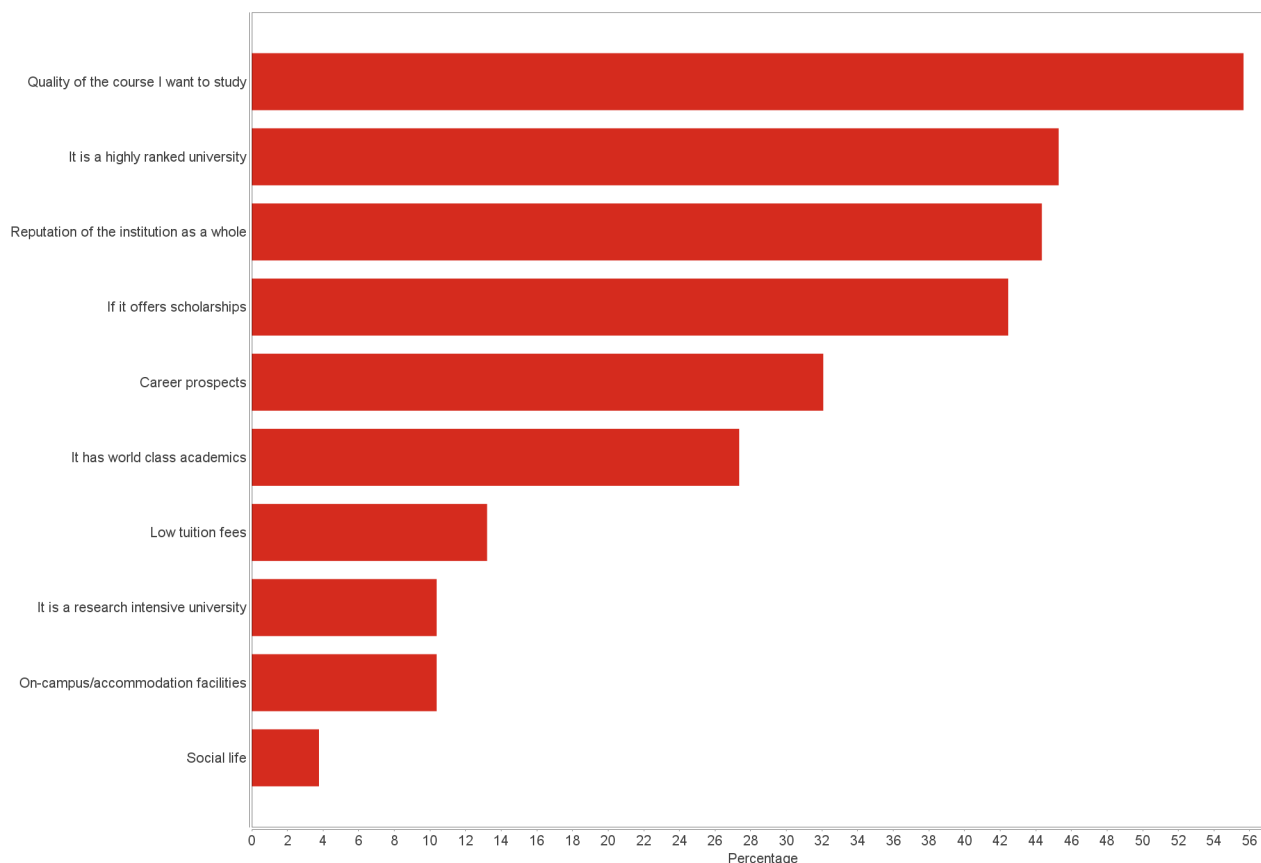
When selecting which institutions to study at the most important factor affecting their decision is Quality of the course I want to study, which influenced 56% of prospective students.

Filter:

Those looking to study overseas only.

Respondents could select up to three answers.

Top 10 results only are shown.



Base: 106

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Chile 2007

Important factors (when considering a country)

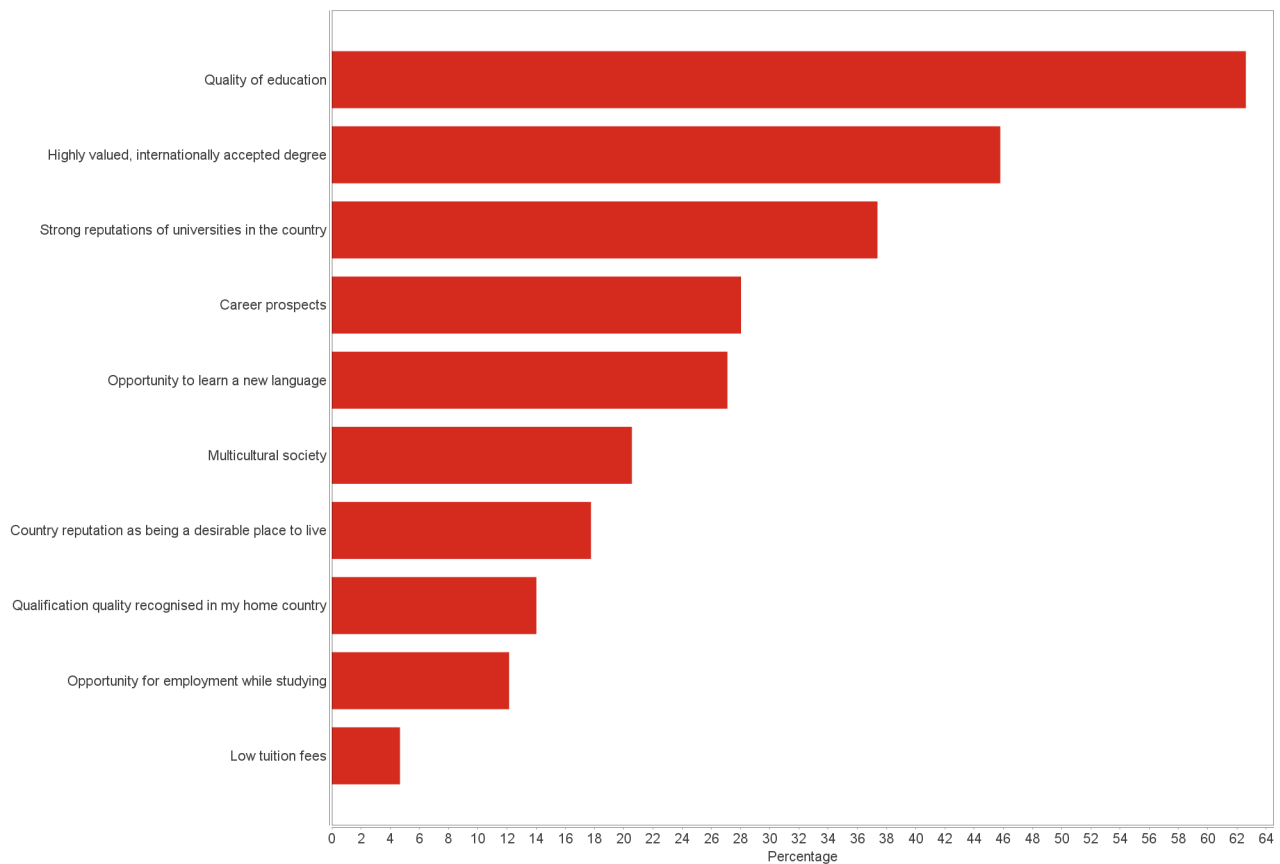
When selecting which country to study in the most important factor affecting their decision is Quality of education which influenced 63% of prospective students.

Filter:

Those looking to study overseas only.

Respondents could select up to three answers.

Top 10 results only are shown.



Base: 107

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Chile 2007

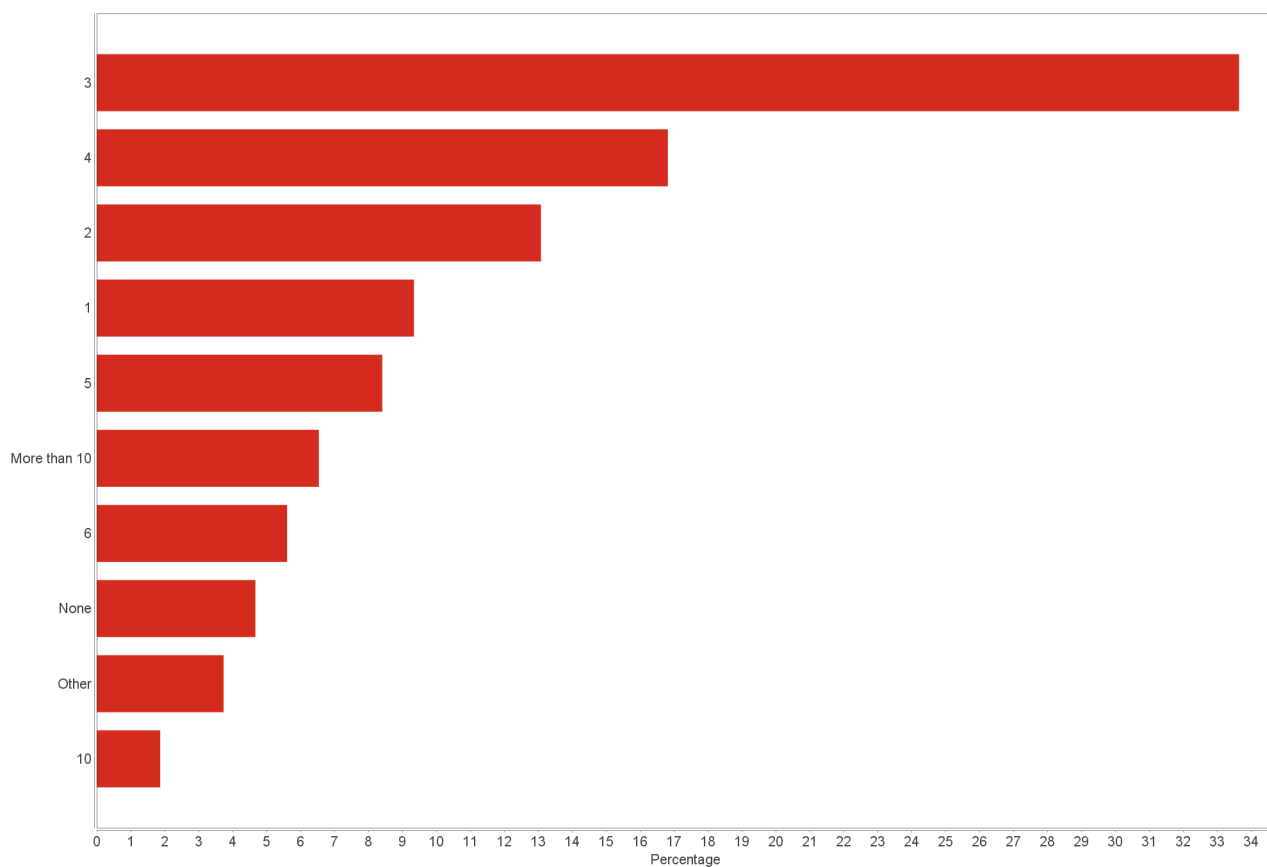
Number of institutions considered

34% of potential students considered 3 institution(s).

Filter:

Those looking to study overseas only.

Top 10 results only are shown.



Base: 107

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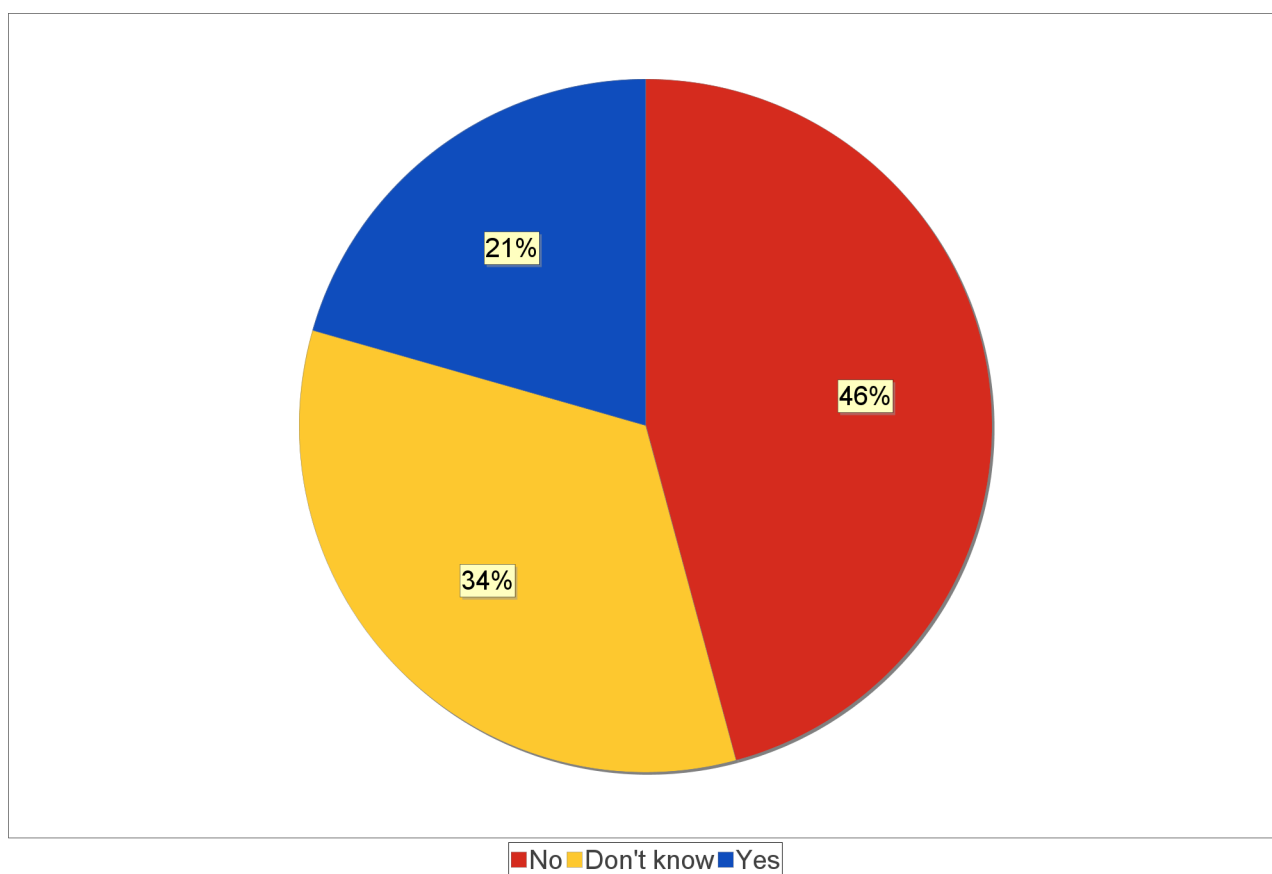
Chile 2007

Propensity to use an agent

21% said they would use an agent while 46% wouldn't and 34% are not sure if they would use an agent or not.

Filter:

Those looking to study overseas only.



Base: 107

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Chile 2007

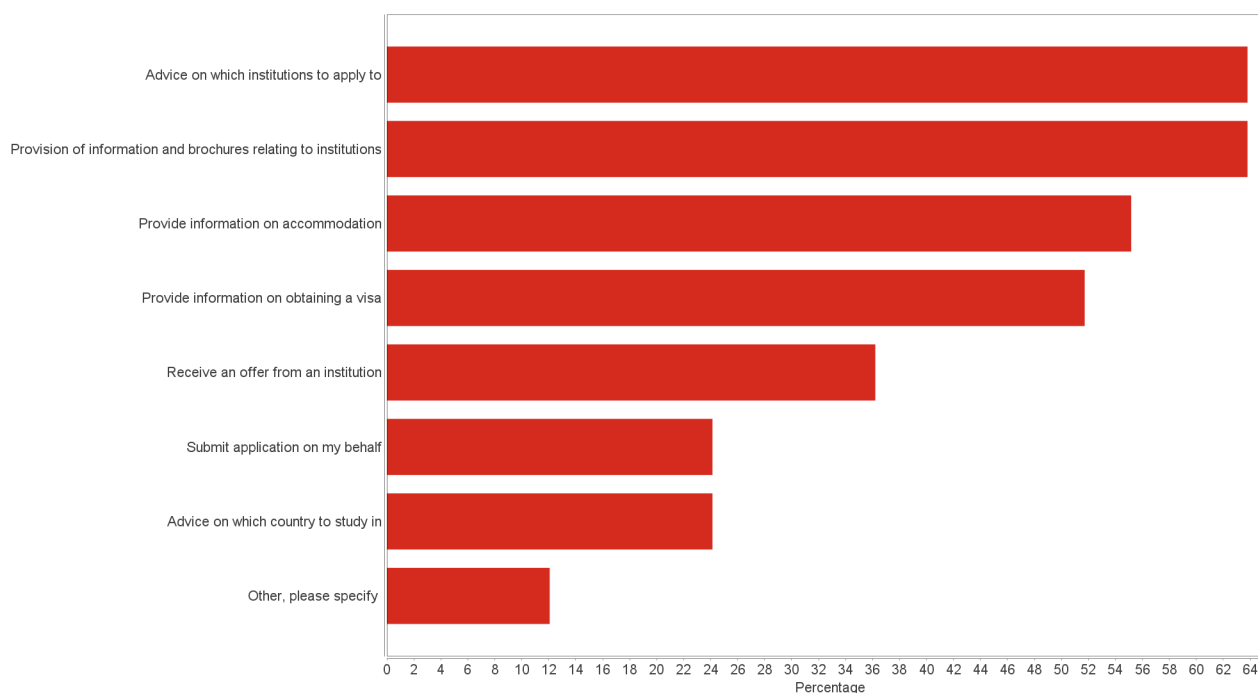
What services do you expect from an agent

The most important services prospective students wanted an agent to provide were Advice on which institutions to apply to and Provision of information and brochures relating to institutions which were both selected by 64%.

Filter:

Those who have/may use an agent.

Respondents could select as many services as they thought were important.



Base: 58

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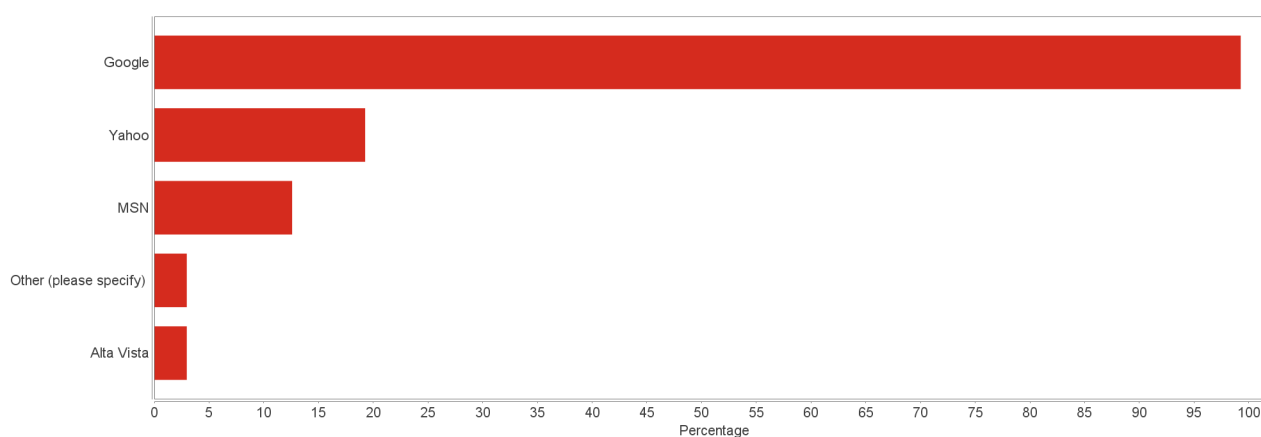


Chile 2007

Regularly used search engines

Amongst prospective students the most popular search engine was Google which 99% used on a regular basis.

Respondents could select multiple answers.



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Chile 2007

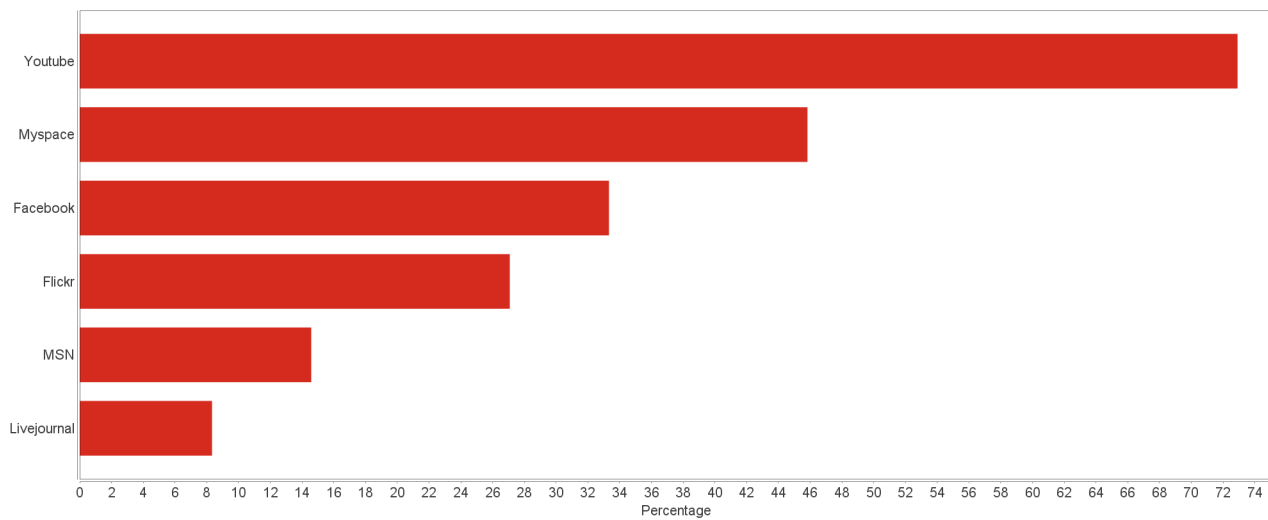
Networking sites used

Amongst prospective students the most popular social networking site was Youtube which 73% used on a regular basis.

Filter:

Those using social networking sites.

Respondents could select multiple answers.



Base: 48

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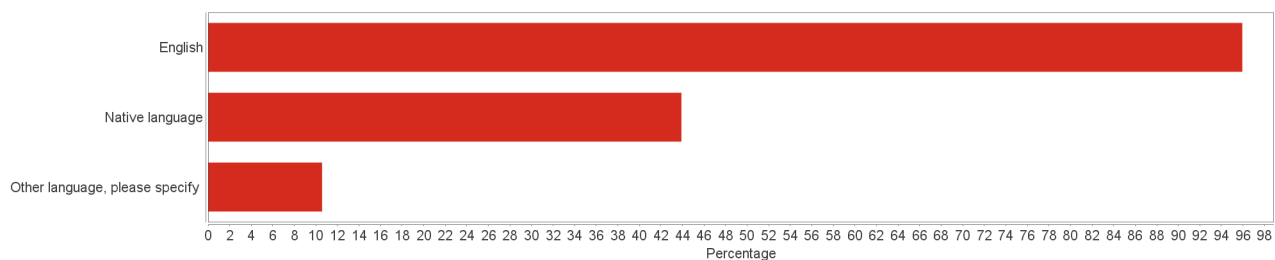
Chile 2007

Language used to search the web

44% of potential students search the web using their native language while 96% searched the web using English.

Filter

All respondents who use the internet.



Base: 123

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Chile 2007

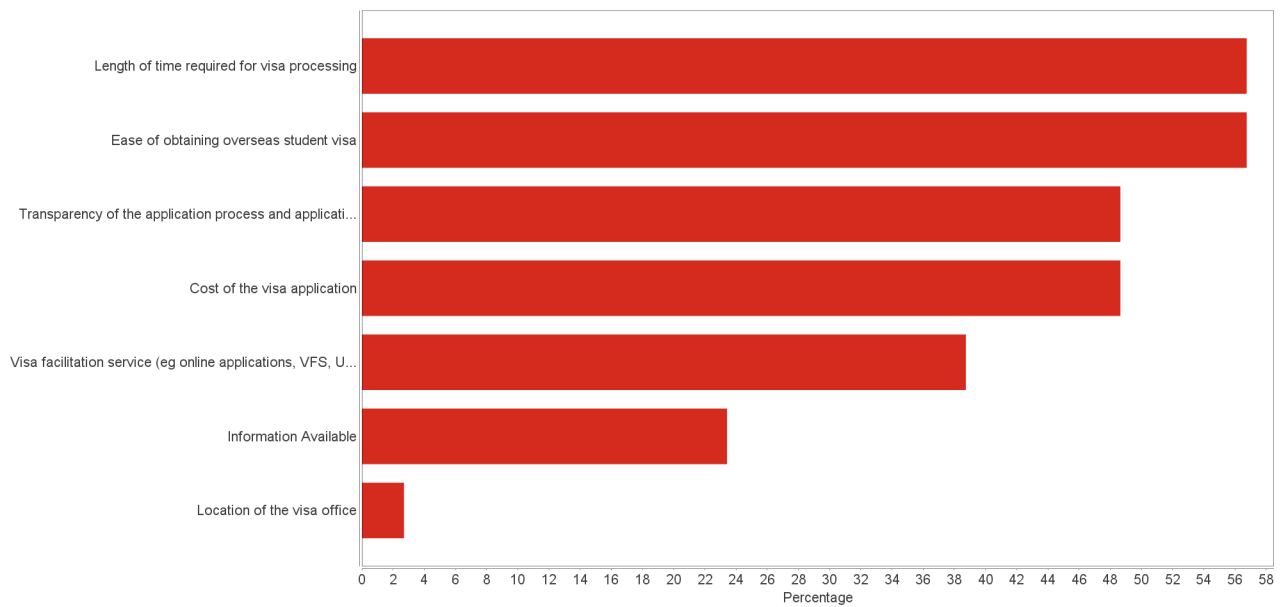
Important issues for obtaining a visa

The most important Visa issues, for prospective students, were Length of time required for visa processing and Ease of obtaining overseas student visa each of which were mentioned by 57% of respondents.

Filter:

Those looking to study overseas only.

Respondents could select multiple answers.



Base: 111

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Chile 2007

Sources of funding for international study

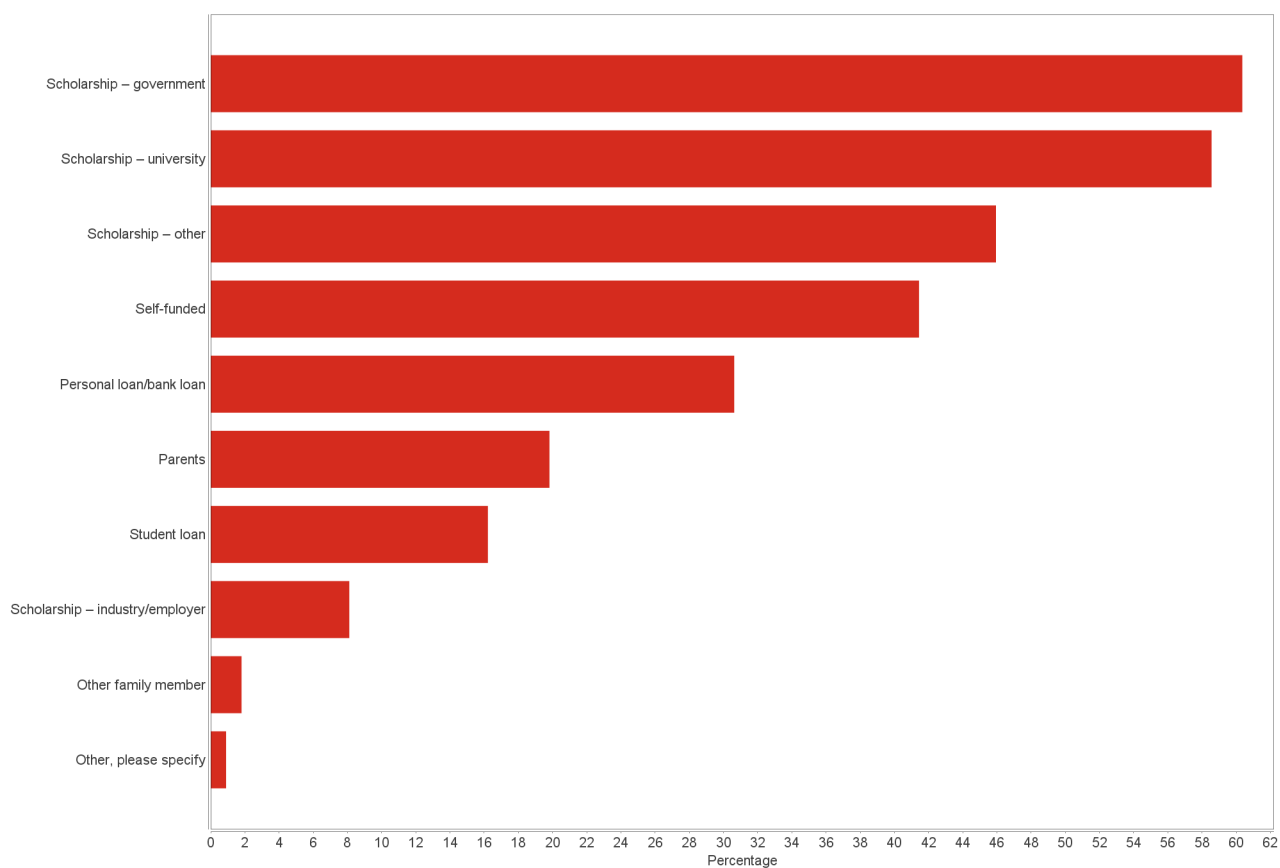
Amongst prospective students the most important funding source was Scholarship – government which was important to 60%.

Respondents could select as many funding sources as necessary.

Filter:

Those looking to study overseas only.

Top 10 results only are shown.



Base: 111

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