

**Estonia Market Report**



**Visit to Tallinn, September 2006, Katie Motley**

**Purpose of Visit:**

- To give a presentation/briefing to language travel agents
- To lay ground work with British Council and agents for Inward Mission in 2007

**Estonia Key Facts**

|                       |   |
|-----------------------|---|
| <b>Population</b>     | 1.3 million   |
| <b>Capital</b>        | Tallinn (430,000); other major cities: Tartu (105,000), Narva (80,000), Kohtla-Järve (70,000), Pärnu (50,000) |
| <b>Language</b>       | Estonian, Russian   |
| <b>People</b>         | Estonian 68%, Russian 26%, Ukrainian 2%, Belarusian 1%, Finnish 1%, other 2%                                  |
| <b>GNI per capita</b> | \$9,100   |
| <b>Currency</b>       | Estonian Kroon (EEK)  |

**The Market**

**Economic / social situation**

According to national accounts data, GDP rose by a considerable 9.8% in 2005. Private consumption during that time also expanded dramatically and was fuelled by a significant increase in households' disposable income. From 2001 to 2003 wage levels increased by approximately 6% each year, after which they dropped by 2% but then plateaued out. This wage level is predicted to continue over the remainder of 2006 and 2007.

Overall, the Estonian economy is forecast to remain on a firm growth path, predicted to be around 8-9% until the end of 2007.

This strong economic growth has contributed to a significant rise in employment levels and last year in particular showed a marked reduction in unemployment: unemployment in 2005 stood at 7.9%, reduced from 9.7% the previous year, and forecast to stand at 7.0% and 6.3% in 2006 and 2007 respectively. Due to expansion of construction output and continued growth in the service sector (particularly tourism), the numbers in employment are likely to continue to grow, albeit at a slower pace, for the remainder of 2006 and 2007. This slow-down is due in part to significant outward migration, chiefly towards the 'old' EU Member States. Nevertheless, the unemployment rate is estimated to decrease further and active measures taken by the government regarding employment have resulted in regional disparities within Estonia being diminished somewhat.

Although living costs in Estonia have increased since EU accession (while living standards have remained fairly low), average salaries have also increased and resulted in greater disposable income for many. In 2005 the average monthly gross salary in Estonia for all sectors was 8,073 EEK (approximately 350 GBP at time of writing), compared with 4,907 EEK (213 GBP) in 2001. Average monthly disposable income per household member (for a household of 2 adults and 2 children) in the same period has increased from 2,116 EEK (approx 92 GBP) to 3,093 EEK (134 GBP).

While average salaries remain highest in Tallinn and the surrounding region (in some cases up to 3,000 EEK per month more than other counties), there is very little disparity between the other regions, and the same is true regarding disposable income. Nevertheless, even in Tallinn and the surrounding county families will still have to economise for a whole year to be able to afford a short course overseas.

Society in Estonia is reported to be technologically well advanced and IT skills are taught early in schools, largely due to a government project to make Estonia a Wi-Fi nation. Public statistics from the first quarter of 2005 show that 68.1% of the population aged 16-74 is using the internet in their home, with 32.1% using the internet to buy travel and holiday accommodation. Statistics from the second quarter of last year indicate that those using a search engine to find information averaged 89.4% across all ages; there is no significant difference in use between age groups.

## **Education and demand for English language**

There is a strong tradition of language learning in Estonia; the younger generation in particular speak (in addition to Estonian) Russian, Finnish, English and also German to high standards, with many having studied abroad in Finland or the Netherlands.

Children in Estonia begin school at age 7 with English classes starting at age 8-9 though some schools are now teaching English to children from the beginning of their school career. A small number of kindergartens also teach up to 4 hours of another language per week, usually English or German.

At the end of their school career in year 12 (age 18), pupils in Estonia must take state exams, with the English exam being reportedly very similar to IELTS. On average, students are achieving an exam score equivalent to IELTS 6.5, with the very top schools helping students to achieve an equivalent of 8-8.5.

There are currently 11 universities in Estonia, 6 of which are public. The state pays for student places at both public and private universities however these are few and far between. Most students have to pay considerable amounts to study at university, meaning state-funded places have taken on scholarship status with students needing to achieve the highest grades to win a place.

The result is that those who wish to have a university education look to do this overseas and the UK is the most popular destination since Estonia's accession to the EU. Prior to this, the USA was the destination of choice due to courses being so much cheaper than the UK. However, the combination of no longer needing a visa to the UK, paying home-student prices, and eligibility for a loan from the Student Loans Company has made studying at a UK university the ultimate goal for many.

To this end, parents are keen to ensure their children start early by sending them on summer courses in the UK as well as to local language schools in Estonia.

There is a feeling that the height of demand for adult ELT was in the mid-90s when independence meant many civil servants and government staff suddenly needed to be conversant in English and public funds

were made available to pay for this training. Since then the emphasis has shifted. Specialised English language programmes may appeal to some, for example, courses aimed at county councillors in report writing skills.

The standard of English teaching in schools has become very high, although it tends to focus more on grammar and writing than on speaking. There is therefore a demand for junior courses to supplement language learning at home, with the British Council reporting that they provide advice to 250-270 students going abroad each year, with approximately 70% of these going on junior programmes. Often older teenagers and adults view general English courses as an opportunity to gain the speaking practice lacking in their home education.

**Local provision of ELT**

Due to the small size of the market, many agents operate as language schools and first established their businesses in this way before branching out into agency work due to student demand.

Local language centres are considered generally to be of good quality. Many offer Cambridge exams and are consequently used for exam preparation and to prepare for going to university in the UK. A number of centres also offer training in business English and run these courses off-site, usually tailored to the needs of the client at their offices.

Prices vary however at the time of visiting ILS charged the following prices:

60 hours over 15 weeks, general English for adults: 3,750 EEK + 18% VAT (approx. £190)  
 3 week IELTS course: 2,150 EEK + 18% VAT (approx. £110)

**Student week statistics**

As a matter of interest, statistics for Estonia collected by English UK from private sector members are included below, comparing 2004 with 2005. Please note that the number of returns varies and so comparisons are not on a strictly like for like basis.

| Student weeks | Total | Comm | Non-comm | Adult | Junior | General English | Bus & Prof | English Plus | Other ESP | One-to-one | % of total SW |
|---------------|-------|------|----------|-------|--------|-----------------|------------|--------------|-----------|------------|---------------|
| <b>2005</b>   | 430   | 300  | 130      | 292   | 138    | 369             | 5          | 8            | 46        | 2          | 0.05          |
| <b>2004</b>   | 387   | 274  | 113      | 272   | 115    | 299             | 20         | 14           | 47        | 7          | 0.05          |

**The British Council**

Ursula Roosmaa, Information Manager, reported that the British Council tries to work as closely as possible with the agents, arranging meetings to ensure an effective flow of information and, at the very least, requesting information from them regarding the size of their business to the UK etc.

The Council offices are well located, offering resources and education counselling though no teaching. Students however are generally directed to the English UK or British Council websites for course information and to book – Estonians are at ease with electronic bookings and sending credit card information over the internet.

The British Council sees around 270 students p.a. going overseas, with 70% of these for junior programmes. Generally parents suggest London as the destination of choice however they often change their minds when the pros and cons are pointed out. Nevertheless, language schools away from the south are reportedly difficult to sell, with universities and colleges doing better.

**Promotion**

Direct promotion is largely confined to the annual Youth Information Fair “Teeviit” usually held around the beginning of December in Tallinn. The fair is organised partly by the Estonian Ministry of Education and

Research and provides information on study opportunities, leisure career and so on. There are usually in the region of 150 exhibitors and 20,000 visitors made up of students, parents and teachers, and the British Council takes a stand each year. Ursula suggests however that the best method of representation at the fair is through an agent or by a group of centres taking a stand under the banner of a special interest group or regional association. Details can be found at <http://www.teeviit.ee/index.php?id=16&keel=eng>.

She also suggests groups of English language centres under similar banners looking into the possibility of placing an advert or article in the educational supplement of the largest state newspaper *Esti Päevaleht*. Centres should contact Ursula in the first instance at [ursula.roosmaa@britishcouncil.ee](mailto:ursula.roosmaa@britishcouncil.ee).

## Agents

The market in Estonia is small and not especially well developed compared with other countries. A number of the agents operate also as language schools, some only just beginning to send students abroad. Nearly all agents are based in Tallinn, with one holding their main office in Tartu though with a subsidiary office in Tallinn. Meetings were held with the main players in Tallinn, where they were available, and the following is an overview of the information they were able to provide about their business and as supplied by the British Council.

### International Language and Education Centre EVENOR

Tartu mnt. 43/F.R.Kreutzwaldi 24, 10147 Tallinn, Estonia, tel: +372 6485501, fax: +372 424021, e-mail: [maida@evenor.ee](mailto:maida@evenor.ee), web: [www.evenor.ee](http://www.evenor.ee), contact: Maida Insler or Evelin Klimenko, [evelin@evenor.ee](mailto:evelin@evenor.ee).

- Established in 2001 and operating solely as an agency.
- Attended English UK's Fair in 2003, 2005, 2006.
- Sending around 150 students abroad per year to private language schools, boarding schools, universities and colleges.
- Majority of clients aged 14-17 and undertaking short summer courses for general and intensive English then going on to study at university later.
- Suggest that some opportunities exist in the 45+ category for business English.
- Seeing increase in demand for Spanish courses, as well as German and French.
- The vast majority want to study English in the UK however a small proportion of those who have been to the UK before and want more of a holiday request Malta.
- Most want to stay with a family in order to practice speaking.

### Tokkroos Study Tours

Kentmanni 6b, 10116 Tallinn, Estonia, tel: +372 6676782, +372 6690522, fax: +372 6676781, + 372 6690519, email: [lena@tokkroos.ee](mailto:lena@tokkroos.ee), web: [www.tokkroos.ee](http://www.tokkroos.ee), contact: Jelena Bukrejeva

- Established in 1993 and operating solely as an agency.
- 5 permanent staff.
- Attended English UK's Fair in 2006.
- Member of Estonian chamber of commerce and industry since 1995.
- Have partner language schools throughout Europe.
- Began working with universities after EU accession and sent approx. 50 students to UK universities in 2005.
- Sent 20-25 students to UK language schools last year.
- Most popular course is general English for teenagers over the summer.
- Also sending smaller numbers of adults (usually aged 20-30) for general English and business English - some call for English for economics, law, business management and marketing.
- Students usually do exam preparation in Estonia.
- Very occasionally sending students to Germany, France, Finland, Canada and Australia for academic year programmes.
- USA was popular for work experience/internship programmes until EU membership – now UK.
- Demand for boarding schools has dropped recently.

## ILS (International Language Services)

Roosikrantsi 8b, 10119 Tallinn, Estonia, tel: +372 6277171, fax: +372 6464258, email: [phil@ils.ee](mailto:phil@ils.ee), web: [www.ils.ee](http://www.ils.ee), contact: Philip Marsdale

- Established in 1995 and operating as language school and agency.
- Have seen overseas study business drop over past 2 years from approx. 100 student weeks p.a. to around 60.
- Mostly sending juniors abroad but no longer sending groups.
- Also sending teachers and executives.
- UK seen as cheaper due to comparative ease of getting there and therefore more convenient.

## TEA KEELÕPETUS

Endla 4, 10142 Tallinn, Estonia, tel: +372 6263113, +372 6263310, +372 6263311, fax: +372 6263312, email: [kool@tea.ee](mailto:kool@tea.ee), web: [www.tea.ee](http://www.tea.ee), contact: Kertu Kivi

- Established in 1990 and mainly operating as a language school. Has been operating as an agency since 2000.
- 4 permanent staff.
- 16 languages taught at the school; most popular is English followed by Spanish and Italian.
- Only sending a handful of students to the UK each year.
- Usually business people wishing to improve their general English before undertaking business English.
- Students usually ask for London in the first instance and have a preference for British English.
- UK seen as safe and cheap (to get to) for a risk conscious, price sensitive nation.
- Homestay accommodation is popular because of opportunities to practice speaking.
- Report steady rise in request for studying overseas.

## Dialoog

Main office: Turu 9, 51004 Tartu, Estonia, tel: +372 7304990, fax: +372 7304094, email:

[dialoog@dialoog.ee](mailto:dialoog@dialoog.ee), web: [www.dialoog.ee](http://www.dialoog.ee), contact: Jekaterina Glazatsheva

Tallinn office: Gonsiori 13-23, 10124 Tallinn, Estonia, tel: +372 6620888, fax: +372 6620688, email:

[tallinn@dialoog.ee](mailto:tallinn@dialoog.ee), contact: Dmitri Leontjev

- Established teaching centre in Tartu in 1990 and operating in Tallinn since 2001.
- Have a couple of partners in UK for adult and junior summer courses in general English.
- Suggest most students in Estonia booking direct for UK and other EU countries.
- Mainly sending students to USA for au pair programmes and work & travel.

## Imbi-Reet Kaasik

Lõuna 28-2, 11617 Tallinn, Estonia, tel: +372 6723650, email: [imbireet@uninet.ee](mailto:imbireet@uninet.ee), web:

[www.uninet.ee/~imbireet](http://www.uninet.ee/~imbireet), contact: Imbi-Reet Kaasik

- Independent agent since 1999, not employing any staff.
- Often sending teachers abroad for refresher courses with Comenius funding.
- Also sends individual juniors or small groups for summer courses.
- However, thinking of retiring.

Other agencies are listed below, however it was not possible to meet with them.

### MAINEDD AS

Raekoja Plats 18

Tallinn 10146

Tel: +372 6444 744

Fax: +372 6444 744

Email: [mainedd@mainedd.ee](mailto:mainedd@mainedd.ee)

<http://www.mainedd.ee>

### OÜ BELLNOR

Tõnismägi 2

10122 Tallinn

GSM: +372 56626024

Tel: +372 6609606

Email: [bellnor@online.ee](mailto:bellnor@online.ee)

[www.bellnor.ee](http://www.bellnor.ee)

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|---|---|
| <p><b>OÜ DME-EF ESTONIA</b><br/> Pikk 7<br/> Tallinn 10123<br/> Tel: +372 6312213, +372 6432364<br/> Fax: +372 6312 213<br/> Email: <a href="mailto:estonia@ef.com">estonia@ef.com</a><br/> <a href="http://ef.virone.ee">http://ef.virone.ee</a></p>   | <p><b>EVMAR AGENTUUR</b><br/> Narva mnt. 7-352<br/> Tallinn 10147<br/> Tel:+372 6485441<br/> Email: <a href="mailto:info@aupair.ee">info@aupair.ee</a><br/> <a href="http://www.aupair.ee">www.aupair.ee</a></p>  |
| <p><b>VIRONE REISIBÜROO<br/>(Air Tours Est.)</b><br/> Kaubamaja 6<br/> Tallinn 10143<br/> Tel: +372 6276050<br/> Fax: +372 6276031<br/> <a href="http://ef.virone.ee">http://ef.virone.ee</a><br/> <a href="http://www.ef.com">http://www.ef.com</a><br/> <a href="http://www.airtours.ee">www.airtours.ee</a></p>                                  | <p><b>INTERNATIONAL HOUSE TALLINN</b><br/> Põhja pst 27<br/> Tallinn 10415<br/> Tel / Fax: 6410607<br/> GSM: 055659433<br/> E-mail: <a href="mailto:ihte@online.ee">ihte@online.ee</a><br/> <a href="http://www.ihtallinn.ee">www.ihtallinn.ee</a></p>                                |
| <p><b>AMICUS TOUR</b><br/> Vana-Viru 4<br/> 10111 Tallinn<br/> Tel: +372 6446084<br/> Erinevad keeleõppeprogrammid</p>  | <p><b>REISIEKSPERDI AS</b><br/> Roosikrantsi 19, Tallinn 10119<br/> Tel: +372 610 8600<br/> Fax: +372 631 3083<br/> Email: <a href="mailto:info@reisiekspert.ee">info@reisiekspert.ee</a><br/> <a href="http://www.reisiekspert.ee">www.reisiekspert.ee</a></p>                       |
| <p><b>MAINOR LANGUAGE CENTRE</b><br/> Kuhlbari 1<br/> Room 407A<br/> Tallinn 10128<br/> Tel: +372 6057227<br/> Fax: +372 6207533<br/> Email: <a href="mailto:keelekeskus@ehk.ee">keelekeskus@ehk.ee</a><br/> <a href="http://www.ehk.ee/keelekeskus">http://www.ehk.ee/keelekeskus</a></p>  | <p><b>BALTI PUHKEMAJAD OÜ KEY TRAVEL</b><br/> Narva mnt. 16-25, Tallinn 10120<br/> Tel: +327 646 1455<br/> Fax: + 372 646 1595<br/> Email: <a href="mailto:keytravel@lennureisid.ee">keytravel@lennureisid.ee</a><br/> <a href="http://www.lennureisid.ee">www.lennureisid.ee</a></p> |
| <p><b>VIA MEDEA</b><br/> Post Office Box 3007<br/> 10504 Tallinn<br/> Estonia<br/> Email: <a href="mailto:aina@uninet.ee">aina@uninet.ee</a><br/> <a href="http://my.tele2.ee/viam/index.html">http://my.tele2.ee/viam/index.html</a></p>   | <p><b>VESPAL OÜ</b><br/> Pärnu mnt. 19, Tallinn<br/> Tel: +372 660 5195<br/> Fax: + 372 660 5183<br/> Email: <a href="mailto:vespal@travernet.ee">vespal@travernet.ee</a><br/> <a href="http://www.vespal.ee">www.vespal.ee</a></p>   |
| <p><b>TRAVIBEST AS</b><br/> Ahtri 12, Tallinn 10151<br/> Tel: +372 646 6370, +372 646 6372<br/> Fax: +372 646 6121<br/> Tallinna mnt 41, Narva 20605<br/> Tel: +372 359 3510<br/> Fax: +372 359 3516<br/> Email: <a href="mailto:travibest@travibest.ee">travibest@travibest.ee</a><br/> <a href="http://www.travibest.ee">www.travibest.ee</a></p> |   |

## Summary

Student week statistics collected by English UK show a 10% increase for 2005 on 2004, however these are still quite small numbers. The high standards of English teaching in the state school system as well as in the private sector in Estonia mean that this is unlikely ever to be a very big market. The fact that students are achieving high scores on leaving school means that university preparation courses are also unlikely to be in high demand, especially since the general trend appears to be to use local provision for this purpose. Currently Estonians appear to view attending courses in the UK as a means for speaking practice and supplementing state education.

Despite the feeling from some agents that students are booking direct and that this is the reason for a decrease in their business to the UK, this is not necessarily borne out by English UK's statistics, which show a 70/30 split in commissioned v non-commissioned bookings respectively. This is about the average and the largest agencies such as EVENOR and Tokkroos both reported increases in business over the past couple of years.

There are strong economic indications of an improving situation in terms of disposable income and the improvement seen thus far may have contributed to the rise in student weeks. Language learning and being able to speak a language well is important to Estonians and this is likely to be the case where those willing to learn Estonian are few and far between. As salaries continue to increase and post-EU accession living costs settle down, it may be that in 4-5 years time further increases in numbers will be seen, particularly in the adult market and from other regions besides Harju and Tartu.

## SWOT analysis

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| <p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Tradition of language learning ingrained in the culture</li> <li>• High use of technology among all ages</li> <li>• Positive attitudes towards UK education</li> <li>• Preference for London and south east England (see weaknesses)</li> </ul>  | <p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• High standard of English spoken among younger generations</li> <li>• Small market simply by population</li> <li>• Undeveloped agent network</li> <li>• Preference for London and south east England (see strengths)</li> </ul> |
| <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Recent and continuing economic growth</li> <li>• Need for speaking practice</li> <li>• Preference for British English</li> <li>• Reduced salary disparities between regions</li> <li>• Increased disposable income</li> <li>• Desire of parents to invest in children's education to secure UK university education later</li> </ul> | <p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Good quality local provision at cheaper prices</li> <li>• Preference for exam preparation courses in-country</li> <li>• Some requests for Malta where visited UK already</li> </ul>   |