

# Latvia Market Report



## Visit to Riga, 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
- To support first “Days of British Education” fair

### Latvia Key Facts

<b>Population</b>	2.3 million
<b>Capital</b>	Riga (727,578); other major cities: Daugavpils (109,482), Jelgava (66,087),
<b>Language</b>	Latvian, Russian
<b>People</b>	Latvian 58.2%, Russian 37.5%, Lithuanian and other 4.3%
<b>GNI per capita</b>	\$6,750
<b>Currency</b>	Latvian Lat (LVL)

### The Market

**Economic / social situation**

Latvia’s economy appears to have been booming, expanding at one of the fastest rates in the EU. GDP growth in 2004 was 8.5% and in 2005 it was 10.2%, with virtually every sector experiencing significant growth. A good deal of this has been fuelled by high domestic consumption due to increased disposable income and greater availability of credit. The first quarter of 2006 showed no signs of a slow down, GDP growth being at 13.1% compared to the same period of the previous year. The forecast for 2007 is also positive with an expected expansion in GDP of 7.6%.

EU accession in 2004 appears to have had a positive effect on Latvia and the Development Plan of Latvia, intended to achieve development goals laid out in the Lisbon strategy, identifies four key areas:

- facilitating sustainable growth

- promoting business and innovations
- agriculture and fisheries development
- development of human resources and improved employment.

The high growth experienced in Latvia has contributed to reduced unemployment and employment gains are expected to remain strong for 2006 and 2007. As a percentage of the economically active population, the number of those seeking work in 2005 has decreased from 11% in 2004 to 9% in 2005. The lowest unemployment rate was in Riga (4.5%) and the highest in the eastern border areas of Rezekne (24.8%) and Ludza (27.0%). For the country as a whole the unemployment rate is forecast to gradually drop further to 8.4 % in 2006 and 7.9% in 2007.

As previously mentioned, average monthly wages and salaries have also increased substantially, though this has been in response to a sharp increase in prices. The average monthly net wages for 2004 and 2005 were 150 Ls and 176 Ls respectively, though of course those working in public administration or the finance industry may be earning 100-200 Ls more per month than the average. The average for the first quarter of 2006 is 192 Ls. (NB the exchange rate is approximately 1:1) Average monthly net wages for the Riga region are unsurprisingly highest (199 Ls in 2005) however there is little disparity between the other regions. On 1<sup>st</sup> January 2006 the national minimum monthly wage was increased from 80 Ls to 90 Ls.

Disposable income *per household* has also been increasing, standing at 110 Ls in 2005 compared to 101 Ls in 2004. Those for urban areas are higher than those for rural areas by as much as 30%.

Latvians are reported to be quite technologically aware with high numbers using the internet. These numbers have been increasing substantially. At the beginning of 2005 the percentage of households with access to the internet at home was 30.5%, rising to 42.2% at the start of 2006. For households of two adults with children, these figures rise to 43.4% and 60.5% respectively. The highest proportion of users is in the Riga region. Of those using the internet, a massive 96.4% are using it for searching for information and online services, while use of the internet for education and training purposes has been gradually decreasing, standing at 25.2% at the beginning of 2006 compared with 31.4% at the start of 2005.

## **Education and demand for ELT**

Standards of language teaching in Latvia are very high and English is the most widely taught foreign language in general state schools by a long way, followed by Russian, German and French, although statistics show that the teaching of German in schools is on the decline while English is on the increase. The first foreign language is usually taught in school from age 9 onwards although increasing numbers of schools are starting to introduce language from age 7 and English is no exception.

The result is that Latvian students are achieving quite high levels on leaving school. Those 16 and 17 year olds attending private language schools in Latvia are normally placed in advanced groups and overseas general English courses for teenagers are not necessarily so suitable any more. While there are certainly teenagers who wish to undertake English language courses abroad, it is more for the experience and being in an English speaking environment than a desire to make progress in their skills. A number also do short courses as a taster to determine if they may enjoy going to university in the UK.

As with other countries in the Baltic region, a high number of Latvians are now choosing to study at university in the UK due to the cheaper prices, the removal of visa requirements, and the availability of loans following EU membership. Prior to this Australia was the country of choice for university courses because of the lower course fees.

Nevertheless, where ELT is concerned, improvements in many families' financial situations, through greater disposable income and higher salaries, mean that students are no longer just looking for the cheapest course. Quality and the location are important aspects.

The main trends reported by the British Council and agents are summarised as follows:

- increase in numbers of professional adults and government administrators needing to improve their English, some seeking executive courses but also general English
- increase in demand for business English, IELTS preparation and academic skills, often at the expense of general English
- a desire for quality courses with special requirements in the context of students' future careers
- IELTS preparation is in high demand due to desire to study at universities in the UK but also due to some Latvian institutions requiring IELTS where programmes are run in English

- students are increasingly choosing smaller schools over big institutions.

With regard to IELTS courses, one agent explained that 1<sup>st</sup> June is the beginning of the school summer holidays in Latvia, which is an ideal time for Latvians in year 11 to do an IELTS course in the UK. Therefore those wishing to study at UK universities can achieve this and in January of year 12 they can apply to university.

Word of mouth recommendations are important in Latvia. Despite higher incomes courses in the UK remain expensive meaning that clients are likely to be quite risk-conscious.

### Student week statistics

As a matter of interest, statistics for Latvia 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>	1372	1030	342	978	394	1191	23	48	102	8	0.20
<b>2004</b>	1430	1061	369	1089	341	1214	105	66	36	9	0.80

### The British Council

The British Council in Latvia is quite active in the market; Inga Ziemele is the Education advisor there and has very good relations with the agents. Their attitude is that agents are very much partners in Latvia and they attempt to support agents in their events. For example, the British Council lent their support to the "Days of British Education" fair, which was the first event organised by the agency Meridian Group to promote only education in the UK. The "Days of International Education" fair has been going for some time and is also supported and promoted by the British Council.

In addition, BC Riga runs seminars for agents which are reportedly very popular, as well as running seminars for students.

The office is mainly run as an information and resources centre although a placement service is also offered. This is not something which the British Council promotes to the wider public, but rather offers to students who are recommended to them. Most students have already done their research on the internet but then seek clarification and advice from the British Council. The office also operates as a test centre for the majority of English language exams.

Inga can be contacted at [Inga.Ziemele@britishcouncil.lv](mailto:Inga.Ziemele@britishcouncil.lv).

### Agents

The agent network is not so well developed in Latvia and seems to be dominated by Meridian, which has a very good reputation. A number of other agencies exist which also operate as language centres but which are attempting to develop the agency part of the business more.

Most agents felt the UK was favoured by their clients and were most often sending older teenagers/young adults for English courses. Reports from agents regarding the buoyancy of the market were mixed, with some reporting a significant decrease in their business and others a significant increase.

A list of agents is included below, with comments on their business where available.

Agent contact details	Comments
<p>Meridian Group Evgeni and Olga Govor <u>Head office:</u> Kuldiga 17 Ventspils 3601 T: +371 3 626 207 F: +371 3 626 817 E: <a href="mailto:evgeni@meridian.lv">evgeni@meridian.lv</a> W: <a href="http://www.meridian.lv">www.meridian.lv</a> <u>Branch office:</u> Gertrudes 33/35 Riga 1011 T: +371 7 311 610 F: +371 7 317 628</p>	<p>Dominant agency in Latvia dealing with students aged 16+. Suggests after 16 students prefer adult courses as serious and more mature. Reports 15% increase in business year on year with 24% increase summer 2006. 2005 sent 60 students to universities &amp; FE colleges. Sending large numbers for academic programmes and has seen increase requests for intensive English courses in the last 2 years. Also sending students for business English and IELTS preparation.</p>
<p>Mecenats, the Centre of International Education Ms Guna Lasmane Riga Congress Hall Kr Valdemara 5, room 309 Riga 1010 T: +371 7 326 052 F: +371 7 320 898 E: <a href="mailto:mecenats@bkc.lv">mecenats@bkc.lv</a> W: <a href="http://www.mecenats.lv">www.mecenats.lv</a></p>	<p>Sending students aged 7-14 for general language courses, as well as students for academic year programmes and foundation courses.</p> <p>Also sending 16 years – suggest they prefer to be placed on adult courses because they are serious and mature enough to have more freedom.</p>
<p>R&amp;V Educational Centre Ms Velga Viksna Skolas iela 4 Riga 1010 T: +371 7 242 210 F: +371 7 242 201 E: <a href="mailto:velga@versija.lv">velga@versija.lv</a> W: <a href="http://www.runv.lv">www.runv.lv</a></p>	<p>Mainly operating as a language school but sending students occasionally. Agency established 2004. Approximately 10 per year all to UK for general and business English.</p>
<p>Mirte Language Centre Inga Matule Raina Blvd 23 Riga 1050 T: +371 7 223 237 F: +371 7 222 284 E: <a href="mailto:inga@mirte.lv">inga@mirte.lv</a> W: <a href="http://www.mirte.lv">www.mirte.lv</a></p>	<p>Established 1992 and mainly operating as a language centre. Send around 5 students per year to the UK, usually young adults for general and intensive English vacation courses.</p>
<p>Language Centre Kora Alona Saveljeva Raina 1 Daugavpils 5401 T: +371 5 407 069 F: +371 5 407 057 E: <a href="mailto:lcinfo@kora.lv">lcinfo@kora.lv</a> W: <a href="http://www.kora.lv/lc">www.kora.lv/lc</a></p>	<p>Established 1999. 2 full-time staff and 16 part-time teachers. Work with some English UK members. Send around 5 students per year to the UK.</p>
<p>International House Riga – Satva</p>	<p>Have been sending students abroad since 1994.</p>

<p>Iluta Ostrovska 1<sup>a</sup>-1 A. Kalnina Str Riga 1050 T: +371 7 226 641 F: +371 7 226 641 E: <a href="mailto:iliuta@satva.lv">iliuta@satva.lv</a> W: <a href="http://www.ihriga.lv">www.ihriga.lv</a></p>	<p>Sending juniors in the summer and young adults spring, summer, autumn for general English.</p>
<p>Durbe Ture Education Abroad Services Nora Dudareva Aspazijas bulvaris 32-214 Riga 1050 T: +371 7 223 122 F: +371 7 222 740 E: <a href="mailto:pasts@durbeture.lv">pasts@durbeture.lv</a> W: <a href="http://www.durbeture.lv">www.durbeture.lv</a></p>	
<p>KORN eV Inga Snipke Baznicas 27/29 – 3a 1010 Riga T: +371 7 278 282 E: <a href="mailto:korn.ev@inbox.lv">korn.ev@inbox.lv</a></p>	
<p>Ergo Study Abroad Services Irina Dubrovskā Arhitektu 1-111 Riga 1050 T: +371 7 227 300 F: +371 7 227 279 E: <a href="mailto:ergo@mailbox.riga.lv">ergo@mailbox.riga.lv</a></p>	
<p>SIA Linkturs Jelena Linke Terbatas 5-4 1050 Riga T: +371 7 223 120 F: +371 7 223 167 E: <a href="mailto:jelena.linke@linkturs.lv">jelena.linke@linkturs.lv</a> W: <a href="http://www.linkturs.lv">www.linkturs.lv</a></p>	
<p>Study Link – SIA Izglitiba arzemes Liene Dravniece Gaujas 17, Marupe Riga 2167 T: +371 6 547 785 F: +371 7 701 196 E: <a href="mailto:lote@inbox.lv">lote@inbox.lv</a> W: <a href="http://www.studylink.lv">www.studylink.lv</a></p>	
<p>Public Service Language Centre Sandra Saulite Smilsu 1/3 Riga 1050 T: +371 7 212 251 F: +371 7 213 780</p>	

E: <a href="mailto:saulitevmc@latnet.lv">saulitevmc@latnet.lv</a> W: <a href="http://www.vmc.lv">www.vmc.lv</a>	
Language Centre Pygmalion Tamara Karuzina Merkela 7-305 Riga 1050 T: +371 7 225 069 F: +371 7 225 305 E: <a href="mailto:info@pygmalion.lv">info@pygmalion.lv</a> W: <a href="http://www.pygmalion.lv">www.pygmalion.lv</a>	
InfoSab Ltd Lelde Grantina Mednieku Str 7-41 Riga 1010 T: +371 7 941 261 F: +371 7 941 262 E: <a href="mailto:infosab@infosab.lv">infosab@infosab.lv</a> W: <a href="http://www.infosab.lv/Infosab_English.htm">www.infosab.lv/Infosab_English.htm</a>	

## “Days of British Education” Fair

The fair was organised by the Baltic Council for International Education and the agency Meridian Group, and was supported by the British Embassy and the British Council in Riga. Meridian and the Baltic Council have been running the “Days of International Education” fair together for the past two years and the organisers felt that there has been sufficient and increasing interest in British Education for a stand alone event to be successful.

The event took place over two days on 28<sup>th</sup> and 29<sup>th</sup> September and was attended by a total of 19 organisations, mostly private English language centres as well as universities. Student numbers were reasonably steady with probably around 1,500 over both days.

The majority of students seemed to be looking for university degree programmes rather than English language courses; those interested in English courses tended to fall between the ages of 16 and 25. There were no real trends in what enquirers were looking for – they ranged from business and professional English, foundation and access courses, IELTS preparation, through to English for aviation.

The organisations in attendance all seemed to be pleased with the event; many had been working with Meridian for some time and were keen to support the agency in a new venture. It was noted that the fair and ancillary aspects were extremely well organised.

Details of the “Days of British Education” fair can be found at <http://www.balticcouncil.org/content.php?oid=4&rid=10&txtID=91>. Information about the “Days of International Education” fair for 2007 can be found by visiting <http://www.balticcouncil.org/content.php?oid=4&rid=7&txtID=71>. This event takes place in both Riga and Tallinn.

## Summary

The statistics collected from English UK private sector members show a decrease in the number of students coming to the UK from Latvia, with numbers for 2005 down 4.1% on 2004. Some agents reported a drop in business and painted a rather gloomy picture of things, however others felt that the

market still had potential and were in fact looking to increase the agency work they were doing due to greater demand. Meridian notably reported a large increase in business for 2006, especially over the summer period, and were particularly optimistic about the future. With such mixed messages from with the market it is difficult to get a clear picture of the situation; it will be interesting to see the statistics for 2006 when they become available. What is certain is that economic indications for Latvia are very positive with overall wealth and disposable income increasing for many.

## SWOT analysis

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Positive attitudes towards UK education</li> <li>• High use of technology among most age groups</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> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Recent and continuing economic growth</li> <li>• Reduced salary disparities between regions</li> <li>• Increased disposable income</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>• BC test centre</li> </ul>