

Lithuania Market Report



Visit to Vilnius, October 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

Lithuania Key Facts

Population	3.5 million
Capital	Vilnius (542,287); other major cities: Kaunas (360,000), Klaipeda (187,000), Siauliai (129,000), Panevezys (115,000)
Language	Lithuanian, Russian
People	Lithuanian 83.45%, Polish 6.74%, Russian 6.31%, Belarusian 1.23%, Ukrainian 0.65%, other 1.62%
GNI per capita	\$7,050
Currency	Lithuanian Lita (LTL)

The Market

Economic / social situation

GDP for 2005 rose by around 7.5% and comparisons between the first three quarters of 2006 and the same period for 2005 show an increase of 6.4%. This has been largely due an increase in household consumption (up by 14% for this period in 2006) due to a rise in bank borrowings and also a rise in income levels along with employment figures.

Forecasts for 2007 are for GDP growth to remain around the 6% mark, again fuelled by domestic expenditure. Unemployment has fallen sharply over the past couple of years, from around 11.4% in 2004 to 8.3% in 2005. Employment levels are predicted to continue rising in 2007 partly due to a tightening of the labour market caused by emigration. Nevertheless, long-term unemployment in Lithuania is well above the EU average.

Disposable income growth is expected to increase on the back of rapid wage increases and the reduction of the personal income tax in July 2006. In fact, comparisons between the first three quarters of 2005 and 2006 show an increase in average monthly net earnings of 26.1% (excluding individual enterprises). This has partly been due to a higher number of working days, as well as minimum monthly and hourly wages being increased from 1st July 2006. Between 2004 and 2005 average monthly disposable income increased from 496 LTL (approx. 96 GBP at time of writing) to 580 (113 GBP).

The number of Lithuanian households possessing personal computers and having access to the Internet at home is increasing year on year. Statistics comparing the first quarters of 2005 and 2006 show that households with internet access via a PC has more than doubled, increasing from 14.4% to 31.7%. The vast majority of internet users are in the 16-24 age bracket, 84.2% in Q1 2006. In the first quarter of 2006 40.8% of people aged 16-74 said they were using the internet for searching for information online and online services and 27.1% for training and education purposes, such as online courses. Across the same age range, 5.4% were buying goods/services over the internet, with the majority of these (8.1%) in the 25-34 age bracket.

Demand for ELT and local provision

As with the other Baltic countries, standards of language teaching in state schools are very high and a high level of exposure to the English language means many Lithuanians consider themselves to be fairly proficient in the language.

There is a feeling in some quarters that interest in going to study English language overseas is on the decline (this would be borne out by English UK's statistics which show a 20% decrease in 2005) especially among younger students and for junior courses. The main interest from Lithuanians considering overseas study is for university courses and this is a direct result of EU membership, removing the visa requirement and home-student course prices becoming available.

Provision of English language courses in Lithuania is reported to be generally good, though as may be expected there is some variation depending on how schools are run, the qualifications and experience of teachers. The agencies are all also acting as language schools, this having been their initial and primary focus.

One of the most popular demands is for language schools to provide English training for employees in the work place, most often in general English, business English and also English for specific purposes such as law. Requests for IELTS preparation courses are also on the increase due to the desire for many to study at university in the UK.

Student week statistics

As a matter of interest, statistics for Lithuania 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
2005	707	408	299	554	153	575	35	9	85	3	0.08
2004	873	501	372	762	111	750	29	13	79	2	0.10

The British Council

The office in Vilnius is bright and modern but quite small in terms of staff and remit, operating as a resource centre for students. Loreta Pilkiene, acting as Examinations/PR Officer/Educational Advisor at the Council, seemed to have a good knowledge of the agents and their business but was keen to stress that the market is small and not very well developed. There does not seem to be a great deal of promotional work undertaken by the British Council in Lithuania; most information is provided through their website rather than through particular events, which may be a reflection of the size and needs of the market.

There are reportedly few enquiries to the British Council in Vilnius regarding overseas study in general and English language in particular. Where there are enquiries, these are usually for IELTS courses (enquiries for which are on the increase) and for general and business English from middle and senior managers. These people are usually looking to do a course while on holiday and are looking for summer courses/camps for their children and sometimes family courses.

Agents

In total seven agents attended the briefing, the most established and well developed being KALBA and AMES (previously American English School). All of them operate primarily as language schools as well as agencies, with the agency side of the business for most focusing largely on university placements.

Comments from agents

Despite the statistics (above) showing a decline in numbers of English language students, the two largest agencies reported an increase in the numbers they have been sending abroad. Their feeling was that Lithuanians are still interested in studying English but that the target group has changed from teenagers and young adults to middle managers and business people. Other agents agreed, saying that those coming to them for language courses now were different from those they had a few years ago.

As most of the wealth is in and around the capital, managers seeking courses in Vilnius have mostly already done so. Those business people still needing improvement in their language skills are therefore mainly out in the regions and they are seeking out courses in Lithuania, often in the workplace. As regional disparities become less marked, it is likely that these people will increasingly look to study overseas.

A number of agents reported that where young adults are still interested in studying English overseas, they prefer to combine this with work experience if possible.

All of the agents present agreed that the UK was the main destination of interest for students of English and even promoting Ireland was extremely difficult since students felt that they would learn a different kind of English that may not be understood by others.

Although the first choice for students is London, agents reported no problems in convincing students to study elsewhere as long as they could provide good reasons; Lithuanians are more interested in the course they are doing and going to a school that is right for them than the location.

Agent contact details	Comments
KALBA Managing Director: Mr Rytis Jurkenas Konstitucijos av. 6 2600 Vilnius T: +370 5 275 0000 F: +370 5 275 4000 E: rytis@kalba.li W: www.kalba.lt	Head office in Vilnius; branches in Kaunas, Klaipeda, Siauliai, Alytus Probably the biggest agency in Lithuania. Est. as language school but agency work well developed
AMES Language Academy Managing Director: Ms Egle Kesyliene	Head office in Vilnius; branches in Kaunas, Klaipeda, Panevezys, Siauliai, Alytus, Utena

<p>Naugarduko 4 01141 Vilnius T: +370 5 269 1300 F: +370 5 269 1301 E: egle@ames.lt W: www.ames.lt</p>	<p>Also one of the bigger agencies but looking to develop this side of their business more. Currently dealing mostly with university placements.</p>
<p>MEC BALTIC Mr Dominyakas Staskevicius Universiteto 4 T: +370 5 212 1299 E: info@mecbaltic.com W: www.mecbaltic.com</p>	<p>Mainly University placements. Some language placements but usually with work experience.</p>
<p>Soros International House Ms Daiva Malinauskiene Konstitucijos av. 23 Korpusas A 08105 Vilnius T: +370 5 272 4892 F: +370 5 272 4839 E: info@sih.lt W: www.sih.lt</p>	<p>Agency side of business not very well developed.</p>
<p>Foreign Language Teaching Centre Ms Birute Surplyte Konstitucijos av. 15/5-4 08106 Vilnius T: +370 5 275 8857 F: +370 5 275 8832 E: birute@ukmc.lt W: www.ukmc.lt</p>	<p>Mostly university placements but some language courses, work programmes and summer camps.</p>
<p>Education Advising Centre Zaneta Savickiene Sauletekio al. 9-107 1022 Vilnius T: +370 5 236 6274 E: eac@cr.vu.lt W: http://eac.osf.lt</p>	<p>Advise on studying in many countries and are TOEFL testing centre. Mainly deal with university placements.</p>
<p>ILS International Language Services Director: Hannah Shipman Lukiskiu g. 5-511 01108 Vilnius T: +370 5 262 5406 F: +370 5 262 5419 E: hannah.shipman@ilsvilnius.lt W: www.ilsvilnius.lt</p>	
<p>Lingua Perfecta Director: Laura Montvilaite Kestucio g. 54 08112 Vilnius T: +370 5 249 8741 F: +370 5 249 8741 E: laura.montvilaite@linguaperfecta.lt W: www.linguaperfecta.lt</p>	
<p>Public Service Language Centre Ms Egle Sleinotiene Vilniaus 39/6 2001 Vilnius T: +370 5 212 0291 F: +370 5 212 0370 E: kalba@vikc.lt W: www.vikc.lt</p>	
<p>English First</p>	

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Summary

Lithuania is unlikely to ever be a large source of English language students; English UK's statistics suggest a downward trend and enquiries to the British Council in Vilnius for studying English overseas appear to be few and far between. In addition, the network of agents dealing with ELT abroad is unlikely to expand while the demand for this area of study is quite low.

Nevertheless, while the picture looks fairly gloomy, there may still be some potential in certain areas. While the "traditional" student market is in decline, older adults in the business world are still looking to improve their language skills. Economic indicators show an improving situation for Lithuanians and regional disparities in earnings and the per capita GDP of each county is becoming less marked. The fact that the agencies (or rather the language school side of their business) have a presence in the major regional cities is indication that language learning is seen as an important skill. It may be that middle managers who did not benefit from the improved standards of English teaching in state schools increasingly choose English courses overseas for themselves, and that they will make more enquiries about such courses for their children.

SWOT analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Positive attitudes towards UK English language teaching • High use of technology among most age groups • More people from regions outside Vilnius doing English courses 	<p>Weaknesses</p> <ul style="list-style-type: none"> • High standard of English spoken among younger generations • Small market simply by population • Undeveloped agent network
<p>Opportunities</p> <ul style="list-style-type: none"> • Recent and continuing economic growth • Reduced salary disparities between regions • Increased disposable income 	<p>Threats</p> <ul style="list-style-type: none"> • Good quality local provision at cheaper prices • Preference for exam preparation courses in-country