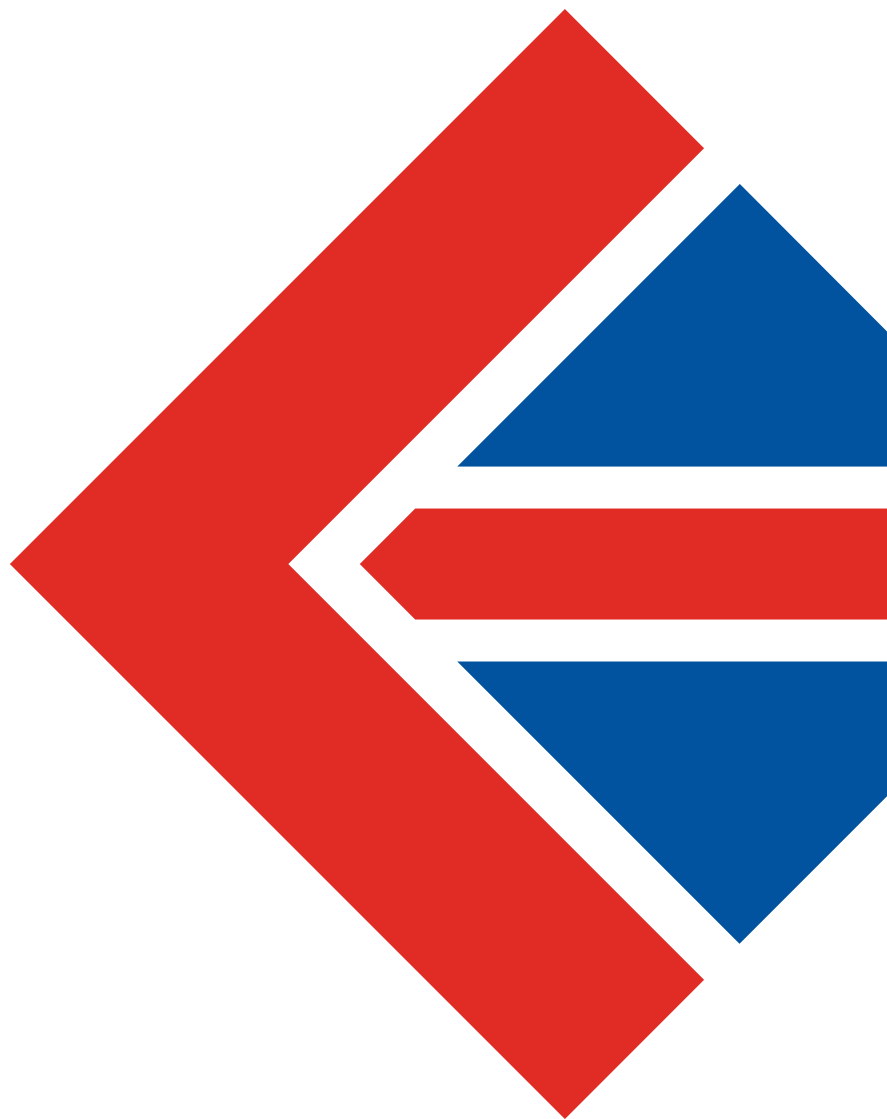


# MEXICO MARKET REPORT

## SEPTEMBER 2008



## **Market Report: Mexico**

English UK

September 2008

### **1. Executive Summary**

Mexico is a promising market for ELT with English language skills increasingly important in the local employment market. This is coupled with a strengthening economy which makes international education more and more affordable to the wider population.

There are good opportunities to market UK ELT institutions in Mexico and Britain is currently the second most popular destination for language travel, behind only Canada. Although there are a broad range of English language courses available within the country, there appears to be increasing demand for studying the language in the native country. Only the British Council offers courses taught exclusively by native speakers and these are only available from one office in Mexico City. In addition, local educational institutions often charge relatively high fees. Consequently, UK ELT centres may well emphasise the cost/ benefit balance when marketing their programmes in Mexico.

However, a potential tightening of the market could arise from a possible slowdown of the US economy. This is due to a heavy Mexican dependence on exports across the border to the north. An economic slowdown in the US could in turn affect Mexican spending power.

Despite its geographical proximity, it is currently difficult for Mexican nationals to access the USA due to tight visa restrictions. Should these rules change in the future the easiest language travel destination would be the English speaking neighbour. At this stage, the UK holds a comparative advantage over the United States.

### **2. Market Background**

#### **a) Overview**

The native inhabitants of what is now Mexico came under Spanish rule in the 16<sup>th</sup> century. The country declared its independence from Spain in the early 19<sup>th</sup> century, and is now a federal republic. Mexico has reported substantial economic growth throughout the last century, but is still faced with significant social inequality. The economy has benefited from the implementation of NAFTA in 1994, which resulted in the tripling of overseas trade with the USA and Canada. Per capita income is one-fourth of USA levels, and income distribution remains highly uneven.

The UK is Mexico's second largest export market in Latin America after Brazil, which means that business relationships between the two countries are well established and the UK an attractive country for overseas studies.

## **b) Political and economic situation**

Mexico has the 12<sup>th</sup> largest economy in the world, which is made up of a mixture of modern and outmoded industry and agriculture, both of which are increasingly dominated by the private sector. As an export-oriented economy, Mexico has free trade arrangements with over 40 countries. The country currently enjoys the lowest inflation rate in South America and is experiencing solid economic growth, expected to be 4% in 2008.

The main challenges facing the government include the need to upgrade infrastructure, to modernise the tax system and labour laws, and to reduce the level of income inequality.

## **c) Social and cultural situation**

Mexican culture is heavily influenced by North America as well as traditions derived from the Amerindian population. The primary language is Spanish. The country has a population of approximately 100 million with the majority living in very large cities. The average age is relatively young with 36% aged between 25 and 34; the literacy rate stands at 91%.

The uneven distribution of wealth in Mexico is reflected in the fact that the richest areas in the northern regions near the border with the USA have a much higher standard of living than the rest of the country. There are also disparities between the urban and rural population. In the areas with high levels of disposable income, international travel and education are becoming increasingly affordable and desirable. According to VisitBritain, in recent years there has been a noticeable increase in tourism to the UK from Mexico, and 88,000 Mexican nationals were recorded to have visited Britain in 2006.

The Mexican government has stated that its priorities remain reducing poverty and creating jobs, and education remains high on the agenda.

## **d) Internet usage**

In June 2008 there were 23.7 million internet users in Mexico (which represents approximately 21% of the total population). This rose from 16.8 million in 2005 and the number is expected to rise even further over the next few years. The younger generation in particular is increasingly using the internet to find information about study opportunities and destinations.

According to the British Council, one out of three young people aged 12 to 24 is using the internet at present. Popular search engines are Yahoo, Google and MSN.

# **3. The Education System in Mexico**

## **a) Overview**

In Mexico, each state is obliged to provide basic education. This can vary but usually comprises nine years of free public schooling.

Public educational institutions are under the jurisdiction and funding of the federal, state and municipal governments and there is also a range of private establishments. The Ministry of Education (Secretaría de Educación Pública, SEP) accredits all academic courses.

The academic year runs from September until the end of June with vacations in December and April. The academic calendar for higher education can again vary. Some universities still offer one-year courses while most now have a semester system.

### **b) Primary education**

Primary education usually runs over six years and is provided by the state. Different types of schooling are available throughout the country including general education, community education for children in isolated areas and adult education.

### **c) Secondary education**

Secondary education is divided into lower secondary (Educación Secundaria), covering grades 7-9, and higher secondary (Educación Media Superior), covering grades 10-12. Lower secondary education is seen as part of the basic course of education.

Secondary education comprises either academic courses leading to higher education or non-academic courses, specialising in vocational or commercial training.

### **d) Higher education**

Admission to higher education usually requires graduation from secondary education with a 'bachillerato' certificate plus an entrance examination. Major universities may include an English language test as part of their entry requirements.

Higher education is divided into undergraduate and postgraduate levels. The first undergraduate degree available is the 'licenciatura' or an equivalent degree where the title refers to specialisation (e.g. Abogado = lawyer). Undergraduate programmes typically run over four or five years. Postgraduate degrees (Masters degrees) typically last one or two years and can be followed up by a Doctorate.

### **e) Universities, colleges and vocational education**

In Mexico, vocational education often falls into upper secondary education where courses are available to qualify for specific occupations. There is no direct equivalent to the UK's FE system in the Mexican education system. However, some institutions offer programmes in specialised subjects such as Business Management or Arts and Culture geared towards those wanting to improve their current job.

There are over 2,000 higher education institutions in Mexico including universities, polytechnics, teacher training institutions and other specialised institutions.

Some notable universities include the National Autonomous University of Mexico (the largest university in Latin America) and the National Polytechnic Institute, both in

Mexico City, the University of Guadalajara, the Autonomous University of Puebla, Veracruz University in Jalapa, and the Institute of Technical and Advanced Studies of Monterrey.

Higher education institutions in Mexico, both public and private, appear to be unable to cater for the growing demand in higher education. This is partly due to the high volume of young people wishing to take up higher education as well as a fee increase at higher education establishments.

#### **4. The English Language Teaching Market**

##### **a) In-country provision**

English language skills are becoming increasingly important in particular due to international trade relations. As a result, English is now required for gaining admission to some of the main Mexican universities and seen as beneficial in the work environment. Consequently there are many private language schools in most cities and many companies organise in-house training for their employees.

Quality of teaching and prices vary significantly from institution to institution. Amongst the more reputable centres are The Culturas (known in Mexico as Anglo Mexican Foundation or The Anglo) as well as Berlitz, International House, and the British Council.

##### **b) Current market**

Language study travel is increasingly popular in Mexico with English being the first foreign language of choice followed by French and German. Due to the increasing difficulty of Mexican nationals entering the USA, the UK is becoming more popular as a destination. VisitBritain points out that the UK is a well-respected place to study. A survey by Language Travel Magazine in early 2007 names the UK as the second most popular language travel destination behind Canada followed by France, Australia, Ireland and Germany with the USA in 7th place. At English UK private member centres, Mexico had a market share of 1.07% in 2007.

According to the above LTM survey, the most popular courses were:

1. Intensive
2. Academic exam preparation
3. Summer vacation
4. Language and work experience
5. Business and junior courses

The main reasons given by students wishing to study languages abroad were:

1. Supporting studies at home
2. Improving future work prospects
3. Current job development
4. Supporting overseas studies

The most popular choice of accommodation was staying with a host family.

The British Council states that funding is key to international education amongst Mexican students. Further growth for the sector is expected due to an expanding economy providing more disposable income and new political stability in Mexico. Consequently the number of students able to fund their own education is rising. Similarly, there is a newly rising interest in international education amongst female students.

### **c) Agents**

Mexican travel agents and tour operators are mainly found in the major cities: Mexico City, Guadalajara and Monterrey. There is no agent association.

Language travel agents are an important reference point for booking overseas study travel, while recommendation through friends remains the most trusted source of information when it comes to choosing the study destination.

According to LTM, their main ways to recruit students are:

1. Word of mouth
2. Website
3. Print advertising
4. Seminars to students
5. Mailshots

VisitBritain states that the Mexican market is known for its short planning times when scheduling overseas travel and bookings can be made at quite short notice. However, the main marketing season appears to be within the first quarter of the calendar year.

The Mexican language travel trade generally speaks very good English so that it is common to negotiate in English and use English language brochure material when working with Mexican agents.

### **d) The British Council and ELT**

The British Council in Mexico operates from one office in Mexico City, which has had an 'Education UK' section since 1998. From here, the Council gathers market intelligence to aid institutions in the recruitment of students. It also has close relationships with Mexican educational establishments and local companies.

The Mexican British Council office is open to the public for advice and information on studying in the UK including English language courses and also has an information library accessible to the public. In addition, the British Council in Mexico runs an online live information service for prospective students, making advice available throughout the country.

Opportunities to promote UK education, including ELT, through the British Council in Mexico exist as follows:

- brochure display
- mailshots
- inward missions to the UK
- showcasing institutions on the Education UK website

Mexico has also been taking part in the 'Let Your English Grow' campaign.

The main Education UK Fair takes place in February 2009, and details are available directly from the British Council.

For these and other opportunities, please contact Itzel Guerrero at the British Council: Lope de Vega 316, Col. Chapultepec Morales, Polanco, CP 11570, México DF, Tel: +52 (55) 5263-1900, Fax: +52 (55) 5263-1940, Email: itzel.guerrero@britishcouncil.org.mx.

#### **e) Other marketing channels**

A number of education fairs take place in Mexico throughout the year including the EXPO Mexico Roadshow, which includes student recruitment fairs and seminars and the International Intercultural Education Fair and Forum (IIEF). The Feria de las Comunidades Extranjeras (EXPOBECA) is an educational fair organised by the government of the state of Querétaro and includes information on scholarships and cultural expositions.

#### **5. Visas**

Short-term visitors to the UK from Mexico do not require entry clearance. A visa is required for a stay that is longer than six months, making shorter English courses easier to attend.

Currently, there are some difficulties in dealing with the volume of applications for visas due to staffing changes at the British Embassy. However, entry clearance can be issued within a day if all requirements are met. While visa information can be obtained via a commercial service (WorldBridge: <https://www.visainfoservices.com>), all candidates must attend an appointment at the embassy in Mexico City to receive a visa.

## 6. Conclusion and SWOT Analysis

### A SWOT analysis for the Mexican market in relation to the UK ELT sector:

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Growing economy</li> <li>• Political stability</li> <li>• High literacy rate</li> <li>• English is first foreign language</li> <li>• UK is respected trade partner and popular travel destination</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Unequal wealth distribution</li> <li>• Proximity to Canada and USA</li> <li>• American-oriented culture</li> <li>• Cost of pound sterling</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Areas with high disposable income</li> <li>• Largely young population with increasing interest and ability to travel</li> <li>• English language desirable for studies and job market</li> <li>• High fees at local educational institutions</li> <li>• The British Council organises promotions</li> <li>• New market segments: female students and self-funding students</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Competition from Canada and Australia for English</li> <li>• Competition from French and German language travel market</li> <li>• Rising travel costs</li> <li>• An economic slowdown in USA could be affecting the Mexican economy</li> <li>• Changes to immigration laws in the US in favour of Mexican nationals</li> </ul>

**Strengths:** A growing economy has brought about an increase in wealth particularly in the regions closest to the USA. English is the first foreign language and increasingly desired in the job market as well as for university studies. The UK is a reputable travel and study destination with trade between the countries well established.

**Weaknesses:** Due to an unequal wealth distribution only a part of the total population is attractive to the overseas study market. Closer geographical proximity of other English-speaking countries and the high cost of the pound could mean that students choose Canada over the UK to study English.

**Opportunities:** Marketing opportunities exist in Mexico in areas where the population has a high disposable income, particularly the cities and northern regions. The relatively young population has a particular interest in overseas travel and education, which is also increasing due to high fees at local institutions as well as the growing importance of English language skills in the job market. Internet usage is growing

fast, facilitating the targeting of these potential students including newer segments: female and self-funding students. The local British Council is actively promoting UK education and offers a number of opportunities to UK ELT institutions.

Threats: As Mexico is largely dependant on the USA as a trade partner for export, an economic slowdown across the border has huge effects on the economy at home and will ultimately affect the disposable income for overseas travel and study. A rising pound sterling or increased airline ticket prices could make travel to the UK even less attractive. A change in immigration laws for Mexican students could turn the USA into the preferred study destination due to its proximity and established cultural influences. At present, other English language destinations such as Canada and Australia are popular next to the UK and language destinations such as France and Germany are also competing with the UK ELT sector.

### **Conclusion**

A growing economy and political stability are forming a good basis for Mexico as a market for the UK ELT sector. English language skills are increasingly desirable in the job market and English remains the most popular foreign language while overseas study is becoming more and more affordable. Despite strong competition from other English speaking nations, the UK is a popular travel and study destination and a number of marketing opportunities are available to UK ELT centres.



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