

Russia Market Report



Visit to Nizhny Novgorod & Rostov-on-Don, April 2006
Katie Motley

Purpose of Visit:

- To give presentations and briefings to language travel agents
- To meet with British Council staff regarding promotional activity
- To meet with Embassy staff to discuss visa issues

Russia Key Facts

Population	144.53 million
Capital	Moscow (10.1m); other major cities: St Petersburg (4.8m), Novosibirsk (4.5m), Nizhny Novgorod (1.3m), Rostov-on-Don (1.1m)
Language	Russian
People	81% Russian, 4% Tatar, 3% Ukrainian, numerous ethnic minorities
GNI per capita	\$3,410
Currency	Russian Rouble (RUR)

Background to visit

Promotion of the UK as a study travel destination is already well-established in cities such as Moscow and St. Petersburg, with a large number of well-known agents present in each. British Council offices there are also firmly established.

It was therefore appropriate to make visits to areas where promotions are less advanced and where British Council offices have been relatively recently set up. This report therefore focuses predominantly on the market in the Nizhny Novgorod and Rostov-on-Don regions rather than in Russia as a whole.

Nizhniy Novgorod

Economic / social situation

Nizhniy Novgorod (NN) is the capital of the surrounding region and is consequently the wealthiest city in the district. It has had a reputation for being the commercial heart of Russia and since being opened up to the West has been steadily reclaiming this reputation.

The Department for International Development in the UK and local government in the NN region have also undertaken programmes of cooperation, launching in 2002 a 4 year partnership aimed at economic and social modernisation to improve the financial situation of the region's citizens.

The most recent employment statistics obtained are from the end of 2003, at which point unemployment for the region stood at 0.87%, compared with 1.8% in Russia as a whole. Between 1999 and 2005 the Nizhniy Novgorod region climbed 25 places in Russian rankings of average incomes, advancing from 52nd to 27th.

Of the 23.7 million internet users in Russia, the majority are located in the various regions, with Moscow and St. Petersburg accounting for 12%. Most users (66%) are aged 18-34; they are mainly made up of office workers, students and business people. In the NN region the total number of people with internet access has doubled since 2001, with users now standing at 70,000, or approximately 2% of the population there.

The NN region itself is one of Russia's major centres of education, academic and applied science, as well as being a major transportation hub and one of the most important trade, exhibition and industrial centres.

Education and ELT

Demand

The region's industry is reported to create a steady demand for students with European university under- and postgraduate degrees specialising in industrial areas including automobile and aircraft production, radio electronics and chemistry, ideally with English language qualifications.

A study conducted in the autumn of 2005 in the NN region showed that 81.29% of respondents chose to study English as a foreign language, with 5.16% preferring German and 2.58% French. (The remaining 11% are not accounted for.)

An improving economic situation in the region means that people and businesses now have more money to spend overall. Despite the gap between the rich and the poor expanding, those who can afford overseas study are on the increase. The period following the financial crash in 1998 saw demand for UK education temporarily slow, though this demand has since recovered to almost pre-crash levels.

UK education is affordable mainly to the upper middle class such as company directors/owners, people of influence and celebrities. Nevertheless, the British Council is increasingly receiving enquiries from middle managers and young professionals.

The vast majority of these enquiries are for English language courses and there is an understanding that the best way to learn the language is to undertake study in an English-speaking country. The most popular requests are from adults for General & Intensive English and English for Business, with work experience and sandwich course requests also on the increase. Most students are however seeking paid work experience. Junior summer courses are also requested, and tend to be school groups of secondary school age seeking residential courses.

Perhaps unsurprisingly, there is also a high demand for scholarships, with only 40 Chevening scholarships available to Russian students per annum. As a result, many students are doing their own search on this using the internet.

The demand for higher education in the region is extremely high. Each year the number of students seeking places on HE courses increases, with demand in some areas of study outstripping supply by as much as 3:1. These areas are law, management, humanities, natural sciences, engineering/technical, and teaching.

Regional provision of ELT

There are a number of private language schools operating in the city of Nizhny Novgorod and the quality of these is reported to be reasonably high. The average cost of private English tuition is 150-300 Roubles per hour (£3-6), and 7,000 Roubles for 100 hours (£140), though those schools with the best reputations are able to charge more. Most students are studying general English, with those undertaking exam preparation paying slightly more again. Business English and English for banking and marketing are also popular choices among students at the local schools.

British Council and agents

The BC office in Nizhny Novgorod is one of 15 centres throughout Russia, though the Moscow office holds the only teaching centre. The NN office previously offered a placement service, however since this ceased the Council has improved its contact with local agents to work more closely with them.

The office also maintains links with partners in other cities in the district, running promotional visits, Education UK open days, as well as working with agents, universities and language centres. A list of NN events organised by the British Council for students there can be found at <http://www.britishcouncil.org/russia-nizhny-novgorod-events.htm>.

The BC office receives on average 350-450 enquiries per month regarding study abroad options, and promotional activities have been leading to a gradual rise in number. In addition, 2005 saw 100% more examination candidates (for FCE, CAE, IELTS, BEC) than in 2004.

The region's potential for sending students to the UK has been increasing, especially following the huge ad campaign in the region during the first phase of the PMI. Consequently the Education UK exhibition, which takes place in various locations throughout Russia, is now returning to Nizhny Novgorod for the first time in 5 years. This will be held in September.

The BC and the agents it works with also have a partnership with Lufthansa to ensure the most convenient flights for students. The airline also provides safe guides for children and groups of children travelling unaccompanied.

The British Council reports that there are 7 educational agents based in Nizhny Novgorod sending between 30 and 100 students to the UK only each year, mostly for EFL. Many of them have also undertaken the British Council training. There are an additional 8 travel agencies which also provide some education abroad services, sending around 15 students yearly. Finally 4 organisations offer education + work abroad programmes just for NN university students, sending up to 200 students abroad each year. Most of the agents specialise in UK education and English language programmes, with some operating as the NN arm of a Moscow based agency.

Feedback from those agents who attended the briefing presentation was that students are interested overwhelmingly in studying English in the UK. The preference is for British English as the most "authentic" and UK education enjoys a high quality reputation favoured by employers.

It is cheaper for Russians to fly to the UK and European destinations for overseas study are therefore preferred. Agents were also extremely positive about the UK visa system and the comparative ease with which Russian students can obtain a visa.

Many of the students are those from non-linguistic universities whose courses contain English language components in their first and second years. They are generally looking for the cheapest courses in the UK, however the main concerns for students after this are that the teachers are well qualified and professional. The other most frequently asked question is how many Russian speakers will be at the school and will they be placed in the same class as them. They are also concerned not to be housed with Russian speakers.

Agents also reported that work experience programmes are increasingly popular among Russians though, as mentioned previously, ideally this work should be paid.

List of educational * and travel agencies

Name	Address (Russia, Nizhniy Novgorod...)	Tel (+7 8312...)	Fax (+7 8312...)	Contact	Email	Website
5 kontinentov	603005, Verhnevolzhskaya nab, 8	197727, 193552	19 77 27	Vladimir A Zevakin	info@5kontinentov.ru	www.5cont.nnov.ru
Vorkrug Sveta	Ul. Maslyakova, 5 of. 5	341805	33 54 25	Marina Vadimovna	over@internet2.ru	www.overnn.ru
Dilizhans	Ul. B. Pokrovskaya, 15 of. 8	195443, 300722, 199905		Margarita A. Belyakova	dilizhans@sandy.ru	www.dilizhans.nnov.ru
Egna	Ul. Gruzinskaya, 5a	300606	303759		corp@egna.ru	www.egna.ru
English First *	Gorkogo Str, 218/22	785378, 785478,	785525	Vasiliy Rozhkov	Info.nizhnovgorod@ef.ru	www.ef.com
Fain Tour	Alekseevskaya, 24	339491	780300	Elena Stepanova	faintour@sinn.ru	www.faintour.nnov.ru
Language Peak *	B. Pokrovskaya, 19d	280443, 602149	280443	V. Alexander (Completed BC training)	LP-School@yandex.ru	
Lingva Service Tour *	603155, ul. Trudovaya, 8	194424, 199254, 194397	As tel Nos	Sergei Ginsburg, Anastasia Polozova (Completed BC training)	info@lscnn.ru	www.lscnn.ru
Langford Travel *	603006, ul. Gorkogo, d 220	787705	783633	Natalya Krivich (Completed BC training) Ekaterina Okuneva	Langford@bk.ru katya@langford.ru	www.langford.ru
Matser Class *	603000, ul. Novaya, 32a	146346, 327613, 110017, 110015	327613	Bella Gribkova (Completed BC training) Irina Plotnikova	m-class@yandex.ru info@masterclass.nnov.ru	www.masterclass.nnov.ru
Metropol	Ul. Semashko, 12	192020		Olesia Harkevich	metropol@sandy.ru	www.metropol-nn.ru
Nika Tour	Ul. B. Pokrovskaya, 15, of. 30	338727	331714	Natalia G. Kolosvetova	nikatour@sandy.ru	www.nikatour.nnov.ru
NN Education *	Ul. Vorovskogo, 11	786818, 317818		(Completed BC training)	e-first@sandy.ru	www.nneducation.narod.ru

Roza Vetrov *	603005, ul. Minina, 18/3, of. 15	199494	198080	Marina Zakhartseva	marina@rw.nnov.ru info@rw.nnov.ru	www.roza.nnov.ru
Star Travel	B. Pecherskaya, 31/9	160612		Elena Razumova	goj@startravel.ru	www.startravel.ru
Tourist	603001, Nizhne-Volzhsкая nab, 9a	304900, 302747	304994		tyrist@sinn.ru turistnn@mts-nn.ru tyrist@mts-nn.ru	www.turist.r52.ru

Rostov-on-Don

Economic / social situation

Like Nizhniy Novgorod, Rostov-on-Don is the capital of its surrounding region and in 2002 the city took on greater political and economic significance, having been created the capital of the Southern Federal Unit as well as of the Rostov region.

Rostov-on-Don benefits economically from its location bringing together central Russia, the North Caucasus and Transcaucasia, and also from a number of large industrial companies operating in the city, which account for 50% of the total trade turnover in the region.

Its geographic location makes the region wealthy with an annual budget surplus. Much of the budget is put into tackling social issues resulting in low social conflict and higher standards of living, thereby allowing educational and leisure pursuits to be followed more easily.

At the beginning of 1998, the Rostov region became one of the first federal units in Russia to adopt the Regional Law "On Supporting Investment Activities in Rostov Region". This is directed towards creating a favourable situation for the development of business, especially for the large number of SMEs in operation there. The gross regional product of the region more than doubled between 2000 and 2004, going from around 94 million roubles to approximately 224 million.

In addition, figures from 2005 showed relatively low unemployment in the region, being at 1.1% compared, as already mentioned, with 1.8% for the Russian Federation as a whole.

Education and ELT

The local government is putting a great deal of effort into improving educational standards within the region and as such provision appears to be on the whole better than in many other places. The region holds third place in Russia for the number of secondary and higher professional education institutions. There is also a policy to invest in the numbers of computers in schools to increase access to the internet.

Demand

English is taught in all schools, though some children start at age 7, while others do not begin to learn English until age 9 or 10. Nearly all Russian universities teach English as a minor subject in the first and second years of undergraduate degree courses, with some parts of non-linguistic courses being conducted in English. Demand for EFL is therefore highest from students studying at the non-linguistic universities (those specialising in economics, technology, medicine etc). They make up the vast majority of British Council enquiries and are the greatest users of information and resources at the office there.

The information included under this section for Nizhniy Novgorod is largely true of the Rostov region also. The preference is for British English, especially for short courses, with the top requests being for general English, elementary Business English, preparation for IELTS and the Cambridge exams. As with NN, the junior demand is generally from school groups led by a teacher looking for combined English with leisure courses during the summer holidays. Nevertheless, demand for work experience and sandwich courses is reported to be quite low compared with Nizhniy Novgorod.

As expected, the wealthy in society are those best placed to afford overseas study for themselves or their children, though local government policy to encourage foreign investment in the region to improve the economic situation is making this increasingly possible for a greater number.

Local provision

There are an estimated 15-20 local private language schools operating in Rostov-on-Don, each offering varying standards of provision. The price among these ranges from 2,000-4,000 Roubles (£40-80) per month for a student taking 1.5 hours of tuition 2-3 times per week.

British Council & agents

The BC office in Rostov-on-Don is used mostly by students under the age of 35 from the local non-linguistic universities, as well as a number of English language teachers from state schools. Those enquiring about studying in the UK are provided with very general information regarding what students should take into account when choosing a course and an institution.

The office holds regular events for students to provide information on studying in the UK, for example, presentations specifically on English courses or higher education, about living costs, accommodation, regions and so on, as well as cultural information. The BC Rostov events can be found at <http://www.britishcouncil.org/russia-rostov-on-don-events.htm>.

The office also has very good relations with the few local agents, though agent briefings tend to be given by post from Moscow, rather than delivered locally. There are just 8 agents operating in Rostov and all, with the exception of Star Travel, send students primarily to the UK.

All of those present at the English UK presentation were sending students to the UK, with their clients preferring to study English here rather than anywhere else. Agents reported that this preference for British English means that students are not put off coming to the UK by the price, with accreditation and quality perceived as highly important. Students wished to know if centres were accredited, how long they had been running and whether they enjoyed a good reputation, especially where students had had a poor quality experience in the past.

Agents also all reported positively on the visa application process and a feeling that refusals were made for good reasons and with transparency. One agent even commented that 2006 was the first time he had received a refusal in 11 years of operating, and the student in question was then successful on re-application. The agents spoken to however applied a policy of screening students before taking them as clients and advising them to apply for visas.

As far as client perceptions of the UK are concerned, the usual ideas regarding food and weather exist, though the desire to learn British English and the UK's quality reputation override this. For juniors, parents are reported to prefer homestay accommodation for their children where they can be as sure as possible that there are rules in the home and that families are strict.

List of agents

Name	Address (Russia, Rostov-on-Don...)	Tel (+7 863...)	Fax (+7 863...)	Contact	Email	Website	Comments from BC
AMB International	344006, Sokolov St. 53/182, of.512	2506356	2950557	Birendra Kumar	amb@aanet.ru	www.amb-edu.ru	Local to Rostov. Have been in the market 11 years and were one of first agencies in Russia. Send a lot of students to the UK and students are positive about them. Tend to screen students. BC has high opinion of them.
British Education	344006, Voroshilovskiy 2/2, of. 903	2401363	2401363	Irina	ccirostov@aanet.ru	www.brit-education.ru	Ekaterinburg based with an office in London. Have been in Rostov for 2 years.
English First	344002 Sadovaya 65	2559373	2559353	Denis Tsegelnik	Denis.tsegelnik@ef.com	www.englishfirst.ru/rostov	
Forum	344018, Buddenovskiy 80, of. 545	2378992	2688232	Olesya Morgan	forum-m@yandex.ru forum-edu@rambler.ru	www.mw-forum.com	Have been operating in Rostov since 2005
Mokkos	Krasnoarmeiskaya 224, of. 1	2923626	2923626	Ludmila	mokkos@aanet.ru	www.mokkos.ru	Local to Rostov. 3-4 staff. Opened 1997. Clients for all types of courses.
Star Travel	344010, ul. Sokolova 53, of. 711	2645524 2666022			rov@startravel.ru	www.startravel.ru	Local to Rostov. Deal with USA. From 2.5.06 are the outsource company for visa applications. Star Travel reps are also reps of VFS in Russia (see section on visas re outsourcing)
Students International	344007, Socialisticheskaya 67	2625657	2623465	Elena Lutskaya	studrost@rostel.ru	www.studinter.ru	Main office in Moscow with representation in approx. 20 other cities. 20 staff in Moscow, 2-3 in Rostov.

							Present themselves as the best agency in Russia and were given this title recently by an educational publication in Russia. After UK, place students on programmes in Australia.
Znaniye Centre	344006, Chekhov St. 56, of. 15	2649259	2649259	Lidia Milova, Natalia	larisazc@aanet.ru info@znaniye.ru	www.znaniye.ru	Main office in Moscow, plus 7 other cities. One of first agencies in Russia. 20 staff in Moscow and 3 in Rostov. Also screen students. BC has high opinion of them.

Competition

The general impression gained from both of these regions is that the UK has very little competition when it comes to English language courses, since there is an overwhelming preference among the local population for British English.

Plus points for the UK are its reputation for high quality courses and being the birth place of the English language. It is considered a safe destination when compared with the USA and enjoys greater popularity as a result. In addition, the visa application process compares favourably with the USA, where refusals for Russians are reported by agents to be high and often for spurious reasons.

The British Council in NN suggested that US MBA and postgraduate courses in business related areas have a good reputation in Russia and are seen to be cheaper than European programmes. The summer work and travel scheme in America is also popular where no equivalent exists for Russians coming to the UK. Nevertheless, this does not offer an educational component.

None of the agents in Nizhny Novgorod reported an interest from clients in studying in Australia, despite the ease of getting visas, largely due to the expense of travelling there when compared with travelling to the UK. Some of the Rostov agents mentioned a demand for longer courses in Australia, usually for HE rather than short term English language courses.

Some mentioned Malta as an alternative destination for clients, partly because the climate is considered to be better, but also as a second choice for those who have had difficulty obtaining a UK study visa. Nevertheless, the impression was certainly not one of Malta being a strong contender.

Other English-speaking countries were not really mentioned and there seems to be a lack of promotion on the part of Canada and New Zealand based organisations.

There is some competition from European destinations for language courses as well as further and higher education programmes, such as France, Germany and Spain. Students at linguistic universities are often learning one of these languages, particularly German, making them popular choices.

Student week statistics

As a matter of interest, statistics for the whole of Russia 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	Adult	Junior	General English	Business & Professional	English Plus	Other ESP	One-to-One
2005	32,345	20,991	11,354	29,891	949	838	347	320
2004	27,460	17,579	9,881	24,260	905	1,386	585	324

Visas

Before travelling to Nizhniy and Rostov, I was able to meet with Kevin Williams, one of five Entry Clearance managers at the Embassy in Moscow. The others are Bill Vincent, Ian Underhill, John Makin and Julie Stephenson and all can be contacted using the forename.surname@fco.gov.uk address.

Outsourcing

On 2nd May 2006 visa applications in Russia switched to an outsourcing operation through eleven Visa Application Centres (VACs) around the country. As with outsourcing procedures in other countries, this will be run by the company VFS.

The low visa refusal rate in Russia (as an average of all categories) meant that the post was identified as suitable for outsourcing. This has not been a popular decision amongst Embassy staff since the previous turnaround for visa processing was 24 hours for most categories and under the outsourcing system this is now likely to be 48 hours.

The previous system saw use of “accredited couriers”, e.g. large travel agencies or teachers, dealing with visa applicants and screening them to ensure they were likely to get a visa. The idea was to reduce the number of people needing to be interviewed, especially since renovation and building work at the Moscow Embassy made this difficult. However, the system proved problematic due to a number of reports of agencies abusing it by charging large and varying handling fees.

The change to outsourcing also has the intention of reducing the need for interview and eliminating as many of the slow parts of the service as possible. Applications will be received at VACs in the following locations: Ekaterinburg, Moscow, Rostov-on-Don, Voronezh, Samara, Nizhniy Novgorod, Ufa, Krasnoyarsk, Novosibirsk, Vladivostok and St. Petersburg. In addition to the visa application charge, a handling fee of 900 Roubles is payable for each individual application. This is a flat rate and bulk applications do not attract a discount. This rate has been agreed between VFS and the Embassy and the fee cannot be changed without prior agreement of the Embassy.

The VACs are purely administration centres and are not involved in the decision-making process. Staff there will have a check-list of the correct documentation required and will check to see that all relevant sections of the form have been completed correctly. Nevertheless, VAC staff do not have the right to refuse an application, even if some of the documentation is not provided. The documentation required has not changed and a list of this can be found at <http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1089130442552>. The Embassy will therefore be able to refuse an application on paper without having to interview and refusals will be made on the basis of incorrect documentation.

Following submission, applications will be couriered to the relevant visa section for a decision, with the confidential results couriered back to the VAC, which can be collected by applicants along with their passports. The aim is for a 48 hour turnaround from time of submission to the applicant receiving the result. The performance of the system is to be monitored by the Embassy and service complaints can be made to Moscow.

The Embassy has set up a call centre in Moscow to give general advice about the service. More details about the outsourcing procedure, as well as the telephone numbers for both Russian and English language enquiries can be found at <http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1130676134969>.

Statistics

Below is a comparison of the last two financial years' visa statistics showing the percentage of refusals for the three posts in Russia.

Post	2003-04	2004-05
Ekaterinburg	15.4%	10.6%
Moscow	15.8%	44.4%
St Petersburg	10.0%	7.9%

On querying the 44.4% figure for Moscow, I was informed by Kevin Williams that in 2004-05 the practice in Moscow for students under the age of 16 going on short-term English language courses changed so that they were given a “C Visit” visa, which is the same category as those travelling for business or as tourists. These would therefore not be highlighted in the statistics under the student category.

They have now changed this practice again, partly because they realised that their student statistics were being skewed because it would be extremely difficult to separate this category of application from other C Visit applications. For obvious reasons, schoolchildren are not regarded as a high risk category and the vast majority of these applicants would have been issued a visa. Therefore, had they been included, the percentage of refusals would have been much lower for that post.

It will be interesting to see how the statistics appear for the financial year 2005-06 and if this change in practice is indeed reflected.

Requirements for students

Kevin Williams admitted that students come under greater scrutiny when applying for a visa than other categories of applicant, especially those for short-term English courses. As is usually the case, those wishing to study at a UK university encounter fewer problems, however Mr Williams is adamant that the vast majority of short-term EFL visas are issued, something which would most likely be supported by the agents I was able to meet.

The usual requirements apply for students, such as proving they are able to afford the course without recourse to public funds, and providing 3 months’ bank statements as evidence. The quality of statements can vary considerably from bank to bank, and usually an ECO will call the bank to check that all is in order with an applicant’s account. There is the usual mistrust of banks among Russians, with some being more reputable than others. To help counter this problem, Embassy staff keep track of average incomes for various jobs in the different regions, so that they can match this up with the evidence provided by the students.

Bank statements and funds are of course only one factor in the application process. ECOs want to see a student’s reasons for studying English and therefore the student will stand a better chance if they can show they have recently embarked upon an English course in Russia or if they can show how a course in the UK will contribute to their current studies or work. For this reason, beginners are also treated with greater suspicion.

In addition, Kevin Williams expressed a concern over sandwich courses and scrutiny of applicants. Students should be aware that ECOs will be looking for a link between the course and what students are doing in Russia and what they hope to get out of the course on their return.

Summary

The market in both the Nizhny Novgorod and Rostov regions can be best characterised as small but growing, with a good deal of potential. A number of projects to increase the overall prosperity of each region’s citizens means that those able to afford overseas study are gradually on the increase and this, coupled with relatively low-unemployment rates, means that such programmes are now within reach of the traditional middle-class in some cases.

There are comparatively few agents in operation in NN and Rostov-on-Don, however with one or two exceptions, all specialise in UK education and EFL courses. Some are well-established

and all those who attended the presentations appeared to be serious players. The specialisation of the agencies is a reflection of the local demand, which is overwhelmingly for British English and a UK education.

The main market in both locations would appear to be young adults studying at local universities, in need of English language skills for their degree courses, as well as junior groups. In addition, NN is seeing a continued rise in demand for paid study-work programmes. The market is also quite sophisticated in that price, while a factor, is not necessarily the most significant one. Quality is hugely important and people are willing to pay for it.

In addition to these positive indicators is the favourable perception by agents and students of the UK visa system, especially in comparison with one of the UK's main competitors, the USA. In fact, where competition is concerned, there appears to be very little opposition to the UK in either of these regions, partly due to the preference for UK education, but also due to a lack of promotion on the part of competitor countries.

This, taken with the close links between British Council offices and agents, as well as their active promotion of the UK to students, means that any UK institution wishing to enter these markets would be well-placed to take advantage of the situation.