

Venezuela & Colombia Market Report



Visit to Venezuela & Colombia – November/December 2005 Richard Truscott

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

Venezuela

Key Facts

Population:	26.6 million
Capital:	Caracas (2 m); other major cities: Maracaibo (1.7 m), Valencia (1.3 m)
Language:	Spanish
Main exports:	Petroleum, bauxite and aluminium, steel, chemicals, agricultural products, basic manufactures
GNI per capita:	\$4,020
Currency	Bolivar

Market Overview

Political & Economic Situation

Venezuela's economy is based largely on oil. The country has the largest known oil deposits in Latin America and is benefiting from the currently high global oil prices. Significant reserves of coal, iron ore and gold also exist. The economy grew by 9% in 2005 with the annual inflation rate dropping to around 15% from 19% in 2004.

The country has been subject to extreme inequality for decades. In 1998 the populist Hugo Chavez came to power in a landslide election, having previously led a failed military coup in 1992. Chavez's period in office has been characterised by radical reform, political unrest and deep divisions. Populist policies aimed at helping the poor include free health care, subsidised food and land reform. There is little argument about the need for policies which improve the lot

of the poor majority who have been neglected for decades, but policies at the expense of the middle classes have caused resentment amongst powerful groups. The result is polarisation: the poor regard Chavez with adulation, the rich with loathing. Opposition to Chavez intensified in 2002 and 2003 with a general strike and a petition demanding a referendum on his rule. The referendum took place in August 2004 with Chavez emerging triumphant despite widespread concern about electoral practices. He has stated his aim of standing for a second six-year term in elections to be held in 2006.

The widespread disillusionment of the middle classes and wealthy elite has put in jeopardy the success of much of the government's reform programme. Large-scale projects have been set up but alienation of the country's professional strata has resulted in a lack of experienced personnel to carry them out.

Monetary policy, the British Council and the Placement Scheme

With direct relevance for UK ELT providers, the government implemented exchange controls in 2003 which made it extremely difficult to export money. The official means of making payments abroad (Carive) did not allow for students to make payments for ELT courses which had to be made through a very limited number of other authorised channels. One such channel was the British Council; language travel agents were not allowed to transfer money abroad. Consequently the British Council Placement Scheme has been maintained in Venezuela as a necessity for students to be able to pay for courses in the UK. Students pay in local currency and the Council transfers the fees in sterling to the UK institution. British Council turnover in this area increased tenfold overnight after the exchange controls were introduced.

The situation has led to a degree of tension between Venezuelan agents and the Council. However, new regulations introduced in October 2005 mean that the official channel, Carive, is now the only authorised means of making payments abroad (meaning the Council is now excluded), but that the system within Carive has been made more flexible. Student payments can be made and there are likely to be few problems with amounts up to \$10,000 per year. The payment process takes approximately a month to complete.

During my meeting with Barbara Wickham, Director of the British Council in Venezuela, she confirmed that the change in exchange controls means that the Council will be ending its placement scheme in March 2006.

ELT

Demand

Research that the British Council regularly conducts into educational demand in the country invariably produces two responses – for postgraduate study and ELT. Unlike some parts of the continent, this demand is regarded as being economically viable rather than merely aspirational.

Venezuela in common with most of Latin America is by disposition a private sector market. The sector of society that typically buys overseas education is accustomed to high service standards which it usually equates with the private sector in Venezuela. Students are overwhelmingly the product of a private education. Parents require considerable information and reassurance in the purchasing process, usually provided by agents who are accustomed to dealing with the private sector. Study in the UK commonly has a snob value which can override purely financial factors.

Nonetheless, the British Council reports a couple of English UK state sector members doing well having targeted Venezuela over recent years and having attended Education UK Fairs in Caracas. There are currently no Education UK Partnership restrictions applying to Venezuela. The regional hub for the Council in the Americas is based in Sao Paulo, Brazil resulting in both country and regional plans being developed. It is as yet unclear what the effect of the regionalisation will be on resources dedicated specifically to Venezuela.

Statistics

Student weeks *	Total	Adult	Junior	General English	Business & Professional	English Plus	Other ESP	One-to-One
2005 (Q1-3)	5884	5683	201	5706	61	27	90	0
2004 (Q1-3)	5965	5764	201	5697	104	123	30	11
2004	8172	7971	201	7759	160	177	65	11
2003	7363	7094	269	7179	102	76	4	2

* Data relates to the private sector only and is derived from the quarterly reports provided by members to ARELS / English UK. The number of returns per year varies - the data is not on a "like for like" basis.

Agents & British Council Promotions

Many Venezuelans enrol for a period of 6 months so the student week figures above refer to a relatively small number of students, a situation reflected in the number of agents. The market is catered for by around 10 agents/agencies, all operating in Caracas though two also have representatives in other parts of the country, including Maracaibo and Valencia. Nine agents attended the briefing and presentation I had organised through the British Council of which three gave the UK as their priority destination. All send students to UK, USA and Canada, four also send to Australia with only two sending to New Zealand, Malta, Ireland or South Africa.

Barbara Wickham reported that the British Council works closely with the Caracas-based agents, arranging regular meetings to ensure an effective flow of information. The Council offices are well located and modern with an education counselling service as well as a teaching operation. Direct promotion is largely confined to the annual Education UK Fair held over two days in October in Caracas. The likely number of potential Venezuelan students points to attendance at the Fair perhaps being most cost-effective for either regional associations or English UK sub-groups such as that for work experience. The Council makes periodic attempts to widen the pool of agents outside Caracas through visits to the regions. A number of travel agents have shown interest but as yet do not have the expertise to operate effectively as language travel agents.

Feedback from agents at the briefing was that most students are looking to the USA with the UK often seen as Plan B. Visas to the States have become difficult to obtain but it is likely that they will become easier in the future which would be likely to have a negative impact on the UK. The UK is regarded as expensive – 15-20% more than the USA, 25-30% more than Canada. The distance to Britain is a negative. The chance to work for 12 months after finishing a course in the USA is very attractive.

On the positive side, the fact that a visa is not required to enter the UK is a considerable benefit (although entry clearance is necessary for all students for 6 months or more). The ability to work for 20 hours a week is positive as is the UK's position as the "Gateway to Europe". UK education, especially higher education, is well regarded.

Venezuelans are "high value" students. Agents estimated the average age of students wishing to study abroad to be 25 and the most common period of study as 6 months. Demand for general/intensive English courses is high as is demand for English Plus courses. There are few requests for English for Specific Purposes. Agents were particularly interested in work experience courses – students are accustomed to the USA profile of internships – the details of the English UK sub-group have been sent to all who attended the briefing.

ELT courses in Venezuela typically cost around £25 per month for a course of 6 hours per week. The British Council charges around £150 for a course of 30 hours.

Visas

I was able to discuss study visa issues with consulate staff at the British Embassy in Caracas: Gisela Hernandez, Beatriz Garrido and Acting Vice Consul, Celim Huseyin. Vice Consul Dawn Farr was out of Caracas during my visit.

There are few issues with study visas in Venezuela. The relatively small number of applications – reaching a peak of 60-80 per month in July-September – means that visas are issued on the same day as the application is received. The office opens between 08.00 and 10.00 for applications and visas are given at 15.00. The refusal rate is negligible - “less than 5%”. There appears to be little in the way of forged documentation and the process is straightforward. Caracas is the only visa issuing office in Venezuela.

The only issue which arose was the erroneous view that a study visa issued for ELT could not be extended in the UK, even if within the two-year short course limit. Although the impact of this view is limited since students can be correctly advised about visa extensions when in the UK, I took the opportunity to clarify the position with Celim Huseyin and followed up by email with the Vice Consul after returning to the UK.

I am grateful to the consulate staff of the British Embassy in Caracas for their time and assistance during my visit.

Conclusions

Venezuela is unlikely to become a major UK ELT market in the mould of Brazil, Argentina or Colombia although the number of student weeks has risen year on year in recent years. Rather it is likely to maintain a steady number of students at a high week:student ratio. Enquiries at British Council offices and to agents are serious – the conversion rate of enquiries to enrolments is reported to be high. There are few issues with visas or entry requirements for the UK. However it is likely to be difficult for new players to enter the market to any great extent unless offering a course profile which is not already commonly available. The small number of agents in the main have well-established arrangements with a number of English UK members which appear to meet the current needs of agents and students. Nonetheless, the success of two or three state sector members which have invested time and resources in the market over recent years would point to an ability to penetrate the market.

Agents were positive about the possibility of “approved agent status”. Greater information and support would be appreciated in promoting the UK, especially in a part of the world which looks instinctively to north America. Enthusiasm was also expressed for the Fair. Two or three agents have attended Brighton in recent years – the British Council sponsoring at least one – and information on the 2006 Fair was requested by and has been sent to all who came to the briefing.

The greatest potential for development might exist outside Caracas. The position of the capital is dominant in all areas of Venezuelan life despite the fact that its population is not significantly bigger than that of other cities. Maracaibo is the centre of Venezuela’s oil industry and Valencia is at the heart of Venezuela’s main agricultural region. Both are wealthy cities but Caracas is the centre of government and business, overwhelmingly the home of the social stratum which typically looks towards overseas education. It remains to be discovered whether the dearth of language travel agents outside the capital is an anomaly or a consequence of a lack of demand.

Colombia

Key Facts

Population:	46 million
Capital:	Bogota (6 m); other major cities: Cali (2 m), Medellin (1.9 m)
Language:	Spanish
Main exports:	Oil, coal, coffee, cut flowers
GDP per capita:	\$2,617
Currency	Peso

Market Overview

Political & Economic Situation

Decades of conflict form the backdrop to Colombia's current political and economic situation. The Colombian government has been fighting against guerrillas for the last 40 years with the addition in the last 20 years of drug cartels and right wing paramilitaries. There have been gross violations of human rights.

Alongside politically-motivated killings is drug-related crime, which has become the most common cause of death after cancer and has fuelled kidnapping. Together with the political violence, this made Colombia one of the most violent countries in the world, deterring investors and tourists alike.

In February 2002, peace talks, which had been underway between the government and the Revolutionary Armed Forces of Colombia (FARC) leftist rebels since 1998, broke down with the result that FARC stepped up its armed campaign in April 2002. In May 2002 the presidential elections were won by Alvaro Uribe, pledging to clamp down on rebel groups, both left-wing and right-wing. Uribe's fight against the rebels seems to be paying off - under his presidency the murder rate and the incidence of kidnapping have fallen - but he suffered a setback in October 2003 when a referendum on economic and political reforms failed to gain the required threshold of votes in favour. However, he remains highly popular, with an 80% approval rate according to a poll held in January 2004. Elected officials have not been allowed to run for consecutive terms in the past but the Constitutional Court has cleared the way for Uribe to stand for re-election in 2006.

The economy has recovered over recent years since its first depression in 70 years in 1999. Growth for 2005 is estimated at 4% and inflation is steady at 5% p.a. Life outside the main conflict zones has returned to something approaching normality; security concerns in the main cities are much reduced and confidence to travel in most parts of the country has returned. Years of security concerns have produced a resilience in Colombians and there is now a more positive attitude towards the future, both political and economic, than has existed for some years.

ELT

In country provision

The teaching of English in Colombian schools is compulsory for all children from the age of eight. Most private schools aim to offer bilingual education with the number of hours dedicated to English at primary and secondary levels increasing to be in many cases well above those of any other subjects. The vast majority of universities now have a foreign language requirement to graduate.

Colombians are accustomed to a culture of study with large numbers attending evening classes. A very large number of private language schools exist in Colombia, with either a UK or USA focus and varying teaching quality. The British Council has closed its centres in Medellin and Cali to maintain a presence only in Bogota. The Council offices are well appointed on a split site and offer a professional education counselling service of which ELT is a major part. The teaching facility is substantial with courses at the Council costing around £180 for 40 hours. The prices in the private sector are around half this price or lower.

Statistics

Student weeks *	Total	Adult	Junior	General English	Business & Professional	English Plus	Other ESP	One-to-One
2005 (Q1-3)	20160	19705	455	19563	247	145	195	10
2004 (Q1-3)	16086	15752	334	15294	236	319	234	3
2004	22185	21826	359	20778	651	493	249	14
2003	17230	16853	377	16759	177	269	19	6

* Data relates to the private sector only and is derived from the quarterly reports provided by members to ARELS / English UK. The number of returns per year varies - the data is not on a "like-for-like" basis.

Agents

Two briefings/presentations were given during the visit: in Medellin (26 agents) and in Bogota (23 agents). The great majority are long-established agencies with good relations with the UK and English UK members. Britain is a prime focus of all the agencies although a wide range of destinations is offered. There is increasing interest in students studying non-ELT programmes in other European countries, especially Italy, France and Germany. The typical length of study for adult ELT students is 6 months.

The Medellin presentation was attended by representatives of a number of university international offices who had specifically requested attendance. The requirement for foreign language competence in order to graduate could mean that universities become a potentially good source of student recruitment for ELT courses in the UK.

Feedback from both sessions included comments below. The overwhelming concern was with perceived difficulties in students gaining visas to study in the UK. Relevant points were taken up with the Consulate – see *Visas* below.

- The market in Colombia for ELT is big and could be much bigger but there is a major issue with visas. Australia is set to relax visa regulations for Colombians in January 2006 which may well have an impact on the UK market.
- Colombians have good access to language courses in-country but realise that they need fluency which can only be obtained in English speaking countries
- Increasing interest in sandwich courses with work experience is being shown but there is confusion as to what is acceptable to the visa authorities
- Students who extend visas in the UK are penalised for future visa applications
- The message given by the visa authorities is that students are not able to work on student visas. (*In fact all visas for 6 months or more usually entitle part-time work but work entitlement on shorter visas is at the discretion of the visa authorities.*)
- Increasing demand for Business English courses.
- ICETEX – a government body – offers low rate loans for study abroad – usually around US\$6,000. This is welcomed but there is some question as to how the visa authorities view these loans as proof of resources
- The level of proof required to show intention to return to Colombia is unreasonable – evidence of a full-time job / acceptance at university, proof of payment of full fees for the course in the UK plus proof of payment of first semester at Colombian university.

- The London bombs had little effect. Parents were concerned but “Colombians are hardly paranoid about insecurity”.
- The biggest issue (apart from visas) is with the standard of accommodation provided in the UK. It was agreed that English UK members / and or the association, should work closely with agents to provide information to limit the expectations of students to a position which is more realistic. Fuller information to agents about the accommodation arranged for their students would be greatly appreciated.

All the agents were positive in principle about the possibility of “approved agency” status. More information is requested when it becomes available. I advocated the idea of an agent association but many were resistant to the concept due to long-established concerns about competitors. Nonetheless, since all were united in their negative perception of the visa process for the UK, it was suggested that the combination of approved agency status with membership of a professional and bona fide agent association could improve the standing of agents in the eyes of the UK visa authorities.

I am grateful to Ingrid Escobar of InterEstudios, Medellin for her help in setting up the presentation in Medellin.

British Council ELT Promotions

The British Council in Bogota is active in its promotion of UK education and ELT in particular. Alicia Escallon, Information Manager at the Council organises a number of events:

- attendance at Eduferias (October in Bogota)
- monthly presentations at the Council offices
- presentations at universities
- stands in shopping centres
- information to 15,000 contacts on the database
- monthly online newsletter

Alicia feels that more aggressive promotional work could be done in the future but that current visa issues make it unrealistic for more students to travel to the UK.

Charles Nuttal, Director, British Council, gave details of work being done on a regional basis. The regional hub is based in Sao Paolo and regional and country plans are being produced. Work is currently underway on an image bank of local and regional images. It is as yet unknown what the specific impact might be of regionalisation – 20% of income is to be allocated to regional projects but it is unclear whether this will mean that resources to be allocated to country projects will be reduced. Colombia is not part of the Education UK Partnership scheme.

I am very grateful to Alicia Escallon for her time during my visit and for her considerable help in setting up the Bogota presentation.

Visas

Meeting with Julie Soper, Vice Consul.

All Colombian nationals need a visa to enter the UK. There are a number of real or perceived issues surrounding the visa process in Bogota and I am grateful for the considerable time I was given to address these at the British Embassy. The Embassy is located on an upper floor of a large building with an obvious security presence. Although this is clearly necessary in the climate of insecurity, the process of attending the Embassy for visa interview must be a daunting prospect for would-be students.

Refusal rates

The refusal rate for study visa applications is around 25%, higher than the 20% for other types of visa applications. The rate has risen in the past 6-12 months, possibly as a consequence of stricter entry regimes for Canada and the USA. The main reasons given for refusals are the levels of funding that students present and doubts about intentions to study and/or to return to Colombia at the end of the course. Internet bank statements are not acceptable. Bank statements for the previous three months must be made available.

In all cases the visa officers stressed the need for students to be able to present a demonstrable rationale for their application beyond merely complying with the letter of the visa application requirements. It would be fair to say that visa applications are viewed with more scepticism than is the case in Venezuela, although it is clear that the immigration situation is very different in both countries.

Refusal rates are boosted by the practice of not offering deferrals where applications are incomplete; if part of the documentation is missing, the application is refused and a fresh application must be made. Subsequent applications will be dealt with by a different visa officer.

Visa Extensions

It was accepted that a previous visa extension does raise questions in the mind of visa officers when a subsequent application is received. Where the minimum of 15 hours per week has been chosen and the student has chosen to stay with Spanish speaking relatives for their original course, doubts are raised as to the seriousness of the study programme. Although subsequent visa applications are by no means automatically refused, it is not recommended that students extend their visas for the sake of it. Adhering to the original visa terms helps to build a credible track record in immigration terms.

Application period

An apparently common misconception is that students are required to apply for visas in the month before their course begins. The Consulate encourages visa applications 12 weeks before the start of a course.

Agent-supported applications

Agents can be problematic, according to the visa authorities. Although many are well respected, a number present incomplete applications which are automatically refused. Some also attempt to double-think the visa authorities to give "correct" answers which can lead to inconsistencies when the student is interviewed.

Letter of Acceptance

The visa officers were keen to get the message to English UK members that the information provided on the letter must be explicit and accurate. Dates for courses must state when the course actually begins and ends and the number of hours given must be presented as full hours per week, not the number of lessons or the total number of hours in a course.

It was requested that the following be clearly indicated:

Course start date

Course finish date

Number of hours per week

Holiday periods (if relevant) within the study period

Course fees – plus how much has been paid and by what means

Accommodation details

I pointed out that where a student studies for 2 terms, e.g. from September to March, the College would be closed for Christmas holidays and that this period should not be deducted from the period of the visa if it would bring it below the 6 months to allow part-time work. This point was accepted.

Payment of fees

It was apparent that applicants who have paid full course fees in advance are viewed favourably. It was pointed out to the Vice Consul that this is not a requirement of the visa application and lack of full payment should not, on its own, be taken as a negative sign. This was accepted but I was also told one or two schools had requested that visas be withheld for their institutions unless full fees had been paid. If English UK members wish to request this stipulation from the visa authorities in Bogota, this will be agreed.

Interviews

At least 60% of all study visa applicants come in person to make the application. The other 40% are made through agencies, of which 10% are called for interview. Almost all applicants who have previously been refused a visa are called for interview.

All visa refusals are reviewed by the Consul.

ICETEX Loans

ICETEX loans are well regarded by visa authorities as being totally credible and, in many cases, are not required to be repaid.

Courses available more cheaply in Colombia

I mentioned that it was sometimes common for visa authorities to state as a reason for refusal that an English course was available more cheaply in country but that this had been discounted as a reason for refusal by UK Visas in London and should not appear on refusal notices. The visa officers were disconcerted by this as it has been common for this to appear on refusals. The issue has been taken up with UK Visas since my return to the UK and should now be resolved.

DfES Register

The visa officers expressed concerns that the search facility is still poor with too much precision required in entering the name of an institution for it to be recognised.

Conclusions

Colombia is a significant market for UK ELT and could grow further. The first three quarters of 2005 show a 25% increase in student weeks on the same period in 2004 (although the data is not on a like-for-like basis) The security situation has meant that many wealthy families have looked to send their children abroad to study for long periods, often taking ELT-based courses for periods of an academic year. The country's reputation (largely ill-deserved) means that visas for the USA are very difficult to obtain with the UK becoming the beneficiary. However, the issues about UK visas were raised constantly during my visit and are at least perceived as a major barrier to increasing ELT enrolments to the UK. Agents feel they have been forced to look to other destinations, particularly Australia and Canada, at the expense of the UK.

It is recognised that the visa authorities in Colombia do a professional job in difficult circumstance. Nonetheless it is hoped that the points-based migration system will make the situation more transparent and objective when it is introduced, in particular removing the need for subjective decisions about intention to study and/or leave the UK at the end of the course.

The closure of British Council offices in Cali and Medellin risks lack of promotion and co-ordinated representation of UK ELT outside Bogota. It is hoped that, in time, the introduction of "approved agencies" might go some way to addressing this but in the meantime, English UK members should be rigorous in maintaining communications with agents and contacts throughout the country. Interest expressed by agents in regional associations and work experience or business English sub-groups indicates a potential opportunity to build a presence cost-effectively. The list of agents attending the presentations during my visit has been sent to the representatives of the regional associations and the sub-groups.

The number of agents who expressed interest in further information about the Fair in Brighton points to the possibility of higher representation in Brighton in 2006.