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The Language Training Market In Korea

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THE LANGUAGE TRAINING MARKET IN KOREA

EXECUTIVE SUMMARY

In recent years, Korea has spent more per capita on English language training than any other nation. Indeed, the Korean market is significant: \$4.6 billion¹ spent on English language education abroad, and between \$2 billion and \$4 billion spent domestically.

The English education market in Korea has been growing for many years, during which time there was a widespread perception that the quality of compulsory English curricula in schools was poor. The market in Korea has been satisfied primarily by local private institutes and English language institutions in Canada and in other countries. In fact, more Koreans study English in Canada than any other nationality.

In many cases, job applicants in Korea must now demonstrate English skills as a condition of employment. This fact together with the pervasive influence of Western culture has prompted many business-minded Koreans to launch language training facilities and many families with school-aged children to spend a significant portion of their savings on English education.

The local education industry has witnessed the rise and fall of countless ventures, ranging from conversational English and grammar institutes to English learning through differentiated offerings such as dance, movies, and political debate and discussion schools—all targeting the large reserves of discretionary income that Korean consumers are willing to spend on learning English.

The market is now saturated with general English education services, but lacks specialized and customized offerings that could benefit Korea's society and its economy as a whole. It is not unusual to find Koreans with a good command of English working long days at private English schools, while comparatively less skilled staff work in public schools and the hospitality, tourism and leisure industries, all of which could benefit from better trained staff.

A number of factors have arisen recently that will change the dynamics of the English education market in Korea—and will ultimately affect the prospects for Canadian language training providers, both in Korea and in Canada.

¹ All monetary amounts are expressed in Canadian dollars, unless otherwise indicated. The conversion to Canadian dollars is based on Bank of Canada rates.

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THE LANGUAGE TRAINING MARKET IN KOREA

MARKET OVERVIEW

English Language Training

Korea is spending more money per capita on English education than any other nation. Furthermore, there is no sign of a decline in spending as Koreans—ranging from parents with children in daycare to mature Korean workers—spend increasingly larger proportions of their discretionary income on English training. While some assign a high priority to learning English others consider it more important to improve their skills in science, music or sports. The average family with school-aged children will spend a significant part of their household income on private education in at least two or three of these categories.

When it comes to English language training, Koreans are increasingly demanding higher quality and more targeted services. For example, learning English to improve employment prospects has been largely replaced with the desire to learn English for specific purposes i.e. to speak fluently.

Public-sector changes to education policy reflect Korea's growing awareness that the rapid pace of globalization necessitates better language skills among the general population, at least on par with those of Korea's Asian neighbors.

The Korean government is now trying to attract more foreign direct investment (FDI) and more foreign companies, expertise and technology in its bid to transform Korea into a regional financial hub. The government is also promoting foreign travel as a way for Koreans to bring home best practices from abroad. Korea is learning from its southeast Asian neighbours, even those with weaker economies, that a multilingual nation is in a better position to attract tourists, foreign investment, financial services providers and international business. In Singapore, Hong Kong, Taiwan, Thailand, and the Philippines, for example, the perception is that foreigners have easier access to communications, tourism services, banking and business transactions than in Korea.

Korea will undoubtedly evolve into a more globalized economy as its labour force becomes more competitive, as standards rise in its universities and educational institutions and as Korean society begins to rely more heavily on foreign capital and services. To compete with global trade giants (e.g. China and India) Korea must create services that are accessible to other nations, and it must educate its workforce about foreign cultures and technological abilities. This new economic engine will be powered by "global" skills which include proficiency in English oral communication.

To this end, the Korean government has prioritized the following:

- Learning English at an early age;
- Shifting from grammar and reading to oral skills;
- Emphasizing participative, interactive and situational English;
- Developing more reliable tests to assess practical language skills; and,
- Attracting foreign human, financial and academic resources to improve teaching.

Private language institutes, which provide the bulk of English training in Korea, continued to proliferate up until 2004 when an economic downturn, in conjunction with government education reforms, forced many into bankruptcy. A return to prosperity has caused a resurgence in the demand for English training. The private sector has responded to the growing demand for English programs with a range of English-related services which generate between \$2.3 billion and \$4.6 billion in annual revenue.

Although successful businesses in the West are predicated on delivering a marketable service, this has not always been the case with companies providing English education services in Korea. English institutes are typically launched by individuals who lack business acumen or previous experience in implementing curricula, and who lack the required fluency to communicate with English-speaking staff.

The popularity of English language training has prompted many aspiring business people to open education ventures throughout Korea, without developing accurate business models that would lead to a demographically balanced and competitive distribution of English enterprises across the country. Many thousands of institutes are now clustered in cities, in direct competition with each other. This market saturation (a phenomenon known in Korea as “over-competition”) extends to other retail fields which are characterized by few market-entry barriers and a proliferation of small businesses e.g. restaurants and gas stations.

This is clearly the case in Kangnam, one of the busiest business districts in Seoul City, where English institutes are operating on each of the four corners of the main intersection. In this example, each one of these relatively large competing operations are attracting large numbers of students, which suggests that the demand for services is at least equal to, or exceeds, supply.

In 2005, close to 65 000 private institutes offering a range of courses were registered with Korea’s Ministry of Education (MOE). Close to one half offer English language training. Institutes that only teach languages include liberal arts institutes, and those offering entrance exam preparation and certification. English is also taught in informal classes and other private groups which are not necessarily registered. Maximum fees for English courses are about half of those for some science subjects. Korea’s institutes employ a total of about 180 000 instructors, who can teach anywhere from 5 to 99 hours each month. Tuition fees can vary widely as well, ranging between \$36 and \$1080.

The leading language institutes, which are invariably large, earn the bulk of their revenues from students learning English and to a lesser extent from the production and sale of textbooks, audiovisual material, test preparation and testing programs, study

abroad programs, and, in several cases, general bookstore sales. The larger companies are generally self-sufficient and as such it would be advisable for Canadian players to seek partnerships elsewhere i.e. with small and medium-sized enterprises that are generally in the development phase and would welcome foreign expertise.

Most of the larger companies are well acquainted with the Korean market, and their vision is to increase their market share, without foreign input. At times, the types of partnerships they develop with foreign entities involve the exchange of intellectual property. This translates into few business opportunities for the Western partners, while at the same time providing Korean organizations with opportunities to learn and adapt information and knowledge to their own advantage. These companies provide a range of services, but the market is saturated so new entrants have few prospects.

Table 1 lists a selection of institutes offering English education in Korea.

Table 1. English Education Institutes in Korea

YBM English Institute (annual revenue \$161 million)	SDA Language Institute
Pagoda Foreign Language Institute (annual revenue \$63 million)	Lee ik hun Language Institute
Jeong Sang Language School (annual revenue \$23 million)	Park jung Language Institute
Jungchul Language Institute (annual revenue \$11.6 million)	Oedae Foreign Language Institute
Global Foreign Language Institute	Minbyungchul Language Academy
Hacas Academy	

The growth of the Educational Broadcasting System (EBS), which has developed its English education courses rapidly over the past two years, could have a significant impact on attendance at the smaller institutes.

The following is a partial list of services offered by private-sector institutes in Korea:

- English conversation, grammar, reading, writing, listening, understanding television, discussion and debate, drama, and dance and painting from kindergarten level to adult;
- Business English for corporate employees;
- Test preparation, including testing techniques in Korean;
- Standardized test administration centres;
- Computer software courses offered in English;
- Internet-based English study clubs and other groups;
- Translation (documents or simultaneous interpretation);
- Conversational English over the telephone;
- Study abroad preparation;
- Study abroad agencies that match students with foreign schools;
- Returnee schools i.e. catering to students who have lived abroad, and whose English skills require specialized instruction;
- Personalized English classes at home i.e. agencies that match teachers with students in a home setting.
- Agencies that recruit native English speakers to live in Korean homes. (The family provides room and board, and a nominal salary to a native speaker in

exchange for daily English lessons. The agency charges a fee and provides a visa for the English speaker.)

- Curricula developers that cater to institutes;
- Editing services for textbooks and audio-visual material;
- Human resource agencies that search, screen and profile both Korean and native English speaking teachers for schools;
- English seasonal camps for elementary school, middle and high school children, both in Korea and abroad.
- Teacher training companies (mostly the domain of universities);
- English Villages or immersion schools with larger than average facilities to host children for extended periods. (Tuition fees are partly government-subsidized so these are affordable for most.)
- English “adventure/leisure travel” agencies that offer package tours featuring English speaking guides as a way to enhance learning (e.g. golf tours for corporate personnel); and,
- Customized English services provided by teachers to companies designed to develop and implement lessons adapted to specific personnel, corporate and industry needs.

Student exchanges between these large companies and foreign schools have been established in which the foreign schools receiving Korean students receive a share of the profits.

English Villages

Although the Korean government is actively involved in education, it does not provide direct funding to the private sector. Korea’s English Villages are exceptions to this general rule i.e. the Villages are examples of the private sector benefiting from central and regional government funds.

A portion of each regional English education budget is allocated for English Villages, which are typically managed by the private sector. In general, cities compete with each other to create and manage the best Village and to this end cities allocate land and buildings, and a first year start-up budget to their Villages. Village projects are tendered and companies that are directly or indirectly involved in English education are invited to participate. Companies with solid business backgrounds, financial stability, price competitiveness and offering strong curricula are in the best position to secure a substantial part of these funds. The private sector works with city authorities to create and manage each Village.

Ministry of Education

In 2004, Korea’s Ministry of Education (MOE) mandated that from early elementary school to high school pupils must remain in school longer—up to several more hours each day—for supervised homework. Schools were required to pay teachers overtime to supervise students, which in turn led to huge expenditures by parents on private after-school education. The regulation was shortsighted: many institutes went out of business, and the number of hours students spent in private schooling extended well

into the evening hours. Indeed, many middle and high school pupils attending private institutes in the late afternoon sometimes did not return home until 1:00 a.m. An attempt to address the concerns of the private sector was made by ruling it illegal to conduct any form of private tutoring in students' homes. Not only was this activity illegal prior to the government's ruling but reinforcement of the regulation has proven to be very difficult. The end result is that the new regulation has had very little impact on private sector losses.

The MOE has recently proposed a new five-year plan aimed at improving the English language skills of the next generation of Koreans. In this case, the MOE's influence is more or less limited to preparing the plan; it will be the responsibility of Korea's district boards of education (which are organized by province and city across the country) to implement and adapt the plan according to regional budget allocations for English education.

In other words, while the MOE provides the overall budget for English education, the decision is left to district education boards to allocate funds from their regional budgets to English education in the national school system and to such ventures as English Villages. The fact that some municipalities such as Seoul City and its surroundings have managed to fund several English Villages for their residents whereas poorer provinces lack such facilities reflects the regional disparities in budget allocations for education.

Highlights of the MOE's five-year education plan include:

- Improved curricula stressing oral skills;
- At least one native English teacher for each middle school in Korea by 2010;
- Improved hiring practices to identify qualified native speakers;
- Expanded curricula for elementary grades one and two by 2007;
- English-immersion model introduced into elementary schools by 2008;
- Standardized testing implemented to assess and improve oral proficiency; and,
- Improved English-language services in economic free trade zones.

District Education School Boards

District education school boards are the most involved of all Korean government offices in English education. The boards, or offices as they are sometimes called, have large staffs that oversee public education in a given province or city. The boards are autonomous organizations, with authority to make decisions about their budgets, the level of training for English teachers in their jurisdictions, the proportion of funding to allocate for the hiring of native English speakers to teach at their schools, and whether or not to implement English Villages.

This degree of self-sufficiency had led to competition between boards, the outcome of which has been more educational services provided to the general population.

Services that are required by district education boards and which may be outsourced to foreign providers include the following:

- Teacher training programs for Korean teachers of English in Korea, which usually range from one to two months;
- Teacher training programs for Korean teachers of English abroad, which usually range from one to six months, sometimes combining domestic training with a trip abroad as a final part of the course;
- Recruiting, hiring and managing native English speakers to teach at national schools;
- Identification of partners to create and implement curricula at English Villages, which usually teach children in cycles of one to four weeks;
- Recruiting and hiring of native English speakers to work at the English Villages; and,
- Partially funded TESOL programs for Korean teachers.

Elementary, Middle and Secondary Schools

Korea's school system comprises some 9.2 million students studying in 19 306 schools, all of which fall under the authority of the MOE. The MOE also controls schools run by private foundations, even those that are not solely state-funded. The MOE's five-year plan proposes to increase students' exposure to native English speakers. The plan does not mention the number of hours of English education that will be required in the first two years of elementary school. One alternative that has been proposed to the existing schedule will reduce instruction time for optional and special courses in middle school (grade eight) by one hour. This will be offset by the hiring of native English teachers (NETs), which will doubtless increase the effectiveness of the programs but at a higher cost.

Table 2. Student Enrolment in Korea

Segment	Total students	Students in National Schools	Students in Public Schools	Students in Private Schools	Number of Institutions
Kindergartens	541 603	253	124 030	417 320	8 275
Elementary Schools	4 022 895	10 761	3 964 657	47 477	5 647
Middle Schools	2 015 022	6 798	1 624 046	384 178	2 947
High Schools	1 783 049	14 860	895,054	873 135	2 156
Special Schools	23 566	1 239	9 697	12 630	142
Colleges	856 564	13 405	22 748	820 411	161
Universities	2 409 939	776 742	21 414	1 611 783	224 (1 027)
Graduate Schools	282 225	81 207	3 970	197 048	34
Total	11 934 863	905 265	6 665 616	4 363 982	19 586

Public and Private Universities

The university segment comprises some 2.7 million students studying in around 250 institutions. In Korea, the only distinction between private and public universities is that private universities have more control over their budgets. In many universities in Korea, the demand for courses, whether English-related or not, has outstripped supply i.e. the universities can no longer provide programming using their own resources. Many have

therefore been compelled to establish English institutes that are annexed to their campuses. These institutes are regarded as private entities—partly self-governed, partly self-funded—yet having at their disposal curricula developed by the English education departments of their parent organizations.

These facilities operate in a similar fashion to privately owned institutes, the only difference being that tuition tends to be slightly lower; the number of students per class is larger than at private institutes, but lower than at regular university classes. For the most part, these institutes will only accept students who regularly attend the parent organization. Some institutes might be more open to accepting students from other universities, nevertheless, the general rule is that the institutes are established to serve their own student population and to satisfy their internal demand for English education. Services such as test preparation and advanced speaking skills, not provided by regular university courses, or other services that would be more difficult to provide under the MOE regulations, are also provided.

Opportunities exist to partner with these institutes to provide a range of high-quality services. The following can either be outsourced to, or shared with, credible foreign business partners:

- Test preparation curricula;
- Advanced conversation and proficiency curricula; and,
- TESOL and other teacher-training programs for those in related majors.

Universities across Korea that offer undergraduate programs with majors in English Literature, English Education, and Business English are listed in the **Appendix**.

Teacher Training (TESOL)

The demand for high-quality teachers is creating a parallel demand for teacher training. Koreans now recognize that the practice of admitting untrained teachers into Korea simply because they hold passports from English-speaking nations is no longer acceptable (i.e. people from the Russian Federation and other non-English speaking nations have been hired). Consumers frustrated with the low standards in English language training have sparked national debate, which has led to stricter immigration policies for foreign teachers. Korea's annual Teacher of English to Speakers of Other Languages (TESOL) market is worth \$2.3 million in tuition fees alone. This will likely increase in concert with the growth in the number of consumers willing to pay high tuition fees to earn certificates from well-known foreign schools.

Koreans hired at public and private schools under the jurisdiction of the MOE are now required to undergo further training. More senior teachers (i.e. over the age of 30) appear to be stronger in grammar and reading skills, yet are very weak in modern teaching techniques, and English oral skills. Consequently, the school system has become more demanding about adequate training prior to hiring, and a TESOL certificate has become a widely accepted credential.

Regardless of whether or not newly hired teachers have undergone formal training, district education boards (which are in charge of this type of activity) are insisting on

annual training for their teachers. This consists of one to two months of formal training at government-run training centres. Further training may include between one to six months of part-time, and often fully funded, studies abroad.

Less experienced teachers typically undergo training at government facilities where more experienced Korean teachers, and in some cases well-accredited foreign teachers, deliver lessons on pedagogical techniques.

Teachers with more years of service receive a one-month combination of training and sightseeing in one of the English-speaking countries chosen by their districts. Canada, Australia and the United Kingdom are preferred destinations.

Heads of English departments and those who have accumulated sufficient years of service are eligible to stay abroad longer, and hence will be able to further their TESOL studies at foreign universities.

Many Korean universities are now offering TESOL courses. Although this branch of the industry was led by a few schools, the demand for credentials by both the public and private sector, and for English education as a whole, is now forcing many schools to implement this program to remain competitive. Curricula and courses range from short certificate programs that do not meet the internationally accepted 100 hours of tuition plus 10-20 hours of practical regulation, to others that go well beyond the basic standard and include modules which can later be traded for credits at the post-graduate level.

The following observations have been made about Korea's TESOL market:

- Sookmyung Women's University has led the TESOL market for many years.
- Universities offering joint TESOL programs with foreign universities are better positioned to attract students.
- New entrants to this market are mostly universities which welcome foreign partnerships, mainly with U.S. universities featuring well-known English education departments or renowned TESOL programs.
- There are very few privately owned and non-university-run TESOL courses in Korea; most cannot compete with university TESOL providers.
- The TESOL customer in Korea is almost exclusively Korean, and hence relies on domestic brand power to accumulate credentials acceptable to MOE schools.
- Foreign teachers working in Korea are also TESOL consumers however less expensive opportunities exist elsewhere in the Asian region. In Korea, short working contract/visa periods for foreigners often require them to leave Korea for a few months. The option of combining leisure and study outside of Korea to obtain internationally accredited certificates which are affordable and academically sound is attractive. Most domestic TESOL providers focus their courses on serving the Korean consumer of English services; Korean university TESOL programs do not enjoy an international reputation.
- Foreign TESOL schools have considerable potential to be competitive in the Korean market. The Korean consumer seeks certificates with domestic brand power, but with the academic background and knowledge of more experienced

and renowned schools abroad. The competition for jobs requires candidates and suppliers to go beyond simply learning basic techniques and granting government-required credentials. Foreign curricula and techniques developed by recognized experts are well-regarded.

Study Abroad

Korea's sizeable study abroad market segment offers the best opportunities for Canadian companies. According to the Bank of Korea, applications by Korean exchange students to study abroad were valued at approximately \$4.3 billion, including the costs of parents accompanying young children abroad.

In 2004, approximately 192 000 Koreans (mostly university students) studied abroad, with expenditures per student of around \$13 740. Since 2000, there has been a steady increase in the number of younger students (i.e. elementary, middle and secondary) studying abroad. As shown in Tables 3 and 4, almost 16 500 students traveled abroad to study in 2004, with most departing from Seoul and Gyeonggi.

Services are also required for the thousands of Korean returnees i.e. those who have lived abroad and who require specialized English education services that cannot be provided by regular English language institutes. In 2004, close to 15 000 students returned home to Korea. As shown in Tables 5 and 6, the number of student returnees has more than doubled since 2000, with the majority returning to Seoul and Gyeonggi.

Table 3. Korean Students Studying Abroad

Year	Elementary	Middle	Secondary	Total
2000	705	1 799	1 893	4 397
2001	2 107	3 171	2 666	7 944
2002	3 464	3 301	3 367	10 132
2003	4 052	3 674	2 772	10 498
2004	6 276	5 568	4 602	16 446

Table 4. Korean Students Studying Abroad—Regional Data

Region	2001	2002	2003	2004
Seoul	4 446	4 505	4 403	6 089
Gyeonggi	2 105	2 721	2 674	4 885
Pusan	207	444	541	725
Incheon	237	437	378	825
Deajeon	102	319	470	611
Deagu	179	317	284	493
Other	668	1 389	1 748	2 818
Total	7 944	10 132	10 498	16 446

Table 5. Korean Student Returnees

Year	Elementary	Middle	Secondary	Total
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2000	4 010	1 416	1 136	6 562
2001	4 942	1 811	1 266	8 019
2002	5 351	1 803	1 201	8 355
2003	7 471	3 006	1 721	12 198
2004	9 676	3 097	2 190	14 963

Table 6. Korean Student Returnees—Regional Data

Region	2001	2002	2003	2004
Seoul	3 802	3 382	5 216	6 068
Gyeonggi	2 021	2 365	3 224	4 699
Pusan	421	353	523	637
Incheon	171	254	378	415
Daajeon	447	460	829	726
Deagu	315	287	309	413
Other	842	1 254	1 719	2 005
Total	8 019	8 355	12 198	14 963

Translation Services

Translation services are mostly provided by local firms, and are usually offered from Korean to English and vice versa. Interpretation services are also provided from Korean to other languages by some government agencies, often free of charge. There are few opportunities for Canadian translation companies in this market.

At international events such as the APEC (Asia Pacific Economic Cooperation) conference held in Busan in 2005, interpreters were required for foreign visitors. Translation was also required to provide multilingual information in both printed and electronic formats. Exceedingly labour intensive, these services are usually performed by bilingual Koreans. Table 7 lists the leading local translation firms.

There is limited demand for text recognition applications in the Korean market although Korea has the technological capacity to develop such programs.

The growing interest in on-line education, specifically virtual classrooms, could increase the demand for voice applications such as speech recognition software in Korean and English.

Table 7. Translation Services Providers

Amikai	LNI Soft
Fain Translation Co.	I Trans
To and To Co.	SP Korean Translation Team
Gate Trans	Seoul Translation Service
Click Q	Gurru
Transnara	Trans E-Mall
ICANREAD	World Translation
Saltlux (Ltd)	Translation dot com
FTRANS Translation School	Prolangs
Language & Company	
Source: Search results using the Korean search engine "Empas".	

Hotel and Tourism

The Korea National Tourism Organization (KNTO) does not offer English education services to personnel working in the private sector, however, the Korean government partly subsidizes English training for KNTO employees such as tour guides and interpreters hired by the government. This suggests few direct opportunities exist for Canadian language firms in this market.

According to KNTO, the greatest challenge facing foreign visitors is communicating with business people or retail staff. This could be because the private sector is not legally required to hire certified interpreters or guides as is the case with government-operated tourism services. Visitors to Korea are therefore advised to deal only with agencies or service providers that use certified interpreters and tour guides.

The fact that so few personnel working in the tourism industry are proficient in English is one of the greatest challenges faced by visitors to Korea. More Korean employers are now requesting test scores before hiring any employee who will be required to interact with non-Koreans.

Many larger firms assume the cost of workplace English training, sending their employees to outside institutes; however, small and medium-sized firms do not do this to the same extent. Producing a curriculum specific to the hotel and tourism industry in partnership with larger, well-known English institutes, or university institute annexes, could be an effective way to enter the market indirectly.

Some industries (e.g. airline companies) provide in-house language training for employees that require English skills. Many have been sent to tourism and hospitality industry colleges, where English is also part of the curriculum. Korean Air, for example, has a special agreement with Inha University.

Some high-end hotels also require English test scores, as well as a personal interview carried out in a foreign language, as part of the hiring process. Such hotels typically provide in-house training for all staff in specific foreign languages, especially for those who will be interacting with foreign visitors. This training is essential for individuals who expect to be promoted within the organization and is usually offered at no cost to employees.

Most lower end hotels are staffed by individuals who do not speak English. Testing is not a part of the hiring process and any language training undertaken is paid for by the employees themselves.

Standardized Testing

Koreans are accustomed to being tested for employment purposes, for university entrance (both in Korea and abroad) and to become English teachers. English language testing is therefore an important market segment in Korea. Enrolment has risen sharply in private institutes that are dedicated to preparing students for these tests. These services are typically offered in conjunction with in-house teaching aids. Most programs in this segment are offered in Korean.

Doing well on the tests, not English proficiency, is usually the ultimate goal. To this end, the focus is generally on how tests are constructed and how to achieve high scores by deducing answers based on test-taking strategies.

There is evidence, however, that this situation may be changing. More testing services are incorporating oral and listening components into their tests and introducing computer and Internet-based testing to promote better learning. The on-line learning market is still emerging in Korea as more businesses experiment with services that combine traditional and digital learning strategies.

Across the country, schools are preparing themselves for the use of Internet-based technology by organizations such as ETS TOEFL (Test Of English as a Foreign Language). More school-aged children are taking such tests as PELT (Primary English Level Test), TOEIC Bridge (Test Of English for International Communication), JET (Junior English Test) and JR G-TELP (Junior General Test of English Language Proficiency). In 2004, an estimated 380 000 children took these tests; in 2005, this number rose to 460 000, and in 2006, some 600 000 children are expected to write the tests. This trend is opening up more opportunities.

Korea's \$114-million testing market comprises testing and tuition fees, as well as textbooks and other preparation material. Only 7% of the market is accounted for by testing fees.

Other Languages

Although Canadian institutions can offer training in languages other than English, the market for learning other languages in Korea is very small, with the exception of Chinese. An indication of the number of Koreans studying in China was demonstrated during the recent SARS (Severe Acute Respiratory Syndrome) episode in China, when more than 60 000 Korean students returned home. Although this is a high-growth market, China's proximity to Korea will make it difficult for Canada to compete. The Chinese language industry will likely follow the path taken by the English industry over the course of the next ten years i.e. "China Towns" will be established alongside English Villages.

Learning Japanese is the third language of choice in Korea, while learning Spanish is a distant fourth. The French language training market is extremely small; demand is satisfied by the Alliance Institute, and by university language institute annexes. Only two private French language institutes have been identified in the market.

Key Factors Shaping Market Growth

Education Policy

The Korean government has recently adopted a much more active approach to English language education. The government aims to reduce household expenditures on study abroad ventures and to make English training more accessible to lower income families. The government also recognizes its responsibility to equip Koreans with the language skills the country requires to compete in a globalized trade environment.

The MOE's five-year plan provides most children with access to English training at their own schools, with exposure to native English speakers at an early age. Local governments are also investing more in English Villages to avoid huge expenditures on education in other countries.

The following factors are influencing the dynamics of Korea's English education industry:

- Beginning in 2006, the Korean government introduced more native English speakers into all secondary schools to improve the quality of language teaching.
- In response to domestic economic imperatives, legislation was introduced to restrict the time available for private-sector education, including private tutoring.
- English Villages, sponsored by local governments, have infringed on the market share of small private institutes. The Village concept has led to more elementary school children being exposed to English, some as early as the first grade.
- Growth in specialized study-abroad programs is continuing; Korean niche players which concentrate on specialized subjects, including preparing for study abroad at all education levels, continue to do well.
- The secondary and tertiary education segments are becoming more sophisticated with the introduction of more English courses.
- The target education demographic is now shrinking i.e. successive educational cohorts are smaller.
- Many English language training institutes which once specialized in English are now teaching Chinese, and sending students who would once have studied in English-speaking countries to China. A number of institutions in China now have more Korean students than those of any other nationality, and this trend is accelerating.
- To a lesser extent, institutes teaching Japanese and other languages are also prospering.

A Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of the English education market in Korea is summarized in Table 8.

Table 8. SWOT Analysis of the English Education Industry in Korea

Factor	Issue
Strengths	<ul style="list-style-type: none"> • Industry is diversifying. • Household expenditures are rising. • New government legislation promotes English education. • Standardized testing introduced in 2006 will increase market share for private education.
Weaknesses	<ul style="list-style-type: none"> • Industry oversaturated with private-sector

Factor	Issue
	grammar/conversation/reading/writing/listening institutes. <ul style="list-style-type: none"> • Tuition is government-regulated. New institutes must adhere to requirements regulating physical size and start-up capital. • Public school children required to remain at school for long days. • Translation and technologies markets in low demand, hence underdeveloped.
Opportunities	<ul style="list-style-type: none"> • 5-year MOE plan driving expenditures. • Supply of international test preparation services launched prematurely. New standard tests not implemented. • On-line education attracting consumer attention. Developing technology. • Free economic zones exempt foreign-invested ventures from some regulations.
Threats	<ul style="list-style-type: none"> • Rapid saturation of new standardized test preparation market. • Government regulations introduced to regulate English-education related services to prevent overspending on language training by individuals. • Australia, New Zealand, the United Kingdom and the United States are active competitors. • Australia and New Zealand are the most cost-competitive.

Opportunities

Korea represents a very large market, with \$4.6 billion spent annually on English language education in the private-sector abroad, and an almost equal amount spent in Korea.

To remain profitable in Korea's competitive education market, Canadian English language training suppliers are advised to identify niche opportunities, or cater to the mass market with lower cost, more appealing offerings. The challenge over the coming decade will be to avoid saturating the market as soon as opportunities are identified.

The following areas offer the most potential to Canadian language firms.

Agencies Serving Canadian Government Clients

Greenfield Investment is an example of a fully funded agency that works with Canadian-Koreans and non-Korean Canadians that have lived in Korea. Agencies can represent the interests of the Canadian government in Korea, serving as cross-cultural, broad based support for Canadian businesses and a cultural and education resource centre for Koreans.

Canadian Education Entities

Canadian district education offices, high schools and tertiary institutions can form partnerships with Korean high schools, colleges and universities to facilitate contact with career centres and school principals. Forming direct relationships with colleges and universities reduces the cost of student exchanges for Koreans, thereby increasing enrolment. Not using an agency as an intermediary enhances credibility. A Canadian government initiative would facilitate the matching. This market involves between 10 to 100 students per season per partnership, generating seasonal revenues of around \$1000 for each Canadian partner.

Private Language Institutes

There are good opportunities for franchising partnerships for well-known and financially stable institutes with local education franchisors. Franchise fees, collected by the franchisors, average \$11 000 per unit for smaller franchise chains with 3-5 units and larger networks of 30-50 units. Some charge 10% of the royalties and insist on exclusive contracts for textbook purchases.

Teacher Training (TESOL) Programs

Canadian universities and district education offices can form partnerships with TESOL administrators and education board supervisors in Korea. Potential is good for well known TESOL programs to make inroads in Korea as well as for Canadian teacher training program providers to offer customized programs to government-sponsored teachers from Korea. Sessions can accommodate between 20 to 40 students per session and could generate an average of \$500 or more in profit per student for the Canadian TESOL provider if run in Korea and \$1000 or more for a TESOL program delivered in Canada.

Education Technology

E-learning is an emerging market in Korea. At present, the best prospects involve partnerships with local education technology leaders. On-line education is becoming more popular, but English education technology, although promising, is still nascent.

Teacher Placement Agencies

There are excellent opportunities for companies willing to set up small or virtual offices in Seoul in order to supply teachers to regional education boards, government schools, private institutes, English Villages and seasonal camps with educational themes. Agencies can charge \$500 per teacher for seasonal summer/winter camps, or many times that amount for teachers recruited for English Villages.

Education Companies

Opportunities lie in partnerships with English Villages and other education organizations to supply curricula and other services. Partnerships, which could amount to around \$10 000 per contract, could facilitate contact with Korea's district education offices.

Tourism and Hospitality

This market is waiting to be developed. Canadian firms can offer programs that combine seasonal work experience in Canada with language services in Korea.

Actual and Planned Projects

English Villages

Seoul English Village, the first in Korea, started with funding for building and re-construction/interior fittings from the local municipality. Management was assigned to Herald Media, owners of the largest English newspaper in Korea. Despite price regulations and financial difficulties characteristic of any pioneering venture, the operation is now profitable despite fee caps implemented by Seoul City. The Village currently costs \$2.3 million a year to operate.

Several other Villages began operating in 2005: Incheon City English Village (annual budget \$1.7 million) and Seongnam City English Village (start-up budget \$2.3 million). Two new Villages were slated to begin operations in 2006: Asan City English Village and Mokpo City English Village.

In April 2006, the most elaborate English Village to date opened its doors at Paju, Kyonggi-do. The concept is built round the 3E model of “Education, Entertainment and Experience”. The provincial government spent \$97 million creating the 277 200-m² English language theme park, complete with tramway. English will be incorporated into a range of activities, including cooking classes. A one-month immersion course will cost \$1620.

In the case of Paju’s English Village, funding was derived from the education board as well as the province’s general development budget. Authorities in Kyonggi expect that the project will attract clients who would otherwise spend four times the cost of attending the Village going abroad to study. The success of the English Village movement will therefore limit the market for immersion and short-term courses in Canada which are now so popular. Canadian providers will need to revise their strategies accordingly and consider partnering with Korean companies.

Regional authorities are currently searching for land, buildings and funding to devote to additional commercial ventures. Managers must demonstrate the ability to operate non-profit entities in a sustainable fashion.

Although municipal authorities prefer to work with Korean nationals, foreign participation is increasingly welcome i.e. bidding is open to all interested and qualified parties. This represents a real opportunity for Canadian companies to participate. Canadians interested in the Village concept are advised to work with a well-known domestic operator as this will increase their prospects of winning the bid and of managing the venture successfully.

Useful Internet Sites includes links to many of Korea’s English Villages.

Native English Speaking Teachers

The MOE's 2006 budget (informally referred to as an “international education budget”) will amount to anywhere between \$3.9 million and \$6.8 million. It is almost certain that \$1.7 million will be exclusively dedicated to hiring native English speaking teachers. This figure falls within allocations outlined in its five-year plan. At present, it is unclear whether or not a portion of this budget will be directed to selected cities to partly fund their Villages. Cities are relatively autonomous in terms of funding their Villages and will continue to direct funds from their own budgets regardless of MOE allocations.

The Korean government at all levels is clearly taking a much more proactive role in English language teaching. The MOE's five-year plan will likely be extended given its current level of political support.

COMPETITIVE ENVIRONMENT

International Competition

British, U.S., Australian and New Zealand organizations are involved in all areas of language education in Korea, and as such can be considered strong competition for Canadian firms.

United Kingdom

The British Council, for which there is no Canadian counterpart, is among the most highly regarded English-language institutions in Korea. The British Council, which stands out as perhaps the most active of all agencies in the Korean market, provides a variety of services usually in the form of partnerships between Korean and British entities. It promotes two-way exchanges so that Korean and British firms can present and market their products and services to their respective partner countries. Programs offered by the British Council are always fully enrolled, despite the fact that the Council has expanded considerably over the past five years, and that its student fees are about twice what is charged by other firms for comparable courses. The British Council provides its students with information about educational opportunities to study in Britain, and offers scholarships to Koreans for both short- and long-term study.

United States

U.S. organizations are regarded as prestigious; agreements between U.S. and Korean universities are leading examples of bi-national partnerships in Korea's education sector. The United States Information Service (USIS) actively seeks opportunities to serve local Korean governments while the Fulbright Foundation provides information on and scholarships to U.S. universities. U.S. service providers benefit from the high profile reputation of U.S. schools and the extensive research facilities in Seoul that are available to students. U.S. programs (e.g. TESOL) are trusted and U.S. teachers have no trouble finding jobs in Korea. However, among Koreans there is the perception that tuition and living costs are excessively high in the United States.

Australia

Australia's student recruitment system uses a single agency, the Australian Education Centre, to represent all Australian universities. Although this system is not always popular with the individual universities, the agency's strong and unified presence in Seoul is impressive. As well, the agency's location alongside the Australian Embassy and Austrade contributes to the sense that the organization has been officially sanctioned. Australia's provincial governments have also forged links with companies and institutions in Korea for short-term student exchanges. Australia offers reputable

TESOL programs which are competitively priced. However, Koreans regard the Australian accent as undesirable and perhaps for this reason some Australian teachers find it difficult to find jobs in Korea.

New Zealand

The New Zealand Centre for Culture and Education actively recruits Korean students to attend regular schools and short-term education camp adventures in New Zealand. New Zealand's education sector leverages its tourism industry's campaign which promotes the country's natural beauty under the slogan "100% New Zealand". Student enrolment in English language programs in private institutes across the more affluent regions of the country has been declining as many students choose to attend regular classes for longer periods (e.g. one year) in New Zealand. The cost of spending a year in a regular school in New Zealand is roughly equal to the combined cost of attending a regular school in Korea for a year plus classes at an English institute. Student exchanges are also actively promoted. Koreans regard the New Zealand accent as undesirable and for this reason teachers from New Zealand tend to find it difficult to find jobs in Korea.

Canadian Position

Canadian language firms participating in Korea's education market can be categorized as follows:

- Joint ventures between regional education boards in Canada and private institutes and public schools in Korea;
- Joint ventures between Korean private institutes or franchises or with Canadian language services companies already in the market;
- English teacher-placement agencies based in Korea and managed by Canadians or based in Canada with an office represented in Korea by Korean nationals;
- Education companies managed by Canadians with offices in Korea for the purpose of student exchanges, short-term youth camps and similar activities; and,
- Canadian-owned sole proprietorships operated by Canadians living in Korea.

Many public and private schools across Canada have implemented ESL programs for foreign students. In British Columbia these schools target Koreans, Japanese, Chinese and other Asian students, and to a lesser extent Latin American and European students. Over the years, British Columbia's education ministry has also signed business agreements with a number of Korean medium-sized and large private institutes and agencies for one-directional student exchanges.

Under these agreements, the Korean partners often assume responsibility for student recruitment, documentation, logistics and tuition fee transfers while the Canadian partner handles reception, lodging and tuition and fee payments to the Korean partner. To increase profits, more companies are now expecting students to pay handling fees in addition to their tuition fees.

Some English institutes in Korea have adopted the name, curricula and standards of specific Canadian educational entities e.g. government training schools and private education firms. This arrangement enables the Korean firm to promote the credibility and value of an existing program, while at the same time using a foreign “brand” to differentiate the service from those offered by other local institutes. The developer of the Canadian program benefits from the opportunity to expand overseas and attract foreign income.

Examples of such arrangements include Vancouver- and Toronto-based agencies that place advertisements in newspapers across Canada advertising “Teach English in Korea”. With contact information in Canada, often managed by Canadians who have lived in Korea or somewhere else in Asia, these Canadian companies assume responsibility for teacher profiling and screening and forwarding documents to their Korean partners. The services of the teachers are offered to employers in Korea, and the placement fees are typically shared by the two partners. Fees can be sent to Canada via bank wire on a case-by-case basis, or accumulated and submitted each month.

Some education companies in Korea that are co-owned by Koreans and Canadians and managed by Canadians provide teacher placement services send students to Canada, and host English language training camps.

Canadian expatriates living in Korea, many of whom are former English teachers, also provide services on a smaller scale. There are many of these individuals working in Korea—a testament to the effectiveness of teacher recruitment partnerships.

On the whole, Koreans have demonstrated a positive attitude towards Canada, including the Canadian people and Canadian products and services yet Canada lags far behind the United States as a study abroad destination. Nevertheless, as shown in Table 9, Canada has made impressive gains since 2000 and has overtaken both Australia and New Zealand in this regard. Given Koreans’ positive attitude towards Canada and its price competitiveness compared to that of the United States, the data suggest that Canada is not performing to its full potential. (Note: Table 9 data do not include short-term students.)

Table 9. Korean Study Abroad Destinations

Year	United States	Canada	SE Asia	New Zealand	Australia	Total
2000	2 869	309	574	250	242	4 244
2001	3 504	500	628	422	330	5 384
2002	3 552	648	568	815	352	5 935
2003	4 532	1 252	873	1 639	500	8 796
2004	5 355	1 899	1 255	1 896	655	11 060

Nevertheless, U.S. institutions are strong competitors in the study abroad segment, despite the complex economic, political and military dynamic which Korea has shared with the United States for over 50 years. However, although the United States is a popular study abroad destination for Koreans, many choose to study in Canada, Australia and New Zealand where costs are lower. Many Koreans prefer to learn

Canadian English, however, because of the perception that English in Canada is spoken with a “neutral” accent, compared with the English spoken in Australia and New Zealand. Accent is an important consideration for students aiming to continue their studies in U.S. tertiary institutions.

Competitive Advantage through Canadian Government Policies and Initiatives

Trade officers at the Canadian Embassy in Seoul are available to provide market intelligence to Canadian firms considering the Korean education market.

PRIVATE-SECTOR CUSTOMERS

The current TESOL market in Korea offers excellent opportunities to foreign entities in the form of partnerships with domestic TESOL providers.

Table 10 lists TESOL providers at the tertiary level, and as such excludes privately owned providers of TESOL courses, which constitute an extremely small share of the market.

Table 10. TESOL Providers at the Tertiary Level in Korea

School	Tuition (\$)	Period	Classes	Study (hrs/ wk)	Students
Sookmyung Women's Univ.	4111	5 sem	10	12	200
Sungkunkwan Univ.	3780	6 mos	4	12	80
Hanyang Univ.	3720	21 wks	3	8	30-50
International Graduate School of English	Fully subsidized	4 sem	2 English education departments	Depends on classes	50
Ajou Univ.	3000	6 mos	2	9-12	40
Dankook Univ.	4356	4 sem	1	12	50
Pusan-TSU Joint TESOL	3435	21 wks	2	5	120
Woosong Univ.	2400	4 sem	1	3-6	30
Sungkunkwan Graduate School of Translation & TESOL	3602	5 sem	6	3	40
Catholic Univ.	2880	4 wks	2	12	50

Korean consumers are very brand conscious. A large well-known English institute that adheres to a profitable English education business model which allows room for growth, offering an advanced curriculum and professional staff, will attract more students than medium-sized or small facilities. This is the case even when smaller enterprises implement strict hiring policies i.e. where staff are better prepared and better prices are offered.

PUBLIC-SECTOR CUSTOMERS

Foreign direct investment is prohibited in all public-sector education entities in Korea. Only private-sector educational institutes and ventures are permitted to enter into partnership agreements which involve shared ownership. In other words, Canadian education firms seeking to enter the market must do so via contracts to supply goods and services (e.g. course material) to Korean education entities, including those at the tertiary level. See the **Appendix** for a list of tertiary institutions in Korea.

MARKET LOGISTICS

Market-entry Considerations

Korea is growing more open to foreign direct investment (FDI), foreign influence and joint ventures with foreign partners. While there are relatively few regulatory and legal barriers to such partnerships, foreign firms are advised to consider cultural differences and to remain flexible when working with a foreign partner's business model.

The best market-entry strategies for Canadian firms include partnerships with local private-sector firms, either sharing the setting up of a place of business in Korea through mergers and acquisitions or joint venturing, or setting up local offices independently. Despite the costs associated with setting up businesses in Korea, several Canadian language firms have already entered this comparatively open market. Firms considering the market are advised to consider working with Canadian language training suppliers in Korea to identify new opportunities.

Table 11 outlines the regulatory aspects associated with each market-entry approach.

Table 11. Market-entry Regulatory Issues

Entry Mode	Target Services	Regulations
Partnership with Korean entity	TESOL, student exchange, teacher placement	Canadian partner liable for taxes classified as foreign source income by CRA. Canadian tax may be withheld. No applicable Korean regulations.
Joint Venture with Korean entity	Education technology, teacher placement, large scale franchising	Canadian partner liable for taxes classified as foreign source income by CRA. Foreign investment eligible for capital investment deduction. 10% ownership required for FDI incentives. Canada-Korea tax treaty applies.
Sole Proprietorship with local presence	Government representation, technology and marketing research branches, curricula and other educational activities services	All Korean FDI regulations and benefits apply. Canada-Korea tax treaty prevents double taxation. Potential Canada-Korea Free Trade Agreement could be advantageous.

Foreign Direct Investment Legislation

Foreign direct investment is prohibited for all education segments except for private educational institutes and ventures and commercial enterprises set up in free economic zones, where the government not only allows foreigners to establish foreign invested businesses, but encourages and partly funds such ventures to increase the level of foreign expertise in the country.

These restrictions only apply to institutes offering education to Korean nationals. Foreign schools offering education in all other modes of delivery to foreign residents and Korean nationals who have spent more than three years abroad may be registered. Except in free economic zones, international schools must be operated on a not-for-profit basis.

Doing business with a Korean entity in which no foreign investment is involved (i.e. no investment funds sent from Canada directed towards operations, facilities, or personnel, and/or equity or other capital) is relatively straightforward. Only the Korean partner is liable for taxes and subject to regulations, provided the Canadian partner's revenues do not remain in Korea (otherwise the income would be assigned to the Korean partner and therefore taxable). Overseas transfers of dividends are tax deductible. Canadian partners are advised to establish written agreements with their Korean partners stating the financing arrangements, time period, jurisdiction over disputes (usually an internationally recognized court in Korea) and money transfer responsibilities, including revenues subject to taxation in Korea or in Canada.

More specific regulations dealing with investment, business activities, taxation, legislations and regulations applying to foreign owned companies, or regulations associated with mergers and acquisitions, foreign workers, local labour legislation, and economic legislation are well documented, revised regularly and readily available in English from Korea's National Investment Promotion Agency "Invest Korea", either on the agency's Web site or from its Canadian offices. Bilingual and well-trained personnel are available to provide specific information.

Suggested Business Practices

Canada offers a number of very good and affordable exchange programs between Canadian schools and Korean organizations. Brochures depicting Canada's natural beauty could attract students who would otherwise choose to study in New Zealand, which also promotes itself in this way.

Canada's fees are competitive with those of the United States and the United Kingdom, but less competitive compared with New Zealand and Australia. Both Australia and New Zealand promote the low cost of their English education packages in Korea.

Canada could benefit from a single education and cultural agency that would promote its language industry and increase the visibility of the "Canada brand" in Korea.

Outsourcing the researching and preparation of marketing collateral such as educational newsletters published in Korean could lead to the identification of opportunities for Canadian organizations. Newsletters could also provide information about Korean government activities, potential partners and trends in Korea's overall education market.

KEY CONTACTS

Canadian Government and Industry Contacts

Canadian Embassy in Seoul

Kolon Bldg., 9th and 10th Floors, 45 Mukyo-dong
Chung-gu, Seoul, Korea 100-772
PO Box 6299
Seoul, Korea, 100-662
Contact: Hyun-Mi Park, Trade Commissioner
Tel.: (82-2) 3455-6000
Fax: (82-2) 755-0686
E-mail: Hyun-Mi.Park@international.gc.ca

Export Development Canada (EDC)

151 O'Connor St.
Ottawa, ON K1A 1K3
Tel.: (800) 850-9626 or (613) 598-2500
Fax: (613) 237-2690
E-mail: export@edc4.edc.ca
Internet: <http://www.edc.ca>

Foreign Affairs and International Trade Canada (DFAIT)

125 Sussex Dr.
Ottawa, ON K1A 0G2

Asia Commercial Relations

Contact: Frank Le, Trade Commissioner, China
Tel.: (613) 996-7256
Fax: (613) 944-3049
E-mail: frank.le@international.gc.ca

Business Sectors Division (BMM)

Contact: Ian Williams, Trade Commissioner,
Services and Education
Tel.: (613) 996-1893
Fax: (613) 943-1103
E-mail: ian.williams@international.gc.ca

International Education and Youth Division (PCE)

Contact: Jean-Philippe Tachdjian, Deputy Director
and Trade Commissioner
Tel.: (613) 944-2341
Fax: (613) 995-3238
E-mail: jean-philippe.tachdjian@international.gc.ca

Industry Canada (IC)

5 Place Ville Marie, 7th Floor
Montreal, QC H3H 2G2
Contact: Morris Krymalowski
Tel.: (514) 283-7828
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Association de l'industrie de la langue (AILIA)

Language Industry Association
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E-mail: info@ltrc.ca
Internet: <http://www.ltrc.ca>

APPENDIX**Tertiary Institutions Offering English-language Programs in Korea****Universities with Business English Programs**

Asia United Theological	Donghea	Korea Nazarene Kosin	Seoul Theological
Beajea	Hankuk University of Foreign Studies	Kwandong	Sogang
Cheongju	Hanyoung Theological	Sahmyook	Ulsan
Deagu Catholic	Jinju International	Sangji	Yongdong
Deasin	Konkuk	Sangmyung	

Universities with English Education Programs

Andong	Hanyang	Kangwon	Pusan
Chongsin	Hongik	Kongju	Sangmyung
Chosun	Inha	Korea	Seoul Nation
Chungbuk	Jeju	Korea National Education University	Seowon
Daegu	Jeonbuk	Kyungbuk	Silla
Ewha Women's	Jeonju	Kyungnam	Suncheon
Hankuk University of Foreign Studies	Jeonnam	Kyungsang	Wonkwang
Hannam	Jungang	Mokwon	Youngnam

Universities with English Literature Programs

Anyang	Dongyang	Kangnam	Mokwon	Sunmoon
Asia	Duksung Women's	Kangneng	Myunggi	Sunmun
Beaje	Far East	Kangwon	Pukyong	Suwon
Beajea	Handong	Keimyung	Pusan	Tamna
Changwon	Hankuk Aviation	Kongju	Pusan Foreign Studies	Uiduk
Cheongju	Hankuk University of Foreign Studies	Konkuk	Sahmyook	Ulsan
Chongju	Hanlim	Konyang	Sanggi	University of Seoul
Chosun	Hanseο	Kookmin	Sangji	Wonkwang
Chungbuk	Hansin	Korea	Sangmyung	Woosuk
Chungnam	Hansung	Korea Baptist Theological	Sejong	Yonsei
Deabul	Hanyang	Korea Maritime	Seokyung	Yosu
Deagu	Honam	Korea Nazarene	Seonam	Youngnam
Deagu Catholic	Hongik	Kosin	Seoul National	
Deagu haany	Hoseo	Kumkang	Seoul Women's	
Deajeon	Hyupsung	Kunsan	Seowon	
Deajeon	Incheon	Kwandong	Silla	
Deajin	Inha	Kwangju Women's	Sogang	
Deasin	Inje	Kwangwoon	Sookmyeng Women's	
Donga	Jeju	Kyenggi	Soonchunhyang	
Dongduk Women's	Jeonbuk	Kyengnam	Soongsil	
Dongeui	Jeonju	Kyungsang	Sungkonghoe	
Dongkuk	Jeonnam	Kyungsung	Sungkyul	
Dongseo	Joongbu	Kyungwon	Sungkyunkwan	
Dongsin	Jungang	Mokpo	Sungsin Women's	

Selected Interviews with Education Stakeholders in Korea

Summary of interview with Lee Sang-hoon, Director, Seoul English Village (Herald Media)

(The Herald Media is the largest English-based media enterprise in Korea, encompassing a group of companies which include The Korea Herald, the largest English newspaper, and the Seoul English Village, the first and the largest of the English Villages.)

1. Do you view the Korean government as being more actively involved in English Education?

- Definitely, and the government budget devoted to this industry is increasing.

2. How about the consumer? Where are Koreans leading this industry?

- Koreans are becoming more demanding not only for different English education services, but they are also demanding higher quality services.

- There is no question that the changes to come soon to the testing sector, such as tests like TOEIC and TOEFL, will have an impact on how people spend their money for mastering English. Expenditures on test preparation will increase.

- Another sector that might grow is on-line education. With the world's best capacity in Internet service, Korea is ready to buy into on-line education technology and this trend is likely to take over from more conventional methods used up until now. I predict that people will spend money on this sector as well.

- It is worth mentioning that on-line education is not a well-developed market here in Korea; we need not only technology, but also ideas and programs to implement it.

3. How is Canada positioned against other English-speaking countries in the Korean English education market?

- Generally speaking, Canada is not viewed very differently from United States in this industry. Koreans see a difference when it comes to clothing brands, for example, but for the rest, Canada does not have a strong presence here in Korea.

4. What would you suggest the Canadian government undertake as an initiative in Korea to increase the market share?

- I would say the government should propose programs for teachers or students that are attractive and are well marketed here in Korea.

Summary of interview with Daniel Kim, Managing Director, Korea Times

1. Will Koreans be increasing expenditures on English education?

- Yes, definitely expenditures are on the rise and will continue. I also believe that things are only getting better. Six months from now, standardized tests for students will include oral and writing components, which will compel people to spend more money on preparation.

2. What drives Koreans to spend money on English education?

- Mostly testing. People need to achieve good test scores in order to find jobs and be accepted at schools abroad.

3. What tests drive Koreans to spend money on preparation schools?

- There is a test developed by Seoul National University called TEPS. There is also IELTS from England and the classic TOEIC and TOEFL. All these compel people to spend money on preparation and the scores from these specific tests are taken seriously.

4. What brands or names are known outside of Korea? Would Koreans consider spending money on these brands if firms were to provide services here?

- Anything to do with Ivy League universities in the United States will sell well i.e. world-famous schools. These big names are mostly confined to U.S. schools and to a few Canadian universities, such as the University of Toronto. Any institute which has the name "national" in its title will also attract people, such as "National School of..." Government organizations and others stand a better chance of being noticed and trusted, therefore it is wise to market services in this segment. Anything that does not bear the government's "signature" or does not belong to a world-renowned brand will have more difficulty being noticed, and will figure behind well-known Korean brands.

5. What segments of the English education industry have a strong business future? Do you believe that Canadian language firms could take part in the benefits?

- I believe the market for junior standardized testing is an important segment.
- Test preparation curricula and/or systems for oral proficiency are also important.

Summary of interview with Choi, Chun-ok, Head Supervisor, Secondary Education Division, English Education, Education Policy Bureau, Seoul Metropolitan Office of Education

1. Would you say that any particular government is stands out in promoting its country's English education services in Korea?

- Yes, the British government is very active here in Korea in promoting services from the United Kingdom. The British government also offers teacher training programs, some of which are worthwhile.
- The U.S. government has been somewhat inactive until recently but activity has started up again.
- The New Zealand and Australian governments are actively involved in the industry.
- The Canadian government, however, is less visible in promoting itself and its services, companies and entities in Korea.

2. Can you provide some concrete examples of this?

- The British Council is very active in promoting training centres for teachers in the United Kingdom. The Council also actively promotes programs in Korea for overseas study. Sometimes training programs in the United Kingdom happen to be less expensive than in Canada or the United States, and these have been highlighted by the British Council.
- The Council's active engagement in the industry has earned it a lot of trust. Thus, I tend to think of contacting it first when I require language services.
- In some instances, the British Council has been able to provide demonstrations locally on various training programs. This has been very effective in identifying the best opportunities without incurring costs on our end. We can then decide where to send teachers for training.
- The United States Information Service (USIS) has hired officers to compete with the growing English education industry in Korea. They have been in contact with my office and very actively tried to identify areas where they might provide services for us.
- The Ministry of Education of Australia and other governmental entities of New Zealand have been helpful in identifying and helping to hire English teachers for our schools.

3. Where is the English education industry of Korea going?

- Korea's Ministry of Education has unveiled its five-year plan (2006-2010) with a specific roadmap to move the grammar-driven industry to the oral proficiency era.
- This plan targets all middle schools at first, with provisions to include elementary schools in the future.
- Basic ideas are as follows:
 - a. Improve the curriculum and steer away from a focus on grammar and written English to one of oral proficiency.
 - b. Hire a native English speaker as a teacher for every middle school in the country.
 - c. Establish a system for the proper hiring of competitive and qualified individuals for this purpose.
 - d. Identify ways of reaching out to less affluent Koreans to get children involved and interested in learning English.

- e. Create and implement standardized testing, targeting mostly oral proficiency.
- f. Several other improvements have been proposed.

The plan, although difficult to implement, focuses on the target. The level of resources and the feasibility of the proposed period have yet to be determined.

Seoul is the most advanced region in the country with respect to the implementation of English education programs. This influences the MOE's policies and the way other cities and provinces view and plan their various strategies in the industry.

4. Are Koreans going to spend more per household this and next year on English education? Is the national expenditure growing?

- Last year, the official figure (which is suspected to be much larger in reality) puts the private English education bill at \$4.6 billion. This includes expenditures on domestic as well as overseas study, but excludes what relates to the study of English at regular national schools. This figure is on the rise.
- Koreans will definitely spend more, and the target is oral proficiency and listening skills. Either in training and/or in testing, this is the sector of the industry where we will see future growth.
- The government is amazed by this figure and has provided motivation through its five-year plan to increase efforts in the local industry. It is perceived that the Korean government is seeking to improve opportunities for less affluent families so that their children can benefit from learning as well. Overseas studies are out of reach for these families.

5. What do you think the Canadian government should do in order to become more involved in the English education industry in Korea and to help Canadian companies participate?

Generally speaking, Koreans have a very good impression of Canadians and are open to exchange of any kind. Canada should exploit this competitive advantage it has over other English speaking countries in some of these ways:

- Definitely, the government should try to advertise teacher-training programs, and offer them to regional education boards.
- Be more involved in establishing relationships with Korean governmental agencies in the education sector.
- Create exchange programs for teachers whereby Korean teachers go to Canada to get training, and Canada can send Canadian teachers to receive training or to work in Korea. For example, there is a program whereby Korea sends teachers to New Zealand to obtain English teacher training and in return, New Zealand send mathematics teachers to Korea in order for them to learn our methodology, since mathematics education is one of our strengths.
- In order for relationships to materialize, Koreans approached will prefer non-business like, friendly approaches. When an agency approaches us as representing the government and their intentions are more clearly the advancement of education and exchange between the two countries, rather than doing business and being profitable, there will be more openness to the exchange and the overall experience.

6. Have you had experiences with Canadian entities in the past? How did your project go?

- It is very limited. There aren't many Canadian entities out there from whom to ask services, but we did ask the CEC Network to put together a teacher-training program for us so we could compare it to others available. We are looking into it with them.

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SLP: http://www.slp.ac.kr/about/about_program1.asp (Korean)

Public Sector Education (general information, including legislation)

CNDJE: <http://www.cndje.go.kr>

Changnyeong Office of Education: <http://www.educn.or.kr>

GIS School: <http://www.gischool.com>

JEFL Foreign Language Learning Center: <http://www.jefl.or.kr>

Seoul English Village: <http://www.sev.go.kr>

OTHER REFERENCE MATERIAL

Useful Internet Sites

Australian Education Center: <http://www.australiainfo.net.au>

Australian Embassy in Seoul: <http://www.australia.or.kr>

British Embassy in Seoul: <http://www.britishembassy.or.kr>

Chungcheongbuk-do Foreign Language Institute for Students (English Village):
<http://www.cbflis.or.kr/index.jsp>

Dangjin Foreign Language Education Center (English Village): <http://www.dflec.go.kr>

Deagu Educational Institute for International Understanding (English Village): <http://www.deiiu.or.kr>

Deajeon Education Training Institute (English Village): <http://www.teti.or.kr/index.asp>

Gangwon English Learning Center (English Village): <http://www.gelc.go.kr>

Global Foreign Language Institute: <http://www.eglobal21.co.kr>

Grand Hyatt Hotel Seoul: <http://seoul.grand.hyatt.com>

Gyeonggi English Village: <http://english-village.gg.go.kr>

Gyeongju English Village: <http://www.gev.ac.kr>

Hacas Academy: <http://www.hacademia.com>

Incheon Education Training Institute (English Village): <http://www.itti.or.kr/iftc/main/main.htm>

Jeju Foreign Language Learning Center (English Village): <http://www.jefl.or.kr/eng/index.asp>

Jeollanamdo Language Program Center (English Village): <http://www.jeti.or.kr/jlp/default.jsp>

Jeong Sang Language School: <http://www.ejls.co.kr>

Jeonju English Village: <http://www.jev.or.kr>

Jungchul Language Institute: <http://www.jungchul.com>

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Korea Herald Media: <http://www.koreaherald.co.kr>

Korea International Trade Association (KITA): <http://www.kita.org>

Korea National Tourism Organization: <http://www.knto.or.kr>

The Korea Times: <http://www.koreatimes.co.kr>

Korea Trade Investment Agency (KOTRA): <http://english.kotra.or.kr>

Lee ik hun Language Institute: <http://www.ike.co.kr>

Minbyungchul Language Academy: <http://www.bcm.co.kr>

Money Today: http://www.moneytoday.co.kr/daily_index.html

New Zealand Embassy: <http://www.nzembassy.com>

Oedae Foreign Language Institute: <http://www.oedae.co.kr>

Pagoda Foreign Language Institute: <http://www.pagoda21.com>

Park jung Language Institute: <http://www.pjenglish.com>

Reggio ELC: <http://www.reggio.co.kr>

SDA Language Institute: <http://www.sda36.co.kr>

Seoul Metropolitan Office of Education: <http://www.sen.go.kr>

Seoul English Village: <http://english.chosun.com>

SLP: <http://www.slp.ac.kr>

SukSuk: <http://www.suksuk.co.kr>

Sullivan School: <http://www.sullivanschool.co.kr>

Ulsan Language Academy (English Village): http://ula.use.go.kr/index_eng.htm

Wonderland Co. Ltd.: <http://www.wonderland.or.kr>

Worwick Language Studio for Kids: <http://www.worwick.com>

YBM Education: <http://www.ybmecc.com>

YBM ECC: http://www.ybmecc.com/ecc/sub_mr.asp

YBM English Institute: <http://www.ybmsisa.com>