

Language Travel Sector- Covid-19 Emergency FELCA Update March 30th

Information sent by Mr. Paolo Barilari, President of FELCA - March 31, 2020

Questions

1. COVID-19 > The situation in your country
 2. Are schools and universities closed down in your country? Any idea if they will open at all before the summer break?
 3. How your Language Travel agents are coping with the emergency? Any agency went bankrupt so far?
 4. How your Language Travel Agents are dealing with refunds (from language schools and to students) and cancellations?
 5. Is your Government helping economically the Language Travel Agencies?
 6. Any idea/best practice/flexibility to suggest to Language Schools to help the bookings taking off again, when all this will be over?
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Maura Leao – BELTA – Brazil

1

Brazil has 4,070 cases, 140 deaths and 120 recovered nowadays. São Paulo is the focus with 98 deaths and 1,451 cases. Almost all the country has been locked down. However, there is a movement for vertical insulation instead of the horizontal insulation we have now. But it not will be happened.

2

All schools have been closed since mid-March and there are no plans to return. Many have distance learning classes.

3

It is a very hard time. The Belta agencies are focused to return the students back to Brazil safely. The economic situation of the country is very complicated, but Belta agencies did not bankrupt until this moment. Our currency fluctuates a great deal.

4

We organized a campaign for postponed the courses in the Brazilian social media. Moreover, Belta is together with the Brazilian tourism associations in order to have the support of the Brazilian Government offers a credit line for the agencies. It will be available soon. However, some agencies have signed a term about refunds and cancellations with an agreement previously approved by the Justice Ministry. Belta has not co-signed. We have an understanding that all parties should be involved in the final decision: school, agent and client. This agreement has some weaknesses and Belta will show this option for all agencies. We have hired a lawyer to look into it. They will decide what they prefer to do.

5

There will be a credit line for Language Travel Agencies. The Government will inform the rules this week. There are actions towards trying to help keep the jobs.

6

Payment flexibility.

Julia Richter - FDSV - Germany

2

As far as the inbound area is concerned, all schools, language schools and universities in Germany have been closed since April 16th 2020. In the outbound column it is about the same - bookings are down at zero. It will probably stay like this until the end of April.

3

The Easter business is practically eliminated. On top, most German State schools have cancelled their school trips until the end of the school year. General customer behaviour in relation to new bookings is of course extremely restrained due to the unpredictable situation.

In the youth area we can only hope for summer! As far as adults are concerned, there is hope for late summer and autumn - but who knows when travelling is possible again!?

As far as the work of the FDSV is concerned, besides the daily business at this time of the year, I am quite busy with legal and political issues. A lot of meetings are shifted to telephone and video conferences. Our planned spring AGM on April 30th, 2020 in Bielefeld will presumably also be postponed to autumn this year.

Fortunately, no member has reported bankruptcy yet.

4

Many German tour operators try to offer a travel voucher instead of repayment to the customers in order to postpone the planned trip to a later date. However, this is actually not legally possible in Germany, but it is currently being examined by the government as a possible option.

5

The government is providing numerous financial support packages - but it will only become clear in a few months whether these are enough.

We very much hope, that the virus will not hit the language travel industry too hard, so that we will lose member companies in the market at the end of the year.

6

In the end, however, I am sure that we will all come out stronger from the crisis. The desire to travel is still strong and bookings will come back as soon as there are no more travel warnings.

Some language travel companies will also use the crisis to better equip themselves digitally and expand live online language courses or even launch it for the first time. We already see the first results in the FDSV. Today we have published e-learning courses on our website, so that those, interested in language learning, can continue to develop their language studies despite the Corona Virus.

Juan Manuel Elizalde – ASEPROCE - Spain

1

Spain is one of the three worst countries at the moment. We have here the Perfect Storm with the worst Government you could imagine ever, the virus, plus the typical “Spain is different” attitude. Most of the population staying at home, but others not respecting the rules, thinking this is a joke.

2

Schools are closed. The last thing the Ministry for Education said is that they might open 2 weeks in June. No idea when Universities might be open again.

3

No Language Travel Agents went bankrupt that we know, at the moment, but there will be more than one, I can imagine, especially the ones that are most focused on junior summer courses as the season is going to be almost fully lost.

4

Refunds and cancellations will be a big problem for the cash flow. As we are travel agencies, legally if the client asks for a cash refund, we are obliged to refund. Though, for example, Airlines cancelling flights are offering a voucher, and that is illegal.

5

Offering loans through the Government, low interest, 5 years to pay and 70% Government guarantee.

6

As we are going to ask for loans to refund our cancellations, Schools should do something similar and give the money back, not only offering vouchers or to postpone the courses. Schools have to realize that we all would love to postpone all the courses, in order not to give to give the money back. But, again, as we are travel agencies, we are obliged by Combined Travel Law to give the money back to our clients who will ask for it.

Bee Boonkerd - TIECA - Thailand

1

More people are catching the virus. As of 28 March 2020, we have 1,245 people infected and 6 died.

2

Schools were closed since mid-March but Thai summer holiday is April-May so this doesn't affect as much. For Universities, students are studying from home until further notice.

3

Language Travel Agencies are all suffering but we haven't got figures on bankruptcy yet.

4

Most students postponed their bookings for now.

5

The Government has not implemented any help plan for our sector at the moment.

6

Some schools are selling online English programs at the moment. Attractive discounts should be promoted to boost enrollments after all is over.

Tatsu Hoshino - JAOS - Japan

1

We all thought that Japan had been pretty good on controlling the outbreak of the virus spread until last week. However, we now see considerable increase of the infected people especially in Tokyo. Therefore, our government urges us to become more serious about taking prevention measures. They said if we fail to overcome this dangerous phase, there is the possibility to lock down Tokyo.

2

Luckily, Japanese schools are in the middle of the Spring break till the first week of April. Recently, our government made an announcement that schools could start their classes in April under the conditions of taking several prevention measures unless the area of the schools are considered to be high-risk area. Some universities in Tokyo will start their classes from middle of May. This may be changed if the situation will get worse rapidly.

3

Agents has been trying to cope with this changeable situation as much as they can. So far, mainly for both students who were about to start their study and students who were with schools overseas. We needed to take care of them first, then we have to think about our future business.

We haven't heard of the bankrupts of agents yet. But we expect that there will be several bankrupts of agents.

4

The agencies refund whatever they receive from schools. Many agents have introduced special cancellation policy.

5

The Government is not doing anything just particularly for us. But there are some financial support available from government for any companies which need it.

6

Putting some campaigns would be nice, but the most important thing is how to persuade the students and their parents that the country and cities are very safe, without risk of the infection of the virus any more.

Paolo Barilari - IALCA - Italy

1

Italy reached 100,000 Covid-19 cases and more than 11,000 deaths, being one of the two most affected countries in the world. Citizens must stay home. Only exceptions allowed, some categories of workers who cannot stop. The foreseen date for a slow coming back to normal life is now is now May the 4th.

2

All School and Universities are closed, all lessons are online now. This means that we do not see any school group leaving for a language course before September or October this year, in the best case scenario.

3

Most part of our Language Travel agents are struggling to survive. No news of any bankrupt company yet.

4

Refunds and cancellation issue are keeping our Language Travel agencies both busy and worried. Vouchers are the way that Language Travel agents are using now, but not all the clients are happy with these solutions.

5

The Government is progressively increasing the financial help towards both citizens and companies. 25 billion euro has been dedicated to mitigate the economic crisis, and more money will be used in the next weeks. All the people who have lost their job will get temporary lay-off, companies can postpone tax payment and contribution for a few months.

6

The virus will change the way schools and agents will collaborate in the future. More frequent and effective communication between FELCA – GAELA will be necessary. Written contracts between agents and schools, following as much as possible common lines all over the world will be needed in the future. As soon as the emergency will be over, we must effectively promote Language travel as one of the best ways to start traveling again and to “meet again” without fear.

Gabriela Ardito – ARSAA - Argentina

1

Argentina has been locked down since March 19th. The lockdown was set up - at first - until March 31st, but now we know it will be extended at least for 2 more weeks. All borders closed. Repatriation of Argentinians has come to an end. 690 cases. 17 dead. 72 recovered.

2

Schools, colleges and universities closed since 19th March. On line teaching resources and virtual classrooms instead. We have just started our Autumn season, it is uncertain exactly when educational institutions will operate again.

3

No agency has gone bankrupt yet, at least not that we know. All ARSAA members are undergoing difficulties, and most are facing trouble with regard to the upcoming junior summer courses abroad, particularly those whose clients have already paid tuition and flight tickets, as they demand to know if they will be able to get refunds on the payments they have already made.

4

We have agreed on giving our clients the same message: It is not time to postpone or cancel junior summer programs scheduled for July and August as we still have plenty of time.

5

No help from the Government at the moment

6

Right now, language schools worldwide are offering online tuition, which I can perfectly understand as they need to survive, but that is not doing much - and will not do much - to help agencies... at least in Argentina, with a GBP exchange rate that surpasses the AR\$ 110, one hour of tuition by a UK based teacher equals five hours of tuition by a qualified and certified local teacher. In the last 10 days, I have been contacted by UK teachers who have been laid off by their UK school employers to offer services as on line teachers at a less expensive rate than schools... still way too expensive for us

I believe schools and agents should be equally supportive of each other so as to bring about the synergy our industry needs to recover from this unprecedented crisis. If we join forces - once this is all over- we will definitely find a way to mitigate COVID-19's lingering negative effects by ensuring our students and their families that we are offering programs which pay particular attention to welfare and safeguarding measures in the light of the extra care traveling abroad may involve from now on. People will undoubtedly be eager to travel again after long periods of confinement and isolation.

Gokhan Islamoglu – UED - Turkey

1

The number of the infected cases and deaths is unfortunately increasing day by day. However, at least at this stage, the situation is not as bad as in Italy, China or Spain; number of confirmed cases 9,217, death 131 by March 29th.

2

All the schools and universities are closed at the moment. Ministry of Education has announced that primary and secondary schools will be kept closed until the end of April.

It was not officially announced but huge majority of the nation and our colleagues believes that the schools will not be opened this year again.

Official announced that university will continue to online education for the rest of the semester and those universities that cannot switch to online education will offer a summer term instead. National university entrance exams are postponed to end of July.

And national secondary education exams are limited to the first term on 2019-2020 academic year curriculum.

All Erasmus Exchange student and self-funded Turkish students in affected regions (including UK, Ireland, USA, Canada) are brought back to Turkey with evacuation flights organized by Turkish Airlines and Turkish Embassies.

Students are directly placed to student residence emptied for quarantine for 14 days.

3

We have not seen any bankruptcy yet but there are many agencies who asked their staff and consultants for an unpaid leave.

Some agencies even preferred to discharge some of their consultants.

Although there is not obligatory order for a curfew, all agencies have closed their offices and switch to work for home mode.

4

Our member agencies are working to get the best possible solutions for their students according to schools cancellation policies.

We also try to give the message to students, it is early to cancel the education programs for July, August etc. but we cannot say that we are successful about this.

Students and parents are very aggressive about the cancellations and refunds.

So it seems that this will be a huge financial problem for the agencies in near future.

5

There is no help from government especially designed for our sector.

Turkish government has announced a financial support plan for affected business but unfortunately Study Abroad agencies can only benefit from limited supports like short term working. We are in contact with Ministries to include study abroad agencies in the affected sector list in order to benefit from tax and social security payment postponement.

6

There are many schools who are offering online courses instead of class education. However, instead of this they should offer credit notes. Schools should offer online courses just for a short period of time. For students who completed their registrations, obtained their visas or paid for the course fees but have not travelled to destination country due to flight restriction and/or visa regulations, schools should not charge any registration or deposit cancellation fees. For the upcoming summer period, schools should announce they will be more flexible regarding their cancellation and refund policies.

Izzet Aslantatar - TEAG - Turkey

1

Turkey is not hit very hard yet. We have more than 5,000 cases and 92 fatalities as of today. Majority of people are aware of the severity of the situation, however there are still some who refuse to register the big picture in their mind. Because of the ones who are careless and reckless the government takes harsher measures, like travel ban between major cities.

But, overall, the society and Turkish government seems to be well prepared and vast majority of public opinion is positive about the way government handling the situation so far.

2

All schools are closed for the last two weeks and no possible start day has been announced. Online education have been introduced within a week of K-12 schools' closure.

3

We have not heard any agency closure as yet. Agencies dealing with summer courses and work and travel may get hit more. Especially if / when they start to face with refund demands in the near future.

4

This is a time when we must reflect that we are on the same boat with our providers. I think majority of Turkish agencies are very open and transparent about their debts to school and ask their partner schools not to push them to a point where they could go out of business which in return creates a bigger vacuum. Instead, it seems like both parties are on the same page that both parties must stay alive to support one another when the business is back.

I think the fact that Turkish government's extremely restricted financial ability and support for the business in comparison to UK, CANADA, USA's more resourceful austerity packages is a factor that makes schools more understanding of our agencies ability to survive. Therefore schools who are wise enough and confident that the business sooner or later will resume back to normal handle this case sensitively and they have no intention of hurting their partners. I think those schools who are wise sees this as the time and an opportunity to create more loyal partnerships.

5

Governmental help is very limited only geared to keep our employees for few months.

6

As I have mentioned above schools and agencies together could turn this crises into an opportunity by mutually being empathic to one another's needs. Schools could keep engaging with their partner agencies and agencies can educate their employees and get ready to a more sophisticated approach for post-Covid 19 era.

Eric Soulard - L'OFFICE - France

1

France has been locked down since March 17 and it will be until April 15 at least. The epidemic still continues to progress in France, especially in the east and north of the country, in Corsica and Paris Ile-de-France. The government announced yesterday 37,575 people infected, 2,600 dead and around 7,000 recovered.

2

Schools, colleges and universities are closed since March 9 until May 4. On line teaching. All the school groups trips have been interrupted for more than one month now.

3

No bankrupt yet, but some agencies are very worried about the significant drop in registrations for summer programs.

5

The French government supports tourism sector and enacted a law on March 25th, allowing agencies to deliver credit notes instead of refunds. Linguistic trips are postponed and clients receive a credit note valid during 18 months.

Also, agencies won't pay governmental taxes at the moment and the teams in agencies benefit from partial unemployment to avoid layoffs.

6

We think that it will be very difficult to convince students and parents to participate to a language course for the next months due to the fear of travelling.

Françoise Chien – IECA - Taiwan

1

On March 29 that 298 confirmed cases in Taiwan, 255 are imported and 43 are indigenous. Of the confirmed cases, there have been 3 deaths (the leader of travel group to Austria and Czech Republic died recently), and 39 patients have been released from isolation while the remainder is in a stable condition and remains hospitalized in isolation.

2

High school resumed on February 28 so as universities at the later days, still remain open.

3

So far we have not heard yet about bankrupt language travel agencies, but the most difficult part would be for those with travel group business, as we close down most of the routes.

4

At the meeting with our Ministry of Education, we discussed about the refund and cancellation issues, however, some problems reflected from members mostly for April entries to Japan and some to Philippines , others are waiting or cancelling for summer study tour or Fall entry, will see the change of the pandemic. And we were sending questionnaire to members last week for more happenings.

5

The most difficult situation is for travel agencies, as some of our members are operating travel group too, but there are some supporting plan from our government - so as from interest subsidy for bank loan under some conditions - even if it is not enough, as this pandemic is beyond control. We had a meeting with our Ministry of Education last week, discussing about the situation, and also sent a proposal for any subsidy from ME, however, they never have budget for our industry, so we have to wait and see for the feedback.

6

Hope you could suggest to all the schools to give greatest support, as some school only refund 40% of tuition even if the course have not started yet, however, this might be involved with agent commission, we will advise member to deal wisely if they come to us. After all, everyone suffered, we just don't want the industry will be affected in a bad name.

6

We hope the given flexibility will make a difference throughout the difficult time our industry and the whole world is experiencing. I am confident that together we can succeed.