

Gateway 21 in Japan folds with massive debts

The study abroad agency Gateway 21 in Japan collapsed in September, leaving many hundreds of clients stranded as it filed for bankruptcy and revealed debts of US\$12 million. Of that considerable sum, US\$9 million was estimated to be debts owed to individual customers. Lawyers acting for the company said that some 1,300 people who had paid tuition and accommodation fees up front were unlikely to get their money back, despite bankruptcy proceedings going ahead. The company belonged to the Japan Association of Travel Agents, but only a small portion of fees could be returned under the Jata system.

One news source suggested that the company ran into problems when its partner schools were not paid, and therefore refused to accept any more of the company's clients. A Japanese agent told *Language Travel Magazine* that Gateway 21 had placed a lot of advertisements before running into this crisis, amid a general slowdown in the Japanese outbound study market.

The company closed suddenly, and a stream of clients were reported to be queuing up at the head office to try and retrieve

funds already paid. These included a student who told a newspaper she had paid US\$7,500 to study at a language school in Canada. Students who were already abroad in September may also have been affected. Many clients in Canada managed to continue their studies when 13 members of school association, Languages Canada, offered free courses to affected students, but others in Australia, New Zealand and the USA may have had to leave.

In Japan, there was surprise at the scale of the debt and questions were being asked about why the agency had continued to accept bookings if its finances were awry. Various agencies said they had been contacted by affected clients. One said, "Some [Gateway clients] are saying they will pursue their plans through us. At the same time, there must be quite a few who will need to cancel their plans for financial reasons." The source echoed other comments that Gateway 21 was unique in the marketplace for its "aggressive" tactics without a commitment to quality service.

Gateway 21 opened in 1997 and reportedly dealt with up to 8,000 clients per year, with an annual turnover of US\$28 million. ●

MEI-Relsa holds agent fam trip after StudyWorld

IRELAND'S ENGLISH language school association, MEI-Relsa, held an agent fam trip and workshop immediately after StudyWorld this year in order to introduce Ireland to interested agents and enable them to visit some Irish language schools.

Overall, 48 agents attended the trip and they got the chance to meet with representatives from 23 schools from Ireland.

Fernanda Alberti from Cultural Adventure in Brazil said that it was very important to meet with and talk to the schools personally. "We learned so much and came back with

more energy and knowledge," she commented.

During the fam trip, which took place between 10 and 14 September, agents visited Cork, County Kerry, Dublin and Athlone and took part in a workshop in Athlone. Aoife Mulvihill from Atlantic Language Galway said that for her, a boat cruise along the River Shannon was a highlight of the trip.

"I think it's very important to organise agent visits to schools," she said. "As there are many schools all over the country and despite Ireland being so small it does take time to travel from A to B." ●

In memoriam: Frederic Gonzalez

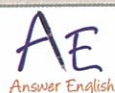
FREDERIC Gonzalez, Centre Director for EC Boston in the USA, passed away suddenly and tragically earlier this year.



Well known for his rare ability to get the best out of people and for his great leadership skills, Fred was a key player in the EC team and will be sadly missed. He will be warmly remembered for his *joie de vivre* and positive mindset.

French-born Fred joined EC as General Manager of EC Cambridge in 2003 before moving to Boston last year. He leaves a wife and two young sons. ●

Agency of the month



In a series appearing each month in *Language Travel Magazine*, we ask a different language teaching institution to nominate one of their preferred agencies or agent partners, and to explain why this person/company is worthy of their nomination.

This month **Professionals UK** in the UK nominates **Answer English** in the UK. Karen Bowring, Managing Director of the company explains her decision.



"I would like to nominate Answer English (AE). James Herbertson at AE and his team are a fast-moving and flexible agency and they turn their resources to where the demand is very quickly. They provide excellent accommodation services outside of the host family sector and are a

great partner to link up with to prepare packages such as English and work experience with accommodation in a student house/residence – which is very popular in the European market.

They feel like a student one-stop shop, pointing students in the right direction for work experience, getting a foothold on London life, sorting their accommodation and of course getting them the best English courses around. They also do these great conversation exchange evenings, where they mix students from [other agencies] eg Spanish Express learning Spanish, with Spanish students learning English. I love small vibrant agencies like this one! But I don't think it will be small for long!"