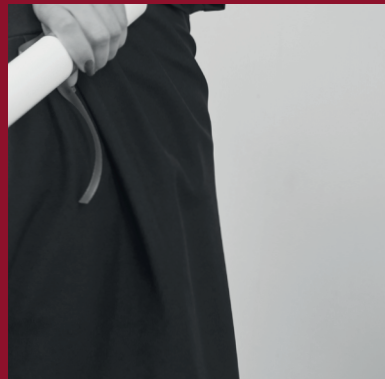


# GCC EDUCATION INDUSTRY



MARCH 15, 2021

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## Glossary

**School and College-age Population:** Population in the age group corresponding to pre-primary, primary, secondary, and tertiary education segments based on the official entrance age and duration

**K-12:** This comprises the pre-primary, primary, and lower and upper secondary education segments

**Pre-primary Education:** This is the first stage of formal education that aims to introduce and familiarize young students with the school environment through set-ups such as nurseries and kindergarten. The minimum permissible age of entry into pre-primary institutions is 3 years

**Primary Education:** This level of education offers basic formal training in the areas of reading and writing as well as introduces various subjects such as mathematics and science. This stage spans six years, with enrolments beginning at 5 years of age

**Secondary Education:** This stage is further classified into lower secondary education and upper secondary education. Lower secondary education covers subject-oriented basic education imparted by specialised teachers. This stage spans for three years, followed by the completion of 6 years of primary education. Mandatory education in the GCC countries ends at this stage. On completion of lower secondary education, students are eligible to pursue upper secondary education that entails a sharper subject specialization. Following the upper secondary education stage, students are expected to have completed nine years of basic education. The entry-level age is usually 15 to 16 years

**Tertiary Education/Higher Education:** This level entails post-secondary education, higher education as well as technical and vocational training. The course curriculum is mainly theory-based and is aimed at preparing the students to pursue advanced research programmes as well as professional courses such as medicine, engineering, accountancy, and architecture. Although it spans three years generally, it could extend to four or more years in cases where on-job training is part of curriculum

**Technical and Vocational Education and Training (TVET):** This level of education prepares students for a particular trade or occupation in fields such as engineering, accountancy, nursing, and pharmacy, amongst others

**Community Schools:** A type of private school run by the embassies of countries for their nationals residing in the country

**Gross Enrolment Ratio (GER):** This is the total enrolment at a particular education level, which is regardless of age and is expressed as a percentage of the eligible official school-age population, corresponding to the same level of education in a given school year

**Pupil-Teacher Ratio:** Average number of students per teacher at a given level of education, based on the number of students and teachers

*"The GCC education industry is resilient and full of potential. The opportunities, capabilities, and top-tier standard of teachers from across the world provide high-quality education, but there is huge potential for further innovation. Hybrid learning is here to stay, and we are leveraging the insight gleaned from this experience to provide our students with greater agency over their learning."*

*Flexibility and adaptability in how we operate, manage, and teach within the schools is paramount to not only the future of inclusion, but the success of the education sector overall. We are investing in both the learning environment and technology in the coming years to bridge the gap between school, university, and the modern workplace – all of which are changing rapidly."*

*The schools of tomorrow will have a greater focus on shared and adaptable facilities, surrounded by co-working and learning spaces. Assessment will be a key driver which needs to be explored to see how best it can sit alongside a greater degree of experiential and collaborative learning."*

*Partnerships are crucial for sustainable growth that will impact future generations. Given the technological advancements taking place in the education system it is imperative that the required support and training is provided to the teachers as they also need to adapt to the new environment as much as the students."*

*One ongoing challenge in the MENA region is accessibility and inclusion; something we prioritise in our schools and have worked closely on with government entities and the Special Olympics UAE to develop initiatives that help People of Determination to be empowered and included."*

*Despite the pandemic, the sector has witnessed growth. This September, Aldar Education welcomed our largest ever number of students and launched an additional ADEK Charter school under our management. We now provide education to over 24,000 students across 20 schools, with further plans to expand on the horizon."*

**Sahar Cooper**

**CEO, Aldar Education, UAE**

*"COVID-19 identified a void of technology advancements, putting pressure on institutions to optimize their operations as well as swiftly adapt to change and innovate. This was further exacerbated by pressure on pricing with schools and universities having to quickly enhance their offerings to ensure continuity of quality and re-enrolments while offering discounts and grants in the short-term."*

*In Education, there is a call for democratization and the need for accessibility of education for the rapidly growing demand. The need for a 'One Size Fits One' model of education to personalize and improve learning outcomes and supplement traditional models of learning is apparent. The pandemic has accelerated investment in technology and has highlighted the declining return on investment from traditional education systems. It has led private and public sectors to improve conventional learning systems to enhance accessibility, learning frameworks, work streams and development of data-driven tools."*

*Utilizing digital solutions, optimizing operations and cost-savings will be crucial in aiding sustainability and growth in the medium to long-term. Creating value through economies of scale will have the potential to disseminate cost pressures by extracting efficiencies through leveraging a platform of institutions and improving cash management."*

*We are starting to see more competency and skill-based learning trends which are aimed at bridging the education to employment gap and demonstrating relatively higher returns. Aside from digitization and disruptive technologies, another key trend is the redirection of students from universities 'far away' to ones closer to home, leaving a dint in the long-term outlook of studying abroad for a better education that is not necessarily differentiated or competitively priced. The intelligent investor will focus on investing in assets that generate the highest "Return on Education" to students. Consequently, special situation assets with strong operational capabilities ripe for M&A activity will become more apparent translating into an increase in consolidation across more saturated regional markets."*

**Dr. Mohamad Hamade**

**CEO, Amanat Holdings PJSC, UAE**



*"The UAE, particularly Dubai, has quality institutions that have been established over the last decade which attract inbound students from almost 100 countries. However, the impact of the pandemic has been severe on cross border student mobility. The transition to online delivery was driven by necessity exposed weaknesses in staff training, readiness of curriculum, technical infrastructure, and student support. Additionally, its exposed internet fatigue, student experience and social imperatives of the learning journey. However, COVID-19 has catalysed the speed of transformation towards blended learning and a lot of thought and resources are going into planning the future of education.*

*An important index of success is the employability of students. Constant research, skills audits and interface between policy makers and providers needs to be escalated to develop the right human capital that can be absorbed locally, as the job market is changing dramatically. Hence, skill-based education (TVET's) needs to be encouraged and developed. The future is stackable programmes, borderless delivery, and seamless accreditation (including micro accreditation); integrating all of this expeditiously will be a big challenge. Trends are leading towards personal learning experience that are adaptive towards technology, innovation, personalised education, creativity, and flexibility in learning.*

*One of the factors that would aid growth in the sector is the introduction of a structured loan system, which will help catalyse the industry and change the status quo. The industry also needs to be creative and rethink about globalization as the pandemic has demonstrated a need for greater reliance on localization and self-sufficiency with greater collaboration. An overhaul of the regulatory bodies so that quality is assured as well as the changing paradigm is embraced and enabled will also support growth in the sector. Lastly, the region is accessible, safe and provides first world infrastructure which makes us extremely positive about significant growth in this sector."*

**Mr. Rakesh Wahi**

**Chairman, CMA Investment Holdings (Co-Founder - Curtin University Dubai & Lancaster University Ghana), UAE**

*"The education infrastructure in the GCC has advanced significantly, with the amalgamation of technology and substantial investments from the government into the sector. Innovation in education technology has enabled public and private schools to proliferate their teaching methodologies to encompass diverse international curriculums, enabling students to hone desired skills for jobs of the future.*

*The COVID-19 pandemic drastically affected all industries across the world, however, due to the quick-wittedness of the GCC education sector, schools were able to continue teaching through distance learning programmes. As Apple Distinguished Schools, the Repton Family of Schools has embedded technology into its curriculum early on, enabling a flexible teaching approach, which innovatively enhances and refines learning skills. All the Repton Schools proactively and efficiently adapted to the changing climate by creating the Remote Learning Plan (RLP) since March 2020, to which students easily acclimated since the onset of the pandemic.*

*A main focus area for schools at the moment is students' mental health and well-being, especially during the on-going pandemic. Students did not necessarily comprehend the immediate and radical transformation to their daily routines during the initial outbreak of the pandemic, but schools are tackling this challenge head on by assessing each child individually, creating support groups and programmes designed to monitor and improve children's mental and physical health, and maintaining a transparent line of communication with parents.*

*Continued collaboration between the government, private sector and educational institutions is required to further flourish the industry. Recently, there is a growing trend of sharing best practices and teaching methodologies. Educational organizations across the GCC are comprehensively investing in training for teachers to enhance their infrastructures with highly skilled experts. This trend will continue to attract expat parents to move into the region in order to access higher standards of living and education for their children."*

**Mr. Khaled Al Muhairy**

**Founder and CEO, Evolvence Group, UAE**

*“Across the GCC countries the private sector plays a dominant role in education as most countries have a very large expatriate workforce and the public education is intended only for the local population. The growth of the economy in each of these countries indicates that the sector will continue to stay buoyant. Moreover, the public-private sector partnerships will continue to grow as the public sector education systems reinvent themselves.*

*GCC schools will focus more on technology as a tool to empower learning but the COVID-19 experience has shown that a physical school experience cannot be replaced by distance learning for a variety of reasons such as development of social skills of students, importance of collaboration and student well-being. Brick n mortar education will therefore stay and emerge stronger and once we are out of the COVID-19 phase, we can look forward to long term positive improvements with increased blended learning opportunities.*

*As the private education sector is entirely self-reliant and does not receive any support from the state, the real-estate component is proving to be a huge cost for schools. Private school landlords have held on to their long-term leases and the burden has been borne by private school operators, most of all the nursery sector as the nurseries were closed for eight months. The state regulatory systems do need to shape policy in a timely manner in this respect or else such cost pressures are bound to have a continued detrimental impact on the quality of education.*

*Growth in local populations as well as the demographics indicate that the education sector will continue to grow. Amongst the GCC countries, the private sector within the UAE has been particularly successful with the K-12 private schools improving their performance very significantly in TIMSS and PISA benchmarks the capacity of the private sector to continually innovate will tend to attract more expatriates to choose Dubai as their workplace. This along with the close working between the state and the private sector will remain as significant enablers in the education sector.”*

**Poonam Bhojani**

**CEO, Innoventures Education, UAE**

*“Despite the effects of the pandemic, the education sector in Saudi Arabia witnessed a relatively smooth transition from physical to virtual due to its progressive approach to incorporate technology to enhance learning. For example, we were able to transition to a virtual platform within 24 hours due to a recent partnership with an online EduTech platform, which is currently being used to conduct classes remotely. However, one of the difficulties faced by businesses right now is to provide social interaction to students of pre-primary grades as it is crucial for their overall development. Another challenge faced by businesses is the increasing cost of employing teachers, given the increasing focus on private education, which has increased the overall operating cost of the industry during the current economic environment. Going forward, we fully expect the trend of adoption of technology to continue and attract more investments in the sector.*

*Government support to the industry is one of the major factors of growth in the sector. Over the past decade, the culture and thought process of families within Saudi Arabia has also evolved and families are willing to invest a lot more in the education of their children. As a result, there has been a 10% increase in demand for international curriculum over the past two years, which connects with the Kingdom's long-term strategic objective under Vision 2030 to increase the percentage of students enrolled in private schools to reach about 26%.*

*Currently, the education sector is quite fragmented with players providing education within a broad spectrum of price points to cater to the needs of the locals as well as expatriates. This presents opportunities for acquisitions in the sector to improve management as well as revenues.”*

**Mohammed Al Khudair**

**CEO, National Company for Learning & Education, Saudi Arabia**

*"I strongly believe that the GCC Education Industry is bound to grow further in the future, despite the unsettling challenges of COVID-19 in the last one year. While the pandemic has brought about various economic and social disruptions in the minds of students, I think it has also made them mentally and emotionally strong. It has given educators, parents, students, and other stakeholders a real-life scenario of optimizing results in the face of a crisis.*

*While the world was caught off-guard to a great extent by this crisis, it has challenged our thinking to reflect and be ready for the unknown. As we have witnessed in several countries, technology has played a major role in helping ensure that overall education does not suffer. I think this will help boost the acceptance and adoption of technological models in education at all levels and in all forms. This will also necessitate that teachers themselves are well-informed in using such solutions to achieve their class learning objectives. In fact, COVID-19 has helped bring about a positive disruption that has forced schools and universities to think a new and reach out to a larger group of stakeholders in an inclusive and interlinked manner.*

*The possibility of an uncertain future will also help push demand for higher education as more and more individuals will seek to enhance their skills and knowledge to be better prepared for an evolving job market. It would not be unsurprising to see that programmes in Science and Technology see a major uptake in years to come."*

**Dr. Vidhya Vinod**

**Group President and CEO, Study World Education Holding Group, UAE**

*"The COVID-19 pandemic has led the GCC Education sector into a phase of significant transformation in order to adapt and operate amidst these unprecedented conditions. However, the sector has shown resilience and emerged successfully by formulating and implementing innovative solutions to overcome the recent challenging circumstances enforced upon it. Continued economic slowdown, shortage of skilled staff intensified by the pandemic and eroding profit margins are some of the challenges the education sector is striving to mitigate.*

*Going forward we expect the education industry to witness moderate growth on the back of support from GCC governments to diversify the economy, increasing privatization and rise in population. It will also be better positioned, by utilizing technology, to effectively manage such disruptions in the future. We also expect the education industry to present opportunities for consolidation to achieve operational efficiencies and improve cost margins."*

**Rohit Walia**

**Executive Chairman and CEO, Alpen Capital (ME) Limited, UAE**

## 1. Executive Summary

COVID-19 has disrupted the global education system and operators are being tested by the crisis. Education systems across the globe experienced an unprecedented impediment to learning as nearly 1.6 billion students in more than 190 countries were affected by school closures. Across countries, the most common approach to ensure continuity of education was digital instruction. While some nations have introduced home schooling programs and distance learning through digital platforms, others are using public TV and radio broadcasting channels to impart knowledge. Across the GCC, many nations are making unprecedented and potentially permanent changes to both teaching methods and business models amid the pandemic. While industry stakeholders in the GCC have been swift in their response with effective policies and initiatives to enhance digital learning, capacity building through collaborations with information technology service providers has become crucial in addressing the challenges arising from the sudden surge in demand. Regional governments continue to play a pivotal role in strengthening the sector while private sector participation is increasing, driven by a new paradigm of PPP initiatives and other reforms aimed to bridge the demand-supply gap. Although challenges such as intensifying competition, shortage of skilled staff and eroding profit margins amid a slowdown in economic growth exists, opportunities for private players lie across the education landscape.

### 1.1 Scope of the Report

This report is an update to Alpen Capital's GCC Education Industry Report dated November 13, 2018. It provides a perspective of the GCC education sector by presenting the current state of the industry and market dynamics with the impact of COVID-19 pandemic. The report covers the outlook, recent trends, growth drivers and challenges in the sector. The report also profiles some of the prominent education service providers in the region.

### 1.2 Sector Outlook

- Driven by the pressure exerted by the COVID-19 outbreak, education service providers are likely to further ramp up investments in digitization to drive future growth and improve operational efficiencies. Schools and universities are likely to further collaborate with EdTech platforms while also indigenously launching online mediums to conduct classes and engage students.
- 'Blended learning' and 'personalized learning' have emerged as preferred education models amid the pandemic. The broad integration of such models in the K-12 education segment is likely to improve learning outcomes and build a new future for the GCC education sector.
- Evolving students' preferences for specialized courses and the transition towards better quality education will continue to foster skill and competency-based learning models at the tertiary level in the GCC.
- Industry shortcomings are anticipated to be addressed through higher reliance on localization and self-sufficiency with greater collaboration.
- Education operators are likely to scout for inorganic growth opportunities through acquisitions. High interest in acquiring stakes in EdTech platforms are expected to emerge as the pandemic has necessitated technology adoption to remain competitive. Smaller players could be forced to liquidate and shut down, or merge with other leading operators in the sector.
- The sector is expected to witness reduced spending or lower budgetary allocation from the government amid the pandemic induced economic slowdown. To relieve the budgetary strain, governments are expected to further open up the sector for foreign ownership and adopt PPP models. Privatization will serve as a critical tool for fostering overall quality, infrastructure and economic stability in the region.

### 1.3 Key Growth Drivers

- The GCC economy is expected to rebound over the next two years with the GDP to see a 2.3% and 3.5% growth in 2021 and 2022, respectively, as the COVID-19 situation normalizes. This is likely to drive recovery in the education sector as physical education resumes and operators evaluate expansion plans.
- Improving geopolitical relations and upcoming mega event could translate to inorganic population growth. New reforms aimed at incentivizing expatriates to migrate to the GCC will aid enrolment rates across education levels.
- Improvements in infant mortality rate, increasing life expectancy at birth, and a high concentration of expatriate population are driving the region's education sector growth. The GCC K-12 school age population, aged 0-18 years, is expected to reach 16.3 million by 2024, growing at a CAGR of 1.3%, while the population aged 19-23 years is projected to grow at 0.6% CAGR to reach 3.9 million by 2024.
- Rising per capita income has increased the ability to spend on quality education.
- Increasing preference for private education is driving private school enrolments and providing attractive opportunities for private school operators. Influx of international schools are leading to curriculum expansion in the region.
- Governments are actively introducing privatization reforms to build a sustainable ecosystem and increase private sector participation.

### 1.4 Key Challenges

- Amid lower revenues due to the sharp correction in oil prices coupled with fiscal strains caused by the pandemic, the GCC governments have come under increased pressure to aid the education sector in terms of spending. This could potentially slowdown the pace of growth in the education sector.
- The influx of international institutions and oversupply of local education providers has elevated competition, leading to pricing pressures and margin erosion. As such smaller players could be forced to shut down or merge with other leading operators.
- Inherent shortage of skilled teachers from the region and dependence on expatriate talent is a significant shortcoming for the education sector growth. With supply of private schools in the region expected to rise over the medium-term, the crisis of attracting and retaining skilled talent in the GCC is expected to further increase.
- The preference among GCC students to pursue higher education abroad due to limited access to reputable international institutions to enhance employment prospects continues to pose a challenge for tertiary enrolments

### 1.5 Key Trends

- GCC is seeing high adaptability and scalability in education solutions powered by innovative technological tools amid the pandemic. In addition to EdTech, new remote learning opportunities are emerging and further developments are likely in areas where traditional educational providers partner with digital conveyors.
- Several foreign colleges and universities, especially from the UK and the US, have started establishing their base across the GCC to cater to the rising demand for quality education. This is encouraging students to pursue higher education and a career within the region, thus reducing outbound mobility.
- Growing number of school operators offering premium education compared to those offering quality education at affordable prices, has created a supply imbalance. This has led to a rise in demand for affordable schooling in the GCC.

As the education market matures, the rate of growth will be more modest as compared to the past. A post pandemic expected economic recovery coupled with higher focus towards technology integration offers fresh opportunities that will encourage investor interest.

*The need for evolution from being oil-reliant to a diversified economy has necessitated the regional economies to emphasize on building a robust education system*

*Despite the slowdown in economic growth, education spending by the regional governments averaged a sizeable 13.1% in 2020*

## 2. The GCC Education Industry Overview

The Education sector has become a central focus for GCC nations in recent years. The need for evolution from an oil-reliant economy to a diversified one has necessitated that regional economies emphasize on a robust education system with a curriculum mix that matches international standards. In order to foster improved standards, governments have been investing heavily towards infrastructure, laws and regulations to support the sector, and human capital to improve competency for building a 'knowledge-based economy'. The GCC has introduced several favorable policies, encouraging private sector participation that has not only enhanced the quality of education but also advanced the entire ecosystem significantly. While this made up for the supply side of the industry, the demand side has been driven by a number of factors such as favorable demographics (nearly 35% of the population in 2019 was under 24 years of age)<sup>1</sup> and high per capita incomes (GCC average for GDP per capita was recorded at US\$ 33,010.1 in 2019 compared to the World average of US\$ 11,556.9)<sup>2</sup>. This has led to a strong rise in demand for education within the region that is at par with standards seen in developed countries.

However, the sector continues to face challenges in the form of intensifying competition among private operators, shortage of skilled staff, higher operating costs, and a preference among students to go abroad for higher education. These factors were further aggravated by the challenging macroeconomic conditions for the GCC nations, especially after the twin shocks of the COVID-19 pandemic and shrinking oil prices. According to the IMF, the GCC economy is expected to contract by 6.0% in 2020<sup>3</sup>. While a number of austerity measures were undertaken by the governments to combat the economic challenges, containment measures including travel restrictions and temporary closure of schools and universities have impacted the education sector. This has led to school fee reductions across many nations, including the UAE<sup>4</sup>, Saudi Arabia<sup>5</sup> and Kuwait<sup>6</sup>, coupled with scaling back in staff<sup>7</sup> and pay cuts among school faculty members<sup>8</sup>. Nevertheless, the pandemic has transpired into a unique growth opportunity for the sector resulting from the large-scale efforts to utilize technology in support of remote learning and growing impact of technology adoption in schools. This has led to changes in the quality and provision of education across the region as governments and operators have launched digital learning initiatives to ensure the continuity of tutoring. Consequently, educational technology (EdTech) platforms have now become a core part of the education strategy in the region.

### Budget allocation towards education remains healthy

Despite the slowdown in economic growth due to low hydrocarbon revenues, education spending by the regional governments averaged 13.1% in 2020 compared to 14.1% in 2018. Saudi Arabia<sup>9</sup> and the UAE<sup>10</sup> allocated approximately 18.9% and 14.8% of their total budgets towards education, respectively. These allocations were higher than those in the US<sup>11</sup>, the UK<sup>12</sup> and Germany<sup>13</sup> (see Exhibit 1). However, government spending on education

<sup>1</sup> Source: UNPD

<sup>2</sup> Source: World Economic Outlook Database, October 2020, IMF

<sup>3</sup> Source: "IMF forecasts steeper fall in GCC countries' 2020 GDP", Marmore Mena Intelligence, November 2020

<sup>4</sup> Source: "Update 10: Schools Offering Fee Reductions, Which School Advisor, April 16, 2020

<sup>5</sup> Source: "News 24 | Private schools initiate and reduce tuition fees by up to 50%", Saudi 24 News, May 3, 2020

<sup>6</sup> Source: "Private schools told to reduce tuition for new academic year by 25%", Saudi Gazette, July 29, 2020

<sup>7</sup> Source: "COVID-19: Mass layoffs hit private school teachers in Kuwait", Gulf News, June 2020

<sup>8</sup> Source: "United Arab Emirates: Teachers Facing Job Loss Amid Coronavirus May Have Grounds For Damages", Mondaq, May 25, 2020

<sup>9</sup> Source: Budget Statement –Fiscal Year 2020, Ministry of Finance, Saudi Arabia

<sup>10</sup> Source: The federal budget for fiscal year 2020, Ministry of Finance, UAE

<sup>11</sup> Source: US Government Spending, Government website

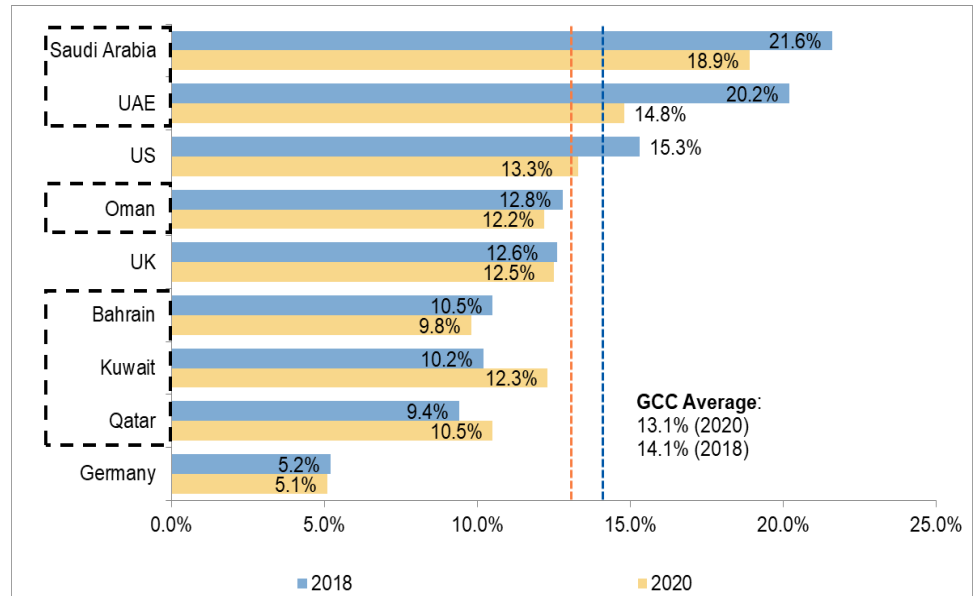
<sup>12</sup> Source: Budget 2020, GOV.UK

<sup>13</sup> Source: "No new debts in the future either", The Federal Government, Germany



by Oman (12.2%)<sup>14</sup>, Qatar (10.5%)<sup>15</sup>, Kuwait (12.3%)<sup>16</sup>, and Bahrain (9.8%)<sup>17</sup> remained below the regional average as declining oil prices affected the economies' fiscal position. This has forced governments to introduce austerity measures and reduce spending across sectors, including education.

**Exhibit 1: Government Spending on Education as a % of Total Budgeted Expenditure, by Country (2018 and 2020)**



Source: MoF Saudi Arabia, MoF UAE, US Government Spending, GOV.UK, The Federal Government of Germany, MoF Oman, MoF Qatar, MoF Kuwait, MoF Bahrain

### Student enrolment across the region rises, albeit at a slower pace

**Student enrolments in the GCC reached nearly 12.2 million in 2019, registering a CAGR of 0.7% from 2014**

In addition to the strong government support, the GCC education sector has been aided by favourable demographics and an influx of private school operators in recent years. This has led to an increase in number of schools and higher institutions in the region while enrolments have risen, albeit at a much slower pace. Student enrolments across various education segments<sup>18</sup> in the region reached nearly 12.2 million in 2019, registering a CAGR of 0.7% from 2014<sup>19</sup> (see Exhibit 2). The enrolment rate in pre-primary education recorded the highest average growth between 2014 and 2019 at 3.7%, while the tertiary segment grew at a CAGR of 1.9% during the period. On the other hand, the primary and secondary segments together remained flat between 2014 and 2019.

<sup>14</sup> Source: Budget 2020, Ministry of Finance, Oman

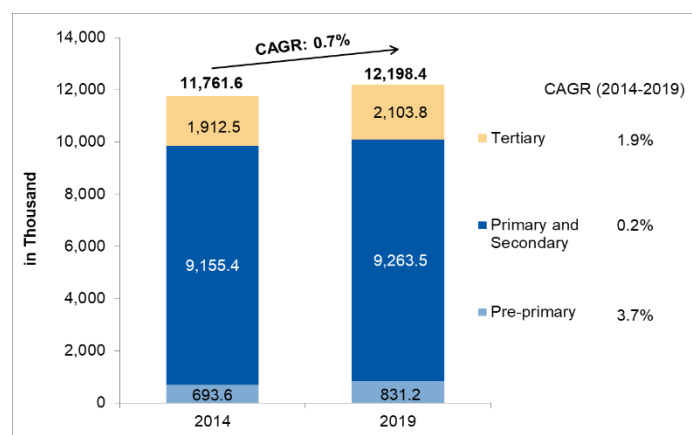
<sup>15</sup> Source: Qatar State Budget 2021, Ministry of Finance, Qatar

<sup>16</sup> Source: The General Budget - The Fiscal Year 2019/2020, Ministry of Finance, Kuwait

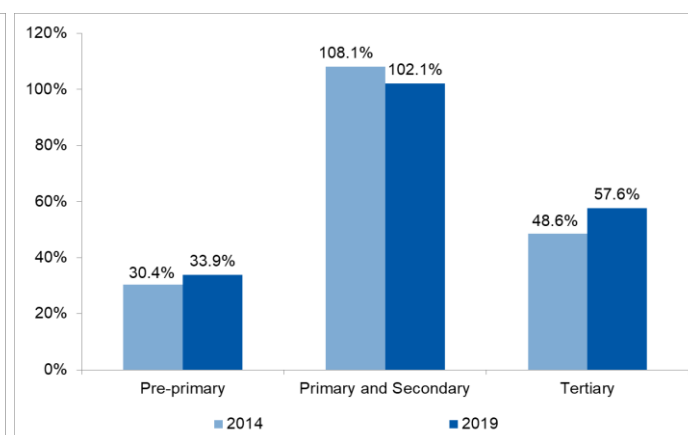
<sup>17</sup> Source: Total State Revenue & Expenditure for the Fiscal Years 2019 & 2020, Ministry of Finance and National Economy, Bahrain

<sup>18</sup> In the report, the education segments comprise pre-primary, primary, secondary, and tertiary

<sup>19</sup> Source: Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

**Exhibit 2: Student Enrolment in the GCC, by Segment**


Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

**Exhibit 3: GER across the GCC, by Segment**


Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

### **The GER of primary and secondary education continued to hover above 100% in 2019**

The gross enrolment ratio (GER) in pre-primary segment grew to 33.9% in 2019 from 30.4% in 2014 (see Exhibit 3) due to rising awareness among nationals about the importance of early childhood education and a boost from government initiatives. For instance, the Saudi Arabian government aims to enhance enrolment in this segment to 27.2% as part of its National Transformation Programme (NTP) although pre-primary education is not mandatory in the Kingdom. To attain this, Saudi Arabia has outlined the development and expansion of nurseries and kindergarten to cover all Saudi regions<sup>20</sup>. Similarly, the Omani government intends to strengthen pre-school education through initiatives launched under its 'National Strategy for Education 2040'<sup>21</sup>.

The GER for primary and secondary segments together remains over 100.0% (see Exhibit 3) as both segments remain mandatory in most GCC countries. Across the GCC, education is free for all nationals and is mandatory up to the primary level. In some nations such as the UAE, Bahrain, Oman and Kuwait, education is mandatory up to the secondary level. This has contributed to the increasing enrolments across primary and secondary segments, which cumulatively accounted for approximately 76% of the total enrolments in 2019.

The GER at the tertiary segment stood at 57.6% as of 2019, an increase from 48.6% in 2014 (see Exhibit 3). This can be largely attributed to growing preference for higher education among nationals, the opening of international branch campuses and well-reputed universities, coupled with the availability of courses tailored to meet demand for professionals with technical and cross-functional skills.

Overall, the GER at the secondary and tertiary level in the GCC outperformed the world average in 2019. However, the GER at primary level was marginally below par, while it underperformed in the case of pre-primary education.

**Exhibit 4: GER in the GCC and certain Developed Nations (2019)**

Parameters	Pre-Primary	Primary	Secondary	Tertiary
Bahrain	51.6%	98.0%	97.1%	55.6%
Kuwait	60.2%	88.0%	90.7%	55.3%
Oman	56.1%	102.9%	107.1%	40.4%
Qatar	60.8%	103.5%	93.6%	18.9%
Saudi Arabia	21.5%	100.7%	111.8%	70.9%

<sup>20</sup> Source: National Transformation Program, Saudi Vision 2030

<sup>21</sup> Source: The National Strategy for Education 2040, Education Council (Oman)



UAE	94.0%	93.1%	83.6%	24.2%
GCC	33.9%	99.2%	105.3%	57.6%
World	61.5%	101.6%	76.0%	38.8%
Germany (2018)	108.5%	103.9%	97.6%	70.3%
UK (2018)	107.1%	101.0%	120.8%	61.4%
US (2018)	72.1%	101.3%	99.3%	88.3%

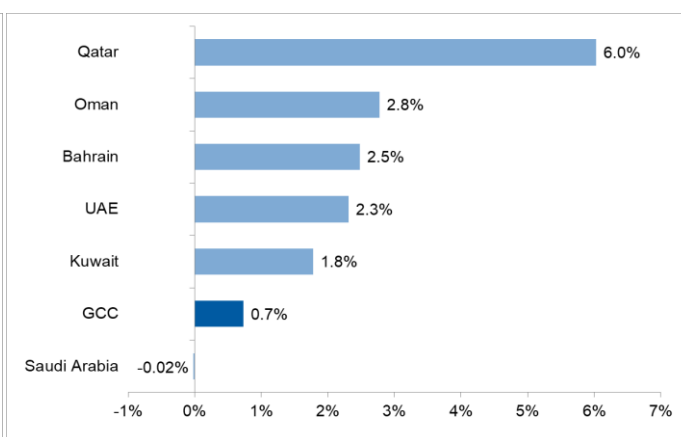
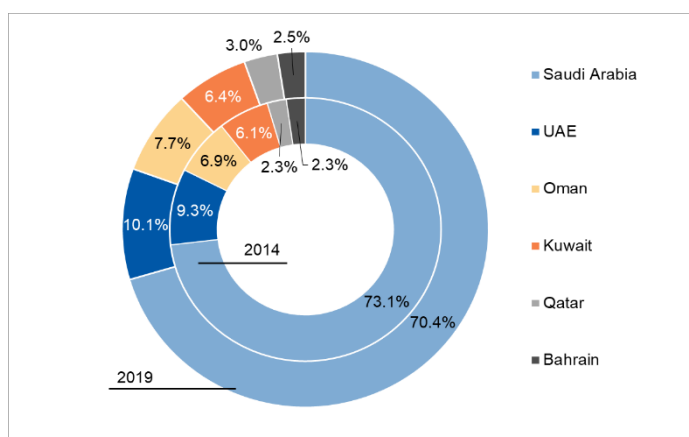
Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain, World Bank

***Qatar recorded the highest growth in enrolment across the GCC between 2014 and 2019***

Within the GCC, Qatar posted the highest enrolment growth rate of 6.0% CAGR between 2014 and 2019, witnessing an increase in enrolment across all education segments. On the other hand, other GCC countries reported a modest growth in enrolment (see Exhibit 6). Total enrolment in Saudi Arabia, the region's largest education market, remained flat during the five-year period<sup>22</sup>. As a result, Saudi Arabia witnessed a drop in its share of enrolment vis-à-vis that in other GCC nations in 2019 to 70.4% compared to 73.1% in 2014 (see Exhibit 5).

**Exhibit 5: Composition of Student Enrolment, by Country**

**Exhibit 6: Student Enrolment Growth (CAGR: 2014–2019)**



Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

***Enrolments at private pre-primary schools grew at a CAGR of 4.4% between 2014 and 2019; enrolments at the primary and secondary private schools cumulatively registered a CAGR of 0.7%***

Public school enrolment within the GCC K-12 education system accounted for approximately 76.2% of total enrolments in 2019, a decline from 77.4% in 2014. Saudi Arabia accounted for 79.1% of the total public school enrolments in the region. The highest growth rate of public enrolment was witnessed in the pre-primary segment (2.5% CAGR), while that in the primary and secondary segments together remained relatively flat between 2014 and 2019. Enrolments at private pre-primary schools grew at a CAGR of 4.4% between 2014 and 2019, whereas those at the primary and secondary private schools cumulatively registered a CAGR of 0.8% (see Exhibit 7)<sup>23</sup>. The pre-primary segment is largely dominated by expatriate students, signified by the higher growth in private sector enrolment and its high share of 62.0% in pre-primary enrolment in 2019.

Total public sector enrolments across the GCC grew at a much slower pace of 0.2% CAGR between 2014 and 2019 to reach 7.7 million compared to the private sector, which recorded

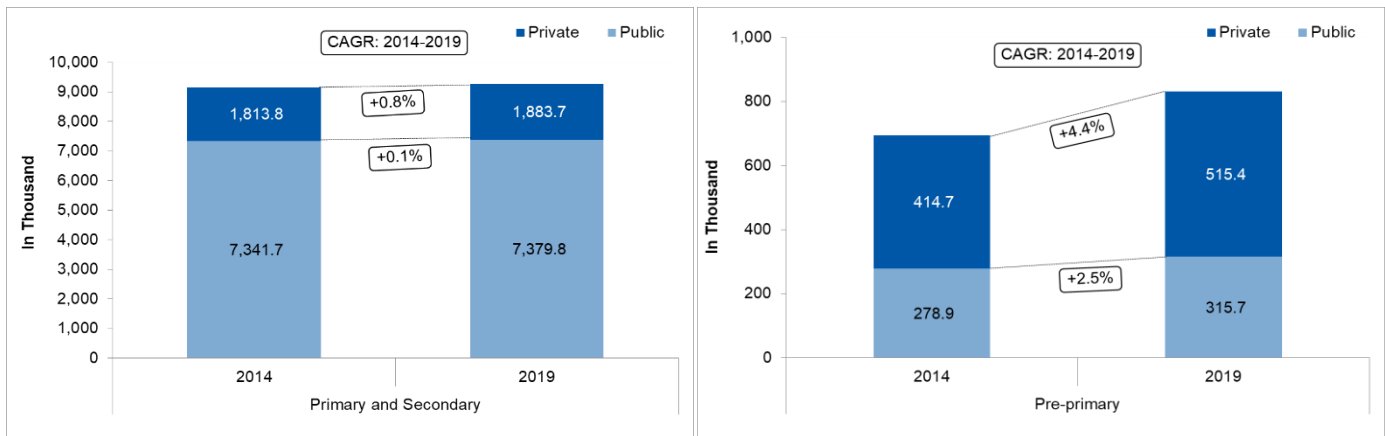
<sup>22</sup> Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

<sup>23</sup> Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

a CAGR of 1.5% to reach 2.4 million<sup>24</sup>, indicating a rising preference towards private education across the region.

The number of private schools in the GCC grew at a CAGR of 3.5% between 2014 and 2018, reaching 6,680 in 2018, while the number of public schools stood at 29,372 in 2018, recording a growth of 0.5% CAGR<sup>25</sup>. Factors including a preference for private education, availability of British, American, and International Baccalaureate (IB) curricula, influx of private operators, growing awareness among nationals, coupled with government's support to enhance the quality of education has helped boost the rise of private schools in the GCC.

#### Exhibit 7: Students' Enrolment in K-12 Education, by Type of Institution



Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

#### The GCC nations recorded significant improvement in pupil-to-teacher ratio across all K-12 education segments

In GCC, the average pupil-to-teacher ratio improved in pre-primary education from 17.2 in 2016 to 14.2 in 2019<sup>26</sup>, outperforming the US, with a ratio of 14.3. Notably, the pupil-to-teacher ratio in primary and secondary education improved considerably across the region, with the average GCC ratio surpassing those in developed nations such as the US, the UK and Germany. In primary and secondary education, the pupil-to-teacher ratio improved from 13.7 in 2016 to 11.1 in 2019 and 9.9 in 2016 to 9.6 in 2019, respectively. In tertiary education, the GCC average pupil-to-teacher ratio declined from 17.0 in 2016 to 19.1 in 2019, thereby indicating a shortage of staff (see Exhibit 8)<sup>27</sup>. However, regional governments have taken various measures to address the growing challenges of shortage of teachers and staff retention. For instance, Bahrain's National Higher Education Strategy 2014-24 aims to strengthen the number of qualified teaching staff in the region<sup>28</sup>, while Saudi Vision 2030 intends to retrain teaching staff in the Kingdom and introduce smart classrooms and digital education management systems to overcome the barriers<sup>29</sup>.

<sup>24</sup> Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

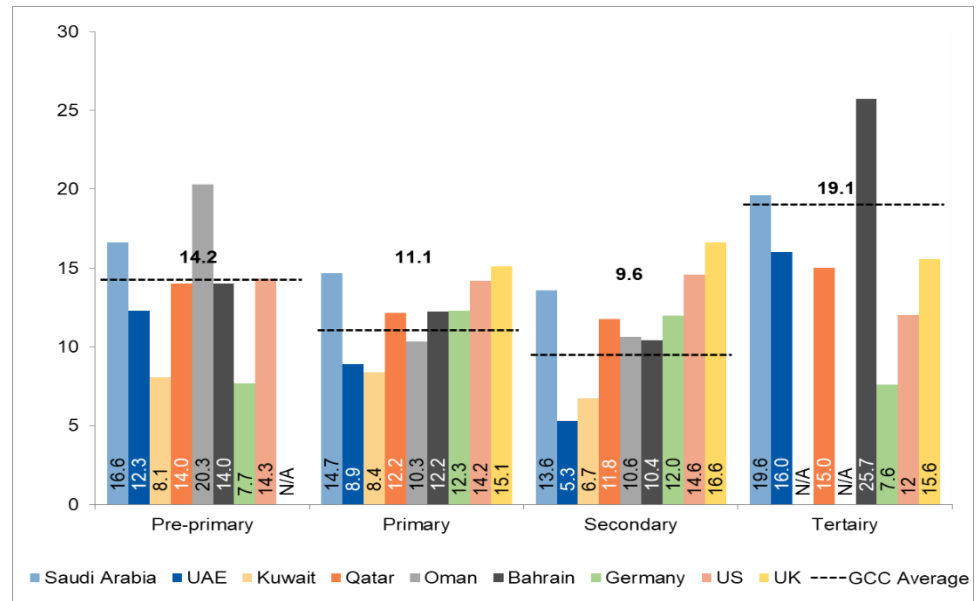
<sup>25</sup> Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

<sup>26</sup> Source: UNESCO

<sup>27</sup> Source: UNESCO

<sup>28</sup> Source: National Higher Education Strategy, Bahrain Higher Education Council

<sup>29</sup> Source: "Education in Saudi Arabia", World Education News + Reviews, April 9, 2020

**Exhibit 8: Pupil to Teacher Ratio in the GCC (2019)**


Source: UNESCO, MoE of respective GCC countries

Note: Data for Germany, the US and the UK is as of 2017

### Quality of Education

**The UAE and Qatar saw improved rankings in the Global Competitiveness Index of 2019 compared to their peers**

The GCC governments have made conscious efforts over the years to improve the quality of education, with the aim to bring the ecosystem at par with international counterparts. In order to create an enabling environment, the region has increased its focus towards technology adoption, enhancing teachers' capabilities, improving school curricula while also establishing quality assurance authorities and setting up comprehensive guidelines. The UAE and Qatar ranked higher than their regional counterparts on critical thinking in teaching, quality of vocational training and skillset of graduates (see Exhibit 9) in the Global Competitiveness Index 2019 published by World Economic Forum (WEF). Kuwait ranked 2<sup>nd</sup> on the pupil-to-teacher ratio in primary education, closely followed by Oman (7<sup>th</sup>).

**Exhibit 9: Country Rating – Quality of Education (2019)**

Parameters	Saudi Arabia	UAE	Oman	Kuwait	Qatar	Bahrain
Pupil-to-teacher ratio in primary education	20	92	7	2	22	28
Critical thinking in teaching	27	8	15	60	6	33
Quality of vocational training	35	25	38	83	16	33
Digital skills among active population*	13	14	32	70	11	28
Skillset of graduates	32	14	40	112	8	41

The Global Competitiveness Report 2019 – WEF;

Note: A group of 141 countries was considered for this assessment; \*The parameter is for the skillsets of the current workforce

**Saudi Arabia remains the largest education market in the GCC, largely owing to its huge population base**

## 2.1 The Saudi Arabian Education Sector

Saudi Arabia remains the largest education market in the GCC, largely owing to its expansive population base. The Kingdom has witnessed substantial growth in education infrastructure over the past few years, aided by supportive government initiatives and private sector participation. The government has introduced several reforms in the sector as part of its broader economic diversification strategy and aim to build a knowledge-based economy. Moreover, the increasing preference for quality education among the expatriate population and nationals has raised the demand for private schools offering international curricula<sup>30</sup>. To meet the rising demand, the Ministry of Education (MoE), which is responsible for issuing directives for education across schools and higher institutes, gave 2,000 public schools fiscal and administrative autonomy in 2018, allowing them to make minor modifications to the curricula.

Currently, the Kingdom is home to over 50 public and private universities, over 30,750 schools, a large number of colleges and several technical and vocational training institutions<sup>31</sup>. The Kingdom's Technical and Vocational Training Corporation (TVTC) has established 35 technical colleges, 35 secondary institutions and 65 vocational training centres, along with more than 1,000 private organizations accredited by TVTC<sup>32</sup>. In the K-12 education segment, public sector schools dominate the market, accounting for approximately 85.7% of the total. However, private sector schools have grown at a much faster pace, recording a CAGR of 2.8% between 2014 and 2018<sup>33</sup> (see Exhibit 10).

**Exhibit 10: Infrastructure Development in K-12 Institutions (2014 and 2018)**

Educational Institution	No. of Schools (2014)	No. of Schools (2018)
Public Schools	25,894	26,368
Private Schools	3,928	4,385
<b>Total Schools</b>	<b>29,822</b>	<b>30,753</b>

Source: General Authority for Statistics (Saudi Arabia);

Note: Data for 2019 not available

### Government Spending and Development Strategies

In 2020, Saudi Arabia allocated US\$ 51.5 billion, equivalent to 18.9% of the Kingdom's total budget, towards education, marginally lower than the 19.3% share in 2019<sup>34</sup>. The reduced allocation towards the sector is due to the fiscal pressure created by the slowdown in hydrocarbon revenues. However, it stands the highest amongst the GCC nations and more than that in select developed nations such as US<sup>35</sup>, UK<sup>36</sup>, and Germany<sup>37</sup>.

The government has set long-term goals for the sector, which include enhancing the quality of education, encouraging private sector investment, increasing emphasis on critical thinking with the help of modernized school curricula, and ensuring that at least five Saudi institutions are placed among the top 100 universities internationally. The National Transformation Programme (NTP), with an allocation of US\$ 72.0 billion, forms a part of the Phase 1 (2016–2020) of 'Saudi Vision 2030'. It aims to strengthen attainment levels in Mathematics and English by 15.0%, boost pre-primary enrolment rates from 22.0% to 27.2%, increase adult

<sup>30</sup> Source: "KSA Private K12 Education Market - Growth, Trends, and Forecast (2020-2025)", Globe Newswire, August 12, 2020

<sup>31</sup> Source: "About Saudi Arabia - Education, The Embassy of the Kingdom of Saudi Arabia

<sup>32</sup> Source: Technical and Vocational Training Corporation (Saudi Arabia), UNESCO

<sup>33</sup> Source: General Authority of Statistics, Saudi Arabia

<sup>34</sup> Source: Ministry of Finance, Saudi Arabia

<sup>35</sup> Source: "US Government Spending", Government website

<sup>36</sup> Source: Budget 2020, GOV.UK

<sup>37</sup> Source: "No new debts in the future either", The Federal Government, Germany

**The Saudi Vision 2030 strategy outlines plans to increase private school enrolment rates by 15.0%**

literacy rate to 97.5%, and increase private school enrolment rates by 15.0%<sup>38</sup>. As a part of the Kingdom's long-term vision, the Saudi government is taking several efforts to modernize the education system using technology. For instance, as part of the Future Gate initiative, Tatweer Educational Technologies (TETCO) is assisting the Saudi Government in building smart classrooms and digital education management systems across the Kingdom<sup>39</sup>. The 'Portal to the Future' is a similar initiative by the MoE that is expected to help promote and develop online education. The programme was first introduced in 2017–18 with the participation of 310 schools in Phase 1, while the second Phase (2018–2019) included 1,893 schools<sup>40</sup>. Several other strategies have also been deployed by the Ministry to bridge the gap between wages, skills and productivity. For instance, the 'Teaching Staff Proficiency Development Project' aims to raise the teaching and leadership competencies of the staff, enhancing the scientific research and knowledge production through specially designed initiatives, among others<sup>41</sup>.

### Quality of Education

Saudi Arabia ranked 27<sup>th</sup> in critical thinking in teaching parameter as per the Global Competitiveness Index 2019 (see Exhibit 11), having risen seven places from the previous year. The country has improved on several elements of the education system including the quality of vocational training, digital skills among the active population, and skillsets of graduates over 2018. However, the Kingdom's ranking on pupil-to-teacher ratio in primary education remained the same as the previous year.

**Exhibit 11: Saudi Arabia Ranking – Quality of Education**

Parameters	Rank (2018)	Rank (2019)
Pupil-to-teacher ratio in primary education	20	20
Critical thinking in teaching	34	27
Quality of vocational training	53	35
Digital skills among active population*	26	13
Skillset of graduates	50	32

*The Global Competitiveness Report 2018 and 2019 – WEF;*

*Note: A group of 141 countries was considered for this assessment; \*The parameter is for the skillsets of the current workforce*

### Pre-primary, Primary, Secondary and Tertiary Segments

Student enrolment in K-12 and tertiary education across Saudi Arabia remained relatively flat at 8.59 million in 2019 as compared to 8.60 million in 2014 (see Exhibit 12). Across the five-year period, the Kingdom's overall GER also remained relatively constant at 83.1% as of 2019 compared to 83.2% in 2014<sup>42</sup>.

In the pre-primary segment, total student enrolments grew at 5.0% CAGR between 2014 and 2019 (see Exhibit 12), driven by increased awareness among nationals regarding the importance of early-stage education. Although pre-primary education in Saudi Arabia is not mandatory, there has been a significant rise in enrolments in the private sector schools over the five-year period. This has been largely driven by the growing emphasis towards quality

**Overall GER across all levels of education stood at 83.1% in 2019**

<sup>38</sup> Source: KSA Vision 2030, National Transformation Program

<sup>39</sup> Source: Education in Saudi Arabia; World Education News + Reviews, April 2020

<sup>40</sup> Source: "Saudi educational reform progressing but not without resistance", The Arab Weekly, February 9, 2020

<sup>41</sup> Source: "Kingdom of Saudi Arabia Budget Report", KPMG, December 2019

<sup>42</sup> Source: UNESCO, General Authority for Statistics (Saudi Arabia)

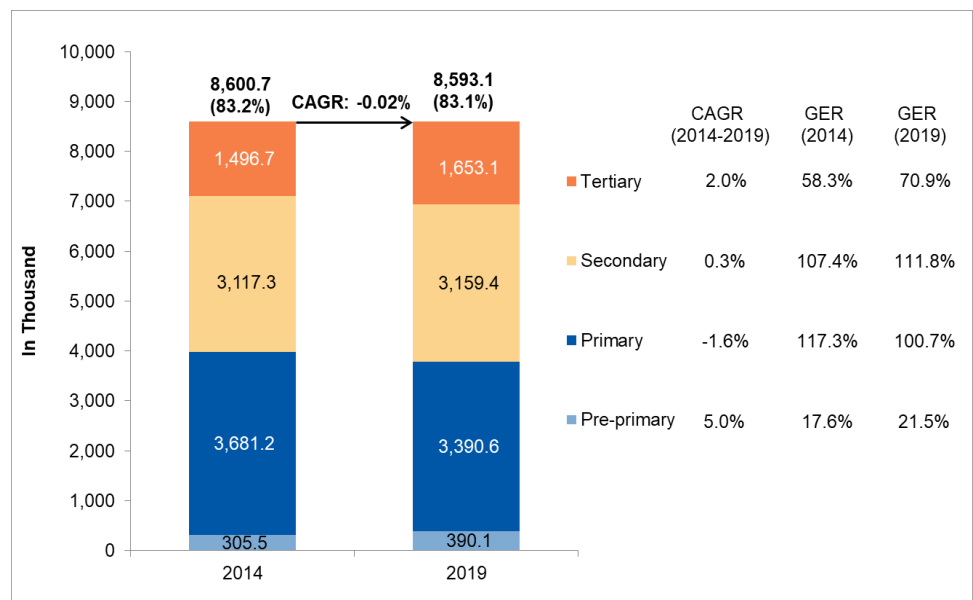
**GER across the primary and secondary education levels stood at 100.7% and 111.8%, respectively, in 2019**

early childhood education among the nations<sup>43</sup>. The GER for this segment stood at 21.5% in 2019 compared to 17.6% recorded in 2014<sup>44</sup>.

Primary and secondary segments accounted for over 94.4% of the total student enrolments in the K-12 education system and recorded a GER of 100.7% and 111.8%, respectively, in 2019. While enrolments in the primary segment fell at a CAGR of 1.6% between 2014 and 2019, secondary education grew, albeit at a slower pace, at 0.3% CAGR during the same period (see Exhibit 12)<sup>45</sup>. The slowdown in these segments were largely driven by the negative annual growth rate in private school enrolments during 2017 and 2018. This can be attributed to a large size outflow of expatriate population since the end of 2016 against a backdrop of tougher rules governing foreign workers in the Kingdom<sup>46</sup>.

Enrolments at the tertiary segment grew at a CAGR of 2.0% between 2014 and 2019 (see Exhibit 12), indicating a continued inclination towards pursuing higher education among nationals coupled with a rising inbound student mobility. Total enrolments in the tertiary segment reached 1.7 million in 2019, up from 1.5 million in 2014. Simultaneously, the GER for the segment reached 70.9% in 2019, a notable increase from 58.3% in 2014<sup>47</sup>. The rise can be attributed to the Kingdom's push towards enhancing higher education standards as per the NTP. Saudi Arabia also announced plans to allow foreign universities to open branch campuses in the Kingdom in late 2019<sup>48</sup>. Moreover, the construction of additional universities in recent years has helped accommodate a rising inflow of students from other countries, resulting in a higher enrolment rate<sup>49</sup>. Most international students in Saudi Arabia are from other Arab nations such as Yemen, Syria Egypt, Jordan, and Palestine<sup>50</sup>.

**Exhibit 12: Student Enrolment in Saudi Arabia, by Segment**



Source: UNESCO, General Authority for Statistics (Saudi Arabia)

The total number of K-12 student enrolments declined marginally between 2014 and 2019. Consequently, the share of K-12 enrolments to total enrolments declined from 82.6% in 2014

<sup>43</sup> Source: "Education in Saudi Arabia - Strengthening the foundations for learning", OECD Library

<sup>44</sup> Source: UNESCO, General Authority for Statistics (Saudi Arabia)

<sup>45</sup> Source: UNESCO, General Authority for Statistics (Saudi Arabia)

<sup>46</sup> Source: "Expat exodus from Saudi Arabia as more than 800,000 leave in 18 months", International Investment, April 12, 2018

<sup>47</sup> Source: UNESCO, General Authority for Statistics (Saudi Arabia)

<sup>48</sup> Source: "Foreign universities to open branch campuses in Saudi Arabia", Arab News, October 29, 2019

<sup>49</sup> Source: "Education in Saudi Arabia", World Education News+Reviews, April 9, 2020

<sup>50</sup> Source: "Education in Saudi Arabia", World Education News+Reviews, April 9, 2020

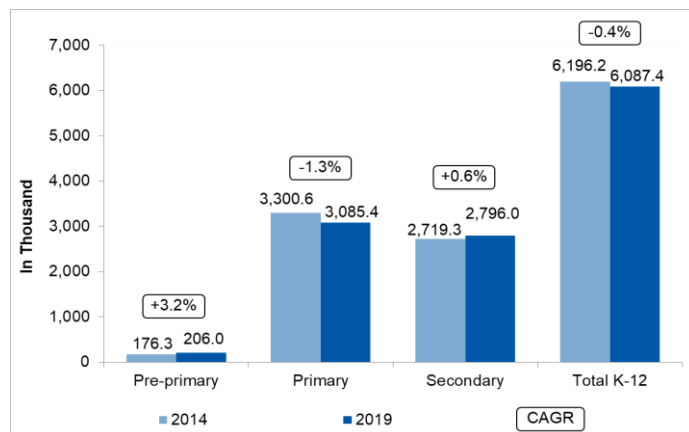


**Public schools in Saudi Arabia accounted for 87.7% of the K-12 enrolments in 2019**

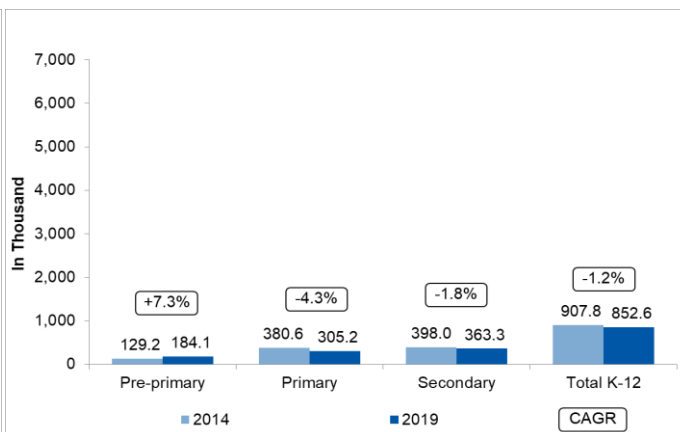
to 80.8% in 2019. Public schools in Saudi Arabia accounted for 87.7% of the K-12 enrolments in 2019, up marginally from 87.3% in 2014. As a result, the K-12 private-school sector enrolments recorded a steeper fall of 1.2% CAGR between 2014 and 2019 compared to a marginal decline of 0.4% CAGR in the public school enrolments during the same period (see Exhibits 13 and 14)<sup>51</sup>.

**Exhibit 13: Student Enrolment in the Saudi Public Schools**

**Exhibit 14: Student Enrolment in the Saudi Private Schools**



Source: UNESCO, General Authority for Statistics (Saudi Arabia)



Source: UNESCO, General Authority for Statistics (Saudi Arabia)

**The UAE ranks among the most developed and competitive education markets in the GCC**

## 2.2 The UAE Education Sector

The UAE ranks among the most developed and competitive education markets in the GCC with a wide presence of public and private institutions. Within the UAE, Dubai and Abu Dhabi are the country's largest markets and account for approximately half of the total students in private K-12 schools. The country's education sector has grown exponentially over the years, transforming into a hub for students not only from the region but also across the globe<sup>52</sup>. As such, private schools in the country offer various international curricula with British, American, International Baccalaureate (IB) and Indian the most favoured, while Canadian, French, and German are also gaining ground<sup>53</sup>. This is largely due to the strong presence of expatriates in the country, who account for approximately 80% of the total population<sup>54</sup>. Moreover, the country's internationalization strategy for higher education has led to the influx of several top global universities and well-reputed global schools and colleges in recent years. Such initiatives, coupled with conscious efforts by the government, have increased the quality of the education landscape in the UAE.

As of 2019, the UAE was home to more than 76 higher education institutions and 1,262 K-12 schools with the private sector accounting for 51% of the total schools in the country. The number of private schools reached 643 in 2019, up from 509 schools in 2014, of which 97% are international schools – the second highest number in the world<sup>55</sup>. The number of public schools, which follow the Arabic curriculum, wherein Arabic is the primary medium of instruction, fell from 673 in 2014 to 619 in 2019 (see Exhibit 15)<sup>56</sup>.

<sup>51</sup> Source: UNESCO, General Authority for Statistics (Saudi Arabia)

<sup>52</sup> Source: "UAE education sector offers growth opportunities", Khaleej Times, April 16, 2019

<sup>53</sup> Source: "Education in the UAE", World Education News + Reviews, August 10, 2018

<sup>54</sup> Source: "United Arab Emirates Population Statistics (2021)", Global Media Insight, January 7, 2021

<sup>55</sup> Source: "25 Years of ISC Research and the International Schools Market", ISC Research, 2019

<sup>56</sup> Source: Ministry of Education, UAE

**Exhibit 15: Infrastructure Development in K-12 Institutions (2014 and 2019)**

Educational Institution	No. of Schools (2014)	No. of Schools (2019)
Public Schools	673	619
Private Schools	509	643
<b>Total Schools</b>	<b>1,182</b>	<b>1,262</b>

Source: Ministry of Education (UAE)

**Government Spending and Development Strategies**

*The UAE allocated 14.8% of the total budget towards education in 2020; higher than the US, the UK, and Germany*

The government has laid significant importance towards building a strong education ecosystem to enable further economic growth outside the hydrocarbon sector and create a competitive knowledge-based economy. In 2020, the UAE government allocated US\$ 2.8 billion to the education sector, equivalent to 14.8% of the total budget, marginally lower than the 16.9% allocation made in 2019<sup>57</sup>. Although the low oil price environment has created fiscal constraints on the economy, the UAE continues to remain committed to the sector with budget allocation higher than that in the US<sup>58</sup>, the UK<sup>59</sup>, and Germany<sup>60</sup>.

*The UAE government plans to transform the education sector through digital innovation and technology integration*

The UAE's 'Vision 2021' intends to create a first-rate education system through the use of smart systems and devices for teaching methods, projects, and research<sup>61</sup>. The country has also devised a 'National Strategy for Higher Education 2030' that seeks to equip future generation of students with technical and practical skills to strengthen the labour market<sup>62</sup>. It also seeks to strengthen accreditation standards, establish a framework of qualifications, and develop a stronger curricula that matches international standards<sup>63</sup>. Moreover, the country's Strategic Education Plan 2017-21 aims to raise the upper secondary graduation rate to 98% and pre-school enrolment rate to 95%, among others<sup>64</sup>. The UAE's MoE, which oversees all Emirates' education councils and authorities, is also actively working on transforming the way students learn using technology by establishing new generation schools comprising laboratories for design, robotics, and AI, among others and has allocated US\$ 408.4 million for this initiative<sup>65</sup>. Other key initiatives by the MoE include 'Teach for UAE' initiative to attract experts to work in the sector on a voluntary basis; and, 'Our Ambassadors' initiative aimed at encouraging students to pursue research to enhance their skills and help realise sustainable education in the economy<sup>66</sup>.

**Quality of Education**

The UAE, a leading provider of education in the GCC, is dominated by the private education market. The private education sector has evolved largely due to the penetration of international institutions offering a wide range of curricula to cater to the large expatriate base. According to the Global Competitiveness Index 2019, the UAE ranked 8<sup>th</sup> in 'critical thinking in teaching', gaining 3 places from the previous year. The country also ranked higher across parameters such as the quality of vocational training and skillset of graduates in 2019 (see Exhibit 16).

<sup>57</sup> Source: Ministry of Finance (UAE)

<sup>58</sup> Source: US Government Spending, Government website

<sup>59</sup> Source: Budget 2020, GOV.UK

<sup>60</sup> Source: "No new debts in the future either", The Federal Government, Germany

<sup>61</sup> Source: Importance of education to the Government; UAE Government

<sup>62</sup> Source: First-rate education system; UAE Government

<sup>63</sup> Source: "Education in the UAE", World Education News + Reviews, August 10, 2018

<sup>64</sup> Source: UAE MoE Strategic Plan 2017-21

<sup>65</sup> Source: "UAE to invest \$408 million in 'new generation' schools", Reuters, March 5, 2019

<sup>66</sup> Source: Quality Education in the UAE, Ministry of Education (UAE)



**Exhibit 16: UAE Ranking – Quality of Education**

Parameters	Rank (2018)	Rank (2019)
Pupil-to-teacher ratio in primary education	91	92
Critical thinking in teaching	11	8
Quality of vocational training	27	25
Digital skills among active population*	14	14
Skillset of graduates	21	14

*The Global Competitiveness Report 2018 and 2019 – WEF;*

*Note: A group of 141 countries was considered for this assessment; \*The parameter is for the skillsets of the current workforce*

**Pre-primary, Primary, Secondary and Tertiary Segments**

Student enrolment in K-12 and tertiary education across the UAE reached more than 1.2 million in 2019, up from approximately 1.1 million in 2014, recording a CAGR of 2.3% over the five year period (see Exhibit 17). The country's overall GER stood at 69.3% in 2019, driven by high enrolment rates across the K-12 education segments<sup>67</sup>.

Enrolment in the pre-primary segment grew at a CAGR of 3.1% between 2014 and 2019 (see Exhibit 17)<sup>68</sup>, primarily driven by rising awareness among parents about early childhood education and an emphasis on play-based learning<sup>69</sup>. The GER for this segment has increased to 94.0% in 2019 compared to 89.1% in 2014<sup>70</sup>. Amid growing emphasis for this segment, annual conferences are being hosted on 'Redesigning Early Childhood Education and Care Services'. Jointly held by the International Bureau of Education (IBE) and UNESCO, these conferences offer decision-makers, educational leaders, and educators access to research on Early Childhood Care and Education (ECCE), enabling them to generate insights and re-evaluate ECCE in the UAE<sup>71</sup>.

Primary and secondary segments accounted for over 82.4% of the total student enrolments in the K-12 education system and recorded a GER of 93.1% and 83.6%, respectively, in 2019<sup>72</sup>. Enrolments in the primary segment grew at a CAGR of 2.0% between 2014 and 2019, while the secondary education segment grew at a faster pace of 2.9% CAGR, during the same period (see Exhibit 17)<sup>73</sup>. Growth across these segments were driven by higher enrolment rates in the private school sector.

Enrolments at the tertiary segment grew at a comparatively slower rate of 0.5% CAGR between 2014 and 2019 to reach 131,488 students in 2019 (see Exhibit 17)<sup>74</sup>. However, this segment is witnessing a sustained rise in demand from students across the GCC and the world with an influx of several international institutions. The GER at the tertiary segment stood at 24.2% in 2019<sup>75</sup>.

**All education segments experienced healthy growth in enrolment between 2014 and 2019; private sector schools and HEIs dominate the market**

<sup>67</sup> Source: UNESCO, Ministry of Education (UAE)

<sup>68</sup> Source: UNESCO, Ministry of Education (UAE)

<sup>69</sup> Source: Quality Education in the UAE; Ministry of Education Website

<sup>70</sup> Source: UNESCO, Ministry of Education (UAE)

<sup>71</sup> Source: UAE leads the way in Early Childhood Care and Education; International Bureau of Education, August 2018

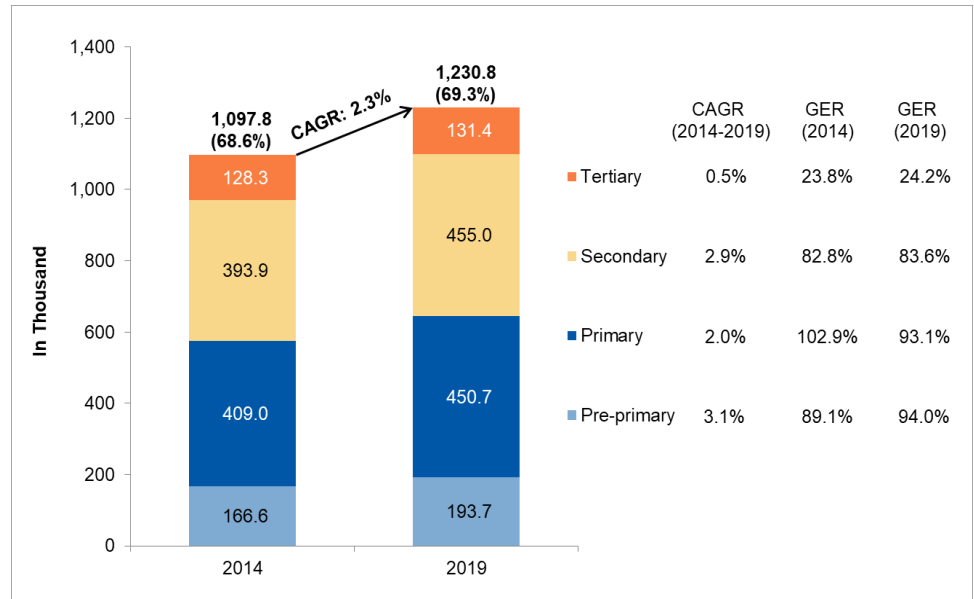
<sup>72</sup> Source: UNESCO, Ministry of Education (UAE)

<sup>73</sup> Source: UNESCO, Ministry of Education (UAE)

<sup>74</sup> Source: UNESCO, Ministry of Education (UAE)

<sup>75</sup> Source: UNESCO, Ministry of Education (UAE)

**Exhibit 17: Student Enrolment in the UAE, by Segment**

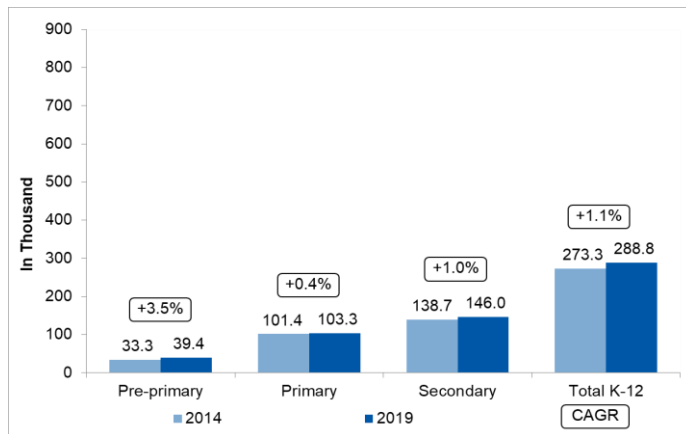


Source: UNESCO, Ministry of Education (UAE)

**Total number of K-12 student enrolments grew at a CAGR of 2.5% between 2014 and 2019**

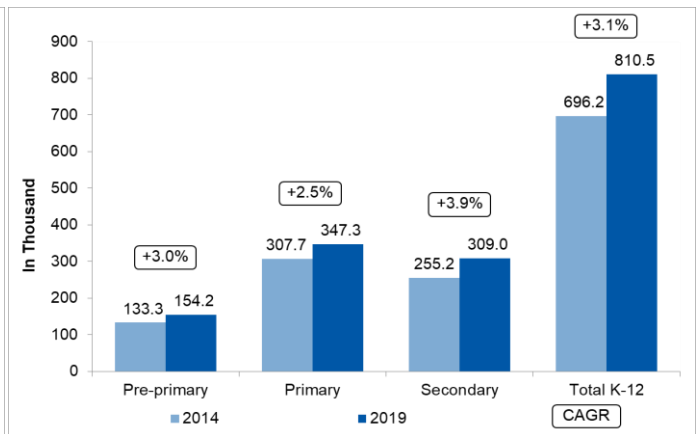
The total number of K-12 student enrolments grew at a CAGR of 2.5% between 2014 and 2019. The share of K-12 enrolments to total enrolments improved from 88.3% in 2014 to 89.3% in 2019. Private schools in the UAE accounted for 73.7% of the K-12 enrolments in 2019, up from 71.8% in 2014. Consequently, the K-12 private-school sector enrolments grew at a faster CAGR of 3.1% compared to a 1.1% CAGR rise in the public school enrolments between 2014 and 2019 (see Exhibits 18 and 19)<sup>76</sup>.

**Exhibit 18: Student Enrolment in the UAE Public Schools**



Source: UNESCO, Ministry of Education (UAE)

**Exhibit 19: Student Enrolment in the UAE Private Schools**



Source: UNESCO, Ministry of Education (UAE)

### The Dubai Private School Market

In Dubai, the Knowledge and Human Development Authority (KHDA) and Dubai Education Council (DEC) are collectively responsible for the overall governance and development of the education sector. The authorities have played a pivotal role in developing the educational landscape in the Emirate. The establishment of new private schools, training institutes and

<sup>76</sup> Source: UNESCO, Ministry of Education (UAE)

international branch campuses has helped create a diverse education community with varied curricula that provides wide-ranging choices to students from across the globe. Dubai has two education free-zones, namely Dubai Academic City (DAC) for primary, secondary, and higher education; and Dubai International Academic City (DIAC) for tertiary education. Established in 2006 by TECOM Investments, DAC aims to establish Dubai as an education hub. It has formed industry and university partnerships to help students build skills that make them employment ready. On the other hand, DIAC is home to over 28 international universities and offers nearly 450 courses<sup>77</sup>. The Dubai government has also established Dubai Knowledge Village, a free zone dedicated to human resource management, to provide high-quality education in the region<sup>78</sup>. Dubai's university free zone strategy aims to inculcate student-led innovation and entrepreneurship in the emirate. The strategy is poised to propel Dubai's start-up ecosystem and play a significant role in the UAE's future growth as a knowledge and innovation economy<sup>79</sup>.

**Over 293,879 students were enrolled in 210 private schools in Dubai during the 2019-20 academic year**

Enrolment in the private sector grew at a CAGR of 3.5% during the five-year period between 2013-14 and 2018-19 (see Exhibit 20). In the 2019-20 academic year, over 293,879 students were enrolled in 210 private schools in Dubai as per the KHDA<sup>80</sup>. Furthermore, three new private schools were established during the year, adding to an already saturated market segment. Consequently, there continues to be capacity in Dubai schools with the total number of seats available across the Emirate standing at 363,643 as of the 2019-20 academic year. According to KHDA, high capacity not only exist in the schools that are yet to be inspected (41.5%) but also the schools ranked 'Outstanding' (7.9%)<sup>81</sup>.

**Private schools generated revenues of US\$ 2.3 billion in 2019-20, up from US\$ 2.0 billion in the previous year**

Demand for private schools in Dubai is driven by the large expatriate population as well as an increase in the number of nationals seeking private schooling. To cater to a diversified expatriate community, private schools in the Emirate provides education across 17 curricula<sup>82</sup>. The UK curriculum, which dominates the Dubai education sector, has witnessed 7.0% y-o-y growth in enrolment over the past five years. The IB curriculum recorded the second-fastest growth of 5.7% in terms of enrolment in its schools. There were 18,000 students enrolled in IB schools in the 2019-20 academic year compared to 109,894 students in UK curriculum schools<sup>83</sup>. The total revenues generated by private schools in Dubai reached AED 8.5 billion (US\$ 2.3 billion) in 2019-20, up from AED 7.5 billion (US\$ 2.0 billion) in the previous academic year<sup>84</sup>.

<sup>77</sup> Source: Dubai Academic City Free Zone, Commitbiz

<sup>78</sup> Source: "Knowledge Village In Dubai | A Free Zone For Educational Institutions", Varal Consultancy

<sup>79</sup> Source: "Dubai's University Free Zones Strategy To Power New Wave Of Student-Lead Innovation And Entrepreneurship In The Emirate", Entrepreneur Middle East, May 1, 2019

<sup>80</sup> Source: KHDA Website Open Data, November 2020

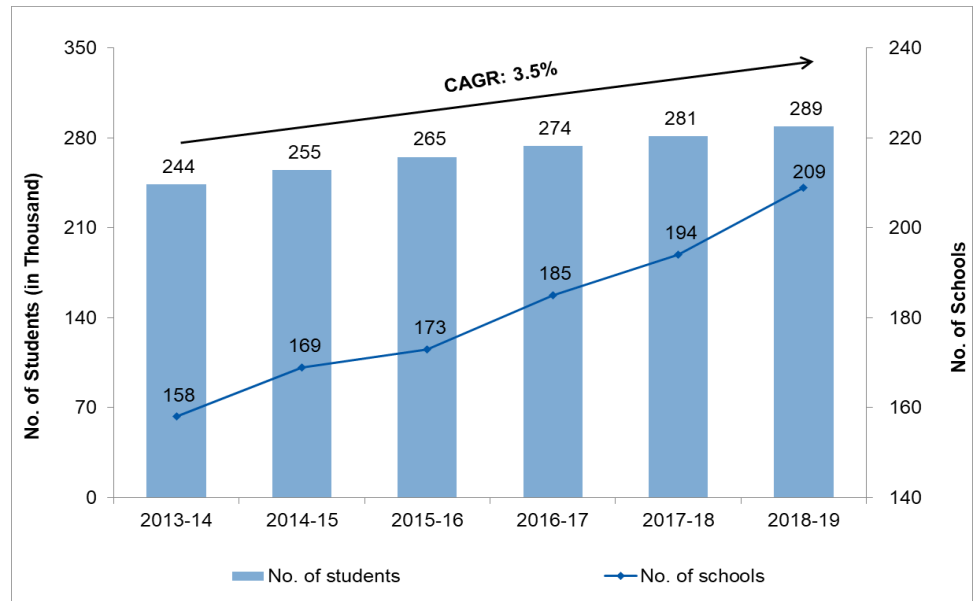
<sup>81</sup> Source: "KHDA: Dubai School Market Hits 8.45 billion AED", Which School Advisor, January 2020

<sup>82</sup> Source: "Education in the UAE", World Education News + Reviews, August 10, 2018

<sup>83</sup> Source: "KHDA: Dubai School Market Hits 8.45 billion AED", Which School Advisor, January 2020

<sup>84</sup> Source: "Private schools in Dubai see revenue climb to Dh8.45b in 2019-20", Khaleej Times, January 2020

**Exhibit 20: Private Schools and Student Enrolment in Dubai**



Source: KHDA

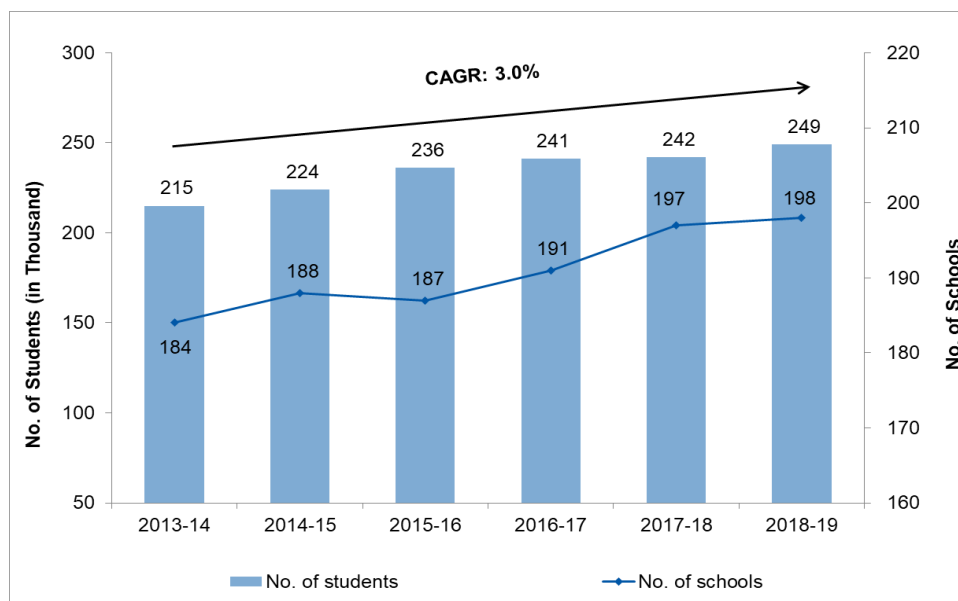
**Private sector schools in Abu Dhabi accounted for 64.3% of student enrolment in 2018–2019**

#### The Abu Dhabi Private School Market

The Abu Dhabi Department of Education and Knowledge (ADEK) is responsible for supervising and regulating the public and private schools across the Emirate. The Ministry has laid strong emphasis on building an education system that encourages innovation and excellence while enhancing the quality standards at par with international benchmarks. The Abu Dhabi's K-12 education sector is largely dominated by the private sector, accounting for 64.3% of enrolment in the academic year 2018-19. Enrolment in the private sector grew at a CAGR of 3.0% during the five-year period between 2013-14 and 2018-19 (see Exhibit 21). According to ADEK, there were 235 private schools in the Emirate as of September 2020. Private schools in the Emirate offer varied curricula with the most common being the UK, the US and Indian. A growing number of schools in the region also offer the IB, Bangladeshi, Canadian, French, German, Iranian, Japanese, and Philippine curricula<sup>85</sup>.

<sup>85</sup> Source: "Best Schools in Abu Dhabi, and Why?", Which School Advisor, October 27, 2020

**Exhibit 21: Private Schools and Student Enrolment in Abu Dhabi**



Source: Statistical Yearbook of Abu Dhabi 2020

## 2.3 The Omani Education Sector

**Oman has recently transitioned to the Basic Education System (K-12), making enrolments compulsory for 10 years**

The education sector in Oman has recently transitioned to the Basic Education System (K-12)<sup>86</sup>, making enrolments compulsory for 10 years (ages 6-17). Public schools dominate the sector as education for nationals is free across all the three levels (primary, preparatory, and secondary) in the country. As of 2018, Oman had 1,761 schools with the public sector accounting for 63.9% of the total<sup>87</sup>. At the same time, there were nine private universities and one state university in the country<sup>88</sup>. Considering nationals account for approximately 56% of the total population<sup>89</sup>, the share of K-12 private sector education has been relatively low in the Sultanate. However, rising awareness about the benefits associated with private education coupled with the government's broader plans to modernise the economy has led to an influx of private operators in Oman. Consequently, the total number of private schools in the country reached 636 in 2018, up from 468 in 2014 (see Exhibit 22)<sup>90</sup>.

**Exhibit 22: Infrastructure Development in K-12 Institutions (2014 and 2018)**

Educational Institution	No. of Schools (2014)	No. of Schools (2018)
Public Schools	1,042	1,125
Private Schools	468	636
<b>Total Schools</b>	<b>1,510</b>	<b>1,761</b>

Source: National Center for Statistics and Information (Oman)

Note: Data for 2019 not available

<sup>86</sup> Source: "Education System in Oman", Scholaro

<sup>87</sup> Source: National Centre for Statistics and Information, Oman

<sup>88</sup> Source: Private education stepping in to meet rising demand in Oman, Oxford Business Group

<sup>89</sup> Source: National Centre for Statistics and Information, Oman

<sup>90</sup> Source: National Centre for Statistics and Information, Oman

## Government Spending and Development Strategies

The government continues to focus on welfare expenditure, allocating a significant portion to education. In 2020, the government of Oman allocated US\$ 4.2 billion or 12.2% of its annual budget to the education sector<sup>91</sup>, marginally below its 2019 allocation of 12.4%<sup>92</sup>.

***Oman's National Strategy for Education 2040 targets high growth across pre-school, school and higher education***

In 2018, the government launched the 'National Education Strategy 2040' (NES 2040) to help guide the Education Council, the body responsible for formulating policies and legislation for all levels of private and public education. The core objective of this strategy lies in equipping young people with the necessary skills that help them compete and succeed in an increasingly knowledge-based world. The Oman Academic Accreditation Authority (OAAA), an independent authority that regulates the quality of HEIs in the country, plays a crucial role in the realization of NES 2040. In 2019, the OAAA undertook a comprehensive accreditation review of all HEIs to ensure their adherence to international benchmark standards<sup>93</sup>. In 2017, the government established the National Training Fund to bridge the gap between the job market needs and the education imparted. This workforce development flagship program targeted to train 6,170 trainees in 2019<sup>94</sup>, and was further expanded to train 10,000 trainees along with more groups of trainees over 2020 and 2021 for a budget of US\$ 69.6 billion. Since its establishment in 2017, the fund has provided 9,110 job opportunities, of which 3,310 trainees have graduated and 5,800 are still undergoing training<sup>95</sup>.

***Under Oman Vision 2040, the government plans to leverage technology to transform the education sector***

The Omani government is also committed to achieving the UN Sustainable Development Goal 4 (SDG4) – Education 2030. In collaboration with the Oman National Commission, UNESCO assists in achieving these goals through sector-wide education policy and planning, strengthening the educational system for sustainable development including Green Schools, and making education more inclusive. In 2020, the MoE, which administers the pre-primary, primary and secondary education in Oman, hosted the National Artificial Intelligence and Education Forum with participation from organisations such as UNESCO, ISESCO, ALECSO and Arab Bureau of Education for the Gulf States (ABEGS). The forum focused on AI and its usage in various fields, and investments in technologies for teaching and learning processes to meet the targets under 'Oman Vision 2040'<sup>96</sup>.

## Quality of Education

The quality of education in Oman ranks below its GCC peers. According to the 2019 Global Competitiveness Report, the Sultanate's ranking on parameters such as quality of vocational training, digital skills among active population, skillset of graduates and critical thinking in teaching fell below its performance in the previous year (see Exhibit 23). However, Oman's rank on the pupil-to-teacher ratio in primary education rose from 14<sup>th</sup> to 7<sup>th</sup> in 2019. The country's literacy rate stands at around 87.0%, lowest among the GCC nations<sup>97</sup>.

<sup>91</sup> Source: Budget 2020, Ministry of Finance, Oman

<sup>92</sup> Source: "Oman Budget 2019", OAB Invest, January 9, 2019

<sup>93</sup> Source: "Private education stepping in to meet rising demand in Oman", Oxford Business Group

<sup>94</sup> Source: "Oman General Budget for 2019", Times of Oman, January 1, 2019

<sup>95</sup> Source: 2020 Budget, Ministry of Finance, Oman

<sup>96</sup> Source: "National Artificial Intelligence and Education Forum Kicks-off", Oman News Agency, October 26, 2020

<sup>97</sup> Source: List Of Countries By Literacy Rate, World Atlas (2020)

### Exhibit 23: Oman Ranking – Quality of Education

Parameters	Rank (2018)	Rank (2019)
Pupil-to-teacher ratio in primary education	14	7
Critical thinking in teaching	14	15
Quality of vocational training	26	38
Digital skills among active population*	30	32
Skillset of graduates	39	40

Source: *The Global Competitiveness Report 2018 - 2019* – WEF;

Note: A group of 141 countries was considered for this assessment; \*The parameter is for the skillsets of the current workforce

### Pre-primary, Primary, Secondary and Tertiary Segments

In Oman, the total number of enrolled students reached 933,763 in 2019, growing at a CAGR of 2.8% between 2014 and 2019 (see Exhibit 24). The overall GER in the country stood at 81.8% in 2019, driven by the high enrolments rates witnessed in the pre-primary and secondary segments<sup>98</sup>. A growing government focus on enhancing education quality and encouraging the implementation of new academic and training programmes to create a knowledge-based economy helped boost the enrolment ratios in the country<sup>99</sup>.

In 2019, pre-primary enrolments reached 87,956, growing at a CAGR of 5.0% since 2014 (see Exhibit 24). This was largely driven by a 6.2% CAGR in private enrolments during the period. Government initiatives under the 'National Strategy for Education 2040', which emphasises on increasing enrolment rates across the segment coupled with policies and programmes for pre-school education have helped private pre-schools grow<sup>100</sup>. However, GER for the segment remained largely unchanged from 56.4% in 2014 to 56.1% in 2019<sup>101</sup>.

Primary and secondary segment enrolments accounted for approximately 89.2% of the student enrolments in the K-12 education system in 2019. GERs in the primary and secondary segments stood at 102.9% and 107.1%, respectively, in 2019 as enrolments are mandatory for students aged 6 to 17 in the Sultanate. While enrolments in the secondary segment grew at a CAGR of 8.5% between 2014 and 2019, the primary segment witnessed a fall of 3.0% CAGR over the five-year period (see Exhibit 24)<sup>102</sup>.

Despite the number of universities and colleges rising from 59 in 2014 to 62 as of 2019<sup>103</sup> offering educational courses at par with international standards, enrolments at the tertiary segment remained muted during the five-year period (see Exhibit 24). The GER for the segment stood at 40.4% in 2019, up from 34.6% in 2014<sup>104</sup>.

**Oman's primary and secondary enrolments accounted for ~89.2% of the student enrolments in the K-12 education system in 2019**

<sup>98</sup> Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

<sup>99</sup> Source: "Private education stepping in to meet rising demand in Oman", Oxford Business Group

<sup>100</sup> Source: The National Strategy for Education 2040, Education Council (Oman)

<sup>101</sup> Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

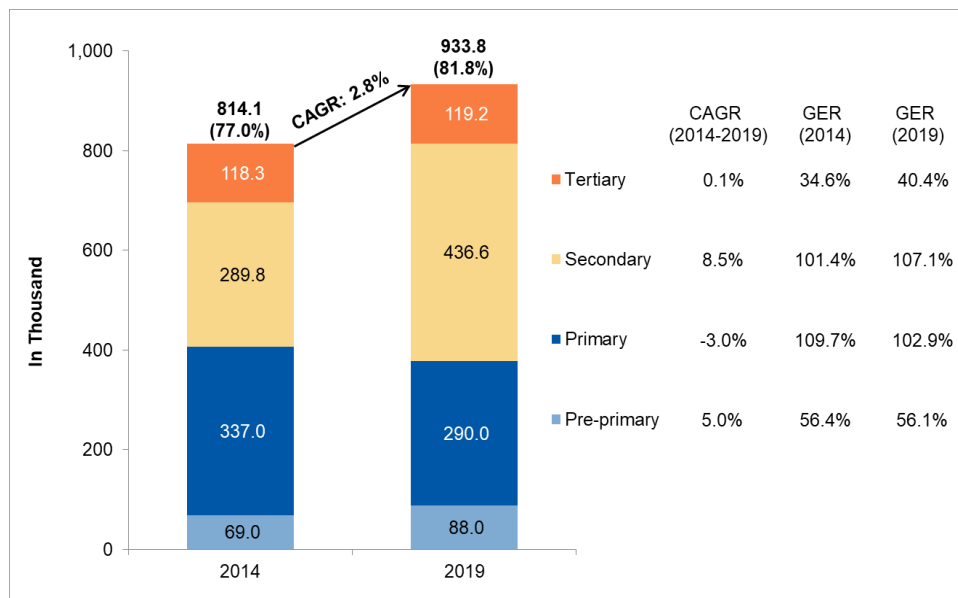
<sup>102</sup> Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

<sup>103</sup> Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

<sup>104</sup> Source: UNESCO, National Center for Statistics and Information (NCSI), Oman



**Exhibit 24: Student Enrolment in Oman, by Segment**

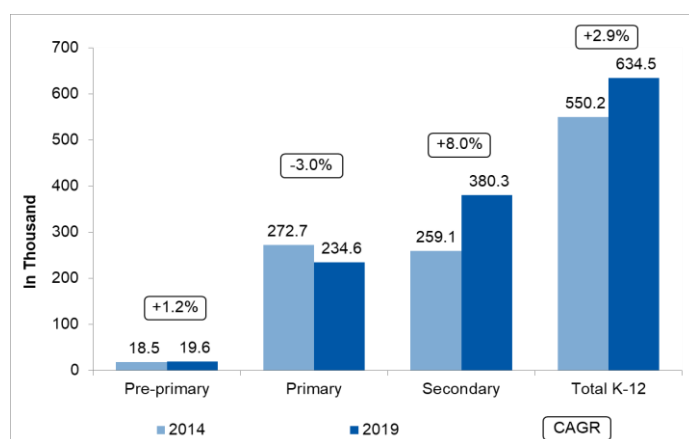


Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

**Public schools accounted for 77.9% of the K-12 enrolments in 2019; private sector enrolments increased at a CAGR of 4.3% between 2014 and 2019**

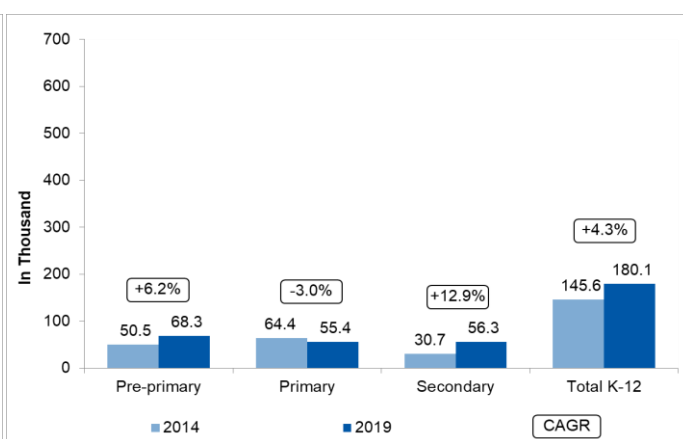
The total number of K-12 enrolments grew at a CAGR of 3.2% between 2014 and 2019. The share of K-12 enrolments to total enrolments in the country increased to 87.2% in 2019 from 85.5% in 2014<sup>105</sup>. Public schools in Oman accounted for 77.9% of the K-12 enrolments in 2019<sup>106</sup>. However, the private sector enrolments increased at a CAGR of 4.3% between 2014 and 2019 compared to 2.9% in public schools (see Exhibits 25 and 26). This can be largely attributed to the high enrolment rates of 12.9% CAGR witnessed in the private schools across secondary segment and a growth of 6.2% CAGR in the pre-primary segment over the five-year period. Public school enrolment grew at a CAGR of 8.0% over the five-year period in the secondary segment (see Exhibits 25 and 26)<sup>107</sup>.

**Exhibit 25: Student Enrolment in Omani Public Schools**



Source: UNESCO, National Centre for Statistics, and Information (NCSI), Oman

**Exhibit 26: Student Enrolment in Omani Private Schools**



Source: UNESCO, National Centre for Statistics, and Information (NCSI), Oman

<sup>105</sup> Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

<sup>106</sup> Source: UNESCO, National Center for Statistics and Information (NCSI), Oman

<sup>107</sup> Source: UNESCO



## 2.4 The Kuwaiti Education Sector

Kuwait's education sector has undergone significant transformation as part of its 'Integrated Education Reform Program 2011-19', which aimed at improving learning outcomes, bringing about competent teaching and school leadership, and refining the accountability and efficiency of the education system<sup>108</sup>. Moreover, the country has been regularly seeking advice of the World Bank with the aim to reform its education system and co-ordinating its courses with the requisites of the employment market. The government has been actively pushing for privatization and seeking FDI in the education sector in order to improve quality standards. These measures, coupled with the rise in expat population over the past few years, have fuelled the demand for private education in the country. Consequently, several international schools have set up their base in Kuwait, offering a range of international curricula. The number of private schools has grown to 537 in 2018, up from 489 in 2014. As of 2018, Kuwait was home to 1,366 schools with public schools accounting for 60.7% of the total (see Exhibit 27)<sup>109</sup>.

**Exhibit 27: Infrastructure Development in K-12 Institutions (2014 and 2018)**

Educational Institution	No. of Schools (2014)	No. of Schools (2018)
Public Schools	812	829
Private Schools	489	537
<b>Total Schools</b>	<b>1,301</b>	<b>1,366</b>

Source: Ministry of Education (Kuwait);

Note: Data for 2019 not available

### Government Spending and Development Strategies

The Kuwaiti government has allocated substantial portion of its budget towards the development of the education sector over the past few years. For the fiscal year 2020-21, Kuwait allocated US\$ 8.7 billion to the education sector, equivalent to 12.3% of the total spending, slightly higher than the allocation made in 2019-20<sup>110</sup>. Additionally, the government has spent US\$1.1 billion on infrastructure, which includes US\$ 882 million to rebuild old schools and build new facilities<sup>111</sup>.

The country's educational policy is aimed at providing equal access to education to all children, much at par with all the advanced education systems across the globe. Kuwait's 'National Development Plan 2035' aims to reform and revitalise the country's education system. As part of this objective, a two-pronged strategy has been adopted: (1) introduce changes in public education to enhance national standards of teaching and student assessment; and (2) meet the increasing demand for high-quality education through privatisation<sup>112</sup>. Furthermore, the MoE has formulated a plan to strengthen teachers' capabilities and educational curricula. In order to achieve this, the MoE is studying best practices in developed countries to gather expertise. Training courses are also being conducted with Kuwaiti and foreign specialists and advisors working together to boost the skills of teachers and overcome any challenges arising in this process<sup>113</sup>. Moreover, the country has been undertaking a policy of nationalizing up to 25% of teaching jobs each year as the government works towards making all public sector staff Kuwaiti by 2022<sup>114</sup>.

**Kuwait is undertaking a policy of nationalising up to 25% of teaching jobs each year**

<sup>108</sup> Source: "Government reforms to change Kuwait's education sector", Oxford Business Group

<sup>109</sup> Source: Ministry of Education (Kuwait)

<sup>110</sup> Source: Ministry of Finance (Kuwait)

<sup>111</sup> Source: Kuwait - Country Commercial Guide, International Trade Administration, January 15, 2021

<sup>112</sup> Source: "GCC Education Ecosystems: A Brief Overview", Business Live Me

<sup>113</sup> Source: "Kuwait's Ministry of Education has drawn up plans for overhauling sector – Minister", Kuwait News Agency, April 2018

<sup>114</sup> Source: "Kuwait's Education Ministry to cut hundreds of foreign teachers", March 1, 2018

## Quality of Education

Kuwait improved its ranking across parameters such as critical thinking in teaching, quality of vocational training and pupil-to-teacher ratio in primary education according to the 2019 Global Competitiveness Report (see Exhibit 28). There was a decline in its ranking on two parameters, namely digital skills among the active population and the skillset of graduates.

**Exhibit 28: Kuwait Ranking – Quality of Education**

Parameters	Rank (2018)	Rank (2019)
Pupil-to-teacher ratio in primary education	3	2
Critical thinking in teaching	72	60
Quality of vocational training	89	83
Digital skills among active population*	67	70
Skillset of graduates	106	112

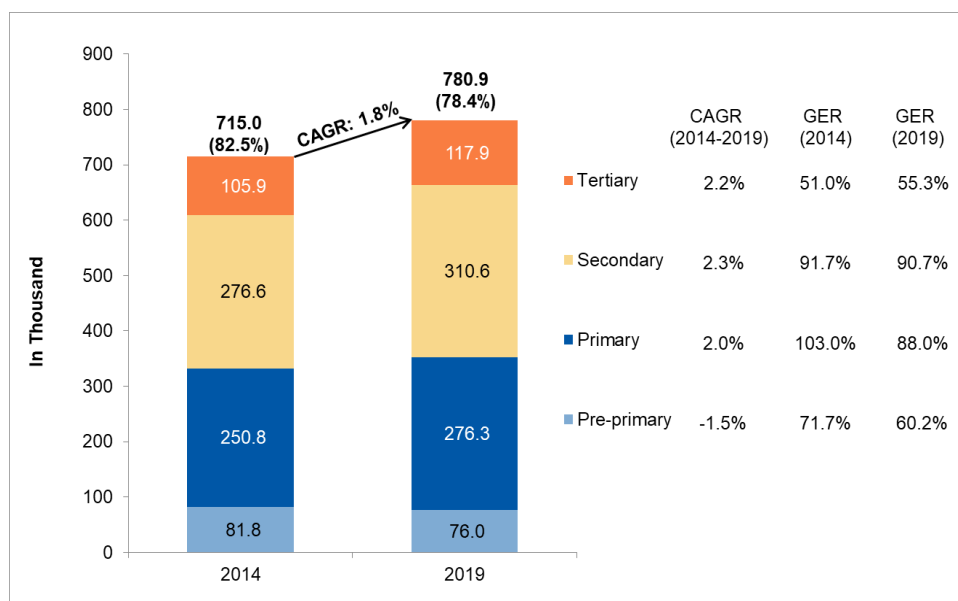
Source: The Global Competitiveness Report 2018 - 2019 – WEF;

Note: A group of 141 countries was considered for this assessment; \*The parameter is for the skillsets of the current workforce

## Pre-primary, Primary, Secondary and Tertiary Segments

The total number of enrolled students in Kuwait reached 780,863 in 2019, growing at a CAGR of 1.8% between 2014 and 2019 (see Exhibit 29). The country recorded steady growth in enrolment across the primary, secondary, and tertiary education segments over the five-year period. The overall GER in the country stood at 78.4% in 2019<sup>115</sup>.

**Exhibit 29: Student Enrolment in Kuwait, by Segment**



Source: UNESCO, Central Statistical Bureau (Kuwait)

Pre-primary enrolment contracted at a CAGR of 1.5% between 2014 and 2019 (see Exhibit 29), with an overall GER of 60.2% in 2019 compared to 71.7% in 2014<sup>116</sup>. The slowdown

<sup>115</sup> Source: UNESCO, Central Statistical Bureau (Kuwait)

<sup>116</sup> Source: UNESCO, Central Statistical Bureau (Kuwait)

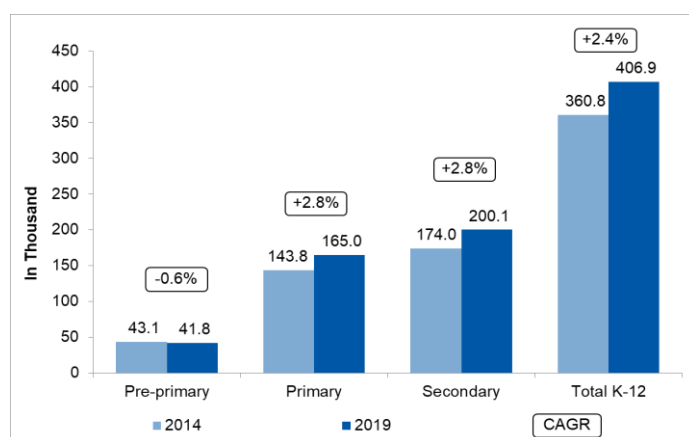
**Kuwait's primary and secondary segment accounted for over 88.5% of the student enrolments in the K-12 education system and recorded a GER of 88.0% and 90.7%, respectively, in 2019**

can be largely attributed to the preference for home schooling as enrolment is not compulsory, although education is available for free to nationals aged 4 to 6 years<sup>117</sup>.

The primary and secondary segments accounted for over 88.5% of the student enrolments in the K-12 education system and recorded a GER of 88.0% and 90.7%, respectively, in 2019<sup>118</sup>. The high GERs across these two segments can be attributed to mandatory enrolment for children between 6 to 14 years. Enrolment in the primary and secondary education segments grew at a CAGR of 2.0% and 2.3%, respectively, between 2014 and 2019 largely driven enrolments in the public sector (see Exhibit 29)<sup>119</sup>.

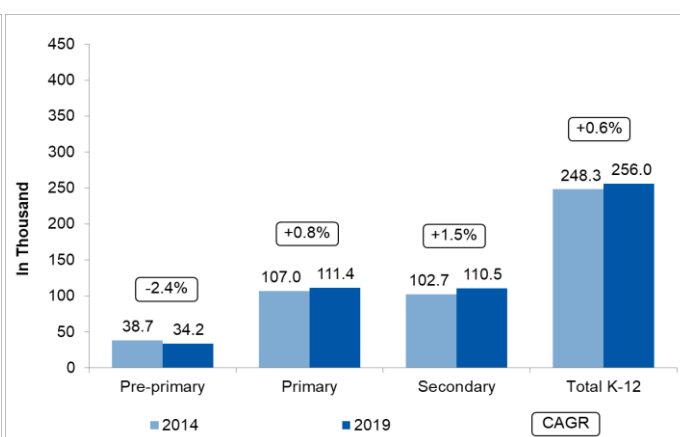
Enrolments in Kuwait's tertiary segment grew at a CAGR of 2.2% between 2014 and 2019 (see Exhibit 29)<sup>120</sup>. The GER for tertiary segment improved to 55.3% in 2019 from 51.0% in 2014<sup>121</sup> as the government has placed a strong emphasis on higher education and provided free tertiary education for nationals at public institutes. There are a total of 15 active higher education institutions in Kuwait, of which three are public and 12 private institutions<sup>122</sup>.

**Exhibit 30: Student Enrolment in Kuwaiti Public Schools**



Source: UNESCO, Central Statistical Bureau (Kuwait)

**Exhibit 31: Student Enrolment in Kuwaiti Private Schools**



Source: UNESCO, Central Statistical Bureau (Kuwait)

The total number of K-12 enrolments grew at a CAGR of 1.8% between 2014 and 2019, whereas the share of K-12 enrolments to total enrolments declined marginally from 85.2% in 2014 to 84.9% in 2019. Public schools in Kuwait accounted for 61.4% of the K-12 enrolments in 2019. Between 2014 and 2019, the K-12 public-school sector enrolment grew at a CAGR of 2.4% while private school sector enrolments expanded at a CAGR of 0.6% (see Exhibits 30 and 31)<sup>123</sup>. The slowdown in private sector enrolments is attributable to the preference among parents towards public schools.

<sup>117</sup> Source: Education System in Kuwait, Kuwait Education

<sup>118</sup> Source: UNESCO, Central Statistical Bureau (Kuwait)

<sup>119</sup> Source: UNESCO, Central Statistical Bureau (Kuwait)

<sup>120</sup> Source: UNESCO, Central Statistical Bureau (Kuwait)

<sup>121</sup> Source: UNESCO, Central Statistical Bureau (Kuwait)

<sup>122</sup> Source: "Government reforms to change Kuwait's education sector", Oxford Business Group

<sup>123</sup> Source: UNESCO, Central Statistical Bureau (Kuwait)

## 2.5 The Qatari Education Sector

Education plays a key role in Qatar's long-term vision of building a diversified economy. The country aims to create independent, confident, and self-reliant economy through developing its education sector<sup>124</sup>. This has necessitated for a quality education ecosystem and the government has made conscious efforts towards improving the infrastructure while taking positive initiatives in opening up the sector for private participation<sup>125</sup>. As a result, there has been an influx of international institutions<sup>126</sup> in the country while the shift towards increasing preference for private education has gained further momentum. As of 2018, Qatar was home to 476 schools, of which private schools made up for 58.2% of the total (see Exhibit 32)<sup>127</sup>.

**Exhibit 32: Infrastructure Development in K-12 Institutions (2014 and 2018)**

Educational Institution	No. of Schools (2014)	No. of Schools (2018)
Public Schools	178	199
Private Schools	203	277
<b>Total Schools</b>	<b>381</b>	<b>476</b>

Source: Ministry of Education and Higher Education (Qatar)

Note: Data for 2019 not available

### Government Spending and Development Strategies

The government has consistently supported education in its budget statements. In 2020, Qatar allocated US\$ 6.0 billion to the sector, equivalent to 10.5% of the total budget<sup>128</sup>, much higher than the 9.3% earmarked in 2019<sup>129</sup>. The allocation supports the country's aim to boost the education sector by improving course curriculum for better learning outcomes, promoting efficient teaching, and refining the overall functioning of the education system<sup>130</sup>.

As part of Qatar's 'National Vision 2030', the Supreme Education Council (SEC) plans to provide continued financial and human resources support to advance education for the purpose of sustainable development<sup>131</sup>. Moreover, the Ministry of Education and Higher Education (MOEHE), in collaboration with the Ministry of Finance (MoF) plans to establish 45 schools with a PPP model as part of the Qatar Public-Private Partnership Schools Development Programmes. The schools are planned to be built in six phases, with eight schools to be set up by 2021 in the first package, followed by six to eight schools in each of the following packages by 2022-23. The schools are expected to use the Design, Build, Finance, Operate, Maintain and Transfer (DBFOMT) model for their construction and operation<sup>132</sup>.

### Quality of Education

The quality of education system in Qatar remains high and at par with developed nations. According to the Global Competitiveness Index 2019, Qatar improved its ranking across parameters such as critical thinking in teaching, quality of vocational training, digital skills among the active population, and skillset of graduates (see Exhibit 33). However, Qatar's ranking on the pupil-to-teacher ratio in primary education declined during the year.

<sup>124</sup> Source: Education in Qatar, Ministry of Education and Higher Education (Qatar)

<sup>125</sup> Source: "Qatar schools PPP Development Program", Project Pipeline GI Hub, Q1 2019

<sup>126</sup> Source: "New schools, collaboration with international organisations strengthen education sector in Qatar", Oxford Business Group

<sup>127</sup> Source: Ministry of Education (Qatar)

<sup>128</sup> Source: Ministry of Finance (Qatar)

<sup>129</sup> Source: "Qatar State Budget 2019", Alderbasti

<sup>130</sup> Source: "Qatar's education paving the way for the long run", Newsweek

<sup>131</sup> Source: Qatar National Vision 2030

<sup>132</sup> Source: "Qatar schools PPP Development Program", Project Pipeline GI Hub, Q1 2019

*In 2020, Qatar allocated 10.5% of the total budget towards education, much higher than the 9.3% earmarked in 2019*

### Exhibit 33: Qatar Ranking – Quality of Education

Parameters	Rank (2018)	Rank (2019)
Pupil-to-teacher ratio in primary education	19	22
Critical thinking in teaching	9	6
Quality of vocational training	17	16
Digital skills among active population*	17	11
Skillset of graduates	16	8

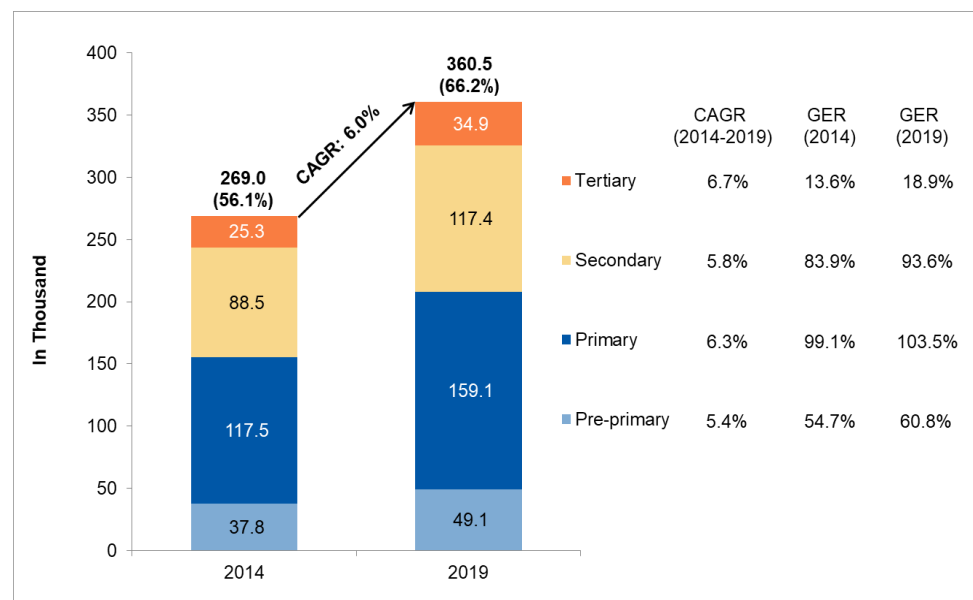
Source: *The Global Competitiveness Report 2018 and 2019 – WEF*;

Note: A group of 141 countries was considered for this assessment; \*The parameter is for the skillsets of the current workforce

### Pre-primary, Primary, Secondary and Tertiary Segments

Qatar recorded the highest growth in student enrolment across the GCC region, growing at 6.0% CAGR between 2014 and 2019. The country's overall GER increased from 56.1% in 2014 to 66.2% in 2019, primarily driven by a continuous rise in enrolments across the pre-primary, primary, secondary, and tertiary segments (see Exhibit 34).

### Exhibit 34: Student Enrolment in Qatar, by Segment



Source: *UNESCO, Ministry of Education and Higher Education (Qatar)*

Total enrolment in pre-primary segment grew at a CAGR of 5.4% between 2014 and 2019 (see Exhibit 34)<sup>133</sup>. The growth is attributed to the rising preference among nationals towards private schools coupled with the various initiatives undertaken by the government towards kindergarten and pre-school students. In its strategic plan 2018–22, the MOEHE is targeting an increase in enrolment of children aged 4-5 years in early childhood education programmes across the country<sup>134</sup>. Consequently, the segment reported a GER of 60.8% in 2019, up from 54.7% in 2014<sup>135</sup>.

<sup>133</sup> Source: UNESCO, Ministry of Education and Higher Education (Qatar)

<sup>134</sup> Source: "Ministry aims to increase enrolment in pre-school in Qatar", Gulf Times, October 15, 2020

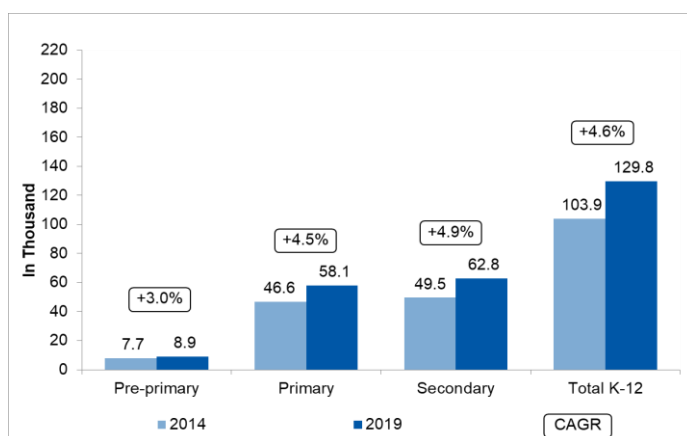
<sup>135</sup> Source: UNESCO

***Qatar's primary and secondary schools accounted for over 84.9% of the student enrolments in the K-12 education system and recorded a GER of 103.5% and 93.6%, respectively, in 2019***

Primary and secondary segments accounted for over 84.9% of the student enrolments in the K-12 education system and recorded a GER of 103.5% and 93.6%, respectively, in 2019. Enrolments at primary and secondary education segments increased at a CAGR of 6.3% and 5.8%, respectively, between 2014 and 2019 (see Exhibit 34)<sup>136</sup>.

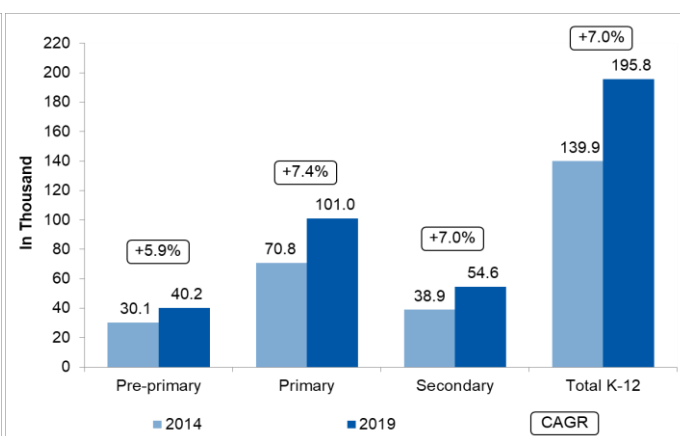
The tertiary segment grew at a CAGR of 6.7% over the five-year period (see Exhibit 34), the highest enrolment growth amongst all the levels in the country<sup>137</sup>. Although the GER in the tertiary education segment has improved from 13.6% in 2014 to 18.9% in 2019, it still remains lowest amongst all the GCC nations due to an increasing preference among students to go abroad for better quality education<sup>138</sup>.

**Exhibit 35: Student Enrolment in Qatari Public Schools**



Source: UNESCO, Ministry of Education and Higher Education

**Exhibit 36: Student Enrolment in Qatari Private Schools**



Source: UNESCO, Ministry of Education and Higher Education

***Private schools in Qatar accounted for 60.1% of the K-12 enrolments in 2019***

The total number of K-12 enrolments grew at a CAGR of 6.0% between 2014 and 2019, whereas the share of K-12 enrolments to total enrolments changed marginally from 90.6% in 2014 to 90.3% in 2019<sup>139</sup>. Private schools in Qatar accounted for 60.1% of the K-12 enrolments in 2019. Between 2014 and 2019, the K-12 private-school sector enrolment grew at a CAGR of 7.0% while public school sector enrolments expanded at a CAGR of 4.6% (see Exhibits 35 and 36)<sup>140</sup>.

## 2.6 The Bahraini Education Sector

Despite its relative smaller size and population base, Bahrain boasts of the region's longest-established education system. In recent years, the country has witnessed increased demand for private education due to which the government has taken several efforts to raise the quality and performance of education offered in the schools, vocational institutions and universities. It is also working towards bridging the gap between the education imparted and the requirement of the job market with an aim to increase the number of locals in the workforce and reduce its dependence on expat workers<sup>141</sup>. As of 2018, Bahrain had a total of 477 schools with the private sector accounting for 55.6% of the total (see Exhibit 37)<sup>142</sup>.

<sup>136</sup> Source: UNESCO, Ministry of Education and Higher Education (Qatar)

<sup>137</sup> Source: UNESCO, Ministry of Education and Higher Education (Qatar)

<sup>138</sup> Source: "Qatar Education Industry Analysis", ME Ratings, July 2019

<sup>139</sup> Source: UNESCO, Ministry of Education and Higher Education (Qatar)

<sup>140</sup> Source: UNESCO, Ministry of Education and Higher Education (Qatar)

<sup>141</sup> Source: "New initiatives in Bahrain's education sector target higher standards, appropriate skills", Oxford Business Group

<sup>142</sup> Source: Ministry of Education (Bahrain)



#### Exhibit 37: Infrastructure Development in K-12 Institutions (2014 and 2018)

Educational Institution	No. of Schools (2014)	No. of Schools (2018)
Public Schools	206	212
Private Schools	222	265
<b>Total Schools</b>	<b>428</b>	<b>477</b>

Source: Ministry of Education (Bahrain);

Note: Data for 2019 not available

**Bahrain allocated 9.8% of the total budget towards education in 2020; laid emphasis on building a strong education system and adopted a new infrastructure model for public schools**

#### Government Spending and Development Strategies

For 2020, Bahrain allocated US\$ 872.0 million to the education sector, equivalent to 9.8% of the total budget but marginally lower than the 10.4% apportioned in 2019<sup>143</sup>.

Education plays a vital role in Bahrain's 'Economic Vision 2030'<sup>144</sup>. The Education and Training Quality Authority (also known as the BQA), which monitors the education system in the country, was established under the 'National Education Reform Project', a pioneering initiative of Bahrain's 'Economic Vision 2030'. The project aims at the transformation and advancement of education and vocational training in the country. Since its inception, BQA has performed numerous quality assurance activities, including setting performance standards, and carrying out objective reviews of all education and training institutions<sup>145</sup>. Moreover, the government formulated the 'National Higher Education Strategy 2014-24', laying emphasis on building a strong education system across the nation. The strategies focus on enhancing the quality of education and encouraging technology adoption to increase the strength of nationals in private sector jobs and reduce dependence on expatriate staff<sup>146</sup>. Recently, Bahrain also adopted a new infrastructure model for public schools based on international standards and is equipped with all the latest educational requirements, while also being environmentally friendly and energy-efficient. Further, the Regional Centre for the Information and Communication Technology (RCICT) was launched in co-operation with UNESCO to provide e-learning training programs for educators. In order to expand technical and vocational education, the MoE launched several qualitative education majors, along with co-operating with UNESCO to develop a curriculum. In a bid to provide the right skill set to its students, the MoE launched, among other initiatives, 'Takween', a field training program in co-operation with labour market institutions<sup>147</sup>.

#### Quality of Education

According to the Global Competitiveness Index 2019, Bahrain's ranking declined a few points on parameters such as pupil-to-teacher ratio in primary education, critical thinking in teaching, quality of vocational training, and the skillset of graduates over 2018 (see Exhibit 38).

<sup>143</sup> Source: Ministry of Finance and National Economy, Kingdom of Bahrain

<sup>144</sup> Source: Bahrain Economic Vision 2030

<sup>145</sup> Source: Education and Training Quality Authority, Kingdom of Bahrain

<sup>146</sup> Source: National Higher Education Strategy 2014-2024, Higher Education Council

<sup>147</sup> Source: "Bahrain's Minister of Education: We Cherish our Educational Cooperation with Saudi Arabia", Majalla, February 15, 2019

### Exhibit 38: Bahrain Ranking – Quality of Education

Parameters	Rank (2018)	Rank (2019)
Pupil-to-teacher ratio in primary education	26	28
Critical thinking in teaching	26	33
Quality of vocational training	30	33
Digital skills among active population*	-	28
Skillset of graduates	31	41

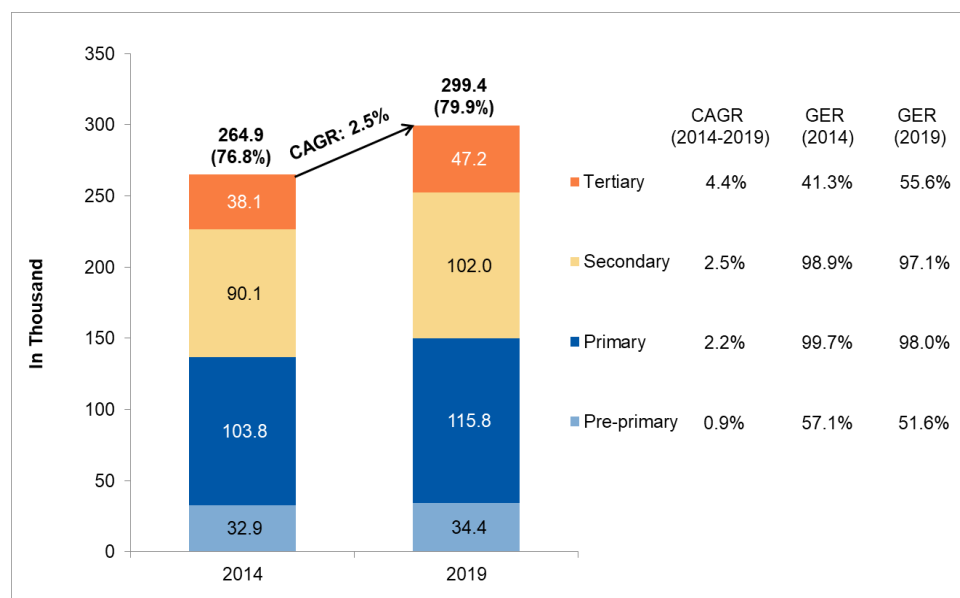
Source: *The Global Competitiveness Report 2018 and 2019 – WEF*;

Note: A group of 141 countries was considered for this assessment; \*The parameter is for the skillsets of the current workforce

### Pre-primary, Primary, Secondary and Tertiary Segments

The total number of enrolled students in Bahrain reached 299,370 in 2019, growing at a CAGR of 2.5% between 2014 and 2019 (see Exhibit 39)<sup>148</sup>. The country recorded steady growth in enrolment across the primary, secondary, and tertiary education segments over the five-year period. The overall GER in the country stood at 79.9% in 2019, driven by the higher enrolments rates across the primary and secondary segments<sup>149</sup>.

### Exhibit 39: Student Enrolment in Bahrain, by Segment



Source: UNESCO, Ministry of Education (Bahrain)

Pre-primary education in Bahrain, which is provided by the private sector only, grew at a CAGR of 0.9% between 2014 and 2019 (see Exhibit 39)<sup>150</sup>. The total number of students in this segment reached 34,355 with a GER of 51.6% in 2019<sup>151</sup>.

Primary and secondary segments accounted for approximately 86.4% of the student enrolments in the K-12 education system and recorded a GER of 98.0% and 97.1%,

<sup>148</sup> Source: UNESCO, Ministry of Education (Bahrain)

<sup>149</sup> Source: UNESCO, Ministry of Education (Bahrain)

<sup>150</sup> Source: UNESCO, Ministry of Education (Bahrain)

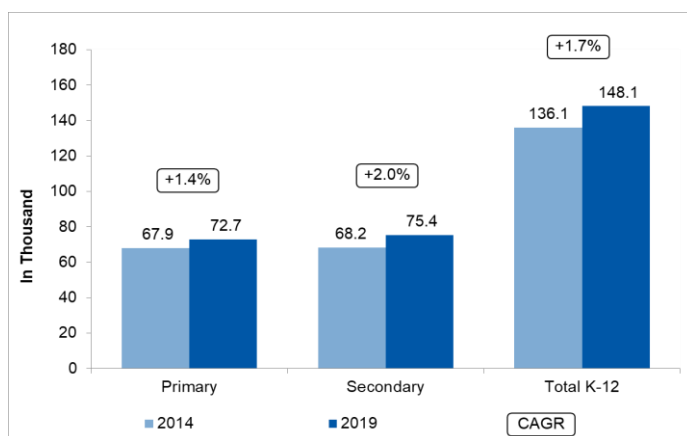
<sup>151</sup> Source: UNESCO, Ministry of Education (Bahrain)

**Primary and secondary schools accounted for ~86.4% of the student enrolments in the K-12 education system and recorded a GER of 98.0% and 97.1%, respectively, in 2019**

respectively, in 2019. Enrolments at the primary and secondary segments increased at a CAGR of 2.2% and 2.5%, respectively, between 2014 and 2019 (see Exhibit 39)<sup>152</sup>. The expanding school-age population coupled with mandatory education for children between 6 to 14 years have boosted enrolment in these two segments. To accommodate more students, the government plans to execute school building plans over the next 10 years<sup>153</sup>. This is expected to positively influence the GER in light of expanding urbanization.

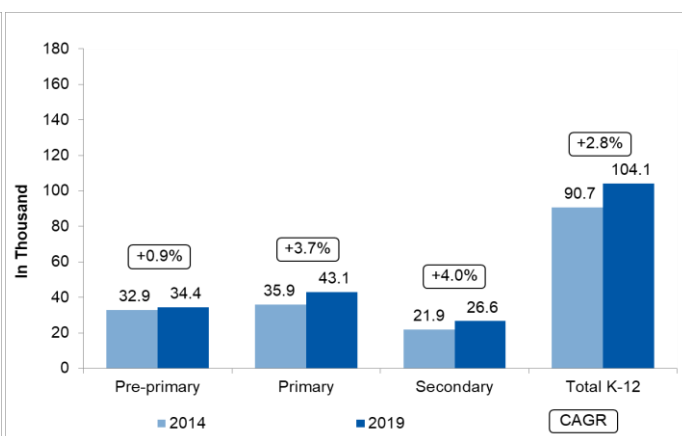
Enrolments in the tertiary segment grew at a CAGR of 4.4% over the five-year period (see Exhibit 39), the fastest among all the education levels in the country. GER for the tertiary segment has improved to 55.6% in 2019 compared to 41.3% in 2014<sup>154</sup>. The growth can be largely attributed to the country's 'National Higher Education Strategy 2014-24' that has helped increase enrolments and graduation rates in the key priority areas of STEM-related field of study across its 11 private and four public universities<sup>155</sup>.

**Exhibit 40: Student Enrolment in Bahraini Public Schools**



Source: UNESCO, Ministry of Education (Bahrain)

**Exhibit 41: Student Enrolment in Bahraini Private Schools**



Source: UNESCO, Ministry of Education (Bahrain)

The total number of K-12 enrolments grew at a CAGR of 2.1% between 2014 and 2019, whereas the share of K-12 enrolments to total enrolments marginally declined from 85.6% in 2014 to 84.2% in 2019<sup>156</sup>. Public schools in Bahrain accounted for 58.7% of the K-12 enrolments in 2019. However, the K-12 private-school sector enrolment grew at a CAGR of 2.8% due to an increase in the number of private schools amid growing demand and the country's privatization initiatives<sup>157</sup> while public school sector enrolment expanded at a CAGR of 1.7% (see Exhibits 40 and 41)<sup>158</sup>.

<sup>152</sup> Source: UNESCO, Ministry of Education (Bahrain)

<sup>153</sup> Source: "Bahrain to implement school buildings plan". Trade Arabia, August 28, 2019

<sup>154</sup> Source: UNESCO, Ministry of Education (Bahrain)

<sup>155</sup> Source: National Higher Education Strategy 2014-2024, Higher Education Council (Bahrain)

<sup>156</sup> Source: UNESCO, Ministry of Education (Bahrain)

<sup>157</sup> Source: "Bahrain's private K-12 education market to hit \$700m", Trade Arabia, May 15, 2018

<sup>158</sup> Source: UNESCO, Ministry of Education (Bahrain)

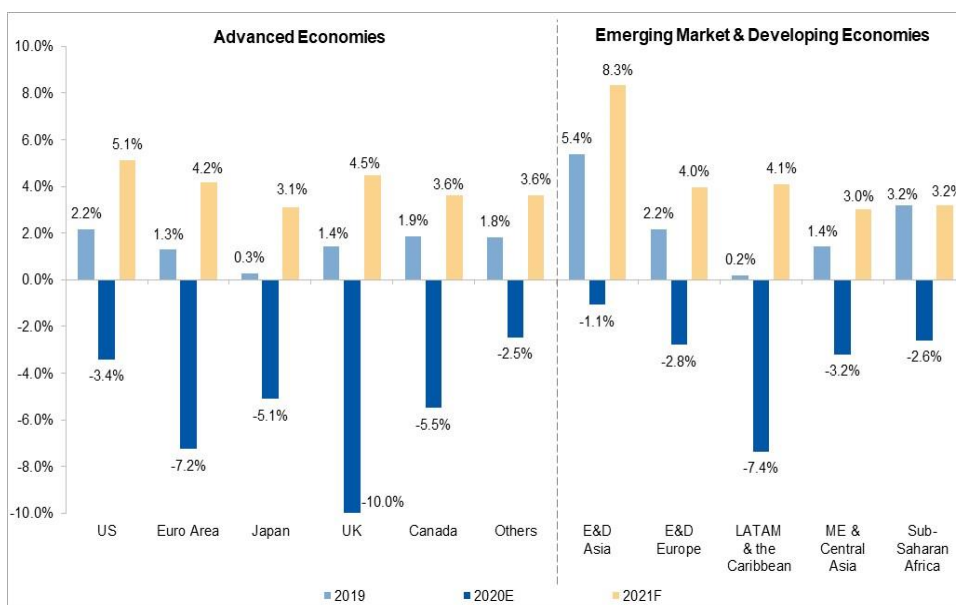
### 3. COVID-19 Implications

#### Global Impact

**COVID-19 has caused significant damage to global economies; the IMF estimated a 3.5% contraction in global GDP for 2020**

The outbreak of the novel coronavirus (COVID-19) has caused significant damage to global economies. In addition to affecting human lives, the pandemic has impacted businesses and financial markets across the globe and triggered a recession as countries were brought to a standstill. The virus continued to spread at an alarming pace throughout 2020, leading to trade and businesses being impacted at an unprecedented scale. As a result, unemployment rates soared with many nations recording a sharp spike in job losses during the year<sup>159</sup>. Given the scale of disruption, both advanced economies as well as developing nations are facing a recessionary phase. Each region is subject to substantial downgrades as the pandemic is expected to have a lasting effect on human capital, trade, tourism, education and healthcare. The IMF, in its January 2021 World Economic Outlook (WEO) update, estimated a 3.5% contraction in global GDP for 2020. However, the global economy is expected to rebound and is projected to accelerate at a pace of 5.5% in 2021, followed by a growth of 4.2% in 2022<sup>160</sup> (see Exhibit 42).

**Exhibit 42: Global Economy Growth Forecast**



Source: IMF World Economic Outlook, January 2021 Update

Note: E = Estimated; P = Projected; E&D = Emerging and Developing; LATAM = Latin America; ME = Middle East

**The pandemic disrupted global education models, impacting ~1.6 billion students in over 190 countries**

The global impact of the pandemic has manifested across sectors, particularly the healthcare and education sectors. Education systems across the globe experienced an unprecedented impediment to learning as nearly 1.6 billion students in more than 190 countries were affected by school closures<sup>161</sup>. According to the United Nations (UN), more than 94% of all learners were affected by the lockdown measures caused by COVID-19 at the peak of the disruption. By August 2020, this impact was even more severe in low and lower-middle income countries, with the education of approximately 99% of the student population being affected<sup>162</sup>. The setback is likely to deepen fiscal pressures across many nations, and further worsen the strain on education financing and development assistance.

<sup>159</sup> Source: "Coronavirus: How the pandemic has changed the world economy", BBC News, January 24, 2021

<sup>160</sup> Source: World Economic Outlook Update: January 2021, IMF

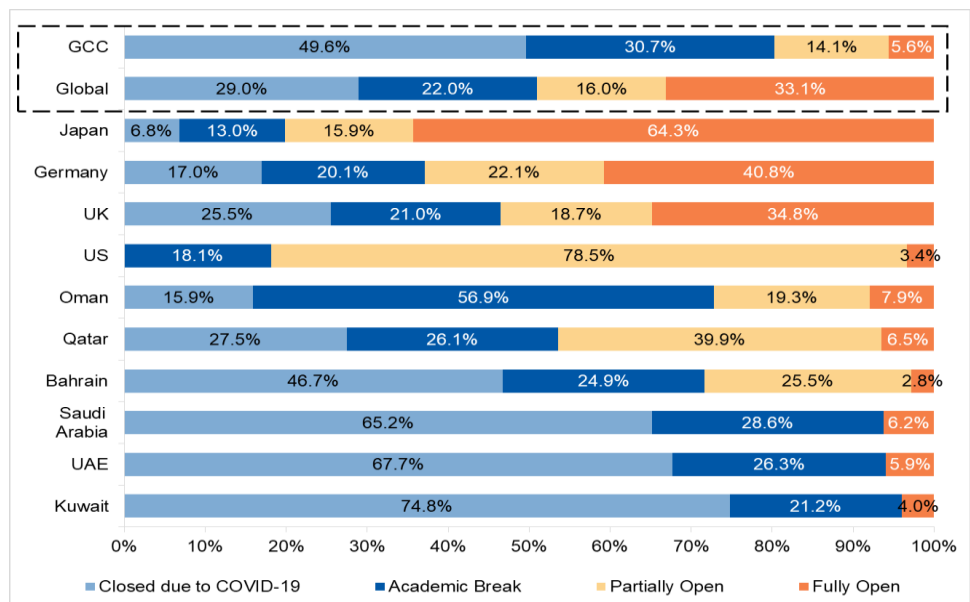
<sup>161</sup> Source: Policy Brief: Education during COVID-19 and beyond, United Nations, August 2020

<sup>162</sup> Source: Policy Brief: Education during COVID-19 and beyond, United Nations, August 2020

This, in turn, could aggravate the substantial pre-pandemic funding gaps within the education sector<sup>163</sup>.

Across all countries, nearly 30% of school days were lost between February 2020 and 2021, with schools operating at partial strength for 16% of the year. Compared to the global average of 29.0%, the ratio of school days lost was relatively higher in the GCC region as closures impacted nearly 50% of school days in the year. Within the GCC, Kuwait witnessed school closures for the longest period, losing 74.8% of the school days over the one-year period, closely followed by the UAE (67.7%). In contrast, schools in Oman were closed for the shortest period, losing approximately 16% of school days. Overall, Qatar recorded the highest number of operational days, with schools functioning either partially or at full strength for 46.4% of the year (Exhibit 43)<sup>164</sup>.

**Exhibit 43: School Open Status (February 2020 – February 2021)**



Source: UNESCO

**Over 110 countries took measures to introduce digital learning platforms to ensure continuity of education**

Education systems around the world have varied in their responses to the crisis. The ministries of education in over 110 nations moved to develop some form of policy through home schooling programs and distance learning initiatives<sup>165</sup>. Across countries, the most common approach was digital instruction, which was used by 42% of countries for pre-primary education, 74% of countries for primary education and 77% of countries for upper secondary education. While some nations have introduced home schooling programs and distance learning through digital platforms, others are using public TV and radio broadcasting channels<sup>166</sup>.

### GCC Impact

Similar to its global peers, the pandemic has had a profound impact on the GCC countries. The region was hit with the dual crisis of health and record low oil prices that severely impacted the economy. In addition to imposing lockdowns and restrictions on travel to lower the contamination rate, GCC governments took a number of fiscal and economic measures that included stimulus packages to aid healthcare spending, social assistance, and support

<sup>163</sup> Source: Policy Brief: Education during COVID-19 and beyond, United Nations, August 2020

<sup>164</sup> Source: COVID-19 Impact on Education, School Closures caused by COVID-19 Data, UNESCO, February 2, 2021

<sup>165</sup> Source: "COVID-19: Are children able to continue learning during school closures?", UNICEF, August 2020

<sup>166</sup> Source: "COVID-19: Are children able to continue learning during school closures?", UNICEF, August 2020

**Digital learning initiatives  
accelerated in the GCC  
amid the pandemic**

small businesses affected by the outbreak. Although these measures have helped in restoring confidence, key economic activities across sectors have been negatively impacted. Accordingly, the IMF has estimated the GCC economy to shrink by 6.0% in 2020, significantly higher than the previously anticipated fall of 2.7%<sup>167</sup>.

The pandemic impacted the GCC education sector, with many nations making unprecedented and potentially permanent changes to both teaching methods and business models. The GCC governments were swift in their response and initiated school closures right at the outset of the pandemic. Bahrain and Kuwait were first to close schools and higher educational institutions in February 2020, followed by Saudi Arabia, the UAE and Oman in March<sup>168</sup>. The initial wave of lockdowns and school closures interrupted the region's well-established physical learning models, and led about 2.8 million students to immediately shift onto online learning system<sup>169</sup>.

Simultaneously, the governments introduced effective policies and rolled out several initiatives to enhance digital learning in the region. Local governments collaborated with a wide range of national and international organizations, ranging from local universities to information technology service providers in order to ensure continuity of education despite school closures. In order to foster e-learning, a variety of solutions have been promoted by the public and private sector schools including platforms such as MOOC, ZOOM, Webinars, and Webex, among others. In addition to conducting classes online, these tools are mostly used for orientations, training, and planning sessions for the teaching staff. Many of the GCC countries also established collaborations with technology giants such as Amazon and Microsoft to build their digital education infrastructure while also leveraging national platforms to support the system. The governments also deployed several tools such as TV and radio-based broadcasts on a national level that allowed for alternate means of learning, for students across the region<sup>170</sup>. Although most GCC countries were effective in handling the transition to distance learning through digital mediums, the lack of preparedness impeded the move for nations such as Kuwait<sup>171</sup>.

**Exhibit 44: National Tools and Platforms used by the MoEs to Facilitate Distance Learning**

Saudi Arabia	
iEN National e-portal	Official online learning portal of the MoE with course material for pre-primary to secondary grades
iEN TV Channels	20 satellite TV channels live broadcasting curriculum explanations, lessons, and educational activities
Vschool	E-learning platform created by the MoE with resources by grade and subject
UAE	
Alef Education	Online resources for students, parents and teachers provided in collaboration with the MoE
EduShare	Electronic depository of content and videos, accessible to teachers from the LMS
Learning Curve	Professional development platform providing online training courses for teachers
MoE Library	MoE-launched a platform to view, interact and download the learning curriculum online
Swift Assess	MoE's comprehensive assessment management platform
Oman	
Oman Mubasher Live TV, Oman Culture Satellite Channels	TV channels offering education lessons for grade 11 & 12 students
MoE Platforms	MoE EdTech platform offering students interactive educational content and teacher-interactions
Mawred	MoE's YouTube channel providing educational resources and materials related to school curricula
Kuwait	

<sup>167</sup> Source: "Regional Economic Outlook: Middle East & Central Asia", IMF, October 2020

<sup>168</sup> Source: "Education in GCC region seeks 'new normal' as coronavirus crisis drags on", Arab News, August 12, 2020

<sup>169</sup> Source: Policy Brief: Education during COVID-19 and beyond, United Nations, August 2020

<sup>170</sup> Source: "How countries are using edtech (including online learning, radio, television, texting) to support access to remote learning during the COVID-19 pandemic", World Bank, March 18, 2020

<sup>171</sup> Source: "How the GCC can reshape its post-COVID-19 education system", Strategy&, September 8, 2020



<b>E-learning Portal</b>	Official MoE e-learning portal for students, teachers, parents and school administrators
<b>MOE Video Channel</b>	YouTube channel featuring video lessons and conferences from teachers
<b>Qatar</b>	
<b>MoE Channel</b>	MoE's YouTube channel offering 1,700 uploaded lessons for distance learning
<b>Siraj</b>	Educational program to help children aged 2 -8 to build Arabic skills, literacy and numeracy skills
<b>Qatar TV</b>	Two TV channels launched by the MoEHE and Qatar Media Corporation (QMC) to broadcast educational programmes to students
<b>Mzeed</b>	Platform offering digital and interactive educational resources
<b>Qlearning</b>	Platform facilitating and supporting all distance learning services
<b>MoEHE Online Portal</b>	Official online learning portal for public schools
<b>Bahrain</b>	
<b>EduNET</b>	Educational services platform for all school levels, and communication for teachers, students and parents
<b>E-learning Portal</b>	Dedicated MoE education portal, set up with Bahrain Information and eGovernment Authority, and AWS

Source: UNESCO

### 3.1 Saudi Arabia

#### Economic Impact

**The IMF estimates Saudi Arabia's GDP to decline by 3.9% for 2020, much lower from its previous estimates of 5.4% for the year**

Saudi Arabia, the world's largest crude exporter, is facing significant challenges from lower oil prices and disruption of business activities from the COVID-19 pandemic. Moreover, strict limitations on the number of pilgrims for Hajj and Umrah resulted in significant loss of revenue for the Kingdom<sup>172</sup>. Subsequently, the economy is estimated to decline by 3.9% for 2020<sup>173</sup>, according to the IMF, much lower from its previous estimates of 5.4% for the year<sup>174</sup>. To support the economy from the dual shock, the government announced various stimulus measures totalling US\$ 61 billion<sup>175</sup>. Moreover, the Saudi Arabian Monetary Authority (SAMA) announced the injection of SAR 50 billion (US\$ 13.3 billion) to support liquidity and private sector credit. The effect of such relief measures coupled with a recovery in oil prices is likely to aid economic growth in 2021. The IMF projects Saudi Arabia's GDP to grow by 2.6% in 2021<sup>176</sup>, marginally down from its initial estimates of 3.1%, but still highest among all the GCC nations<sup>177</sup>. The tripling of VAT to 15%, effective July 2020, will also help the government balance its fiscal deficit that is expected to narrow down to SAR 141 billion (US\$ 39.6 billion) in 2021 from approximately SAR 300 billion (US\$ 80 billion) in 2020<sup>178</sup>. The non-oil sector, which is projected to have contracted by 5.0% in 2020, is estimated to record a 3.0% growth in 2021<sup>179</sup>. However, Fitch Ratings have maintained their sovereign outlook of 'negative' for the Kingdom, owing to the prolonged impact of COVID-19 on the economy<sup>180</sup>.

#### Government Initiatives & Policy Responses

**The government allocated US\$ 49.6 billion, equivalent to 18.8% of the Kingdom's total budget, towards the education sector in the fiscal year 2021**

The government allocated US\$ 49.6 billion, equivalent to 18.8% of the Kingdom's total budget, towards the education sector in the fiscal year 2021<sup>181</sup>. Despite the continued economic and fiscal strain caused by the crisis, the budget allocation has remained largely at par with the pre-pandemic era. This signifies the Kingdom's emphasis towards education

<sup>172</sup> Source: "Saudi Arabia puts strict limit on number of hajj pilgrims", Financial Times, June 23, 2020

<sup>173</sup> Source: World Economic Outlook, IMF, January 2021

<sup>174</sup> Source: World Economic Outlook, IMF, October 2020

<sup>175</sup> Source: "KPMG- Kingdom of Saudi Arabia, Government and institution measures in response to COVID-19"

<sup>176</sup> Source: World Economic Outlook, IMF, January 2021

<sup>177</sup> Source: World Economic Outlook, IMF, October 2020

<sup>178</sup> Source: "Saudi Arabia plans spending cuts in 2021 as economy recovers", Gulf Business, December 16, 2020

<sup>179</sup> Source: "Economic Prospects and Policy Challenges for the GCC Countries", IMF, October 25, 2020

<sup>180</sup> Source: "Fitch Revises Saudi Arabia's Outlook to Negative", Fitch Ratings, November 10, 2020

<sup>181</sup> Source: Budget 2021, Ministry of Finance, Saudi Arabia



***The MoE gradually put in place several programs that would ensure the continuation of education and limit the learning losses***

as a key towards achieving economic diversification. Some of the strategic plans laid down in the new budget include shift towards digital education to support student and teacher progress; attracting distinguished foreign universities to open branches in the Kingdom; launching the fourth phase of the external scholarship program; launching a cultural scholarship program; and establishing three local academies - The National Academy of Artificial Intelligence, The Academy of Administrative Leadership Development, and The Academy of Public Health<sup>182</sup>.

In February 2020, the Saudi Arabian MoE had already begun its preparations to combat the pandemic and minimize its impact on the education sector. With the Kingdom recording its first case of COVID-19 at the beginning of March, the government shut down all business activities as part of the national lockdown measures. The MoE too suspended schools across all provinces in the Kingdom in the first week of March and took complimentary measures such as providing training workshops and free access to educational sites. The Ministry gradually put in place several programs that would ensure the continuation of education and limit the learning losses, including e-learning, Donorship training, collaboration with Takaful Foundation to provide students in need with computers, and 141 additional initiatives. Despite the initial challenges of a digital divide (lack of appropriate infrastructure such as computers and internet services; lack of computer literacy; and the readiness to adopt to new ways of learning), Saudi Arabia's transition to distance learning was lauded by UNESCO<sup>183</sup>.

To tackle the challenge of lack of computers among students, teaching solutions were adopted which do not require a computer. The MoE also distributed more than 20,000 laptops, tablets and computers among students through the Takaful Foundation<sup>184</sup>. Apart from the initiatives undertaken to facilitate distance learning, the MoE also gave students in higher education the option to withdraw from courses and/or postpone semesters. Furthermore, the government ensured that the Saudi scholarship students studying abroad continued to receive their financial fees, medical insurance and other benefits amid the ongoing crisis<sup>185</sup>.

#### **Leveraging Technology to Ensure Continuity of Education**

***Distance education was enforced on all schools and universities in order to control the outbreak of COVID-19***

In the first week of March 2020, distance education was enforced on all schools and universities in order to control the outbreak of COVID-19. Within 10 hours of this enforcement, lessons were broadcasted to students via satellite. In August 2020, the MoE introduced the Madrasati (My School), a free platform that offers students a variety of content, while also facilitating better communication between students and teachers and providing ease in student evaluation<sup>186</sup>. The implementation of this national online platform aims to educate over 6 million students<sup>187</sup>. By September 2020, 23 educational TV channels had been set up to provide live and recorded broadcasts of classes to all educational grades. To cater to the varying geographical locations and technical capabilities of the students, a YouTube channel (iEN Satellite TV Lessons), Unified Education system, Future Gate Portal, The National iEN Portal Platform, and Virtual Kindergarten, were set up among other solutions. The MoE launched 11 iEN TV channels for secondary school, 3 for intermediate school and 6 for elementary school. Additionally, 413,000 virtual classrooms were established, conducting 715,000 published tests, 1.8 million published homework

<sup>182</sup> Source: Budget 2021, Ministry of Finance, Saudi Arabia

<sup>183</sup> Source: "The Saudi MoE: Leading Efforts To Combat Coronavirus Pandemic", UNESCO

<sup>184</sup> Source: "The Saudi MoE: Leading Efforts To Combat Coronavirus Pandemic", UNESCO

<sup>185</sup> Source: "Saudi Arabia: COVID-19 Education: Ongoing Issues Affecting The Education Sector Across The GCC", Mondaq, June 4, 2020

<sup>186</sup> Source: "Saudi e-learning portal ushers in 'new normal' with virtual classrooms", Arab News, September 7, 2020

<sup>187</sup> Source: "Alternative Solutions to School Closure in Arab Countries", UNESCO

assignments and 1.3 million discussion sessions. Over 100 technical and administrative specialists were placed to assist with any difficulties in the process<sup>188</sup>.

For higher education, the Saudi Electronic University and the National Center for E-Learning worked together to enable the transition to distance learning across all universities in the Kingdom<sup>189</sup>. To support these developments, the MoE adopted an intensive training program for the educational staff in April 2020, and further established a communication centre, 'Tawasul', to ensure complete technical support to the users. The Ministry also added 400 servers to the system's Information Centre to support the intensive training program. The LMS (Learning Management Systems) and CMC (Computer-Mediated Communications) tools used for this included Blackboard, Moodle and Microsoft Teams. Over 2.6 million virtual classrooms were conducted, with more than 2.8 million instructional hours and 75,000 faculty members. The classes covered over 420,000 subjects and conducted more than 4.5 million tests<sup>190</sup>. Since the start of the pandemic, 27 public universities have hosted over 2 million virtual classes and more than 6 million panel discussions in the Kingdom<sup>191</sup>. Saudi Arabia also set up a 24 hour hotline, featuring an artificial intelligence (AI) powered chatbot for students, teachers and parents to refer to in an effort to facilitate the learning process<sup>192</sup>.

***The MoE extended distance learning till the second semester for the 2020-21 academic year***

In addition to the Kingdom setting up a general unit to develop distance learning and education models, two university education committees were formed to assess extending or reducing the period of distance learning<sup>193</sup>. For the new academic year 2020-21, the MoE extended distance learning till the end of the 10<sup>th</sup> week of the second semester for all schools and higher education institutions, with the exceptions covering university practical science and University and Technical and Vocational Training Corporation (TVTC) training courses<sup>194</sup>.

## 3.2 UAE

### Economic Impact

***The UAE's economy is likely to contract by 6.6% in 2020; IMF expects GDP to rebound by 1.3% in 2021 as businesses start to show signs of normalization***

The UAE economy was particularly susceptible to COVID-19 restrictions, with both public and private sector activity reeling under subdued demand. Amid several limitations in place to contain the virus, the tourism industry, which contributed 10.9% to the country's GDP in 2019, was one of the hardest hit sectors by the pandemic<sup>195</sup>. The halt in private sector activity combined with low oil prices and disruption in supply chains adversely impacted the country's economy<sup>196</sup>. According to the IMF, the UAE's economy is likely to contract by 6.6% in 2020, and is expected to rise by 1.3% in 2021 as businesses start to show signs of normalization<sup>197</sup>. The non-hydrocarbon GDP is expected to grow at 3.6% in 2021, while the oil GDP is forecasted to remain flat in 2021<sup>198</sup>. The recovery expected in 2021 is partially attributed to the economic support plan worth AED 256 billion (US\$ 70 billion)<sup>199</sup>, along with a stimulus package worth AED 26.5 billion (US\$ 7.2 billion) in terms of fiscal measures

<sup>188</sup> Source: "The Saudi MoE: Leading Efforts To Combat Coronavirus Pandemic", UNESCO

<sup>189</sup> Source: "The Saudi MoE: Leading Efforts To Combat Coronavirus Pandemic", UNESCO

<sup>190</sup> Source: "The Saudi MoE: Leading Efforts To Combat Coronavirus Pandemic", UNESCO

<sup>191</sup> Source: "Has Covid-19 changed GCC education forever?", Oxford Business Group, November 5, 2020

<sup>192</sup> Source: "Coronavirus: Remote learning to continue in Saudi Arabian schools", Alarabiya News, January 14, 2021

<sup>193</sup> Source: "Tuition fee discounts in Saudi Arabia offered by over 2,000 private schools: minister", Argaam, August 29, 2020

<sup>194</sup> Source: "Coronavirus: Remote learning to continue in Saudi Arabian schools", Alarabiya News, January 14, 2021

<sup>195</sup> Source: "United Arab Emirates - Contribution of travel and tourism to GDP as a share of GDP", Knoema

<sup>196</sup> Source: "UAE's economy projected to shrink 6% amid oil slump, COVID-19", Al Jazeera, December 22, 2020

<sup>197</sup> Source: World Economic Outlook, IMF, October 2020

<sup>198</sup> Source: "UAE's economy projected to shrink 6% amid oil slump, COVID-19", Al Jazeera, December 22, 2020

<sup>199</sup> Source: "UAE central bank boosts anti-coronavirus stimulus to \$70 billion", Reuters, April 5, 2020

announced by the government to combat COVID-19<sup>200</sup>. These measures, while aimed at gearing the economy from the slowdown, widened the country's fiscal deficit to 9.9% of GDP in 2020. By 2021, the fiscal deficit is expected to narrow down to 5.1% of GDP<sup>201</sup>. Fitch Ratings have kept a 'stable' outlook for the country, reflecting its moderately consolidated level of public debt, a strong net external asset position, and the likelihood of support from Abu Dhabi in case of need<sup>202</sup>.

### Government Initiatives & Policy Responses

The country continues to prioritize the education sector in a bid to create a knowledge based economy and further reduce the dependence on oil. For the fiscal year 2021, the UAE approved a budget of AED 58.3 billion (US\$ 15.9 billion). The government increased the education budget allocation to 15.7%, equating to US\$ 2.7 billion (AED 9.8 billion) in 2021, higher than the 14.8% earmarked for 2020<sup>203</sup>.

*The MoE implemented distance learning for all public and private schools and higher education institutions at the outset of the pandemic*

The UAE government implemented a containment strategy by ordering school and university shutdowns, business closures, cancelling sporting events, while tightening travel procedures in early March 2020. A complete lockdown was implemented from early April until July to combat the spread of the virus at both the federal and emirate level<sup>204</sup>. In order to ensure continuity of education for students across the country, the MoE implemented distance learning for all public and private schools and higher education institutions in March 2020. After declaring a break of one month for all institutions, the government ensured that it had the right infrastructure in place to continue education through other channels. Within the short span of time, the country significantly upgraded its internet speed by developing a satellite operations centre, ensuring the ease of access to internet at all times for students<sup>205</sup>. Free satellite services were also set up in remote areas in alliance with Al Yah Satellite Communications Company (Yahsat), and free mobile internet packages were provided to families with no internet connection through a collaboration with Telecommunications Regulatory Authority (TRA), Du and Etisalat. This was aimed at strengthening the MoE's 'Remote Schooling Initiative' and facilitating e-learning platforms amid the pandemic. A number of additional initiatives were undertaken to ensure a successful digital transition. Some of the key measures included the provision of one-week remote professional training to 25,000 government school teachers and administrators, along with 9,200 private school teachers and principals; and the launch of 'Be an online tutor in 24 hours' free online course in collaboration with Hamdan Bin Mohammed Smart University. At the same time, private schools were allowed to utilise their own distance learning systems, two advanced operations centres were set up to monitor the learning process, and a technical helpline was set up to cater to any issues faced by the students or the parents<sup>206</sup>.

*Blended learning models are being used across all the schools for the new academic year 2020-21*

The government of Dubai issued a list of protocols in July 2020 for reopening of private schools with proper precautionary measures in place, such as restrictions on transportation, entry, pick up and school visits, monitoring attendance and contact tracing, and physical distancing<sup>207</sup>. The new academic year commenced in the UAE from January 2021 with the KHDA announcing that parents would continue to have the choice of face-to-face or distance learning for their children. In Abu Dhabi, ADEK approved remote learning for the first two weeks of the new school term while Sharjah Private Education Authority (SPEA) has given

<sup>200</sup> Source: "Government spending efficiency is key to mitigate the economic repercussions of COVID-19", UAE MoF, July 20, 2020

<sup>201</sup> Source: "UAE cuts 2021 federal spending by 5.3% on low oil prices, COVID-19", S&P Global, November 2, 2020

<sup>202</sup> Source: "Fitch Rates the UAE at 'AA-'; Outlook Stable", Fitch Ratings, November 11, 2020

<sup>203</sup> Source: Government Finance – The Official Portal of the UAE Government

<sup>204</sup> Source: "UAE Begins Two Week 24 Hour Lockdown; Etihad and Emirates to Operate Repatriation Flights" Outlook India, April 6, 2020

<sup>205</sup> Source: "Coronavirus: How UAE moved education for 1.2 million pupils online after outbreak", The National, September 6, 2020

<sup>206</sup> Source: "Distance learning in times of COVID-19", UAE Government Website

<sup>207</sup> Source: "Protocols for the Reopening of Private Schools in Dubai", KHDA

students all three options of either study remotely from home, attend school in person, or choose a combination of distance learning and classroom-oriented teaching. Ajman, Ras Al Khaimah, Fujairah and Umm Al Quwain also followed remote learning for the first two weeks of the new academic year<sup>208</sup>.

### Leveraging Technology to Ensure Continuity of Education

The UAE had started making investments in EdTech and smart learning platforms much before the pandemic pushed the industry towards a quick migration to e-learning. The MoE established several collaborations with local and international organizations to facilitate the shift online. For instance, the Ministry worked with the Hamdan Bin Mohammed Smart University on a series of distance learning programmes to equip academic professionals with the skills to teach online<sup>209</sup>. With a solid base of smart learning initiatives, such as Mohammed bin Rashid Smart Learning Initiative, Madrasa (the e-Learning platform), and The Digital School<sup>210</sup>, among others already established, it was a relatively smooth transition to shift its 1.2 million students to complete online learning in a span of few weeks. Consequently, the UAE was able to efficiently put its online learning systems into action right since the initial weeks of the crisis. Government schools ran a home-teaching program called 'Learn from Afar' while private schools used digital platforms such as Google Classroom, ClassDojo, Seesaw, Microsoft Teams, and Zoom<sup>211</sup>.

***The MoE plans to implement an AI-powered platform across 196 schools to further enhance the digital learning experience***

The MoE also launched an instruction manual to ensure students' compliance with the schools' values and systems<sup>212</sup>, while efforts were taken to motivate them to study by setting up online seminars by popular artists and athletes<sup>213</sup>. The Federal Youth Authority launched a unified platform, called 'Emirates Youth Opportunities, which helps the young generation in areas of self-development and allows access to opportunities to serve the country. The platform includes online training, scholarships, incubators and volunteering efforts to tackle COVID-19. On the other hand, the KHDA launched an e-Learning platform, called 'In This Together Dubai', in collaboration with private organisations that includes apps, websites, services and other resources free of charge to students, educators and parents<sup>214</sup>. Meanwhile, the Sharjah Private Education Authority (SPEA) established the Sharjah Education Academy, an e-platform designed to train teachers on the digital transition. The platform uploaded training sessions and more than 130 guidelines during the pandemic. SPEA was also responsible for forming the COVID-19 Monitoring and Evaluation Committee for Private Education, which assessed efforts to deal with the challenges in the sector due to the pandemic<sup>215</sup>.

Additionally, the MoE plans to implement an AI-powered platform, called 'Alef', across 196 schools in Dubai, Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah, and Fujairah to overcome the challenges faced in distance learning and help adopt the latest innovations in digital education including AI and big data<sup>216</sup>. A number of regional EdTech players also ramped up their services to cater to the sudden rise in demand for online learning. For instance, Lamsa World, a UAE-based Arabic childhood education platform recorded a 300% rise in downloads and content consumption since the closure of schools in the country<sup>217</sup>.

<sup>208</sup> Source: "Schools reopening in UAE: Does my child need to attend classes in person or study online?", Gulf News, January 3, 2021

<sup>209</sup> Source: "Has Covid-19 changed GCC education forever?", Oxford Business Group, November 5, 2020

<sup>210</sup> Source: "eLearning, mLearning and distance learning", UAE

<sup>211</sup> Source: "How the UAE's robust ICT infrastructure brought over 1 million students online amid COVID-19", MyITU, September 21, 2020

<sup>212</sup> Source: "Distance Learning in Times of COVID-19", UAE

<sup>213</sup> Source: "Coronavirus: How UAE moved education for 1.2 million pupils online after outbreak", The National, September 6, 2020

<sup>214</sup> Source: "Distance Learning in Times of COVID-19", UAE

<sup>215</sup> Source: "Has Covid-19 changed GCC education forever?", Oxford Business Group, November 5, 2020

<sup>216</sup> Source: "Covid-19: AI-powered e-learning platform in all UAE public schools soon", Khaleej Times, October 17, 2020

<sup>217</sup> Source: "How coronavirus crisis reinvented online learning as a necessity", Arab News, August 22, 2020

***The IMF estimates Oman's economy to plunge by 10.0% in 2020 and further shrink marginally by 0.5% in 2021; the only country in the GCC to remain in the negative territory in 2021***

***The Sultan Qaboos University Academic Council adopted an Emergency Remote Teaching plan to build on the existing blended courses***

***~80.0% of schools are expected to adopt an e-learning system in the new academic year, while 10.0% are expected to implement blended education***

### 3.3 Oman

#### Economic Impact

Business closures amid the COVID-19 pandemic and the drop in oil prices brought an unprecedented slowdown in Oman's economy<sup>218</sup>. Consequently, the government announced several measures to support the economy, including suspension of municipal taxes and fees, and liquidity support of ~OMR 8 billion (US\$ 20.8 billion) for the financial sector<sup>219</sup>. Nevertheless, the IMF has estimated Oman's GDP to contract by 10.0% for 2020 and further shrink marginally by 0.5% in 2021 amid the dual crisis, becoming the only country in the region to remain in the negative territory in 2021<sup>220</sup>. The Sultanate is also facing increased pressure due to the rising need for public spending to cope with the social and economic fallout caused by the virus outbreak. The budget deficit, which was estimated at 8% of GDP at the start of the year, is expected to increase to 18.7% of GDP<sup>221</sup>. As a result, the government plans, among other initiatives, to start taxing wealthy individuals beginning 2022<sup>222</sup>. Oman has also introduced VAT at a standard rate of 5% effective from April 2021, aligned with the GCC VAT Framework<sup>223</sup>. However, the crisis has accentuated the need to undertake far-reaching reforms and diversify the economy<sup>224</sup>.

#### Government Initiatives & Policy Responses

The state budget of Oman for the fiscal year 2021 is set at US\$ 28.3 billion, and is prepared in line with the Oman Vision 2040 and the 10<sup>th</sup> Five-Year Plan (2021-2025). The budget aims to enhance non-oil revenues and work towards fiscal sustainability. It also aims to maintain its spending on basic services including education, healthcare, housing and social welfare, which make up for the largest share of ~40% of the current spending<sup>225</sup>.

As a part of the government's stringent measures to combat the pandemic, the MoE and the MoHE (Ministry of Higher Education) declared complete lockdown of all public and private schools and higher education institutions in mid-March 2020. Eventually, distance learning via alternative platforms was adopted across the country. However, the Supreme Committee decided to end the academic year early in May for all public and private schools due to the exponential rise of COVID-19 cases. Thereafter, the MoE adopted an alternative assessment measure to transfer students to higher levels within grades 1-12. Sultan Qaboos University, the only public university in Oman, also shifted to online learning after a complete lockdown of campus services for a month. For this, the University's Academic Council adopted an Emergency Remote Teaching (ERT) plan to build on the existing blended courses on the Moodle platform. The University even urged domestic telecom companies, in collaboration with the Ministry of Industry and Information Technology, to improve network coverage in rural areas, and further proactively purchased extra servers to accommodate the potentially large number of concurrent online users<sup>226</sup>.

The new academic year 2020-21 has been declared as a year of hybrid learning by the government. As part of this, the education ministries seek to translate the requirements of 'Vision Oman 2040' through hybrid education and focus on providing students with the skills and knowledge that they missed as a result of COVID-19. Additionally, the education system for the new academic year has been adopted based on a system of hours, rather than a

<sup>218</sup> Source: "Oman's Economic Update – April 2020", Worldbank

<sup>219</sup> Source: "Central Bank of Oman unveils RO 8 bn stimulus package to fight downturn", Oman Observer, March 18, 2020

<sup>220</sup> Source: "IMF revises down economic forecasts for most Gulf countries", Reuters, October 13, 2020

<sup>221</sup> Source: "Policies for the Recovery", IMF Fiscal Monitor, October 2020

<sup>222</sup> Source: "Oman to Break Gulf's Income Tax Taboo to Curb Deficit", Bloomberg, November 2, 2020

<sup>223</sup> Source: "Oman confirms VAT implementation for April 2021", PricewaterhouseCoopers, November 12, 2020

<sup>224</sup> Source: "Reform momentum of Oman's new ruler faces headwind of COVID-19 reality", Reuters, October 14, 2020

<sup>225</sup> Source: "Oman Budget 2021 to enhance non-oil revenue, reduce spending", Oman Observer, January 2, 2020

<sup>226</sup> Source: "Global impact of COVID-19 on education systems: the emergency remote teaching at Sultan Qaboos University", Taylor & Francis Online, June 23, 2020



*The education ministries collaborated with several organizations to set up a digital infrastructure that would facilitate distance learning for students*

system of classes<sup>227</sup>. In October 2020, the government allowed students from grade 1 to 11 to study through a remote learning system, while students from grade 12 were asked to attend school on a week-by-week system<sup>228</sup>. Approximately 80.0% of schools are expected to adopt an e-learning system in the new academic year, while 10.0% are expected to implement blended education, a combination of online and traditional learning methods. The rest are anticipated to have full attendance in schools<sup>229</sup>.

### **Leveraging Technology to Ensure Continuity of Education**

In order to facilitate distance learning, the MoE offered access to Google Classroom for grades 5 to 12, and digital educational platform for first grade students in collaboration with Omantel and Google. Free access to these platforms was offered to all home internet subscribers in collaboration with Ooredoo, a telecommunications company. The MoE also partnered with Ooredoo to set up an e-learning platform for the academic year 2020-21 that features virtual classrooms and supports interaction between students and teachers<sup>230</sup>. The MoE provided interactive educational content through its digital education platform, which allowed students to interact with their teachers. Education to grades 11 and 12 was provided through Oman Mubasher Live TV and Oman Culture satellite channels<sup>231</sup>. Furthermore, the Telecoms and Regulatory Authority of Oman (TRA-Oman), in collaboration with the MoE, offered free distance learning facilities to students and parents<sup>232</sup>. In August 2020, the MoE also joined hands with the National Bank of Oman to launch an e-library platform with an aim to provide virtual learning resources to students and teachers in schools. The digital library will be available through a mobile app and will be linked to libraries within and outside Oman. Moreover, the MoE is building a sustainable portal for students to receive, upload and share their assignments<sup>233</sup>. On the other hand, the MoHE collaborated with Omantel that led to the adoption of 'G Suite' for higher education students, along with the ease in conducting online conferences through various apps including Zoom, GoToMeeting, and Teams among others<sup>234</sup>.

Notably, the transition to online platforms for private schools in Oman has been relatively smooth as many operators already had resources in place prior to the Ministry's decision to run classes online. For instance, the Indian school system, which makes up for the largest system in the Sultanate with 21 schools, have in-house learning portals that were expanded to cater to a wider student base amid the crisis. The ISO-VLE, an in-house virtual learning platform that was established in 2018, contains lessons for students from grade 9 onwards and was expanded pan-Oman. A number of other meeting platforms such as Microsoft Team, Cisco Webex, Zoom, and Google Classrooms were also utilised by these schools<sup>235</sup>.

## **3.4 Kuwait**

### **Economic Impact**

Similar to the other economies in the GCC, the dual crisis of the COVID-19 outbreak and lower oil prices have burdened the economy. The IMF has estimated the country's GDP to decline by 8.1% in 2020 before recovering by 0.6% in 2021. The stimulus package of US\$

*The IMF estimates Kuwait's economy to contract by 8.1% in 2020 before recovering by 0.6% in 2021*

<sup>227</sup> Source: Hybrid Education – Ministry of Education (Oman)

<sup>228</sup> Source: "Remote learning for all students, except Grade 12: Ministry of Education", Times of Oman, October 2020

<sup>229</sup> Source: "Schools begin offline, online in Oman", Oman Daily Observer, November 2020

<sup>230</sup> Source: "Ooredoo Joins Hands with Ministry of Education to Launch E-Learning Platform for Academic Year 2020-2021", Ooredoo, June 2020

<sup>231</sup> Source: National learning platforms and tools, UNESCO

<sup>232</sup> Source: "TRA-Oman greenlights additional spectrum during COVID-19", Capacity Media, April 3, 2020

<sup>233</sup> Source: "COVID-19: Ministry of Education launches first e-Library in Oman", Gulf News, August 15, 2020

<sup>234</sup> Source: "Online Learning and Teaching during COVID-19: A case study from Oman", ResearchGate

<sup>235</sup> Source: "COVID-19: Schools in Oman make quick transition to online learning", Times of Oman, June 9, 2020

16.5 billion announced by the government to combat the health crisis, coupled with heavy dependence on oil revenues, could result in the country's fiscal deficit to widen to an estimated US\$ 46 billion in 2020 (32% of GDP)<sup>236</sup>. Further, the fiscal deficit is forecasted to remain relatively high at US\$ 39 billion for the fiscal year 2021-2022<sup>237</sup>. As a result, Kuwait plans to introduce the scheduled 5% VAT regime from April 2021<sup>238</sup>. However, the crisis has already forced Kuwait to swap its last performing assets in exchange for cash with the Future Generations Fund, the country's Sovereign Wealth Fund (SWF), to plug the budget deficit<sup>239</sup>. Continuous drawdowns for deficit financing have also reduced the balances in General Reserve Fund (GRF) by 12% of GDP in the fiscal year 2019-2020<sup>240</sup>. Consequently, Fitch Ratings have cut its outlook for Kuwait to 'negative'<sup>241</sup>.

### Government Initiatives & Policy Responses

Kuwait imposed stringent curfews and travel bans to combat the pandemic in early March 2020. Prioritizing the safety of students amid the pandemic, the government decided to end the academic year 2019-20 for the public schools during the same month. While the private schools managed to complete the second semester, the missed curriculum for the students in public schools was planned to be added to the first semester of the new academic year 2020-21. Grade 12 students from the private sector continued to perform online activities<sup>242</sup>.

***Schools across Kuwait lacked sufficient funds to quickly transition to distance learning***

Due to the government's earlier prohibition on the use of online learning, the schools across Kuwait lacked sufficient resources to quickly transition to distance learning with the onset of COVID-19<sup>243</sup>. In the public sector, more than 500,000 students from Grade 1 to Grade 12 were forced to stay home without access to physical classrooms and education. Among those students, 30,000 students were in grade 12 and represented 30% of the local population. Consequently, Kuwait took immediate measures to improve the education system and widen the horizon of its 'National Development Plan 2035'. The government spent US\$ 1.1 billion on facilities for e-learning programs and online learning platforms. As part of the government's long-term initiatives and its 'Emergency Resilience Education Program', the KFAS (Kuwait Foundation for the Advancement of Sciences) solicited proposals from in-country providers for e-learning platforms directed towards K-12 students in April 2020<sup>244</sup>. The selected platform is expected to be considered within the 'National e-Learning Platform'.

***The MoE announced plans to reorganize the tuition fees for the academic year 2020-21 by reducing 25% of the tuition fees***

In July 2020, the MoE issued a ministerial decision to reorganize the tuition fees for the academic year 2020-21 by reducing 25% of the fees when students are allowed to return to school<sup>245</sup>. However, the Ministry noted that all schools and educational institutions will continue e-learning for the second semester of the 2020-21 academic year amid resurgence in COVID-19 cases. After a seven-month halt, all public schools began the 2020-21 academic year through online classes<sup>246</sup>. For the new academic year, the government launched an e-learning platform for public schools<sup>247</sup>, and from March 2021 onwards the schools are expected to adopt a blended learning model<sup>248</sup>. The MoE also declared the cancellation of all paper/online exams for the first semester of the new academic year<sup>249</sup>. Private schools, which continued the 2019-20 academic year online, have also been

<sup>236</sup> Source: "Kuwait's Economic Update", World Bank, October, 2020

<sup>237</sup> Source: "Kuwait forecasts hefty \$39bn budget deficit for 2021-22", Argus Media, January 26, 2021

<sup>238</sup> Source: "Kuwait VAT launch April 2021", Avalara, April 24, 2019

<sup>239</sup> Source: "Kuwait transfers assets to wealth fund to unlock cash", Al Jazeera, February 3, 2021

<sup>240</sup> Source: "Kuwait's Economic Update", World Bank, October, 2020

<sup>241</sup> Source: "Kuwait transfers assets to wealth fund to unlock cash", Al Jazeera, February 3, 2021

<sup>242</sup> Source: "Kuwait ends academic year due to COVID-19", Brazil Arab News Agency, July 20, 2020

<sup>243</sup> Source: "Kuwait E-Learning", International Trade Administration, September 28, 2020

<sup>244</sup> Source: "Kuwait is investing \$1.14 billion on facilities for e-learning programs and online learning platforms – Kuwait E-Learning", International Trade Administration, September 28, 2020

<sup>245</sup> Source: "MoE issue circular to reduce tuition fee by 25%", Indian in Kuwait, July 29, 2020

<sup>246</sup> Source: "COVID-19: Kuwait schools to continue e-learning for second semester", Gulf News, February 11, 2021

<sup>247</sup> Source: "Kuwait ends academic year due to COVID-19", Brazil Arab News Agency, July 20, 2020

<sup>248</sup> Source: "MoE preparing for return of students to schools in March", Arab Times, November 26, 2020

<sup>249</sup> Source: "Kuwait: No exams for students during first semester" Gulf News, January 11, 2021



***The MoE has selected Microsoft Teams and Office 365 for the roll-out of an online learning platform for 400,000 educators and students***

directed to follow e-learning for the current academic year. Additionally, the MoE issued regulations on the implementation of e-learning platforms for private schools in the new academic year. These regulations cover educational bodies, electronic curricula, virtual classes, vocational training, and student qualification. The Ministry also issued a mechanism for collection of school fees in three instalments from students in British, American, bilingual and French foreign schools<sup>250</sup>.

### **Leveraging Technology to Ensure Continuity of Education**

The idea of online learning is not new to the MoE but previous attempts of technology integration were not successfully implemented and did not achieve their goals. In June 2020, the MoE announced its learning platform 'ekwti' to be launched for a piloting and training phase and asked all grade 12 students to register on this platform. It also started conducting online workshops to train teachers and heads of departments on how to use the platform. However, no formal learning started on this platform. Later, the MoE selected three local companies to create and develop an e-learning platform for public schools, which went live in August 2020. These companies faced several technical issues and had to stop operations<sup>251</sup>. Meanwhile, the MoE asked teachers and parents to activate their accounts on the online platform 'The Electronic Gate' that was established in 2015 but was not well integrated into the system. In October 2020, the MoE selected Microsoft Teams and Office 365 for the roll-out of an online learning platform for 400,000 educators and students. It offers discussion, content, assignments, and apps on a single platform<sup>252</sup>.

Separately, Microsoft teamed up with multiple private school to ensure full continuity of education in Kuwait. The collaboration is providing remote e-learning to more than 13,000 students from five schools, each with their own unique curriculum, supported through a team of 900 specially trained teachers and administrators to conduct online sessions every day<sup>253</sup>. In the higher education segment, the Australian College of Kuwait was well prepared for the sudden shift to online. Having already invested in infrastructure and digital resources for e-learning, the university is at the forefront of the digital shift among the region's higher education institutions. For instance, it co-organised a conference with the Kuwait Foundation for the Advancement of Sciences on the importance of e-learning in the Arab world in 2019<sup>254</sup>.

K-12 students in Kuwait remained home without any form of learning for most part of the 2019-20 academic year<sup>255</sup>. Seven to eight months without any sort of learning demonstrated the weak education response of the MoE to the pandemic, which impacted students' learning<sup>256</sup>. While the other GCC nations were swift in implementing online education platforms during the pandemic, Kuwait missed the opportunity of fulfilling their long-standing strategies of introducing innovation that guarantees education for students in the country.

<sup>250</sup> Source: "Kuwait MoE regulates private foreign schools' work" Zawya, September 6, 2020

<sup>251</sup> Source: "Kuwait is investing \$1.14 billion on facilities for e-learning programs and online learning platforms – Kuwait E-Learning", International Trade Administration, September 28, 2020

<sup>252</sup> Source: "Kuwait picks Microsoft Teams for national online education platform", Gulf Business, October 27, 2020

<sup>253</sup> Source: "Al Rayan schools and Microsoft successfully conduct remote e-learning for more than 13,000 students in Kuwait", Microsoft, January 26, 2021

<sup>254</sup> Source: "Has Covid-19 changed GCC education forever?", Oxford Business Group, November 5, 2020

<sup>255</sup> Source: "COVID-19: Kuwait schools to continue e-learning for second semester", Gulf News, February 11, 2021

<sup>256</sup> Source: "Education during the pandemic: the case of Kuwait", Education, Practice and Society, UCL Institute of Education, London, UK; Emerald

### 3.5 Qatar

#### Economic Impact

***Qatar's GDP is expected to fall by 4.4% in 2020 before recovering to growth of 2.5% in 2021***

Qatar too witnessed significant headwinds in demand for its hydrocarbons produce amid the pandemic. In 2020, the IMF projected Qatar's GDP to contract by 4.4% before recovering to a growth of 2.5% in 2021<sup>257</sup>. The country's QAR 75 billion (US\$ 20.5 billion) stimulus package, infrastructure related spending ahead of the FIFA World Cup, and further fiscal and monetary responses are likely to contain the damage from this crisis to a certain extent<sup>258</sup>. However, the country's budget deficit is expected to increase to US\$ 9.4 billion in 2021<sup>259</sup> from an estimated deficit of US\$ 3.2 billion in 2020<sup>260</sup>. Fitch Ratings has affirmed a 'stable' outlook for Qatar based on the country's strong sovereign net foreign asset position, a flexible public finance structure that allows for favourable debt dynamics, and its financial strength to limit the impact of COVID-19 induced economic pressures<sup>261</sup>.

#### Government Initiatives & Policy Responses

***Qatar allocated US\$ 4.8 billion towards the education sector as part of its fiscal 2021 budget***

The government allocated US\$ 4.8 billion towards the education sector as part of its fiscal 2021 budget. This allocation is equivalent to 8.9% of the total budget, and includes projects related to the expansion and development of existing schools and educational institutions. It also includes directives towards establishing a stronger foothold on the e-learning education system for students across all age groups<sup>262</sup>.

In the wake of COVID-19, the MoEHE directed the closure of all public and private schools and universities in early March 2020. However, the Ministry took several efforts to ensure a smooth transition to online learning in collaboration with educational providers across the nation. The government, in collaboration with telecommunications networks in Qatar, also offered computers, tablets, laptops, and broadband devices to students who did not have access to such resources. In addition to two online learning platforms, a YouTube channel named 'Qatar's Distance Learning' was launched for K-12 students, consisting of 19 sub-channels that also cater to adult learners and students with special needs or disabilities. Moreover, two free-to-air educational TV channels were set up in alliance with Qatar TV to support private schools and facilitate online education for the students. The Ministry also offered training to private schools that did not have systems for distance learning in place<sup>263</sup>.

***The MoEHE has adopted the blended learning approach for the first semester of academic year 2020-21***

Final examinations for the academic year 2019-20 were held under strict conditions by the MoEHE. This included examinations in classrooms that allowed only eight students at one time or in large halls to maintain social distancing norms. For the first semester of academic year 2020-21, the MoEHE in collaboration with the Ministry of Public Health has adopted the blended learning approach. It involves a combination of online learning and class-room based lessons to all stages across the public and private schools, pre-schools and higher education institutions<sup>264</sup>. In January 2021, a staggered system of attendance was introduced, with 50.0% students alternately attending school for one week and studying through distance learning platforms for the next week<sup>265</sup>.

<sup>257</sup> Source: World Economic Outlook, IMF, October 2020

<sup>258</sup> Source: "Qatar's Economic Update", World Bank, October 2020

<sup>259</sup> Source: "Qatar to cover 2020 deficit by funds available from previous debt issuances", Gulf Times, December 11, 2020

<sup>260</sup> Source: "Qatar faces largest budget deficit since Gulf rift", Al Jazeera, December 11, 2020

<sup>261</sup> Source: "Fitch Affirms Qatar at 'AA-'; Outlook Stable - Fitch Ratings", Fitch Ratings, June 24, 2020

<sup>262</sup> Source: "Budget 2021", Ministry of Finance, Qatar

<sup>263</sup> Source: "COVID-19 efforts", Ministry of Education and Higher Education (Qatar)

<sup>264</sup> Source: "The COVID-19 Challenge", Ministry of Education and Higher Education (Qatar)

<sup>265</sup> Source: "COVID-19: Students partially return to schools in Qatar", Gulf News, January 3, 2020

## Leveraging Technology to Ensure Continuity of Education

In April 2020, the MoEHE introduced an online learning platform, called 'Mzeed', through which digital and interactive resources designed by a qualified team of teachers, early education mentors, and curriculum specialists were provided to students. The Mzeed platform provided quick and easy access to student learning resources such as textbooks, interactive books, and educational videos, with constant updates to the content<sup>266</sup>. Furthermore, the Ministry launched the 'Q-Learning' platform to facilitate and support e-learning services for students in government schools. The platform helped unify learning process and integrated all requirements to ensure the quality of learning under a single umbrella. Through Q-Learning, parents and students received information related to Microsoft-Teams program, instructions to login and do homework, as well as remote video lessons divided according to the classes<sup>267</sup>. Additionally, 2,121 daily assignments were posted on the Microsoft Teams app for all grades and adult education<sup>268</sup>.

***The swift transition to digital platforms led to the enrolment of more than 128,000 users, including 115,000 students and 13,000 teachers***

As of April 2020, the distance learning platforms involved 350 teachers, 28 distinguished electronic project coordinators, and eight e-learning specialists to oversee the operation and development of online programs. The swift transition to digital platforms led to the enrolment of more than 128,000 users, including 115,000 students and 13,000 teachers. Within a month of introduction, over 123,310 students logged in the Microsoft-Teams app out of 124,000 students enrolled in government schools during the period of study. The system recorded 11,653 calls between teachers and students through Microsoft-Teams<sup>269</sup>. The YouTube channel launched by the MoEHE also achieved significant viewership with an increasing number of subscribers as it produced over 23,533 video lessons (19,908 video lessons produced in special education and integration schools, along with 2,456 video lessons for students of all grades) in a short span of time.

Universities, under the directives of the MoEHE, have also taken several steps towards online learning for students in higher education. For instance, Hamad Bin Khalifa University further initiated adoption of e-learning tools for its students and has prepared scanned versions of all hard copy books, which are available in its library upon student's request. The university has continued to incorporate feedback from all the stakeholders periodically to bring about changes to its distance learning methods. Weill Cornell Medicine-Qatar, a medical training school, also overcame the challenges of lack of internet for a number of its students with the help of pre-recorded lectures. It also resorted to recorded and live demonstrations, simulations, and virtual labs to conduct meaningful laboratory investigations. Gaming, polling and open chat box for in-time interactions was also introduced to keep the students engaged during the pandemic<sup>270</sup>.

## 3.6 Bahrain

### Economic Impact

Similar to its larger GCC neighbours, Bahrain's economy faced headwinds due to a fall in oil prices and the adverse impact of COVID-19. The economy is likely to contract by 4.9% in 2020 and moderately recover in 2021 by 2.3%, according to the IMF<sup>271</sup>. In 2020, the government announced a stimulus package worth US\$ 11.4 billion, equating to over 30% of the country's GDP, to support the economy<sup>272</sup>. The low oil prices environment and large

***The IMF estimates Bahrain's economy to contract by 4.9% in 2020 and recover in 2021 by 2.3%***

<sup>266</sup> Source: "Ministry of Education launches Mzeed Educational Platform", I Love Qatar, April 13, 2020

<sup>267</sup> Source: "Q-Learning witnesses 839,351 text messages between teachers, students on March 31", April 3, 2020

<sup>268</sup> Source: "COVID-19 efforts", Ministry of Education and Higher Education (Qatar)

<sup>269</sup> Source: "Q-Learning witnesses 839,351 text messages between teachers, students on March 31", April 3, 2020

<sup>270</sup> Source: "How QF universities adapted to distance learning", QRMedia

<sup>271</sup> Source: World Economic Outlook, IMF, October 2020

<sup>272</sup> Source: "Bahrain distributes COVID-19 'care packages' to nationals in US, UK", Gulf Business

*The MOE partnered with Amazon Web Services to power the online portal for students all over Bahrain*

*As of March, over 140,000 students were subject to distance learning offered by public as well as private schools*

public spending are expected to widen Bahrain's budget deficit to over 13% of GDP in 2020, while public debt is expected to reach 130% of GDP<sup>273</sup>. The government also made a withdrawal of US\$ 450 million (1.3% of GDP) from its Future Generations Fund (FGF) to improve liquidity<sup>274</sup>. Consequently, Bahrain was downgraded to 'B+' with a 'stable' outlook by Fitch Ratings in August 2020 due to its weak fiscal grounding and the likely need for the government to resort to further backing from its GCC neighbours<sup>275</sup>.

### Government Initiatives & Policy Responses

Bahrain announced the closure of all public and private schools by the end of February 2020 as COVID-19 cases began to rise across the country. Subsequently, it took measures to transition to online learning by partnering with Amazon Web Services (AWS) to power the online portal for students all over Bahrain. The portal mainly consists of services that allow students to view lessons, activities, solve assignments and participate in discussions with teachers. As an alternative to online platforms, the government directed Bahrain TV to begin broadcasting lessons for eight hours a day. By the end of March 2020, the MoE declared the cancellation of all conventional tests and asked the schools to grade students as per their portfolio assignments. The MoE also joined forces with Microsoft to accelerate its e-learning strategy. This helped the public schools get free access to Office 365, including Microsoft Teams for students, teachers and faculty to connect, engage and learn<sup>276</sup>.

Taking into consideration the financial strain on parents during the pandemic, the MoE ordered private institutions to reduce their fees by 65%, wherein 73 out of 76 schools agreed to reduce or postpone the fees<sup>277</sup>. For the new academic year 2020-21, public schools provided lessons online through various platforms. This included broadcasting on Bahrain TV, in co-operation with the Ministry of Information, and 14 YouTube channels along with other social networks. On the other hand, several private schools opted for blended education for the new academic year<sup>278</sup>. To support this shift and cater to the rising queries by students, more telephone lines were added by the MoE to expand the capacity of its virtual education technical support team<sup>279</sup>.

### Leveraging Technology to Ensure Continuity of Education

Bahrain witnessed widespread uptake of e-learning solutions early in the pandemic period. The bulk of this was carried out through a dedicated electronic education portal, set up by the MoE and the Bahrain Information and eGovernment Authority, in conjunction with cloud computing platform AWS. The platform offered students access to more than 372 e-books, 1,030 educational units, 754 previous exams and their answers along with 587 e-lessons, 7,305 discussion panels, 273 educational activities, 6,582 lesson summaries, and 30,793 exercises conducted by teachers<sup>280</sup>. The MoE also utilized its educational portal, called eduNET, which was launched in 2015 in conjunction with digital empowerment in the sector, to provide administrative and educational services for all school levels. It also facilitated communication between educational and administrative bodies, students and parents during the pandemic. eduNet reported a total of 477,012 unique users between March and April 2020, according to Google Analytics. The portal included 408,000 digital materials, including 151,000 activities, 60,000 discussions, 74,000 lessons and 124,000 enrichment materials prepared by teachers. As a part of the government's distance-training program for teachers,

<sup>273</sup> Source: "Bahrain's Economic Update", October 2020, World Bank

<sup>274</sup> Source: "Bahrain raids its future generations fund", Gulf States Newsletter, July 17, 2020

<sup>275</sup> Source: "Fitch Downgrades Bahrain to 'B+'; Outlook Stable", Fitch Ratings, August 14, 2020

<sup>276</sup> Source: "Covid-19 - A Timeline Of Developments Across The Education Sector", Bahrain This Month, June 2, 2020

<sup>277</sup> Source: "Most private schools in Bahrain to reduce tuition fees or postpone payments", Time Out Bahrain, May 12, 2020

<sup>278</sup> Source: "Bahrain Teachers Proud to Sustain Quality Education", News of Bahrain, October 12, 2020

<sup>279</sup> Source: "MoE adds more telephone lines for technical support", News of Bahrain, October 22, 2020

<sup>280</sup> Source: Amazon Web Services, Bahrain

over 1,600 teachers and education ministry staff developed their technological and creative skills through this program<sup>281</sup>.

The formidable development in integrating technology to the country's education system, led to swift adoption among students, teachers and institutions alike. As of March 2020, over 140,000 students were subject to distance learning through online portals and broadcast channels offered by public as well as private schools. By April end, 76 schools had launched online learning for its students. By May, the government had already provided 1,162 online lessons in the second semester, through Microsoft Teams, reaching a daily student count of 32,000<sup>282</sup>.

In October 2020, The University of Bahrain, the country's largest university with over 28,000 students, entered into the final phase of migrating its entire IT infrastructure to AWS. Once finalized, the university will become the largest in the Middle East to migrate its core applications - student information system (SIS), correspondence management system (CMS), homepage portal, and subdomain, and all backend systems - to AWS. This highlights the continued efforts by the MoE to digitize the higher education infrastructure to advanced technologies like cloud computing, artificial intelligence (AI) and machine learning (ML)<sup>283</sup>. AWS already holds long-standing relationships with multiple universities in Bahrain. Earlier in December 2019, AWS announced two new AWS Cloud Innovation Centers at the University of Bahrain and at Bahrain Polytechnic University. These two new centres focus on accelerating the digital transformation of the public sector in Bahrain<sup>284</sup>.

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<sup>281</sup> Source: eduNET Bahrain

<sup>282</sup> Source: "Covid-19 - A Timeline Of Developments Across The Education Sector", Bahrain This Month, June 2, 2020

<sup>283</sup> Source: "University of Bahrain goes all-in on AWS", Amazon Web Services, October 20, 2020

<sup>284</sup> Source: "Two new AWS Cloud Innovation Centers to open in Bahrain", Amazon Web Services, December 06, 2019



## 4. GCC Outlook

The COVID-19 pandemic has caused significant disruption of education systems in its history, affecting more than 1.6 billion students worldwide. Rising infection rates across the globe forced schools and universities to suspend physical classroom learning and shift to online learning. In the GCC, the transition to online learning has been relatively smooth for most private institutions, however governments are also ensuring that the public establishments adapt equally. This has compelled educational providers to realign their business models while ramping up investments in digitally aided education platforms to drive future growth and improve operational efficiencies. GCC countries have also stressed the need to upgrade existing infrastructure to better prepare for any potential outbreaks in the future. In response to a significant increase in demand, many EdTech platforms have started offering free or discounted access to resources while also collaborating with school operators and governments to enhance educational services across the region. At the same time, several technology providers are bolstering capabilities to provide a one-stop shop for teachers and students. Consequently, the GCC education sector is currently undergoing transformation at an unprecedented pace and scale.

***Investment Focus: EdTech and digital learning emerging as a mainstream avenue in education, spurring growth and investment opportunities***

COVID-19 has highlighted the lack of technology integration into the education system, compelling governments and institutions to optimize operations and swiftly adapt to change and innovate. During school closures, the GCC governments ensured that students continued to learn through various remote modalities, such as online learning platforms, television and radio, and a range of other digital mediums. Although the adoption of EdTech still remains at an infancy stage for majority of people, such platforms are gradually gaining acceptance due to the ease of use and fun at learning. Schools and universities across curriculums are extensively collaborating with EdTech platforms while also indigenously launching online mediums to conduct classes and engage students. The corresponding growth in the demand of EdTech has led to exponential user growth and educational institutes are now integrating advanced technologies such as AI/ML and robotics to improve learning as well as track students' progress. Such advancements are likely to increase the democratization and accessibility of education across the region. Moreover, there lies significant potential for further innovation due to high-quality education being provided by top-tier service providers in the region. Thus, building a strong technology infrastructure will not only complement the overall development of the GCC education ecosystem, but also further open up the sector for higher growth and investment opportunities.

The unplanned and swift transition to online learning – with limited training, insufficient bandwidth, and low preparation – highlighted the weakness in staff training and readiness of curriculums to adapt to sustained growth. As a result, institutions have started investing in learning and training platforms for teachers and other faculty members that aim to enhance adaptability and improve the overall quality of education. The GCC governments along with school operators and private stakeholders, are working on training teachers to respond appropriately to the ongoing crisis, and equipping them to build their digital knowledge, technical know-how, and overall capacities to teach through digitalized models. Training and equipping local teachers with the desired skills will reduce the reliance on expatriate staff.

***Investment Focus: Transition towards blended learning and personalized models will enhance learning outcomes***

Since the pandemic, the declining return on investment (ROI) from traditional education systems has reinforced the importance of building a resilient environment for equitable and sustainable development. This has led the private and public sectors to improve conventional learning models to enhance accessibility, learning frameworks, work streams and development of data-driven tools. At the same time, it has brought to light that in-person learning experience cannot be exhaustively replaced by virtual learning due to lack of collaboration, and development of social skills and mental well-being. Consequently, the education sector is witnessing a momentous shift in structure leading to 'blended learning' as a preferred education model. This new learning method, based on an infusion of

***Investment Focus: Increased focus towards privatization amid spending constraints will make the education sector lucrative to foreign investors***

***Investment Focus: GCC emerging as an upcoming hub for tertiary education***

experiential and collaborative learning with a mix of online and in-person elements, emphasizes on holistic development of students. The model has also augmented the introduction of new teaching methods that blend AI-based AR/VR content, gamification, digital libraries and real-time scenario engagements to the existing curricula. Thus, students gain a personalized learning experience, which is another area that is being increasingly explored. The 'personalized learning model' offers strong potential to enhance learning quality, as it caters to the needs of different types of students. These models are enabling students to access a host of engaging and relevant education programs, and choose options that are best tailored to suit their individual needs. For example, UK-based CenturyTech platform that is already integrated in a few Dubai schools, uses a student's interaction with technology to identify their knowledge, skills, learning pace and gaps, and gives real-time data about their performance and focus areas<sup>285</sup>. Institutions conferring unique focus to students through such innovative education models that promote creativity and intellect are likely to attract higher investments. Moreover, the broad integration of such models is likely to improve learning outcomes and build a new future for the GCC education sector.

The unprecedented efforts taken by the industry stakeholders during COVID-19 has led to a prioritization of long-term growth strategies at a macro level as significant trends come into play. Notably, the education sector is expected to witness reduced spending or lower budgetary allocation from the government amid the pandemic induced economic slowdown. To relieve the budgetary strain, governments are expected to further open up the sector for foreign ownership and adopt to PPP models. The UAE has already opened up the sector to 100% FDI<sup>286</sup>, while rest of the GCC nations are actively engaging into PPPs for construction and managing the operations of K-12 and higher education institutes. The GCC nations are also extending funding assistance and tax benefits to international institutes setting up branch campuses in the region. Consequently, the influx of international schools, primarily driven by increased preference for private education from expatriates and locals alike, has expanded the list of curricula from across the globe. This, in turn, has led to the rise in overall enrolments within the private establishments. Focus on privatization is likely to gain further impetus as governments look to reduce their financial burden and concentrate on regulatory reforms. PPPs and foreign ownership in the education sector are expected to serve as a critical tool for fostering overall quality, infrastructure and economic stability in the region.

Factors such as evolving students' preferences for specialized courses and the transition towards better quality education, have made skill and competency-based learning models increasingly popular in the GCC. Universities have thus raised their focus towards skill-based education within fields such as STEM. The government as well as private players are investing to provide quality tertiary education so that talent is retained within the region and to make the sector self-sufficient. At the same time, universities from across the world are establishing their branches in the region, especially in the UAE, which has also become a hub for some of the most renowned Ivy League business schools. The rise in specialized programs and online course offerings in collaboration with Ivy League business schools such as Harvard, Wharton, Cornell, and Dartmouth are testament to the growing affinity of students pursuing degrees and certification from reputed international institutes that enhance employment prospects. The evolving quality of tertiary education in the GCC is expected to drive regional enrolments, especially as the COVID-19 pandemic has reinforced the appeal and safety of enrolling in a college or university closer to home.

Nevertheless, the GCC education sector remains a fragmented market with several size and type of operators catering to a wide population with varied preferences. Factors such as the rise in number of private schools coupled with the influx of international institutes has further created an oversupply situation in many GCC nations, leading to a demand-supply imbalance. As a result, profitability and revenues for school operators and universities are

<sup>285</sup> Source: "EdTech solutions to pave way for digital learning in the GCC", Gulf Business, April 11, 2020

<sup>286</sup> Source: "UAE FDI Law: Positive List"; Clyde & Co., April 13, 2020



***Investment Focus:***

***Consolidation will help create better synergies, improve cost margins, and increase management efficiency, leading to better revenue generation and market positioning***

being impacted. Moreover, technology implementation by medium and high-end institutions compared to the lack of access to resources among the low-performing operators has created a digital divide and is being used as means of competition. Pricing pressure on schools who had to quickly enhance offerings to ensure continuity of quality and re-enrolments while offering short-term discounts amid the pandemic have lost ground. The confluence of all these scenarios could evidently result in some of the smaller private operators either shutting down operations or being acquired by larger players. As such, M&A in the sector will help create better synergies, improve cost margins and increase management efficiency, thus leading to better revenue generation and market positioning. As the education landscape continues to mature, the rate of growth will be more modest as compared to the past, resulting in an opportunity for further consolidation across the sector.

Once the crisis abates, the region will be better positioned for a strong rebound and continued economic growth. Government support through increased budget allocation towards education will be a major factor driving growth. At the same time, the GCC would need to rethink globalization as the pandemic demonstrated a need for higher reliance on localization and self-sufficiency with greater collaboration. In addition to implementing government mandated long-term strategies, engaging the private sector as a crucial stakeholder will expand opportunities in the education sector. The region is thus expected to venture into a new epoch, wherein objective learning and skill-based education will be emphasized over traditional methods. With digital education, collaborative and blended methods of learning expected to be the new norm, increased focus on shared and adaptable facilities are likely to emerge. Therefore, utilizing technology, optimizing operations and cost-savings will be crucial in aiding sustainability and growth in the medium to long-term.

## 5. Growth Drivers

### Post Pandemic Recovery

**GCC's GDP is expected to grow at a pace of 2.3% and 3.5% in 2021 and 2022, respectively, after a contraction of ~6.0% in 2020**

The combination of COVID-19 pandemic and a collapse in oil prices has affected all aspects of economies in the GCC. However, the regional governments have introduced unprecedented reforms in addition to injecting stimulus to regain footing on economic revival. According to IMF, the GCC is expected to rebound over the next two years with the GDP likely to grow at a pace of 2.3% and 3.5% in 2021 and 2022, respectively, after a contraction of about 6.0% in 2020<sup>287</sup>. Economic growth is expected to gain further traction as commitment to implement any oil production cuts post April 2022 are waived<sup>288</sup>. The slow reopening of the tourism sector coupled with the delayed Expo 2020, which will now take place between October 2021 and March 2022, should also provide a platform for recovery in economic activity. As the COVID-19 environment normalizes with the widespread availability of effective immunization, the region is forecasted to maintain a growth trajectory in line with its peer countries up to 2025 (see Exhibit 45)<sup>289</sup>. The stringent measures taken by the governments to curb the rising virus cases, coupled with strong emphasis towards economic diversification and private sector participation will aid economic growth in the long run<sup>290</sup>. This will manifest into higher budget allocation by the GCC governments towards the welfare of the society, especially in leveraging the education sector.

**Exhibit 45: Real GDP Growth Projections – GCC vs Peer Markets (2019-2025F)**



Source: IMF – October 2020

Note: E – Estimate, F – Forecast

### Regional Attractiveness Spurring Avenues for Growth

Amid the COVID-19 crisis, the GCC has witnessed improvements in its geopolitical relations and overall economic stability. In October 2020, the UAE and Bahrain signed normalization agreements with Israel, joining Oman and Qatar in maintaining amicable relationships with

<sup>287</sup> Source: World Economic Outlook Database, IMF, October 2020

<sup>288</sup> Source: "What is the status of GCC economy. How soon can we expect a full recovery?", Gulf News, December 12, 2020

<sup>289</sup> Source: World Economic Outlook Database, IMF, October 2020

<sup>290</sup> Source: "GCC Region Mega Trends, Forecast to 2030", Frost & Sullivan, October 5, 2020

***Growing attractiveness of the GCC will lead to expansion in expatriate population, in turn leading to higher education enrolments across levels***

the nation, and marking a geopolitical milestone in the GCC's external relations<sup>291</sup>. In January 2021, Saudi Arabia and its GCC allies' decision to sign an official agreement restoring full diplomatic relations with Qatar, ended their four-year long blockade against the nation<sup>292</sup>. The restoration in GCC relations are likely to improve trade prospects and highlight the potential to generate billions of dollars in added revenue through intra-regional deals<sup>293</sup>. The GCC's improving stability will also boost prospects for the region's jobs market and the broader business climate<sup>294</sup>. This, in turn, will make the GCC more attractive to foreign investors and reinstate their confidence in the region's prospects<sup>295</sup>.

Upcoming mega-events in the region such as the delayed Dubai Expo 2020 and 2022 FIFA World Cup in Qatar are likely to boost economic prospects. These events are likely to generate job creation across sectors, increase collaborations among industry majors, while also help smaller businesses gain prominence through opportunities arising from such events<sup>296</sup>. This could translate to inorganic population growth within the GCC, buoyed by the region's attractiveness through its economic and political stability and ease of living<sup>297</sup>. Moreover, recent initiatives by the UAE such as long-term visas for investors, entrepreneurs and professionals<sup>298</sup>, and conducive payment plans and flexible debt repayment options for investors<sup>299</sup>, are incentivizing expats to migrate to the Emirates. Notably, the UAE's long-term residency 'Golden Visa' rule for outstanding students will boost foreigners to live, work and study in the UAE without the need of a national sponsor<sup>300</sup>. Similar initiatives have also been introduced by Saudi Arabia through its special residency scheme for expats. The scheme offers two types of residencies - a permanent one and a one-year but renewable residency, aimed at attracting wealthy and high-skilled expatriates to the Kingdom<sup>301</sup>. The resulting growth in expatriate population is likely to translate to higher enrolment rates across education levels and boost the overall GCC education sector.

### **Growing Youth Population**

Improvements in infant mortality rate<sup>302</sup>, increasing life expectancy at birth, and a high concentration of expatriate population are the key demographics driving the growth of the region's education sector. In 2019, the population across the GCC stood at 58.1 million, up from 50.9 million in 2014. The region's population is projected to reach approximately 65.0 million by 2024, growing at a CAGR of 2.3% between 2019 and 2024 (see Exhibit 46)<sup>303</sup>. Together, Saudi Arabia and UAE account for 77.2% of the aggregate GCC population, making them the dominant markets for the education sector within the region.

***The K-12 school age population is expected to grow at a CAGR of 1.3% between 2019 and 2024***

Notably, the GCC population is witnessing high growth among younger age groups. The GCC K-12 school age population, aged 0-18 years, is expected to reach 16.3 million by 2024 from 15.3 million in 2019, growing at a CAGR of 1.3%, while the population aged 19-23 years is projected to grow at a 0.6% CAGR to reach 3.9 million by 2024<sup>304</sup>. Such demographics are likely to increase the demand for K-12 and tertiary education in the region.

<sup>291</sup> Source: "UAE-Israel Trade and Business Opportunities - The Benefits of the Abraham Accords", Lexology, November 19, 2020

<sup>292</sup> Source: "Lifting of the Qatar Blockade: Prospects of Closer Ties Between the GCC and Iran?", International Policy Digest, February 3, 2021

<sup>293</sup> Source: "Region's economies will benefit from Gulf-Qatar deal", Atlantic Council, January 25, 2021

<sup>294</sup> Source: "End of Qatar blockade will boost the Gulf's jobs market", Arabian Business, January 6, 2021

<sup>295</sup> Source: "Region's economies will benefit from Gulf-Qatar deal", Atlantic Council, January 25, 2021

<sup>296</sup> Source: "Region's economies will benefit from Gulf-Qatar deal", Atlantic Council, January 25, 2021

<sup>297</sup> Source: "Expat Insider 2019: Comparing Expat Life in the GCC States", Inter Nations, September 5, 2019

<sup>298</sup> Source: "Golden visa - Long-term residence visas in the UAE", UAE Website, January 7, 2021

<sup>299</sup> Source: "Impact of Expo 2020 on the Real Estate Market in Dubai", ET Realty, March 4, 2020

<sup>300</sup> Source: "Golden visa - Long-term residence visas in the UAE", UAE Information Services

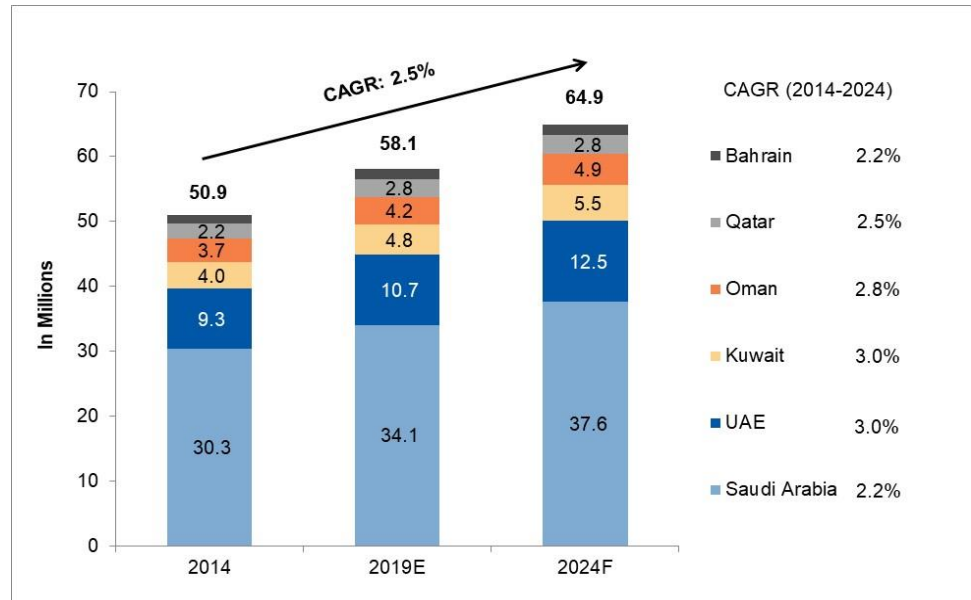
<sup>301</sup> Source: "Saudi Arabia launches special residency scheme for expats", The Hindu Business Line, June 23, 2019

<sup>302</sup> Source: "Economic Prospects and Policy Challenges for the GCC Countries", IMF, October 25, 2020

<sup>303</sup> Source: World Economic Outlook (October 2020) Dataset, IMF 2020

<sup>304</sup> Source: World Population Prospects: 2019 Revision, United Nations Population Division, World Bank

**Exhibit 46: GCC Population Forecast**



Source: IMF

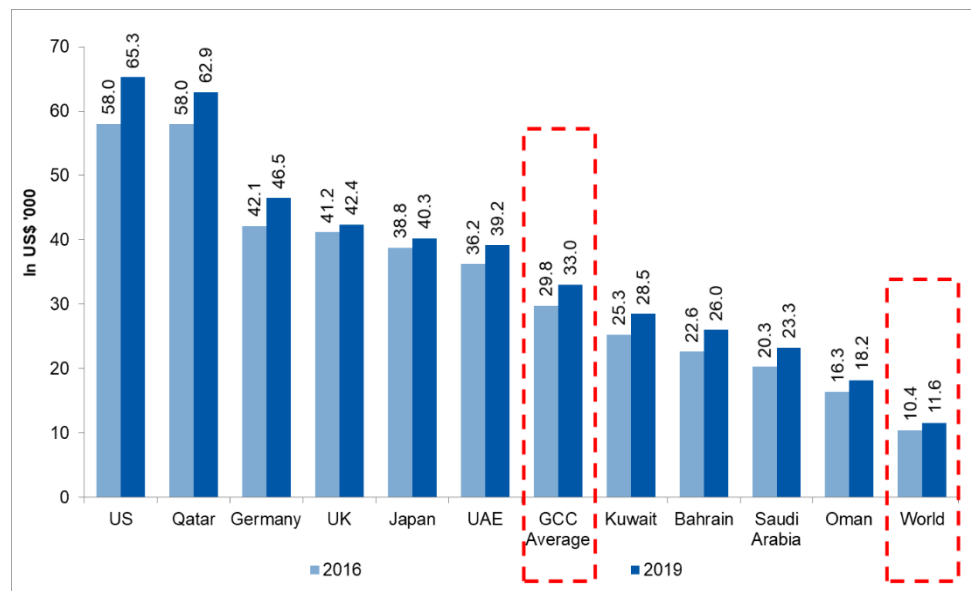
Note: E – Estimated, F – Forecasted

### High Per Capita Incomes Driving Demand for Quality Education

**Average per capita income in the GCC was almost triple the global average, at USD 33,010 in 2019**

On a per-capita basis, the GCC countries are among the wealthiest nations in the world, primarily due to the wealth generated from hydrocarbon-based activities. Between 2016 and 2019, GDP per capita (US\$ current prices) in the region grew at a CAGR of 3.5% to reach an average of US\$ 33,010. In contrast, the global average GDP per capita stood at US\$ 11,557 for the same period<sup>305</sup>. Within the GCC countries, Qatar recorded the highest GDP per capita (US\$ 62,919) in 2019, substantially more than that of developed countries such as the UK, Germany and Japan (see Exhibit 47).

**Exhibit 47: GCC GDP Per Capita (US\$ Current Prices)**



Source: IMF

<sup>305</sup> Source: World Economic Outlook (October 2020) Dataset, IMF 2020

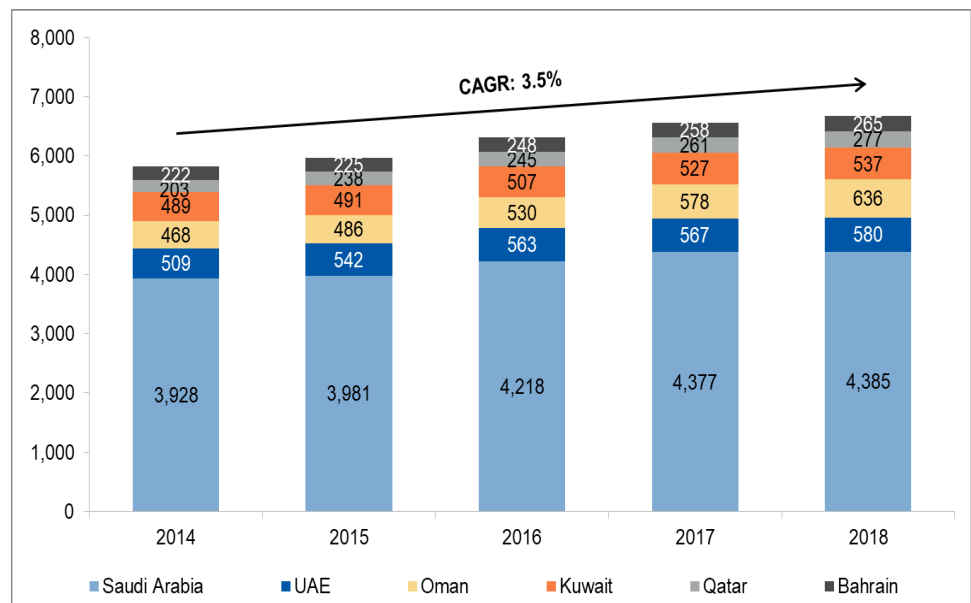
**Several international curricula such as British, American, Indian, and IB are gaining prominence; UAE accounts for the second highest number of international schools in the world**

High per capita incomes coupled with a low-tax environment across the GCC, are likely to boost spending on quality education. GCC citizens enjoy several benefits such as free public education, free healthcare, and a low tax environment, all leading to a high personal income. This has increased consumer propensity to spend, especially for higher quality education. Moreover, the large expatriate population and a preference towards quality international standards has increased the demand for international private schools and universities in the GCC. This has created a wealth of opportunities for global educational operators and providers to establish a presence in the region.

### Influx of International Schools Leading to Curriculum Expansion

The GCC education sector has traditionally been dominated by public schools. However, the ecosystem has witnessed a paradigm shift over the last few years with the influx of international private schools. Demand for English schools and need for quality education by the expatriate population as well as aspiring citizens, is fuelling the demand for international schools in the region. With the rise in number of international schools, several curricula such as British, American, Indian, IB, Canadian, French, and German are gaining prominence<sup>306</sup>. Demand for international private schools is not just limited to the language of instruction, but is also a function of the need for a modern, innovative approach of learning, which stimulates analytical thinking and positive learning. Such parameters are thought to have an important bearing on enhancing the students' skill set and helping prepare them for higher education and career opportunities at the global level. This has resulted in the rise in the number of K-12 private schools and private sector enrolments in the GCC<sup>307</sup>.

**Exhibit 48: Number of Private Schools in the GCC (2014-18)**



Source: MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

Note: Private schools data for 2019 is not available for any of the GCC nations, except for the UAE

The number of private schools in the GCC grew at a CAGR of 3.5% between 2014 and 2018, reaching 6,680 as of 2018<sup>308</sup>. UAE leads the region with 643 private schools as of

<sup>306</sup> Source: "Education in the UAE", World Education News + Reviews, August 10, 2018

<sup>307</sup> Source: UNESCO

<sup>308</sup> Source: UNESCO, MoE UAE, General Authority of Statistics (Saudi Arabia), NCSI Oman, CBS of Kuwait, MoE Qatar, MoE Bahrain

*Various long-term strategies, initiatives and reforms have been introduced by the regional governments in a bid to accelerate growth within the education sector*

2019, up from 580 in 2018. Of the total number of private schools in the UAE, 97 are international schools – the second highest in the world<sup>309</sup>. In the UAE, the number of students enrolled in private schools increased from 71.8% of total enrolments in 2014 to 73.7% in 2019, while for Qatar this share increased from 57.4% in 2014 to 60.1% in 2019<sup>310</sup>. Private sector enrolments between 2014 and 2019 have increased at a much faster rate than the public sector, across the UAE (3.1% CAGR), Qatar (7.0% CAGR), Oman (4.3%), and Bahrain (2.8%)<sup>311</sup>.

## Government Initiatives to Boost Education Landscape

### National Transformation Initiatives

Under its Vision 2030, the Saudi Arabian government has announced a cohort of plans including strengthening attainment levels in Mathematics and English by 15%, increasing pre-primary enrolment rates to 27.2%, achieving an adult literacy rate of 97.5% and increasing private school enrolment rates from 6% to 15%. Similarly, under its National Strategy for Higher Education 2030, the UAE government aims to equip future generations with the skills demanded of the evolving job market. The country's Vision 2021 National Agenda aims to equip all schools, universities and students with smart systems and devices as the basis for learning and research; and invest heavily in boosting pre-school enrolment<sup>312</sup>. The MoE's most recent Education 2020 strategy focuses on smart learning programs, new teachers' codes, licensing and evaluations systems, curriculum revision, and teaching math and science in English; while another focus area involves transforming K-12 education to equip students for global universities and competing in the global marketplace<sup>313</sup>.

Kuwait also plans to revitalize the education sector as parts of its Kuwait 2035 plan. Under this plan, the country aims to bring in new reforms by introducing changes in the public sector to improve standards of teaching and student assessment, in addition to allowing privatization in the sector to meet the growing demand for quality education<sup>314</sup>. The Omani government has also been outlining developments across the education sector under its National Strategy for Education 2040. It includes strategies towards improving student enrolment and progress across educational levels, enhancing educational management, building education quality and research and development capabilities, and improving educational funding<sup>315</sup>.

Meanwhile, Bahrain plans to ensure a better education system to aid progress towards its sustainable growth goal. It also aims to use government resources to improve its human capital through education and training, especially within the applied sciences domain<sup>316</sup>. Qatar has prioritized education under its Qatar National Vision 2030. It aims to improve education through curricula and training programs responding to the current and future needs of the job market, expanding quality educational and training opportunities, and providing accessible education programs for long-term and continuous learning<sup>317</sup>. The country's second National Development Strategy (2018-22) aims at promoting human development through quality education and training, and aims to boost e-education services, which are particularly important for modernizing public institutions<sup>318</sup>.

<sup>309</sup> Source: "25 Years of ISC Research and the International Schools Market", ISC Research, 2019

<sup>310</sup> Source: UNESCO, Country-Wise Statistical or MoE Websites

<sup>311</sup> Source: UNESCO, Country-Wise Statistical or MoE Websites

<sup>312</sup> Source: UAE National Agenda, UAE Cabinet Website

<sup>313</sup> Source: "Quality education: Education as a national priority", UN's 2030 Agenda, UAE Website

<sup>314</sup> Source: "GCC Education Guide 2020", Business Liv Me, Apr 14, 2020

<sup>315</sup> Source: The National Strategy for Education 2040, The Educational Council, The Sultanate of Oman, 2018

<sup>316</sup> Source: Bahrain Economic Vision 2030, June 27, 2019

<sup>317</sup> Source: Qatar National Vision 2030, May 8, 2019

<sup>318</sup> Source: Qatar Second National Development Strategy 2018–2022, September 15, 2018



*PPPs and foreign ownership in the education sector are likely to serve as a critical tool for fostering overall quality*

## Privatization Initiatives

The GCC is also making concentrated efforts to increase the participation of private players within the education sector as part of the broader privatization drive. While some countries have opened up the sector to 100% Foreign Direct Investment (FDI), others are actively engaging in public-private partnerships (PPPs) for the construction (designing, building and financing) and operations management of K-12 and higher education institutes. To raise the number of PPP projects and allow foreign ownership in the education sector, governments have started aligning themselves with their respective national strategic objectives and establishing a blueprint to derive benefits from collaborating with private sector players. PPPs and foreign ownership in the education sector are likely to serve as a critical tool for fostering overall quality, infrastructure and economic stability in the region.

In September 2020, Tatweer Building Company announced Wave 1 of a PPP programme in Saudi Arabia. This involves the funding, design and building of 60 schools (27 schools in Jeddah, 33 schools in Makkah) based on the Build, Maintain and Transfer (BMT) model for approximately SAR 86 million (US\$ 22.9 million). The construction of Jeddah schools are likely to be completed within two years of signing the contract, followed by the Makkah schools within three years. These schools will together accommodate more than 50,000 students<sup>319</sup>. The Kingdom is also inviting private school providers including Dubai-based GEMS and Lebanon's SABIS to invest in building schools across the country in collaboration with local providers<sup>320</sup>. In July 2019, the UAE government announced a list of sectors, including education, in which up to 100% foreign ownership may be permitted<sup>321</sup>. The Dubai government is in talks with several school groups in the private sector to offer international curricula and education to Emirati students, with new PPP-based schools set to open in academic year 2020-21<sup>322</sup>.

Similar initiatives have been taken by Oman, Qatar, Kuwait, and Bahrain to improve their quality of education, which offers opportunities for private investors. For instance, Oman's MoE unveiled plans for a mixed-used education academy to be developed in partnership with a private investor via the PPP route in November 2019. The Academy will include a teachers training centre, evaluation centre, and UNESCO and Career Guidance Centre, among others<sup>323</sup>. In Qatar, the government is developing 45 schools under the Qatar Public Private Partnership Schools Development Programme with the aim to introduce private sector capital and expertise<sup>324</sup>. Similarly, the Kuwait Schools Development Program (KSDP) was introduced with the objective of constructing schools in partnership with the private sector under the build-operate-transfer (BOT) model<sup>325</sup>. Kuwait's Direct Investment Promotion Authority (KDIPA) allows 100% foreign investment in the education sector<sup>326</sup>. Oman too initiated a law amendment to permit 100% foreign investment in the sector<sup>327</sup>, and Qatar's FDI law was newly amended to permit the same<sup>328</sup>.

The focused efforts by the GCC governments, coupled with increased participation by the private sector, is likely to transform the education sector. Subsequent improvement in quality and management is likely to enhance overall operational efficiencies, thereby attracting higher investments and increased enrolments in the region.

<sup>319</sup> Source: "Saudi Arabia announces preferred bidder for the Schools PPP Project", Zawya, September 2020

<sup>320</sup> Source: "Hassana and GEMS Education Acquire Saudi Arabia's Largest Private School Operator", GEMS Education, May 30, 2019

<sup>321</sup> Source: "UAE offers 100% foreign ownership in 122 economic activities", Khaleej Times, July 3, 2019

<sup>322</sup> Source: "Dubai Turns to Private Sector for Emirati Schools", Which School Advisor, September 17, 2019

<sup>323</sup> Source: "Private investor sought for PPP-based Education Academy in the Sultanate", Oman Daily Observer, November 12, 2019

<sup>324</sup> Source: "Qatar schools PPP Development Program", Project Pipeline GI Hub, Q1 2019

<sup>325</sup> Source: Kuwait Schools Development Program (KSDP), Kuwait Authority for Partnership Projects

<sup>326</sup> Source: "Foreign Investment in Kuwait, Al Tamimi, January 28, 2019

<sup>327</sup> Source: "Tax Alert: New Foreign Capital Investment Law to attract investments in Oman", KPMG, February 2, 2020

<sup>328</sup> Source: "The Foreign Investment Law: the first law in Qatar in 2019", Eversheds Sutherland, January 9, 2019



## 6. Challenges

### Economic Slowdown Scaling Back Growth

*The prolonged economic slowdown has led to spending constraints; COVID-19 has impacted the education sector job market*

The GCC region remains highly reliant on the hydrocarbon sector to drive economic growth and public sector spending. Amid lower revenues due to the sharp correction in oil prices, the regional governments have come under increased pressure to aid the education sector in terms of spending. The slump, further aggravated by lower demand due to the COVID-19 outbreak, is likely to result in US\$ 270 billion in revenue losses for the GCC countries<sup>329</sup>. This will further widen the region's fiscal deficit to a substantial 10.5% of GDP in 2020<sup>330</sup>. Consequently, the IMF estimated the GCC economy to shrink by 6.0% in 2020<sup>331</sup>. While the governments have taken unprecedented measures to stimulate economic activity, the spending constraints could potentially slowdown the pace of growth in the education sector.

Moreover, temporary business shutdowns and school closures caused by the COVID-19 pandemic have heavily impacted the employment market across the GCC<sup>332</sup>. For instance, the unemployment rate for Saudi Arabian nationals surged to 15.4% in Q2 2020 from 12.3% in Q2 2019<sup>333</sup>. Several smaller private schools in the region have resorted to staff reductions<sup>334</sup> and pay cuts by as much as 80%, with reductions continuing for the foreseeable future<sup>335</sup>. In some instances, the slowdown forced schools to scale back growth through measures such as asking teachers to take long-term unpaid leave with no guarantee of a job to return to<sup>336</sup>. However, such measures are likely to be temporary and the GCC's projected economic rebound in 2021 could reverse this predicament as schools revisit growth strategies.

### Competition Increasing Cost Pressures and Eroding Profit Margins

*Stiff competition and COVID-19 related concerns have elevated cost pressure and are eroding the profit margins*

The GCC education landscape has witnessed intensifying competition in recent years. While governments continue to invest into public school infrastructure, the number of private schools in the region are expanding amid a strong demand from the expatriate population as well as local citizens<sup>337</sup>. The oversupply of education operators, especially within the K-12 school segment, has continued to negatively impact margins. Despite stiffening competition, a number of new schools have opened up in a challenging economic environment, adding further pressure on institutions<sup>338</sup>. The problem has been intensified with the outbreak of the pandemic, as a proportion of the region's expatriate population were forced to immigrate back to their home countries amid job cuts<sup>339</sup>. To combat these shifting market dynamics and remain competitive, private players are offering significant discounts and incentives as a part of school fees and the on-going COVID-19 environment<sup>340</sup>. However, such strategies are likely to further erode profitability, strain revenues and derail any expansion strategy. Large players may be able to sustain themselves in such a competitive environment, but smaller players could be compelled to merge with other leading operators.

<sup>329</sup> Source: "GCC to lose \$270 billion in oil revenues in 2020, says IMF, Gulf News, July 13, 2020

<sup>330</sup> Source: "Regional Economic Outlook Update: Middle East and Central Asia", IMF, July 2020

<sup>331</sup> Source: "Regional Economic Outlook: Middle East & Central Asia", IMF, October 2020

<sup>332</sup> Source: "COVID-19 hit: Gulf salaries, benefits in for another set of cuts", Gulf News, June 8, 2020

<sup>333</sup> Source: "Saudi unemployment increases to 15.4% in Q2/2020", Labor market statistics Q2 2020, Saudi General Authority for Statistics

<sup>334</sup> Source: "COVID-19: Mass layoffs hit private school teachers in Kuwait", Gulf News, June 2020

<sup>335</sup> Source: "United Arab Emirates: Teachers Facing Job Loss Amid Coronavirus May Have Grounds For Damages", Mondaq, May 25, 2020

<sup>336</sup> Source: "United Arab Emirates: Teachers Facing Job Loss Amid Coronavirus May Have Grounds For Damages", Mondaq, May 25, 2020

<sup>337</sup> Source: "Where to Invest Now in GCC Private Education, BCG, April 11, 2018

<sup>338</sup> Source: "4 new schools set to open in Dubai in 2020-21 academic year", Khaleef Times, June 17, 2020

<sup>339</sup> Source: "COVID-19: Gulf expats forced to leave for home as pandemic impacts jobs", Gulf News, June 18, 2020

<sup>340</sup> Source: "Parents being priced out of new Dubai schools – report", Arabian Business, June 24, 2019

***Lower pricing strategy to counter the stiff competition may affect the already skewed profit margin for the education providers in the region***

Nurseries across the region, in particular, have witnessed a major threat to survival. In the UAE, for instance, nurseries are primarily owned by private and small entrepreneurs, and in the wake of the pandemic they were largely exposed to redundancies and bankruptcies, with 10% of the country's nurseries shutting down<sup>341</sup>. At the same time, GCC authorities have increased their emphasis on the development of dedicated education zones for the establishment of foreign universities, along with offering free infrastructure and tax incentives<sup>342</sup>. Such measures are boosting the GCC's attractiveness as a hub for foreign institutions. This is adding to the overall educational supply, further widening the demand-supply imbalance and intensifying competition.

Despite the transition to a virtual learning platform during the pandemic across all education levels, several challenges during the period continued to play a role in eroding profit margins. Firstly, parents and families struggled to pay school fees on time due to the domino effect of salary cuts and job losses, which was a major driver of lower revenue streams<sup>343</sup>. Schools also faced pressure to reduce fees, as the provision of all on-site learning facilities was hampered post lockdowns<sup>344</sup>. Consequently, several schools stepped up with measures to alleviate this burden and help parents cope with financial setbacks. For instance, several Dubai-base school operators announced personalized payment plans and deferment of fees across their schools for families who have lost jobs, had salary cuts, or may be struggling to pay fees as a direct result of COVID-19. Similarly, other operators in the UAE have waived transport fees as education transited online<sup>345</sup>. In Kuwait, an MoE directive prompted all educational institutions to issue a blanket fee reduction of 25%, alleviating the payment burden for parents<sup>346</sup>.

Secondly, the need to establish digital and virtual learning platforms, implement blended learning structures and acquire new technological expertise, became pronounced in the past year. Accordingly, schools and universities increased investment into building their digital education infrastructure. Simultaneously, schools faced high operating costs for redundant on-site services, rent payments, etc.<sup>347</sup>. The confluence of these factors resulted in lower revenue and pressure on profitability margins for both public and private schools and universities. To reduce cost pressures, GCC schools reduced staff headcounts and implemented pay cuts, particularly as extended distance learning programs made it increasingly tough for some education employers to sustain roles that depend on the physical presence of students (teaching assistants, librarians, etc.)<sup>348</sup>. Such measures are estimated to further worsen the shortage of skilled staff in the region<sup>349</sup>.

As private school operators are expected to suffer revenue losses from the pandemic induced recession<sup>350</sup>, the overall impact is likely to stress the GCC education sector's business fundamentals. It is estimated that the potential long-term closure of educational institutions could result in a loss of 0.1% to 0.4% of GDP for every four weeks of school closures<sup>351</sup>.

<sup>341</sup> Source: "UAE Nurseries Are In A CRITICAL Situation And Are Pleading For Help", Lovin Dubai, August 25, 2020

<sup>342</sup> Source: "The GCC focuses on higher education with financial incentives and foreign partnerships", Oxford Business Group, January 28, 2019

<sup>343</sup> Source: "Covid-19: Received a salary cut and can't pay the school fees? KHDA has a solution", Khaleej Times, April 2, 2020

<sup>344</sup> Source: "COVID-19 Education: Ongoing issues affecting the education sector across the GCC", Mondaq, May 11, 2020

<sup>345</sup> Source: "Covid-19: Received a salary cut and can't pay the school fees? KHDA has a solution", Khaleej Times, April 2, 2020

<sup>346</sup> Source: "Kuwait private schools complain about reduced fees and payment exemptions", Zawya, August 24, 2020

<sup>347</sup> Source: "COVID-19 Education: Ongoing issues affecting the education sector across the GCC", Mondaq, May 11, 2020

<sup>348</sup> Source: "COVID-19 Education: Ongoing issues affecting the education sector across the GCC", Mondaq, May 11, 2020

<sup>349</sup> Source: Gulf country stop hiring teachers from abroad; East Coast Daily, December 2020

<sup>350</sup> Source: "The Economic Shock of COVID-19 May Hit Private School and Contract Teachers Hardest", Center for Global Development, November 24, 2020

<sup>351</sup> Source: "Importance of Education Continuity in the GCC during COVID-19 Crisis", Oliver Wyman, May 3, 2020

***Hiring and retaining high quality educational staff to match the rising standards among private schools has proven to be a challenge***

***The UK and the US are the most preferred destinations for the UAE students seeking higher education***

## Shortage of Skilled Teachers and Educational Staff

Given the inherent shortage of skilled teachers from the region, the GCC has been largely dependent on expatriate talent for the expansion of the education sector. In the UAE, for instance, majority of the school teachers are Western expatriates, with British teachers accounting for the largest share. On the other hand, merely 1% of the teachers are Arabic or Emirati<sup>352</sup>. Gulf countries have also been inviting expat teachers from nations like India by incentivizing them through exponentially higher salaries in comparison to their home countries<sup>353</sup>. However, hiring and retaining high quality educational staff to match the rising standards among private schools has proven to be a challenge, in particular. Nationalization drives such as 'Saudization' and 'Kuwaitization' are restricting the number of expatriate teachers in these nations. Kuwait has undertaken a policy of nationalizing up to 25% of teaching jobs each year as the government works towards making all public sector staff Kuwaiti by 2022<sup>354</sup>. With COVID-19 impacting the school operations, several international teachers were either made redundant or were forced to take pay cuts. Currently, rising operating costs and low profit margins are restricting GCC operators from providing attractive packages for international teachers<sup>355</sup>. This may deter the employment of education staff in the region. With a series of new schools slated to launch over the next few years, the crisis of attracting skilled talent and build a quality faculty for GCC schools is expected to further increase.

## Preference for Tertiary Education in Overseas Destinations

GCC students prefer to pursue higher education abroad, which impacts enrolments in the tertiary segment within the region. The outbound mobility is largely driven by rising interest among students in pursuing degrees and certification from reputed high-quality international institutes to enhance employment prospects<sup>356</sup>. Regional employers also contribute to this interest, with reports suggesting that UAE employers prefer international graduates over graduates from local institutions, while some employers also sponsor students to study overseas<sup>357</sup>. Moreover, scholarship programs that are offered by government bodies and academic institutions, have also aided in the preference for studying abroad. The UK and the US are the most preferred destinations for the UAE students seeking to enhance their employment opportunities through a quality foreign education<sup>358</sup>. Alternatively, due to the rising costs of education within the region, many expatriates prefer returning to their home countries for higher education<sup>359</sup>.

<sup>352</sup> Source: "What are the students and teachers like in Abu Dhabi?", Better Homes, February 25, 2020

<sup>353</sup> Source: "The UAE government is wooing Indian teachers — offering 10 times higher pay than their current", Business Insider, April 24, 2019

<sup>354</sup> Source: "Kuwait's Education Ministry to cut hundreds of foreign teachers", March 1, 2018

<sup>355</sup> Source: "COVID-19 Education: Ongoing issues affecting the education sector across the GCC", Mondaq, May 11, 2020

<sup>356</sup> Source: "GCC Student Mobility in Higher Education and the Unique Opportunities in UAE", Higher Education Digest, October 14, 2020

<sup>357</sup> Source: "Education in the United Arab Emirates", WENR, August 10, 2018

<sup>358</sup> Source: "Education in the United Arab Emirates", WENR, August 10, 2018

<sup>359</sup> Source: "GCC Student Mobility in Higher Education and the Unique Opportunities in UAE", Higher Education Digest, October 14, 2020

**Exhibit 49: Outbound Internationally Mobile Tertiary Students Studying Abroad**

Country	2014	2015	2016	2017	2018	CAGR (2014-18)
<b>Bahrain</b>	5,043	5,469	5,811	5,870	5,686	3.0%
<b>Kuwait</b>	19,671	21,047	22,650	23,019	24,694	5.9%
<b>Oman</b>	12,975	15,316	16,615	16,285	16,306	5.9%
<b>Qatar</b>	4,603	5,497	6,301	6,583	9,022	18.3%
<b>Saudi Arabia</b>	84,195	86,245	90,240	84,246	77,406	-2.1%
<b>UAE</b>	9,427	10,898	11,718	11,258	12,276	6.8%

Source: UNESCO

Note: The above data includes students that have crossed national borders to pursue education and are enrolled outside their country of origin

## 7. Trends

### Growing Importance of Technology and EdTech Platforms

In recent years, the efforts by GCC countries towards building and advancing the education sector has been evident. Efforts made by the local governments to create a knowledge-based economy has translated into the education sector undergoing large-scale transformation, especially with the integration of technology. The region is seeing high adaptability and scalability in education solutions powered by innovative technological tools.

*EdTech has become an indispensable part of the education system in the GCC today*

Prior to the onset of COVID-19, digital transformation in education was already a focus for each GCC country. However, the pandemic has accelerated this process and put a much greater emphasis on tech-enabled learning capabilities. Consequently, schools across the GCC introduced online platforms to ensure continuity of education, creating opportunities for educational technology (EdTech) service providers and technology developers to enter the market. GCC governments played a critical role in facilitating this swift transition, and have worked towards integrating education resources on digital platforms, websites and applications for easy accessibility for students and teachers. Collaborations with a variety of platforms such as MOOC, ZOOM, Webinars, and Webex to conduct online classes, orientations, training, and planning sessions for the teaching staff facilitated the rapid adoption of technology within the sector. Many of the GCC countries also established collaborations with technology conglomerates such as Amazon and Microsoft to build digital infrastructure, and also leveraged national platforms such as television and radio-based broadcasts to support its infrastructural system<sup>360</sup>. For example, the UAE made use of the government's digital teaching platform, *madrassa.org*, while Saudi Arabia broadcasted lessons through the MoE's TV and social media platforms<sup>361</sup>. While electronic books and tablets were used across classrooms<sup>362</sup>, gamification has been implemented in early childhood curriculum to simplify concepts and expand children's intellectual capacities<sup>363</sup>.

Across the region, EdTech platforms such as Tarjama, Coded Minds, AI Mentor, Little Thinking Mind, Noon Academy, Baims, SchoolVoice, TeachMeNow, and QiDZ, among others, have also been swift to introduce offerings catering to all education levels. These players are leveraging advanced technologies such as AI and robotics to ensure that the future generation is better equipped for the job market. The emergence of digital and distance learning structures have given EdTech a significant boost, and accelerated investment into the sector<sup>364</sup>. As such, many platforms have drawn significant investments during the current challenging economic environment. For instance, Saudi Arabia-based Aanaab raised US\$ 1.5 million in a funding round in March 2020<sup>365</sup> while Jordan-based Abwaab raised US\$ 2.4 million<sup>366</sup> for its online tutoring platform.

Today, EdTech has become an indispensable part of the education system in the GCC. New remote learning opportunities have emerged in the region and further developments are likely in areas where traditional educational providers partner with digital conveyors.

### Increasing Options for Higher Education with Quality Offerings

Several foreign colleges and universities, especially from the UK and the US, have started establishing physical presence / sister branches across the GCC to cater to the rising

<sup>360</sup> Source: "How countries are using edtech (including online learning, radio, television, texting) to support access to remote learning during the COVID-19 pandemic", World Bank, March 18, 2020

<sup>361</sup> Source: "EdTech in the era of a pandemic - the GCC perspective", Khaleej Times, June 13, 2020

<sup>362</sup> Source: "Alternative Solutions to School Closure in Arab Countries to Ensuring that Learning Never Stops: COVID-19 Education Response", UNSECO, April 1, 2020

<sup>363</sup> Source: "EdTech in the era of a pandemic - the GCC perspective", Khaleej Times, June 13, 2020

<sup>364</sup> Source: "EdTech in the era of a pandemic - the GCC perspective", Khaleej Times, June 13, 2020

<sup>365</sup> Source: "Wamda invests in Arabic teacher training platform Aanaab", Wamda, March 3, 2020

<sup>366</sup> Source: "Abwaab raises US\$ 2.4 million", Wamda, March 17, 2020

**Several international universities are setting up branch campuses through affiliations across the region**

demand for quality education in the tertiary segment. The increasing demand for quality higher education institutes with world-class facilities has led to the development of dedicated educational zones across the region. The UAE is a prime example of an educational hub drawing reputed international players to the region and improving its global competitiveness. UK-based schools such as London Business School in Dubai, Brighton College Dubai, and North London Collegiate School have established their base in the UAE within the last years, while US-based Dwight School is expanding their presence in the GCC<sup>367</sup>. Some of the other major universities from the US that have forayed into the GCC include University of Washington, New York University, Boston University, INSEAD and Rochester Institute of Technology<sup>368</sup>. Specialized courses are being offered by UK College of Business and Computing, which opened its campus in Dubai in 2018<sup>369</sup>, and the partnership of London-based Chartered Institute for Securities & Investment with Saudi Arabia's King Faisal University that offer a range of international qualifications in the field of financial services<sup>370</sup>. As a result, inbound student mobility, especially in the UAE, has grown over the years. Most notably, its inbound mobility ratio is one of the highest in the world at 48.6%, dwarfing that of major global study destinations such as the US, the UK, or Australia<sup>371</sup>. The other GCC countries are not far behind, with many other international universities setting up campuses through affiliations across the region. In 2019, UK-based Eton University partnered with Oman's Al Mamari International Group to establish a campus in Muscat, and aims to offer British-accredited qualifications by establishing a series of branch campuses<sup>372</sup>. A number of other foreign institutes also plan to expand their foothold in the GCC by establishing branch campuses and providing online education through franchise agreements or foundation programs. This is helping to improve the tertiary level education in the region, which has been historically marred with issues of low enrolment rates due to students' preference to travel abroad for higher education<sup>373</sup>.

The region is also fast becoming a hub for many international campuses and outposts of key academic players in the world of business education. Some of the Ivy League business schools such as Harvard Business School<sup>374</sup>, Wharton<sup>375</sup>, The Cornell University<sup>376</sup>, and The Dartmouth University<sup>377</sup> have been expanding their presence in the GCC via partnerships, agreements, scholarships, student global expedition programs and online courses. While the Ivy League colleges have been traditionally imparting their full term MBA programs only at their base campuses, the Ivy Council has extended its activity scope with programs such as Executive Management Programs, Ivy Leadership Summit and student-exchange opportunities in the Middle East<sup>378</sup>. Presence of these universities in the region gives an opportunity to the local entrepreneurs and executives to gain international certification and expand their horizons on business management, strategy and other areas.

## Transformational Role of STEM Education

The shifting job landscape has evoked the need for a more specialized and dynamic skill set. This has led to an uptick in the demand for higher education, in specialized fields such as Science, Technology, Engineering, and Mathematics (STEM). The World Economic

<sup>367</sup> Source: "Dwight School, Innovator in Global Education, to Open First Campus in the Middle East: Dwight School Dubai", PR Newswire, November 29, 2016

<sup>368</sup> Source: "Education in the UAE", Embassy of the United Arab Emirates, Washington DC

<sup>369</sup> Source: "UK College of Business & Computing opens first campus in Dubai", Gulf News, July 05, 2018

<sup>370</sup> Source: "The CISI partners with King Faisal University to offer world-class financial services qualifications", Zawya, October 15, 2018

<sup>371</sup> Source: "GCC Student Mobility in Higher Education and the Unique Opportunities in UAE", Higher Education Digest, October 14, 2020

<sup>372</sup> Source: "Eton University signs partnership agreement for Branch Campus in the Sultanate of Oman", Eton University, October 14, 2019

<sup>373</sup> Source: UNESCO

<sup>374</sup> Source: Harvard Business School, Middle East & North Africa

<sup>375</sup> Source: Wharton, Middle East

<sup>376</sup> Source: Cornell Club of UAE - American University in Dubai

<sup>377</sup> Source: American University of Kuwait - Dartmouth College

<sup>378</sup> Source: "Ivy Council", Ivy Council website, WikiCU



***Governments have started emphasising STEM education with focus towards technologies such as AI, IoT and robotics***

Forum (WEF) Future of Jobs Report suggests that roles based on and enhanced by the use of technology are expected to enjoy high demand in the job market up to 2022<sup>379</sup>. Moreover, stats by the US Bureau of Labor Statistics showed that STEM occupations are projected to grow 8% by 2029, which is more than two times faster than the combined pace for all occupations, at 3.7%<sup>380</sup>. This global trend is mirrored in the GCC as well, with about 1.9 million jobs expected to become redundant with the advancements in technologies in the UAE<sup>381</sup>. This has prompted a GCC-wide shift in educational paradigms, emphasizing STEM education with focus on technologies such as AI, IoT and robotics. For instance, several international schools across the GCC, especially the UAE, are integrating STEM education in their curricula with the aim to deepen students' understanding of critical concepts<sup>382</sup>. Meanwhile, other schools are running STEM labs that offer elementary, middle and high school students a space to explore and investigate<sup>383</sup>.

GCC governments have also pioneered to further progress in STEM education as part of their long-term growth strategies. Under its Vision 2021, the UAE aims to create a first-rate education system and ensure that its students lead globally in reading, mathematics, and science<sup>384</sup>. Similarly, Bahrain's Higher Education Council has laid emphasis on increasing enrolment in STEM-related education in its National Higher Education Strategy, in line with growing demand for STEM subjects<sup>385</sup>. Oman's National Strategy for Education 2040 also highlights the importance of research in the fields of science and technology to increase competitiveness and promote innovation in the country<sup>386</sup>.

## **Demand for Affordable Schooling**

***The need for affordable schooling has been further exemplified in the wake of COVID-19 and the consequent economic repercussions***

A supply imbalance has emerged in the GCC, with a growing number of school operators offering premium education compared to those offering quality education at affordable prices. This has led to a rise in demand for more affordable schooling solutions in the GCC. For example, in Dubai, the premium segment of the education sector has witnessed an oversupply over the last few years. In 2018, only two of the 16 schools that opened in Dubai, could be classified as 'affordable', with the rest offering fees within the premium or mid-market segment<sup>387</sup>. With three new private schools established during the 2019-20 academic year, Dubai has continued to witness overcapacity in the premium market segment. Even schools ranked 'Outstanding' in the Emirate had approximately 7.9% extra capacity available, while in uninspected schools, unutilized capacity stood at 41.5% according to the KHDA<sup>388</sup>. This has been a direct consequence of the high supply of premium schools, coupled with factors such as families moving back home to avail free schooling, or shifting their children to more affordable schools<sup>389</sup>. However, schools have been introducing newer models to offer affordable schooling. For instance, some schools across Dubai are taking initiatives to provide competitive fee structures through cost reduction measures such as shared resources, streamlining recruitment processes, and cutting back on the use of external services<sup>390</sup>. The UAE, wherein private school tuition is among the highest in the world, is also working on its 'affordable schools PPP initiative' launched in 2018. The country has four new affordable private schools slated to open in Abu

<sup>379</sup> Source: "The Future of Jobs Report 2018", World Economic Forum, World Bank

<sup>380</sup> Source: "Why computer occupations are behind strong STEM employment growth in the 2019–29 decade", US Bureau of Labor Statistics, January 2021

<sup>381</sup> Source: "Pearson highlights emerging trends that will shape education sector in 2019", Pearson, April 9, 2019

<sup>382</sup> Source: "Let's talk about STEM", Gulf News, February 18, 2019

<sup>383</sup> Source: "Let's talk about STEM", Gulf News, February 18, 2019

<sup>384</sup> Source: Education and Vision 2021, UAE Government Website

<sup>385</sup> Source: National Higher Education Strategy 2014–2024, Higher Education Council

<sup>386</sup> Source: The National Strategy for Education 2040, Education Council - Oman

<sup>387</sup> Source: "Dubai needs greater transparency on real estate supply", Gulf News, July 9, 2019

<sup>388</sup> Source: "KHDA: Dubai School Market Hits 8.45 billion AED", Which School Advisor, January 2020

<sup>389</sup> Source: "Parents being priced out of new Dubai schools – report", Arabian Business, June 14, 2019

<sup>390</sup> Source: "How Dubai schools can offer good education 'without the bells and whistles'", The National News, October 12, 2019

Dhabi by end of 2021<sup>391</sup>. In June 2019, the Saudi MoE also set a ceiling on fees for international schools, in its bid to curb the extensive annual fee increases across schools in the Kingdom, and ease the fee burden on parents<sup>392</sup>.

The need for affordable schooling has been further exemplified in the wake of COVID-19 and its consequent economic repercussions. In response, several schools and higher education institutes have started offering heavy fee discounts to ease the burden on families struggling due to job losses or pay cuts. A number of schools in the UAE announced blanket discounts ranging from 15% to 50%<sup>393</sup>. Similarly, many private schools in Saudi Arabia also initiated fee reductions<sup>394</sup>, with a private schools association in the Tabuk region announcing fee reductions of 50% by 186 private schools due to pandemic-induced disruption<sup>395</sup>. The Kuwaiti government directed private schools to lower tuition fees by 25% for the new academic year<sup>396</sup>. The adoption of distance learning and higher integration of technology as a medium of instruction will push premium schools to re-evaluate their pricing policies and adopt new strategies to maintain their position in the highly competitive education market.

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<sup>391</sup> Source: "4 new affordable schools to open in Abu Dhabi", Zawya, August 27, 2020

<sup>392</sup> Source: "Saudi Arabia sets fees ceiling for international schools", Zawya, June 10, 2020

<sup>393</sup> Source: "Coronavirus: more Dubai and Abu Dhabi schools cut fees". The National News, April 10, 2020

<sup>394</sup> Source: "News 24 | Private schools initiate and reduce tuition fees by up to 50%", Saudi 24 News, May 3, 2020

<sup>395</sup> Source: "186 schools in Tabuk cut fees by half", Saudi Gazette, August 18, 2020

<sup>396</sup> Source: "Private schools told to reduce tuition for new academic year by 25%", Saudi Gazette, July 29, 2020

## 8. Merger and Acquisition (M&A) Activities

**Larger operators are looking for tuck-in acquisitions to expand geographic presence; Likely to witness high interest in acquiring EdTech platforms amid the pandemic**

The GCC education sector recorded robust M&A activity over the last two years, with several nations strongly advocating privatization and opening up the sector for foreign ownership. While the region recorded a handful of cross-border acquisitions, there were several intra-regional deals as larger operators are looking for tuck-in acquisitions to expand geographic presence and increase market share. Overall, education segments in Bahrain, Saudi Arabia and the UAE have offered the most opportunities in the region (see Exhibit 50) over the last two years. Going forward, deal activity is likely to intensify as smaller operators continue to face financial distress caused by the COVID-19 pandemic. Moreover, rising competition coupled with an oversupply situation in many GCC nations is expected to lead to consolidation in the sector. The region is likely to show high interest in acquiring stakes in EdTech platforms as the pandemic has necessitated distance learning and adoption of digital technology to remain competitive.

**Exhibit 50: Major M&A Deals in the GCC Education Industry**

Acquirer	Acquirer's Country	Target	Target's Country	Year	Consideration (US\$ Million)	Percent Sought (%)
Cognita	UK	Horizon English School	UAE	2021	N/A	N/A
Library21 MEA Holdings Ltd. (formerly Coded Minds)	UAE	Inspirational Development Group Ltd.	UK	2020	N/A	100
GFH Financial Group	Bahrain	AMA International University	Bahrain	2020	~100.0	N/A
GFH Financial Group	Bahrain	Athena Private School	Bahrain	2020	N/A	N/A
Taleem REIT Fund	Saudi Arabia	Al Ghad National Schools (property)	Saudi Arabia	2020	24.5	N/A
National Company for Learning and Education	Saudi Arabia	Al-Khwarizmi Co. for Education	Saudi Arabia	2020	8.0	100
National Company for Learning and Education	Saudi Arabia	Al-Ghad National Schools	Saudi Arabia	2020	9.9	100
Library21 MEA Holdings Ltd. (formerly Coded Minds)	UAE	EdgeMakers STEM Learning Lab	US	2019	N/A	N/A
Omani Society for Educational Technology	Oman	Nadrus.com FZ LLC	UAE	2019	N/A	100
AlKhabeer Capital	Saudi Arabia	Capital School	UAE	2019	N/A	100
AlKhabeer Capital	Saudi Arabia	Al-Aziziyah Private School	Saudi Arabia	2019	N/A	100
AlKhabeer Capital	Saudi Arabia	Tanmiyah School	Saudi Arabia	2019	N/A	90
CVC Advisers Ltd.	UK	GEMS Education	UAE	2019	N/A	30
GEMS Education (JV with Hassana Investment)	UAE	Ma'arif Education and Training Holding Co.	Saudi Arabia	2019	400.0	100
Cairo for Real Estate and Investment (CIRA)	Egypt	Starlight Education	UAE	2019	N/A	60

Source: Thomson Reuters Eikon

Note: \*Deals pending completion (as on March 14, 2021)

## 9. Annexure – Fee Structure in the GCC

The tuition fee across GCC private schools and colleges varies widely based on the curriculum offered. Fees charged by international schools offering British, American and IB curricula are the highest. Private schools providing primary to secondary education based on American curriculum charge an annual tuition fee in the range of US\$ 9,706 to US\$ 28,178 (see Exhibits 51 and 52). On a comparative note, the tuition fee charged by private schools offering Indian and Arabic curriculum is relatively lower. To combat the shifting market dynamics and remain competitive in the wake of COVID-19, several schools and higher education institutes have started offering heavy fee discounts. A number of schools in the UAE have announced blanket discounts ranging from 15% to 50%<sup>397</sup>.

**Exhibit 51: Tuition Fee Structure of Select Schools in the GCC (Section 1)**

School Name	Curriculum	Annual Fee Range (US\$)	
		Pre-primary	Primary & Secondary
UAE			
Al Ain Academy (Aldar Academies)	British	10,781 - 11,154	11,154 - 16,149
GEMS World Academy	British	17,899 - 22,391	22,391 - 31,070
GEMS Dubai American Academy	American	16,658	23,484
West Yas Academy	American	14,285	14,845 - 17,227
Emirates International School - Meadows	IB	7,297 - 9,576	9,576 - 21,640
Regent International School (Fortes Education)	IB	12,352	14,411 - 26,084
Indian High School, Dubai	Indian	1,007 - 1,013	1,504 - 2,849
Delhi Private School, Dubai	Indian	2,804	3,089 - 3,925
Saudi Arabia			
British International School of Al Khobar	British	9,332 - 13,090	13,090 - 18,188
Dhahran British Grammar School	British	7,993 - 17,537	17,537 - 18,186
Dhahran Elementary Middle School	American	17,537	14,839 - 16,086
American International School Riyadh	American	11,227 - 24,850	24,850 - 28,178
Rowad Al Khaleej International School – Mughrizat	IB	8,104 - 8,530	8,530 - 9,597
Jeddah Knowledge International School	IB	8,938 - 9,318	12,076 - 16,275*
Daratassalam International Delhi Public School	Indian	2,346 - 2,490	2,490 - 4,852
Qatar			
Newton International School	British	5,809 - 8,020	8,940 - 10,053
American School of Doha	American	9,476 - 15,802	15,802 - 20,550
Doha Modern Indian School (Taleb Group)	Indian	2,576	3,129 - 5,004
Birla Public School	Indian	1,703	2,197 - 3,435
Oman			
The British School-Muscat	British	7,656 - 8,371	12,845 - 23,183
The American International School of Muscat	American	13,377 - 21,430	21,430 - 25,897
Azzan Bin Qais International School (ABQIS)	IB	5,325 - 5,650	7,338 - 12,079

Source: Respective websites of schools

Notes: Fees are pertaining to the latest available data on the school websites; \*The range includes fees for both girls and boys schools; The above fees are converted from the local currency to US\$ using the exchange rate as on March 14, 2021

<sup>397</sup> Source: "Coronavirus: more Dubai and Abu Dhabi schools cut fees". The National News, April 10, 2020

#### Exhibit 52: Tuition Fee Structure of Select Schools in the GCC (Section 2)

School Name	Curriculum	Annual Fee Range (US\$)	
		Pre-primary	Primary & Secondary
Kuwait			
Kuwait English School	British	6,118 - 9,789	11,211 - 15,543
Kuwait American School	American	5,807 - 6,459	9,706 - 11,528
Indian Community School	Indian	1,124	1,250 - 1,614
Bahrain			
St. Christopher's School	British	8,322 - 10,891	10,891 - 20,319
The British School of Bahrain	British	7,582 - 9,642	9,642 - 19,619
Riffa Views International School	American	9,547 - 12,994	12,994 - 24,398
Bahrain Bayan School	IB	9,923	10,425 - 13,031
New Millennium School, DPS	Indian	2,641	2,641 - 4,559

Source: Respective websites of schools

Notes: Fees are pertaining to the latest available data on the school websites; The above fees are converted from the local currency to US\$ using the exchange rate as on March 14, 2021

Colleges and universities in the region charge fees for the undergraduate and graduate programs based on the credit hours earned or subjects (see Exhibit 53).

#### Exhibit 53: Fee Structure of Select Colleges and Universities in the GCC

College/University	Type of Courses	Fee Range (US\$)
The AMA International University (Bahrain)	General and MBA	137 – 232 per credit unit
Ahlia University (Bahrain)	Undergraduate Programmes / Postgraduate Programs	44,656 / 18,721 per year
Majan College (Oman)	ACCA and Post Graduate Programs	9,936 – 11,455 per year
American University of Kuwait	Undergraduate Program and Computer & Electrical Engineering	694 – 761 per credit hour
Qatar University	Undergraduate Programs / Graduate Programs	220 – 275 per credit hour / 412 – 549 per credit hour
Al Yamamah University (Saudi Arabia)	Undergraduate Programs / Graduate Programs	14,662 – 17,328 per year / 40,306 – 52,516 per year
Al Ghurair University (UAE)	Undergraduate Programs / Post Graduate Programs	327 – 422 per credit hour / 681 per credit hour
University of Wollongong in Dubai (UAE)	Undergraduate Programs/ Postgraduate Programs	63,472 – 75,016 per year/ 2,144 – 2,491 per year*
American University in Dubai (UAE)	Undergraduate Programs/ Graduate Programs	1,086 per credit hour / 1,086 – 1,143 per credit hour

Source: Respective websites of colleges and universities

Notes: Fees are as per the latest available data on the school websites; The above fees are converted from the local currency to US\$ using the exchange rate as on March 14, 2021; \*Total number of subjects in the programs ranges between 10 to 17; ACCA stands for Association of Chartered Certified Accountants

# Country Profiles



## Saudi Arabia

### Key Growth Drivers

- **Population:** In 2019, Saudi Arabia's population stood at 34.1 million and it is expected to reach 36.9 million by 2023, growing at a CAGR of 1.6%. The K-12 school-age population accounted for ~23% of the total in 2019 and is projected to grow at a CAGR of 1.7% to reach 8.7 million by 2023. The demand for education will continue to surge as a result of increase in school-age population.
- **Government Support:** The government allocated 18.8% of its budget, equating to US\$ 49.6 billion, towards the sector in 2021, the highest among the GCC nations. Moreover, the government has introduced several initiatives to strengthen the education sector, such as establishment of Saudi Digital Library and the National Transformation Programme (NTP) 2020 which aims to enhance student enrolment in private higher education and impart education inclusive of expatriate children.
- **Increasing Private Sector Participation:** The government is stepping up private sector participation in education projects by collaborating with private players. In 2019, the Saudi Cabinet passed a regulation, which permits foreign universities to set up branch campuses in the Kingdom. According to Colliers International, private education demand would double by 2030, requiring an additional 800,000 seats across the Kingdom.

### Recent Industry Developments

- In September 2020, Tatweer Building Co. announced that Aiyad Knowledge for Education & Training and Al Bawani Co. won the bid at SAR 86 million (US\$ 22.9 million) for Wave 1 schools (27 schools in Jeddah, 33 schools in Makkah) to be built under PPP.
- In June 2020, the General Department for International & Foreign Schools was established within the structure of the Private Education Agency to encourage private players to invest and operate special education schools in the Kingdom.
- In January 2020, Al Motaqadimah Schools signed five partnership agreements with SAMA and others for SAR 2.9 billion (US\$ 0.8 billion) that includes establishment of 58 educational institutions worth SAR 1.4 billion (US\$ 0.4 billion).
- In October 2019, Saudi Cabinet passed the new Universities law which included a new mechanism that allows for greater autonomy of universities.

### Macro-economic Indicators

Indicator	Unit	2019	2020E	2023F
GDP growth at current prices	%	0.8	-14.1	4.7
GDP per capita at current prices	US\$	23,266.5	19,586.5	22,061.2
Population	mn	34.1	34.8	36.9
Inflation	%	-2.1	3.6	2.0

Source: IMF

Note: E – Estimated, F – Forecasted

### Number of Students

Indicator	2017	2018	2019	CAGR (2014-19)
Pre-primary	373,862	382,601	390,099	5.0%
Primary and Secondary	6,269,013	6,407,172	6,549,947	-0.7%
Tertiary	1,680,913	1,620,491	1,653,069	2.0%

Source: UNESCO, General Authority for Statistics (Saudi Arabia)

### Key Operators

Company	Type
Arrowad Educational	Owns and operates schools
Ataa Educational Company	Owns and operates schools
International Schools Group	Owns and operates schools
Ma'arif For Education and Training	Owns and operates schools
National Company for Learning & Education	Owns and operates schools

## UAE

### Key Growth Drivers

- **Population:** The UAE's total population is expected to reach 12.1 million by 2023 from 10.7 million in 2019, growing at a CAGR of 2.5%. The K-12 school-age population accounted for ~11.0% of the total population in 2019 and is expected to grow at a CAGR of 0.9% to reach 1.3 million by 2023. A steady rise in school population will augur demand for education.
- **Government Support:** The government increased the education budget allocation to 15.7%, equating to US\$ 2.7 billion (AED 9.8 billion) in 2021, higher than the 14.8% earmarked for 2020. In 2019, the government allocated US\$ 408 million to develop a 'new generation' of Emirati schools which will include laboratories for artificial intelligence (AI), sports facilities, etc., alongside a plan to transform the Higher Colleges of Technology in Fujairah into economic zones. Moreover, the nation's 'Education 2020' strategy comprises of 50 initiatives set to transform the education system and enable university-level students to compete in global markets.
- **Increase in Private Schools:** The number of private schools in the country increased to 643 in 2019 from 580 in 2018. The rise in the number of private schools is driven by the demand for quality education institutes in the country.
- **High Demand from International Students:** The country is fast emerging as an educational hub for international students. The large expatriate population has also resulted in increased demand for private elementary and secondary schools offering various international curriculums in the UAE.

### Recent Industry Developments

- The UAE's MoE plans to implement an AI-powered platform, called 'Alef', across 196 schools in Dubai, Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah, and Fujairah to overcome the challenges faced in distance learning and help adopt the latest innovations in digital education including AI and big data.
- In September 2020, ADEK announced that the first GCC campus of 42 Network, a renowned coding and computer programming school, will be open in the UAE's capital in 2021.
- In June 2020, two of Sharjah's biggest American curriculum schools - American School of Creative Science at Al Layyah and at Maliha road announced they would merge temporarily for operational efficiency.

### Macro-economic Indicators

Indicator	Unit	2019	2020E	2023F
GDP growth at current prices	%	-0.3	-16.0	4.7
GDP per capita at current prices	US\$	39,179.9	31,947.9	33,657.1
Population	mn	10.7	11.1	12.1
Inflation	%	-1.9	-1.5	2.0

Source: IMF

Note: E – Estimated, F – Forecasted

### Number of Students

Indicator	2017	2018	2019	CAGR (2014-19)
Pre-primary	182,889	188,282	193,668	3.1%
Primary and Secondary	875,411	885,367	905,663	2.4%
Tertiary	137,255	136,861	131,448	0.5%

Source: UNESCO, MoE (UAE)

### Key Operators

Company	Type
Academia Management Solutions International	Owns and operates schools
Aldar Academies	Owns and operates schools
Amanat Holdings PJSC	Holding Co. with interests across education and healthcare
Evolve Knowledge Investments	Owns and operates schools
Emirates International School	Owns and operates schools
Fortes Education	Owner of chain of schools
GEMS Education	Operator of a chain of schools
Innoventures Education	Owns and operates schools
Murdoch University Dubai	Private university
Skyline University	Private university

## Oman

### Key Growth Drivers

- **Population:** Oman's population is estimated to reach 4.7 million by 2023 from 4.2 million in 2019, growing at a CAGR of 2.3%. The K-12 school-age population accounted for ~19.0% of total population in 2019, and is expected to reach 0.9 million by 2023, growing at a CAGR of 2.9%. The growing school-age population will continue to fuel demand for education in the country.
- **Government Support:** In 2021, the government allocated 17.0% of the budget, equating to US\$ 4.6 billion (OMR 1.8 billion), towards the education sector. It has also undertaken a project worth US\$ 87 million to construct 20 schools across the country offering Indian and Pakistani curriculum. Additionally, the government's 'National Strategy for Education 2040' aims to strengthen education at different levels in the Sultanate. The MoE, in cooperation with UNESCO, also plans to introduce education policies that are aligned with the Sustainable Development Goal 4 (SDG4) – Education 2030.
- **Growth in Private School Market:** In 2018, the total numbers of private schools in the country stood at 636 as compared to 468 schools in 2014, exhibiting an annualized growth of 8.0%. Enrolments in private schools grew at a CAGR of 4.3% between 2014 and 2019. The rising number of enrolments will largely drive the growth of the private school market.

### Recent Industry Developments

- Amid temporary school closures due to the pandemic, the government introduced access to Google Classroom for grades 5 to 12, and digital educational platform for first grade students in collaboration with Omantel and Google.
- In November 2020, Oman's MoE entered into a MoU with BP Oman for digitisation of curriculum for grade 1–12.
- In September 2020, the Ministry of Higher Education, Research and Innovation signed a cooperation agreement with Public Establishment for Industrial Estates (Madayn) to enhance cooperation across various fields serving areas such as education, scientific research and innovation.
- In August 2020, the MoE collaborated with the National Bank of Oman to introduce an e-Library platform.
- In August 2019, the MoE offered funding of US\$ 9.8 million to add facilities in around 27 schools, in addition to US\$ 87 million deployed for development of 20 schools.

### Macro-economic Indicators

Indicator	Unit	2019	2020E	2023F
GDP growth at current prices	%	-4.3	-18.4	5.3
GDP per capita at current prices	US\$	18,198.3	14,423.4	16,126.3
Population	mn	4.2	4.3	4.7
Inflation	%	0.1	1.0	2.8

Source: IMF

Note: E – Estimated, F – Forecasted

### Number of Students

Indicator	2017	2018	2019	CAGR (2014-19)
Pre-primary	78,019	79,246	87,956	5.0%
Primary and Secondary	679,771	701,185	726,623	3.0%
Tertiary	121,289	119,722	119,184	0.1%

Source: UNESCO, NCSI (Oman)

### Key Operators

Company	Type
Azzan bin Qais International School	School
Middle East College	Higher education institute
Oman Education and Training Investment Company	Education services

## Kuwait

### Key Growth Drivers

- **Population:** Kuwait's total is projected to reach 5.3 million by 2023 from 4.8 million in 2019, growing at a CAGR of 2.0%. The K-12 school-age population accounted for ~16.7% of the total population in 2019 and is estimated to reach 0.8 million by 2023, growing at a CAGR of 1.5%. This will fuel demand for educational services in the country.
- **Government Support:** The government allocated US\$8.7 billion for education in the fiscal year 2020–2021, 12.3% of the country's total budget. In light of the COVID-19 crisis, the government also spent US\$ 1.4 billion for building facilities for e-learning programs and online learning platforms which also included US\$ 882 million to develop old schools and new facilities. Moreover, Kuwait's 'National Development Plan 2035', places a strong focus on developing human capital and seeks to overhaul the education sector to better meet the employment needs of the private sector. Moreover, the country has undertaken a policy of nationalizing up to 25% of teaching jobs each year with the aim of making all public sector staff Kuwaiti by 2022.
- **Growth in Private Education Market:** The total numbers of private schools in the country increased to 537 in 2018 from 489 schools in 2014. The share of private schools of the total has increased from 37.6% in 2014 to 39.3% in 2019. Increasing number of private players offering international curriculums coupled with HEIs introducing a variety of advanced courses is expected to boost the sector.

### Recent Industry Developments

- In January 2021, the State Audit Bureau revealed that the MoE spent over KWD 64 million (US\$ 211.1 million) to introduce e-learning as part of the education system in Kuwait.
- In October 2020, the MoE selected Microsoft Teams and Office 365 for the roll-out of an online learning platform for 400,000 educators and students. The platform is expected to offer discussion, content, assignments, and apps.
- In August 2020, China-based 'Huawei', in cooperation with Kuwait Foundation for the Advancement of Sciences (KFAS), launched a new version of its educational programme 'Seeds for the Future 2020' with an aim to develop the ICT skills of Kuwaiti youth and promote knowledge transfer.

### Macro-economic Indicators

Indicator	Unit	2019	2020E	2023F
GDP growth at current prices	%	-3.8	-19.7	4.9
GDP per capita at current prices	US\$	28,499.8	22,252.4	24,250.8
Population	mn	4.8	4.9	5.3
Inflation	%	1.1	1.0	2.5

Source: IMF

Note: E – Estimated, F – Forecasted

### Number of Students

Indicator	2017	2018	2019	CAGR (2014-19)
Pre-primary	81,135	78,830	75,989	-1.5%
Primary and Secondary	572,154	583,184	586,929	2.2%
Tertiary	116,742	116,336	117,945	2.2%

Source: UNESCO, Central Statistical Bureau (Kuwait)

### Key Operators

Company	Type
Educational Holding Group	Owns and operates schools
Humansoft Holding Company KSCP	Owns and operates schools

## Qatar

### Key Growth Drivers

- **Population:** While Qatar's overall population is expected to stagnate between 2019 and 2023, the K-12 school-age population is projected to grow at a CAGR of 1.6%. The school-age population accounted for ~12.8% of the total population in 2019 and is estimated to grow at a CAGR of 1.8% between 2019 and 2023. This augments well for student enrolments and presents an opportunity for the private sector players to serve and expand their portfolio of educational services in Qatar.
- **Government Support:** The government allocated US\$ 4.8 billion (QAR 17.4 billion) to boost the education sector in 2021, nearly 8.9% of the total budget. Furthermore, it plans to develop 45 schools under the PPP framework, divided into six phases, each consisting of 6-8 schools. The initiative is aligned with Qatar's 'National Vision 2018-22', which emphasises on increasing participation of private sector in education.
- **Growth in Private School Market:** The total numbers of private schools in the country reached 277 in 2018 from 203 schools in 2014, exhibiting an annualized growth of 8.1%. Enrolments in the private schools grew at a CAGR of 7.0% between 2014 and 2019. The rising number of enrolments will largely drive the growth of the private school market.

### Recent Industry Developments

- For the first semester of academic year 2020-21, the MOEHE in collaboration with the Ministry of Public Health has adopted the blended learning approach which involves a combination of online learning and class-room based lessons for all stages across the public and private schools and HEIs.
- In January 2021, a staggered system of attendance was introduced, with 50% students alternatively attending school for one week and studying through distance learning platforms for the next week.
- In November 2020, the MOEHE approved to reopen 44 education and training centres offering tuition, computer, and other training courses for 2020-21 under gradual lifting of COVID-19 restrictions on education facilities.
- In September 2020, under the first PPP endeavour in Qatar's education sector, local firm Barwa Real Estate Group signed an agreement with Ashghal to develop eight schools in the country.

### Macro-economic Indicators

Indicator	Unit	2019	2020E	2023F
GDP growth at current prices	%	-4.1	-16.0	4.3
GDP per capita at current prices	US\$	62,918.8	52,751.1	61,365.2
Population	mn	2.8	2.8	2.8
Inflation	%	-0.6	-2.2	2.5

Source: IMF

Note: E – Estimated, F – Forecasted

### Number of Students

Indicator	2017	2018	2019	CAGR (2014-19)
Pre-primary	47,712	48,411	49,085	5.4%
Primary and Secondary	249,460	261,445	276,478	6.1%
Tertiary	31,277	33,668	34,941	6.7%

Source: UNESCO, MoE (Qatar)

### Key Operators

Company	Type
Artan Holding	Educational Institutes
Newton International School	Owns and operates schools
Taleb Group	Owns and operates schools

## Bahrain

### Key Growth Drivers

- **Population:** Bahrain's overall population is projected to reach 1.6 million by 2023, growing at a CAGR of 1.3% over the last five years. The K-12 school-age population accounted for ~18% of the total population in 2019 and is projected to grow at a CAGR of 6.0% to reach 0.4 million by 2023. An increase in school-age population will increase student enrolments.
- **Government Support:** The government allocated US\$ 872.0 million, nearly 9.8% of the country's budget in 2020. The government's 'National Higher Education Strategy 2014-24' focuses on improving the quality of education through private sector participation. Bahrain also adopted a new infrastructure model for public schools that is based on international standards and is equipped with all the latest educational requirements.
- **Growth in Private School Market:** The total number of private schools in the country increased to 265 in 2018 from 222 schools in 2014. The share of private schools of the total has increased from 51.9% in 2014 to 55.6% in 2019. Surging demand for private education by nationals and expatriates is poised to increase private sector participation.

### Recent Industry Developments

- In May 2020, the MoE ordered private institutions to reduce their fees by 65%, wherein 73 out of 76 schools agreed to reduce or postpone the fees, taking into consideration the financial strain on parents caused due to COVID-19.
- In May 2020, Bahrain's MoE collaborated with Microsoft to accelerate its e-learning strategy and make the transition to remote education in the country. The effort has enabled public schools with free access to Office 365, including Microsoft Teams for students, teachers, and faculty to connect and learn.
- In March 2020, the government took measures to transition to online learning amid school closures due to COVID-19 by partnering with Amazon Web Services (AWS) to power the online portal for students all over Bahrain.
- In 2019, Bahrain's Ministry of Works announced completion of US\$ 28.7 million Shaikha Mooza bint Hamad Al Khalifa's Primary and Secondary Girls School in Jau. The project was a Bahrain-Saudi Arabia joint venture between Al Moayed and Nasma Contracting Co.

### Macro-economic Indicators

Indicator	Unit	2019	2020E	2023F
GDP growth at current prices	%	2.4	-10.2	4.8
GDP per capita at current prices	US\$	25,997.6	22,877.6	25,060.4
Population	mn	1.5	1.5	1.6
Inflation	%	1.0	0.0	2.2

Source: IMF

Note: E – Estimated, F – Forecasted

### Number of Students

Indicator	2017	2018	2019	CAGR (2014-19)
Pre-primary	34,055	34,585	34,355	0.9%
Primary and Secondary	211,203	212,904	217,822	2.4%
Tertiary	42,717	44,940	47,193	4.4%

Source: UNESCO, MoE (Bahrain)

### Key Operators

Company	Type
Ahlia University	Private university
Britus Education	Owns and operates schools



# Company Profiles

### Company Description

Established in 1979, Academia Management Solutions International (AMSI) has experience of over 30 years in operating schools and providing education solutions. Lead by an international advisory board, AMSI offers a comprehensive set of solutions ranging from turnkey solutions, feasibility studies, school management services, and consulting services in different areas to investors and academic enterprises. More than 7,000 students have graduated from AMSI managed schools and the university has provided education to over 250,000 students.

### Business Segments/Services Portfolio

- **Al Mawakeb:** Al Mawakeb is a group of three schools located in Dubai that provide comprehensive university preparatory education to students of all backgrounds and nationalities. Although, the medium of instruction is English, the schools offer a tri-lingual teaching program to their students including English, French and Arabic languages from K-12.
- **Al Mawakeb Al Garhoud** – Launched in 1979, the school is internationally recognised for its advanced e-learning curriculum and is also well-known for its university placement program.
- **Al Mawakeb Al Barsha** – Launched in 1997, the school offers state-of-the-art facilities catering to 2,500 students and is also recognised for its advanced e-learning curriculum and placement program.
- **Al Mawakeb Al Khawaneej** – Launched in 2018, the school offers American Curriculum and is accredited by the New England Association of Schools and Colleges (NEASC).
- **The International School of Arts & Science (ISAS):** Founded in 2007, the school offers American curriculum that is based on the California State Standards but is also structured to integrate UAE curricula. It provides a co-educational and international English language-learning environment for students from KG to grade 12. ISAS offers programs in the fields of Pre-Engineering, Pre-Medicine, Pre-Communication, Pre-Business and Pre-ICT studies along with advanced courses in ICT including Cisco Certified Network Associate, robotics and AP computer courses. The school is fully accredited by NEASC and the facilities and services provided at the school include laboratories, workshops, e-services, libraries, music rooms, visual arts and science centre, interactive classrooms, document management centre and recording studio.
- **The International School, Al Koura, Lebanon:** Founded in 1985, the school provides an International Curriculum to cater to the growing population of Lebanese students from KG to grade 12, who wish to study in an international schooling system. The campus is spread over an area of 43,000 sq m and the school is equipped with two science labs, two computer labs, one conference room, one multipurpose room, four art rooms, a senior lounge and a music room.

### Recent Developments/Future Plans

- AMSI recently signed an MOU with Maven Partners as its trusted recruitment partner.
- AMSI signed an MOU with Tes Global, which enabled AMSI teachers enrolled in the Tes Global 'The License to Teach programme' to meet KHDA's requirements for Teacher Licensing in Dubai.
- AMSI Schools, Al Mawakeb and ISAS are the first K-12 schools in the world to launch digital academic records for their students and graduates on the blockchain.

## Ahlia University (Privately Owned)

Bahrain

### Company Description

Founded in 2001, Ahlia University (AU) is an autonomous institution that offers higher education in the Kingdom of Bahrain and the Gulf region. The university operates five colleges which together cater to 2,500 students. AU offers 17 programs with 450 electives at Bachelor's, Master's and PhD levels along with remedial classes for Maths and English. The university is accredited by the Bahrain's Higher Education Council and is also recognised by distinguished universities in the UK and the US. The colleges under AU support and conduct research in their respective fields with a focus on areas of Entrepreneurship, Islamic Banking and Finance, Information and Communication Technology and community-based research. In 2018, AU was ranked among the top 50 universities in the Arab world and it continues to hold its top position at present.

### Business Segments/Services Portfolio

- **College of Arts & Science:** This college offers Bachelor's and Master's degree in Mass communication and Public Relations and a Bachelor's degree in Interior design. It has five departments for Arabic and General Studies, Foreign Languages, Interior Design, Mass Communication and Public Relations and Mathematical Sciences.
- **College of Business and Finance:** Established in 2003, the college offers five undergraduate and three post-graduate degree in fields of Economics, Accounting, Finance, Management, Marketing and Management Information System. The Masters of Science Degree in Engineering Management and PhD program are offered by college in collaboration with the George Washington University in USA and the Brunei University in London respectively. The college is also associated with leading professional bodies such as Chartered Institute of Marketing (CIM), Association of Chartered Certified Accountants (ACCCA) and Chartered Institute of Management Accountants (CIMA) which offer benefits to students such as exemption from modules and papers. It has four departments, each for Accounting and Economics, Banking and Finance, Management and Marketing and Management Information Systems.
- **College of Engineering:** This college offers four-year Bachelor's degree programs in Computer and Communication Engineering; and in Mobile and Network Engineering. The programmes offered by the college have received full confidence status by the Bahrain Quality Assurance (BQA) and are placed on National Qualification Framework at level 8. It has two departments one for Computer Engineering and the other for Telecommunication Engineering.
- **College of Information Technology:** Founded in 2001, the college offers four degree programs, namely Bachelor's Degree in Information Technology, Bachelor's Degree in Multimedia Systems, Master's Degree in Information Technology & Computer Science and Brunel PhD without residency. The programs offered have received full confidence by the BQA and are validated by the National Qualification Framework. It has two departments – Department of Information Technology and Department of Multimedia Science.
- **College of Medical & Health Sciences:** This college offers four-year Bachelor's Degree in Physiotherapy which has achieved full confidence status by the National Qualification Framework. It has only one department for Physiotherapy.
- **Centres:** AU has six centres of which the Ahlia Centre for Entrepreneurship was established in February 2017 as an initiative to support entrepreneurship within the university and in Bahrain at large. AU's Centre for Statistical Analysis aims to enhance Social Science, IT and Engineering research through various training courses offered in Data Analysis.

### Recent Developments/Future Plans

- AU received recognition in the Times of Higher Education for the year 2020. The university was ranked first locally, second in the GCC, third in the Arab world, and 105<sup>th</sup> globally in the Quality of Education Index.
- In February 2020, AU topped the Arab League as the most cited university for its professors and researchers.

## Aldar Academies (Privately Owned)

UAE

### Company Description

Aldar Academies runs one nursery and seven academies across Abu Dhabi and Al Ain in the UAE, which provide education to children between the ages of 2-18 years old. The academy offers four leading curricula and wide range of extra-curricular activities to more than 7,500 students across its network of institutions. Aldar Academies is part of Aldar Education, which owns and operates 20 schools across the UAE, providing education to over 21,000 students. All the schools have been rated highly by ADEK. To date, Aldar Academies has invested more than US\$ 122.5 million in Abu Dhabi's education sector as part of its commitment to the UAE's 'Vision 2030'.

### Business Segments/Services Portfolio

- **The Pearl Academy:** Started in 2007 with a 247-student facility, it was the group's first school. The academy caters to students from nursery to year six under the English National Curriculum (ENC). The school has been accredited 'outstanding' by the British School Overseas (BSO), alongside its rating by ADEK.
- **Al Ain Academy:** Opened in 2011, the school provides education from nursery to year 13 under the ENC and also integrates the UAE curricula.
- **Al Bateen Academy (ABA):** Established in 2011, ABA caters to over 800 students from more than 65 nationalities from FS2 until year 13 (primary and secondary). It offers the International Baccalaureate Primary Years Program for students in the primary segment and then follows the ENC in years 7 to 9. In years 10 and 11, students complete their International General Certificate of Secondary Education (IGCSE) qualification and later in years 12 and 13, the school offers the IB Diploma Program (IBDP).
- **Al Mamoura Academy:** Started in 2016, it is a co-educational primary (nursery to year 6) and girls' only senior school (year 7 to 13) which follow the ENC. The school's primary year students receive automatic placement to Al Bateen Academy when they progress to secondary school.
- **Al Muna Academy:** Opened in 2009, the school caters to approximately 600 students from nursery to year 6 and provides the ENC curriculum.
- **Al Yasmina Academy:** Founded in 2008, the school offers education to more than 1,800 students from over 70 nationalities. It caters to pupils from nursery until year 13 and offers the ENC along with more than 60 extra-curricular activities. The school was rated 'outstanding' by both ADEK and BSO in their assessment.
- **West Yas Academy:** Founded in 2016, the school is first in Aldar Academies' network to provide an American Massachusetts curriculum. It caters to students from more than 40 nationalities and provides education from KG1 to grade 11. Accredited by the NEASC, it also offers over 60 extra-curricular activities and has an average class-size of 24 students.
- **Al Forsan Nursery:** Opened in 2018 and located within the Al Forsan International Sports Resort in Abu Dhabi, Al Forsan nursery offers the ENC with hybrid learning module to children aged 2 to 4 years.

### Recent Developments/Future Plans

N/A

## Amanat Holdings PJSC (Publicly Listed)

UAE

### Company Description

Amanat Holdings PJSC (Amanat) is a UAE-based healthcare and education investment company with operations across the GCC. Their investment activity spans across three verticals, namely social infrastructure projects, platform investments, and corporate ventures. Their education portfolio include investments in schools and universities that provide K-12, higher education, vocational training, specialised training and online education, which together serve ~19,700 students.

### Business Segments/Services Portfolio

Investments by Amanat Holdings in the education sector are as follows:

- **Taaleem Holdings:** Founded in 2004, Taaleem's business activities include development and operation of early childhood, primary and secondary schools. Currently, Taaleem operates 13 schools in the UAE with a combined student enrolment of more than 13,748 students. The schools offer a range of international curricula, including IB, the UK national curriculum, American Curriculum and multi-lingual early childhood programs. Amanat holds a 21.7% stake in Taaleem.
- **Abu Dhabi University Holding Company (ADUHC):** Founded in 2003, ADUHC provides educational services through its subsidiaries, primarily in the private higher education sector in Abu Dhabi, Al Ain, Dubai and Al Dhafra region. In 2019, it had 7,500 students enrolled in its higher education institutions across the UAE and has trained over 170,000 individuals through its training solutions companies. ADUHC's portfolio includes the Abu Dhabi University, Knowledge Group, Khawarizmi International College and Training Solutions, and Fortune Properties. Amanat holds a 35% stake in ADUHC.
- **North London Collegiate School, Dubai (NLCS):** Opened in 2017, NLCS is a premium K-12 school offering the IB curriculum. Amanat has 100% ownership of the real estate assets of the college.
- **Middlesex University, Dubai:** Commencing operations in 2005 in the UAE, it has over 3,200 students from over 100 nationalities. The university offers undergraduate and postgraduate programs, and is the first and only university to offer face to face LLB Degree. Amanat holds 100% stake in the university.
- **BEGiN:** Founded in 2011, BEGiN is a US-based award-winning educational technology company that creates learning products. BEGiN's flagship program 'HOMER' is an early learning program for young children based on a comprehensive, research driven curriculum. Amanat invested AED 18.4 million (US\$ 5 million) in the company in October 2020.

### Recent Developments/Future Plans

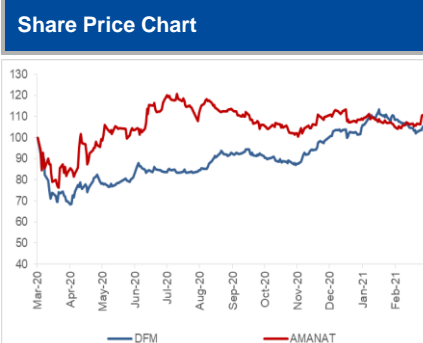
- In May 2020, Amanat announced a series of initiatives aimed at optimizing operations, identifying growth opportunities through its portfolio companies, and new regional investments.

Current Price (US\$) 0.23

Price as on March 04, 2021

Stock Details	
Thomson Reuters ticker	AMANAT
52 week high/low	0.3 / 0.2
Market Cap (US\$ mn)	571.7
Enterprise value (US\$ mn)	581.8
Shares outstanding (mn)	2,500

Source: Thomson Reuters



Source: Thomson Reuters

Valuation Multiples			
	2018	2019	2020
P/E (x)	88.6	108.5	40.3
P/B (x)	1.4	1.1	0.8
EV/S (x)	20.1	32.7	8.3
Dividend yield (%)	1.2	1.3	2.7

Source: Thomson Reuters

Financial Performance		
US\$ Million	FY 2018	FY 2019
Revenue	12.6	38.7
Operating Income	-14.7	-7.8
ROE (%)	1.8	2.0
ROAA (%)	1.7	1.9

Source: Company Financial Reports

Shareholding Structure	
Invest Bank	16.20%
Asset Management B.S.C.	10.00%
Emirates Investment Bank	8.72%
Others	65.08%
<b>Total</b>	<b>100.00%</b>

Source: Thomson Reuters

## Arrowad Group (Privately Owned)

## Saudi Arabia

### Company Description

Founded in 1990, Arrowad Group has presence in education, consultancy, training, quality assurance, information technology and media. The group focuses on developing human resources and improving quality of institutions providing services in the field, across the GCC region. Arrowad Educational and Arrowad for Higher Education are the two group companies that operate in the education sector. Arrowad schools have received various awards like Education Excellence, Outstanding Building, Saudization Award from national and international agencies. Arrowad International Schools are accredited by IGCSE from the University of Cambridge. Additionally, the schools are certified by the American Society for Supervision and Curriculum Development (ASCD) and Educational Testing Services (ETS) College Board. The schools have also received ISO Quality Management certificates from the International Organization for Standardization and achieved the first position for 7 years in a row in science clubs ranking across the Kingdom.

### Business Segments/Services Portfolio

- **Arrowad Educational:** Founded in 1990, the academy operates five schools and provides research and consulting services in areas of education, capacity building, and strategy planning.
  - **Arrowad International Schools:** Founded in 1999, the schools provide K-12 education and offer both the British and the American curriculum. The curricula also include courses in Arabic language and Islamic culture.
  - **Arrowad Schools in Abha:** Established in 2009, the schools offer the Saudi national curricula from the MoE. The schools have also won several prizes at the district level.
  - **Arrowad Schools in Buraydah:** Established in 2002, the schools provide education under the Saudi national curricula offered by the MoE.
  - **Arrowad Schools in Badaae:** Established in 2009, the schools follows the Saudi national curricula offered by the MoE.
  - **Arrowad Schools in Khamis Mushayt:** Established in 2005 in King Khalid Air Base, the schools provide the Saudi national curricula offered by the MoE.
- **Arrowad for Higher Education:** The academy has been established to serve the higher education market in Saudi Arabia. It was among the developers of 'AFAQ 2029 Higher Education Vision' of the Kingdom. The academy obtained approval from the MoE to establish three colleges offering bachelor's degrees in nine majors - 1) College of Engineering (Bachelor of Science in Civil Engineering, Architectural Engineering and Data Science); 2) College of Business Administration (Bachelor of Science in Islamic Banking and Finance, Marketing, Digital Marketing, Management Information Systems and Business Intelligence); 3) College of Law (Bachelor of Arts in Commercial Law, Civil Law and Foreign Investment Law)

### Recent Developments/Future Plans

N/A



## Artan Holding (Privately Owned)

Qatar

### Company Description

Artan Holding (AH) manages a diverse portfolio of businesses operating in industries such as real estate, facilities and property management, educational institutes, vocational training academy, architecture, interior design, temporary power and cooling solutions, and container depot and maintenance. The company's portfolio in education includes Doha British School, City University College, Qatar Skills Academy, Artan Consulting and Educational Services, Ulster University, and SI-UK. The company's portfolio in the other businesses include Mirage International Property Consultants, House of Architecture & Interiors, BN Designs, BN International Trading & Contracting, Prime Power, and Gulf CMS. Besides this, AH also provides marketing and communication services, IT services, and finance and accounts services.

### Business Segments/Services Portfolio

- **Doha British School:** Established in 1997 in Ain Khaled, the school offers the National Curriculum of England from pre-school until year 9 and later offers IGCSE, Business and Technology Education Council (BTEC), AS/A Level and IB Diploma for secondary education. The school's another branch located in Al Wakra was opened in 2015 and has a capacity of more than 450 students. The schools cater to students from more than 80 nationalities and have received accreditation from Qatar National School Accreditation, Council of International Schools, British Schools of the Middle East, and the British Schools Overseas.
- **City University College (CUC):** Established in 2018, CUC is a higher education institution that offers recognised UK degrees licensed by the MOEHE. CUC offers BTEC Higher National Diploma courses in general business, entrepreneurship, small business management, general computing and computing and applications development. It has partnered with Ulster University to offer International Foundation Diploma and BSc (Hons.) in Business Studies. Their other partnerships are with the British Council to provide International English Language Testing System (IELTS) courses, Qatar Skills Academy, and SI-UK to offer alternative routes to university and work, both for high-school students and employed people.
- **Qatar Skills Academy (QSA):** Established in 2010, QSA is a top performing International Air Transport Association (IATA) authorized workforce training solution provider that offers a number of courses to bridge the skills gap.
- **Artan Consulting and Educational Services (ACES):** ACES is a private education group which owns, manages, and operates educational institutions in Qatar. Services provided by ACES include corporate advisory, education management, and training and development.
- **Ulster University (UU):** UU operates its campus in Qatar in partnership with City University College. UU offers business courses such as the International Foundation program and BSc (Hons.) in Business Studies. Students also have the option to spend a semester abroad at Ulster's campus in Northern Ireland as part of the program at offer.
- **SI-UK:** SI-UK provides application assistance for students who wish to pursue higher education from a UK university. They provide application support at different levels of education and their services include - free consultation, premium service, Oxbridge, art and design, medicine, PhD, and UK Boarding School service. They also offer two varieties of IELTS courses - academic and general. SI-UK's offices in Middle East are located in Dammam, Doha, Istanbul, Ankara, Izmir, Atasehir and Denizli. In Qatar, its office is officially represented by City University College

### Recent Developments/Future Plans

- Doha British School plans to open a third school in Rawdat Al Hammama, Doha, by August 2021.
- Doha British School is also building a new school in Al Wakra, planned to open in 2022.

## Ataa Educational Company (Publicly Listed)

Saudi Arabia

### Company Description

Established in 1992, the company operates 13 educational campuses with a total area of 199,038 sqm in Riyadh, which provide K-12 education under the national and foreign curriculum, including American, British, Indian, French, and Egyptian. The company is also licensed to conduct IELTS in partnership with British Council and Cambridge Assessment English. The schools have a total of 1,685 classrooms with a combined capacity of more than 40,000 students. As a part of its growth strategy, Ataa Educational has acquired Badr Al-Ahlia Schools, Al-Uruba International Schools and Elite Educational Schools, and has merged six other schools in the company. In July 2019, the company got listed on the Tadawul Exchange, raising US\$ 93 million.

### Business Segments/Services Portfolio

Ataa Educational Company's portfolio includes seven schools that offer national curriculum and six schools that offer foreign curriculum:

Name of School (National Curriculum)	Number of Students	Name of School (Foreign Curriculum)	Number of Students
Al-Rowad Al Izdihar	3,119	New Middle East	4,719
Rowad Ishbilila	2,564	Modern Middle East	2,814
Al-Rowad, Rawabi	1,994	Middle East International	2,590
Rowad Al-Mansoura	1,731	Al-Oruba International	2,560
Rowad Al-Andalus	820	Sulaimaniya International	649
Nokhbha Al-Kharj	709	Rowad Ishbilila International	404
Al-Fikr	550		

### Recent Developments/Future Plans

- In January 2021, Ataa Educational signed a partnership agreement with Riyadh-based Al Wasat National Schools for Training and Education Company to acquire 52% ownership in exchange for a land provided by Ataa and represented in the transfer of land ownership for Al Wasat National Schools.
- In May 2020, Ataa Education terminated their proposed acquisition deal of Riyadh-based Al-Falah schools.
- In October 2019, a partnership was signed by Ataa to sponsor the National Olympiad competition for scientific creativity.

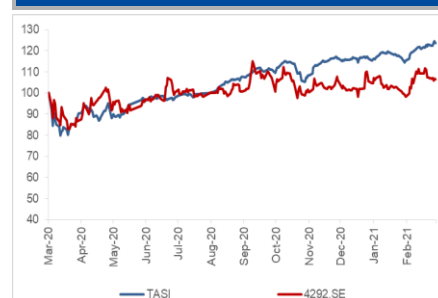
Current Price (US\$) 10.62

Price as on March 04, 2021

Stock Details	
Thomson Reuters ticker	4292.SE
52 week high/low	12.2 / 8.1
Market Cap (US\$ mn)	424.8
Enterprise value (US\$ mn)	527.7
Shares outstanding (mn)	40

Source: Thomson Reuters

### Share Price Chart



Source: Thomson Reuters

Valuation Multiples			
	2018	2019	2020
P/E (x)	-	-	13.42
P/B (x)	-	-	16.68
EV/S (x)	-	-	5.94
Dividend yield (%)	-	3.13	2.73

Source: Thomson Reuters

Financial Performance		
US\$ Million	FY 2018	FY 2019
Revenue	85.5	89.7
Operating Income	25.5	27.0
ROE (%)	11.1	10.1
ROAA (%)	8.1	6.6

Source: Company Financial Reports

Shareholding Structure	
National Advanced Creativity	20.00%
Rzm Investment	19.62%
Ahmed Naser Al Muteb	15.12%
Others	45.26%
<b>Total</b>	<b>100.00%</b>

Source: Thomson Reuters

## Azzan Bin Qais Education Group (Privately Owned)

Oman

### Company Description

Established in 1990, Azzan Bin Qais Education Group (ABQ) is a leading provider of K-12 education in Oman, catering to both Omani and expatriate families. ABQ is owned by Al Omania Education Services and the group runs three schools – the Azzan Bin Qais International School (ABQIS), As Seeb International School, and the Sohar International School. ABQ group offers state-of-the-art facilities to its students and has one of the best education infrastructures in Oman with a total campus area of 45,000 sqm. The group caters to more than 3,500 students from over 45 nationalities. The student-teacher ratio of ABQ schools stand at 12:1 with the average class size limited to 22 students.

### Business Segments/Services Portfolio

- **ABQIS:** Acquired by Al Omania Education in 2009, ABQIS provides K-12 education and offers students two languages - English and Arabic, as medium of education. The KG curriculum integrates the British Early Years Foundation Stage (EYFS) with the Montessori program. At primary stage, ABQIS offers a blended curriculum for Music, Art, PE and ICT which fulfils all MoE requirements and includes elements of ENC. For subjects - Maths, English and Science, the school follows the Cambridge Primary Program. The secondary stage of the school is divided into three stages: key stage 3 (grade 7 and 8), key stage 4 (grade 9 and 10), and key stage 5 (grade 11 and 12). In key stage 4, students have the option to either opt for IGCSE or pursue the Omani GED and in key stage 5, students can choose either A Levels or Omani GED. The school has a capacity of 1,300 students and caters to students from over 39 nationalities.
- **As Seeb International School:** Launched by Al Omania in 2012, the school provides K-12 education in two languages - English and Arabic. The school is a member of British Schools in the Middle East (BSME) and offers a blended curriculum same as ABQIS. The school caters to around 1,300 students from over 36 different nationalities.
- **Sohar International:** Acquired in 2015 by Al Omania, the school provides K-12 education in four languages - English, Arabic, Urdu, and French. The school focuses on international curriculums, which is the same as offered by ABQIS. The school capacity is of 1,800 students and caters to students from over 36 nationalities. The school has won 20 awards and ranked first in Cambridge Top Learner Awards during 2017-19. In 2019, the school moved to its new campus which provides world class sports facilities that complements its strong academic credentials.
- **Discovering You Program (DYP):** In addition to the academic curriculum, the schools also provide DYP, a personalised education platform, which assists children in building their academics, creativity, social and emotional skills, among other personal development attributes. The programme runs in two phases - Phase One is for grades 3 to 7 and Phase Two is for grades 8 to 12.

### Recent Developments/Future Plans

- In April 2020, ABQ Education Group and Meethaq Islamic Banking signed an agreement in which Meethaq will provide financing options to parents to pay school fees.
- Azzan Bin Qais School joined hands with Modern Gulf Institute for a Soft Skills Training program conducted in Arabic.

## Britus Education (Privately Owned)

Bahrain

### Company Description

Founded in 2019, Britus Education (Britus) is a K-12 education brand of the GFH Financial Group. Britus operates six schools across Saudi Arabia, UAE and Bahrain, namely – AMA International School (AM AIS), Bright Life International School, Education Castle International School, Education Gate International School, Education Gate International School 2, and the Sheffield Private School (TSPS). The schools follow British curriculum, comprising of the EYFS for children aged between 3 and 5, progressing to IGCSE qualifications for students at the age of 16 and finally culminating with A-Levels in their final year at the age of 18.

### Business Segments/Services Portfolio

Britus Education's portfolio consists of the following schools:

- **AMA International School (AM AIS):** Established in 2004, AM AIS is a private school in Salmabad (Bahrain) offering American Curriculum to students from pre-school through secondary school. The school was acquired by Britus Education in November 2019.
- **Bright Life International School:** Located in Riyadh (Saudi Arabia), the school follows international curriculum along with Egyptian curriculum to impart education to its students.
- **Education Castle International Schools:** Founded in 2013, it offers curriculum based on the Common Core State Standards Initiative (CCSSI), an educational initiative in the US.
- **Education Gate International School- Al Murraba:** Located in Riyadh (Saudi Arabia), it offers education to KG, lower and upper grades.
- **Education Gate International School – Al Rawdha:** Established in 2013 in Riyadh (Saudi Arabia), the school offers curriculum based on the CCSSI from KG to grade 7. The school complex comprises of 10 buildings with 11 administrative offices, 17 teachers' rooms, 76 classrooms, four labs, two libraries, two swimming pools and numerous activity rooms.
- **The Sheffield Private School (TSPS):** Founded in 2004 in Dubai (UAE), TSPS is a K-12 school that follows the British curriculum along with BTEC option in year 12 and 13.

### Recent Developments/Future Plans

- In June 2020, Britus Education collaborated with the Ivy Plus Network for Ivy Young Entrepreneur program. The online summer program targets students between the age group 13 and 18, aiming to assist students in identification of innovative opportunities and develop business plans around them.
- In November 2019, Britus Education obtained the operational control of AMA International School Bahrain.
- In May 2019, GFH launched Britus Education, a US\$ 200 million education entity.

## Educational Holding Group (Privately Owned)

Kuwait

### Company Description

Founded in 1982, Educational Holding Group (EDU) is one of the largest educational investments organization in Kuwait. The group has a vast portfolio of offerings and provides education and training to students in accordance with Islamic, and Shariah principles in the MENA region. EDU also has educational investments in the emerging markets of East-Asia such as India and China. EDU covers K-12, tertiary education, and vocational training and development segments and also cater to children of special needs. Through its subsidiaries and associate companies, the organization also provides business consulting, advertising and marketing services in addition to real estate property investment and development. EDU is a subsidiary of Boubyan Petrochemical Company, which owns 83.1% of the organization.

### Business Segments/Services Portfolio

- **In AFAQ Education (AFAQ):** AFAQ provides educational services to Kuwaiti children with disabilities. It has seven schools under its umbrella which are located in Salmiya, Jahra and Farwaniya catering to more than 6,300 students. The schools are categorised as regular school, inclusive school, conduction education school, and conductive rehabilitation. The regular schools run by AFAQ include Umm Hanni (up to grade 7), Al-Qabas (up to grade 7), and Mashael Aljahra (up to grade 12). The inclusive schools run by AFAQ include Umm Hanni and Al-Qabas, both of which operate up to grade 7. EDU has an ownership of 86.9% in AFAQ.
- **Knowledge Village Education:** The subsidiary is engaged in the construction and management of schools, nurseries, language centres, special needs institutes, and student and teacher's housing. EDU has an ownership of 61.8% in Knowledge Village Education.
- **EYAS for Higher & Technical Education Company (EYAS):** Established in 2000, EYAS is engaged in the establishment and management of non-governmental schools and institutions. Additionally, it provides education, networks and communication consultancy services, and other ancillary services. EYAS owns and operates Gulf University for Science and Technology in Kuwait. EDU holds 42% stake in EYAS.
- **SAMA Educational Company KSCC:** The company operates in the education sector mainly through its four institutions - American Creativity Academy (ACA) Hawalii, ACA Salmiya, ACA Nursery and Sylvan Learning. ACA Hawalii and ACA Salmiya are schools that provide K-12 education; ACA Nursery is a private nursery that offers standard based American curriculum; and Sylvan Learning is an organization that provides tutoring services for K-12 classes and courses for higher education preparedness. EDU has an ownership of 41.7% in KSCC.

### Recent Developments/Future Plans

N/A

Financial Performance			
US\$ Million	2019	2020	(%) Change
Revenue	18.3	11.3	(37.9)
Operating Profit	4.7	(0.8)	(117.2)
Net Income	26.3	21.9	(16.8)

## Emirates International School (Privately Owned)

UAE

### Company Description

Established in 1991, Emirates International School (EIS) includes two schools under its name - Emirates International Jumeirah and Emirates International Meadows. The schools are operated as community service by Al Habatoor Group, a conglomerate with business interests across sectors. The schools provide international education and cater to more than 3,500 students.

### Business Segments/Services Portfolio

- **EIS Jumeirah:** Established in 1991, the school follows the IB programs which include Primary Years Programme (PYP), Middle Years Programme (MYP), Diploma Program (DP) and Career-related Program (CP) to students from early years to year 13. EIS Jumeirah was the first school in Dubai to offer the IBDP. The school campus is situated on a 12-acre site and has more than 85 classrooms. The school caters to more than 2,000 students from over 70 nationalities.
- **EIS Meadows:** Established in 2005, the school offers three IB programs - DP, MYP and PYP to students from early years to year 13. EIS Meadows also provides distance learning education and caters to more than 1,655 students from over 80 different nationalities.

### Recent Developments/Future Plans

N/A



## Evolve Knowledge Investments (Privately Owned)

UAE

### Company Description

Evolve Knowledge Investments (EKI) is the educational arm of Evolve Group, a Dubai-based conglomerate, which works in the asset management, education and retail sectors. The company's operations involve establishing private schools offering a wide-variety of curricula across the GCC region. In 2006, EKI partnered with Repton School of the UK to establish Repton Schools across the UAE and plans to expand the brand's presence in Qatar as well. EKI has also launched an early-learning platform named 'Dovecote' and holds a majority stake in Abu Dhabi's Humpty Dumpty nursery.

### Business Segments/Services Portfolio

- **Repton School, Dubai:** Founded in 2007, the school offers the British National Curriculum to students from early years to year 11. The students pass with an IGCSE qualification in year 11, and thereafter have the option to pursue IBDP or IBCP. The school also has two boarding houses, one for boys and other for girls, which provide residential opportunity at the campus. The school campus spreads over an area of 1.3 million sq. ft. catering to more than 1,700 students from over 80 nationalities.
- **Repton School, Abu Dhabi:** Founded in 2013, the school offers British curriculum integrated with the UAE. It has two campuses and caters to more than 1,300 students from over 85 nationalities. The school received 'very good' rating in its first inspection report in 2019 and a 'developed' rating by ADEK for its distance learning program in 2020.
- **Repton School, Al Barsha (formerly known as Foremarke School, Dubai):** Founded in 2013 as a preparatory school, Repton Al Barsha expanded into secondary education in November 2019. The school's years 7 and 8 are operational and classes for year 9 are expected to commence in the academic year 2021-2022. It offers the UK National Curriculum for England enhanced with Independent Schools Examinations Board (ISEB) to pupils from early years to year 13. It gradually plans to offer the IGCSE curriculum until year 11 and thereafter A-Levels for year 12 and 13. The school has been rated 'very good' by the KHDA in 2019.
- **Dovecote Nursery, Dubai:** The nursery offers the Early Years Foundation Stage (EYFS) curriculum to children up to the age of 3 years. The curriculum places importance on languages like Arabic and Spanish along with creative arts.
- **Humpty Dumpty Nursery, Abu Dhabi:** Established in 1991, Humpty Dumpty Nursery has two branches located in Al Bateen and Khalifa City in Abu Dhabi. It offers the British EYFS curriculum for children between the ages 1 to 4.

### Recent Developments/Future Plans

- In EKI has several projects in pipeline, some of which include the opening of multiple Dovecote nurseries in Dubai, opening multiple Humpty Dumpty nurseries in Abu Dhabi, and opening a Repton school in Doha, among others.
- In November 2020, Foremarke School Dubai was rebranded as Repton Al Barsha. The physical upgrades to Al Barsha campus will begin in 2021. Additionally, Foremarke Hall has been rebranded to Repton Prep School.
- In April, 2020, Repton Schools announced AED 8 million (US\$ 2.2 million) Repton Family Support Fund (RFSF) and a 15% term fee reduction for academic year 2020-2021, owing to the pandemic.
- In April 2019, Repton School Dubai partnered with Dubai Cares to raise AED 280,000 (US\$ 76,232) to build two schools in Senegal that will provide education to over 240 children and adults in the West African country.

## Fortes Education (Privately Owned)

UAE

### Company Description

Fortes Education is one of the group companies of Fortes Holding, a UAE-based diversified group with business interests in real estate, construction, education, health and fitness, trade and investments, and building materials trading. Fortes Education operates three educational institutions - Regent International School (RIS), Sunmarke School, and Jumeirah International Nursery. The organization plans to expand its portfolio and develop new schools that will offer additional curricula such as the IB, American Placement, and CBSE. Fortes Education is part of the International Positive Education Network (IPEN) that work towards raising awareness about the interconnected nature between a child's well-being and achievement. Following this, all institutions under the group have integrated Positive Education (PosEd) within their curriculum. Fortes Education is also affiliated with several international bodies such as BSME, Edeexcel, AQA, and University of Cambridge International Examinations.

### Business Segments/Services Portfolio

- **Jumeirah International Nursery Schools (JINS):** Operating for more than 35 years, the nursery has three branches located at Al Safa, South Ridge in Burj Downtown and within the campuses of Regent International School and the Sunmarke School. The nurseries provide education to children up to 4 years of age under the EYFS framework of National Curriculum of England. The curriculum is further enhanced by learning features such as the MultiSmart Learning Programme.
- **Regent International School (RIS):** Established in 1993, RIS is the flagship school owned and operated by Fortes Education. The school follows the National Curriculum of England that culminates with GCSE in year 10 and 11, and A Levels in year 12 and 13. RIS also offers BTEC Courses (Level 2) in years 10 and 11 and will begin to offer BTEC (Level 3) programme courses for year 12 and year 13 from September 2022 to help students develop vocational skills necessary for employment or for a university education. The school also provides Multismart learning along with more than 60 extra-curricular activities to over 1,000 students. The school has received 'outstanding' rating by BSO in 2019-20 and 'very good' rating by the KHDA.
- **Sunmarke School:** Founded in 2016, it is the second flagship school of Fortes Education. With an overall capacity of 3,000 students, Sunmarke provides education from nursery to year 13. It follows the National Curriculum of England and further offers BTEC as an alternative to GCSE in year 10 and IB Diploma Program (IBDP), IB Careers Program (IBCP), A-Levels in the sixth form. The school has been rated 'outstanding' by BSO and 'very good' by the KHDA in 2019-20.

### Recent Developments/Future Plans

- In May 2020, Fortes Education launched free virtual classes through its schools - Sumarke School and RIS - for years 1-10 and years 1-6, respectively. The two-week free virtual learning programmes aimed at helping students and parents familiarise themselves with online education.

## GEMS Education (Privately Owned)

UAE

### Company Description

Founded in 1959, GEMS Education (GEMS) is one of the largest provider of K-12 education in the world, operating a network of more than 80 schools across UAE, Qatar, Saudi Arabia, Egypt, Europe, Africa, India, Southeast Asia and North America. The curriculums provided varies across schools and they cater to more than 119,000 students from over 175 countries. Besides operating schools, the company also offers management solutions through its advisory firm - GEMS Education Solutions and provides training and development to educators through its partnership with Tellal Institute (Dubai, UAE). The company also runs The Varkey Foundation, a philanthropic initiative by GEMS Education and GEMS X, a future focused research and development arm of GEMS Education. GEMS is owned by the Varkey Group, an investment holding company.

### Business Segments/Services Portfolio

In the GCC, GEMS Education operates the following schools offering multiple curriculums:

- **In UAE:** GEMS operates 44 schools in the country. They include GEMS Wellington Academy located in Al Khail and Silicon Oasis offering the British and IB curriculum; GEMS World Academy (IB); GEMS FirstPoint School (British curriculum); GEMS Royal Dubai School (British curriculum); GEMS International School (IB curriculum); GEMS Modern Academy (IB, Indian curriculum); GEMS Founders School (British Curriculum); GEMS New Millennium School (Indian curriculum); GEMS Millennium School (Indian curriculum); GEMS Cambridge International Private School- Sharjah (British curriculum); GEMS Metropole School (British curriculum); GEMS Al Barsha National School (British curriculum); GEMS United Indian School (Indian curriculum); Wesgreen International School-Sharjah (British Curriculum); Al Khaleej National School (American, UAE curriculum); GEMS Founders School-Dubai (British curriculum); Dubai American Academy (American, IB curriculum); The Kindergartens Starters (Indian curriculum); Jumeirah College (British Curriculum); GEMS Jumeirah Primary School (British curriculum); GEMS World Academy (IB curriculum); GEMS Winchester School- located in Fujairah, Dubai Sharjah, Abu Dhabi and Ras Al Khaimah (British curriculum); GEMS American Academy (American, IB curriculum); GEMS Wellington International School (British, IB curriculum); GEMS Wellington Primary School (British, IB curriculum); the Cambridge High School (British curriculum); GEMS Cambridge International School (British curriculum); Cambridge International School (British curriculum); GEMS Our Own Indian School- Al Quoz (Indian curriculum); Our Own English High School located in Dubai (Indian curriculum), Sharaj (Indian curriculum), Al Ain (CBSE, English curriculum) and Al Warqa'a (Indian curriculum); Our Own English High School Sharjah- Girls (Indian curriculum); The Millennium School (Indian curriculum); The Westminster School-Dubai (British curriculum); The Winchester School (British curriculum); The Sheikh Zayed Private Academy (American, UAE curriculum); New Dubai Nursery (Indian, British curriculum and Little Learns Academy (British curriculum).
- **Qatar:** GEMS operates two schools in the country - GEMS American Academy and Wellington School, offering the British and American curriculums.
- **Saudi Arabia:** GEMS has one school in the Kingdom - GEMS Saudi International School, offering American curriculum.
- **Centre of Excellence (CoE):** GEMS has five CoEs, namely Dubai American Academy, GEMS International School - Al Khail, GEMS World Academy, GEMS FirstPoint School, and GEMS Wellington Academy. These CoEs provide opportunities in the areas of Artificial Intelligence (AI) and Robotics, Digital Industries and Sustainability, Aviation and Space, Performance and Theatre Technologies, and Entrepreneurship and Youth Start-up.

### Recent Developments/Future Plans

- In June 2020, GEMS opened its first proprietary school in Dhahran - GEMS Saudi International Schools.
- In March 2020, GEMS announced a collaboration with IBM to launch a pilot program introducing IBM Digital–Nation Platform, which will enable students to access 75 different courses.

## Humansoft Holding Company KSCP (Publicly Listed)

Kuwait

### Company Description

Established in 1997, Humansoft Holding Company and its subsidiaries are engaged in the establishment and management of private universities and colleges which provide computer education, language training, executive courses, and electronic commerce and media. The company's operating activities are categorized into four business segments: training and career development programs, English training, learning solutions, and higher education.

### Business Segments/Services Portfolio

- **Al Arabia Educational Enterprises:** It operates as a specialist unit and supports educational institutions through investments. Currently, it owns and operates American University of the Middle East and American College of the Middle East. It also offers an English Preparatory Program and has a Liberal Arts Department.
  - **American University of the Middle East (AUM):** Established in 2005, AUM offers tertiary education through two colleges - College of Business Administration and College of Engineering and Technology. AUM's campus covers an area of 261,190 sqm and caters to more than 11,828 students. The university also has a Research Council that it runs in collaboration with ACM. AUM is also affiliated with US-based Perdue University.
  - **American College of the Middle East (ACM):** Established in 2003, ACM offers nine undergraduate degree courses in various fields including accounting, civil engineering, finance, MIS, and marketing, among others.
- **Excellence Training & Development:** These centres provide instructor-led training with courses including technical, application and business skills, among others.
- **Expression Institute:** It is a private training centre offering a variety of courses including English learning, management and business solutions, leadership training for professionals, etc.
- **TrackLS (Track Learning Solutions):** TrackLS provides e-learning solutions, business development and eLearning consultancy services to businesses across the MENA region with presence in the UAE, Saudi Arabia, Kuwait, Bahrain, Qatar, Jordan, Lebanon, and Algeria. The company has partnered with Skillsoft, Dexway and Jzero to offer a range of learning solutions in the GCC region.
- **New Horizons Computer Learning Centres:** These centres provide instructor-led training with courses including technical, application and business skills.
- **Humansoft School of Management:** Founded in 2006, it provides management and training services to schools.

### Recent Developments/Future Plans

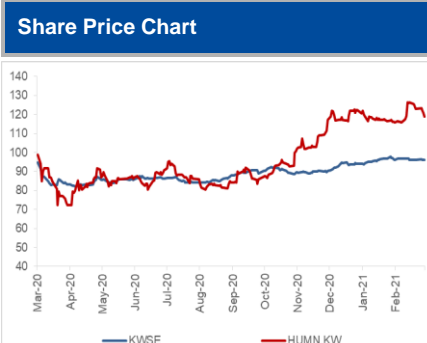
- In June 2019, AUM became the first university in Kuwait and in the GCC to be a full member of the European Organization for Nuclear Research (CERN).

Current Price (US\$) 12.21

Price as on March 04, 2021

Stock Details	
Thomson Reuters ticker	HUMN.KW
52 week high/low	13.2 / 6.3
Market Cap (US\$ mn)	1,492.7
Enterprise value (US\$ mn)	1,160.0
Shares outstanding (mn)	122

Source: Thomson Reuters



Source: Thomson Reuters

Valuation Multiples			
	2018	2019	2020
P/E (x)	16.9	12.7	10.4
P/B (x)	9.5	6.9	5.2
EV/S (x)	7.7	5.8	4.9
Dividend yield (%)	4.3	5.5	6.0

Source: Thomson Reuters

Financial Performance		
US\$ Million	FY 2018	FY 2019
Revenue	229.1	242.4
Operating Income	109.9	125.1
ROE (%)	47.0	44.6
ROAA (%)	30.2	31.4

Source: Company Financial Reports

Shareholding Structure	
Allothman Enterprises	20.07%
Al Imtiaz Investment Group	5.94%
Norges Bank	5.20%
Others	68.79%
<b>Total</b>	<b>100.00%</b>

Source: Thomson Reuters

## Innoventures Education (Privately Owned)

UAE

### Company Description

Established in 2004, Innoventures Education (IE) has grown from managing one IB school to five multi-curriculum international schools and eight nurseries. IE manages schools and nurseries under the brand names Dubai International Academy (DIA), Raffles Schools, and Collegiate American School (CAS), in Dubai. At present, more than 7,750 students are enrolled in IE schools from over 100 countries in the age group of 12 months to 18 years. The schools hold notable accreditations by the CIS and NEASC. IE also runs Innoventures Education Training Academy (IVEITA), which provides professional development courses for staff members.

### Business Segments/Services Portfolio

- **Dubai International Academy (DIA), Emirates Hills:** Established in 2005, DIA was the first school in the UAE to be authorised to offer the IB continuum (PYP, MYP, IBDP, IBCP). The school's campus spreads over an area of 350,000 sq. ft. and caters to more than 2,000 students from KG1 to grade 12. It also includes facilities such as networked library, multi-specialty rooms, IT and science labs, swimming pools, cafeteria, playing field, etc.
- **Dubai International Academy (DIA), Al Barsha:** Established in 2018, the campus covers an area of 1,000,000 sq. ft. The school offers IB curriculum (PYP, MYP, IBDP) to students from pre-KG to grade 12 and includes facilities such as multi-specialty rooms, auditorium, swimming pools, fields/courts, running tracks, library, multi-purpose halls, etc.
- **Collegiate American School (CAS):** Founded in 2011, CAS enrolls students from pre-school to year 12, offering American curriculum based on the American Common Core Standards. Additionally, CAS offers the IBDP and IBCP in year 11 and 12 and personalized programs for all students. The school includes facilities such as IT and science labs, multi-specialty halls, swimming pools, library, STEM labs, etc.
- **Raffles International School (RIS):** Established in 2007, RIS offers education to more than 1,400 students from over 85 nationalities. The school offers a hybrid curriculum and follows the Montessori Program in pre-school, the Cambridge International Curriculum in year 1 to 9, IGCSEs from year 10 to 11, and A-Levels and BTEC in year 12 and 13.
- **Raffles World Academy (RWA):** Opened in 2008, RWA offers IB curriculum (PYP, MYP, IBDP, IBCP) from KG1 to grade 12 and also started to offer Pre-KG education from the academic year 2020-2021. It caters to more than 2,000 students from over 85 nationalities. The school includes facilities such as multi-specialty rooms, science labs, football field, swimming pools, sport courts, theatre, etc.
- **Raffles Nurseries (RN):** Established in 2007, RN is a group of six nurseries across Dubai, offering two curriculums - the British EYFS program and the Montessori program. In 2015, RN received accreditation certificate from the Pre-School Learning Alliance.
- **Raffles Starters (RS):** Opened in 2018, RS is an extension of RN for children aged between 3 and 6 years. It follows the EYFS curriculum for Pre-KG to FS2 and then progresses to English National Curriculum for year 1.

### Recent Developments/Future Plans

N/A

## International Schools Group (Privately Owned)

## Saudi Arabia

### Company Description

Founded in 1962, International Schools Group (ISG), formerly known as Saudi Arabian International Schools (SAIS), is a not-for-profit group that operates six schools in Saudi Arabia. The schools consists of either one of three divisions, i.e. American division (Dhahran Elementary/Middle School, Dhahran High School, ISG Jubail School), British division (Dhahran British Grammar School, Sara Village School), and the International division integrated with National language programs (ISG Dammam). The American and International division schools are accredited by the Middle States Association of Colleges and Schools, while the British division schools are accredited by the Council of International Schools (CIS), British Schools Overseas (BSO), and British Schools of the Middle East. ISG provides education to children from pre-school to grade 12, catering to more than 4,000 students from over 70 nationalities.

### Business Segments/Services Portfolio

- **In Dhahran British Grammar School (DBC):** Founded in 1981, the school is located in the ISG Dhahran campus and offers the National Curriculum for England with IGCSE/GCSE examination and A-Level program at later stages. DBC provides education to more than 750 students from FS1 to year 13.
- **Dhahran Elementary Middle School (DEMS):** DEMS offers the American Curriculum to culturally diverse students from KG to grade 8.
- **Dhahran High School (DHS):** Founded in 1962 DHS caters to students from grade 9 through to year 12. The school follows the American Curriculum and offers three programs of study - the American Curriculum College-Preparatory Program with over 60 courses including 10 at honors level; the Advanced Placement Program with 21 courses; four IB certificates (PYP, MYP, IBDP, IBCP) with 27 courses including Theory of Knowledge. More than 620 students are enrolled at the school from over 40 nationalities. The school has a student-teacher ratio of 18:1.
- **ISG Dammam:** Founded in 1985, the school offers American Curriculum to more than 850 students from KG to year 12. In 2015, the school opened its new facilities, spread over 30,000 sqm, which includes computer labs, auditorium, gymnasiums, soccer field, covered playgrounds, multi-purpose room, canteen, clinic and health facilities, etc.
- **ISG Jubail School:** Established in 1978, the school offers American curriculum with IBDP program to more than 600 students from KG to grade 12. The school campus includes four buildings with over 40 classrooms.
- **Sara Village School:** Founded in 2010, Sara Village School is a British-style primary school offering National Curriculum of England for children between the age group of 4 to 11 years. The campus provides specialist facilities for subjects such as art and craft, design technology, music, science, physical education, etc.

### Recent Developments/Future Plans

- In February 2019, ISG unveiled plans for a new campus being built over an area of 70,000 sqm in the Aziziyah area. Expected to be completed by 2021, it will cater to approximately 2,500 students in the city of Al Khobar.



## Ma'arif for Education and Training (Privately Owned)

Saudi Arabia

### Company Description

Established in 1971, Ma'arif for Education and Training (Ma'arif) is one of the largest private school owners and operators in Saudi Arabia. Ma'arif provides services in the areas of school education, training programs, smart education programs (eService), unique academic programs, and other academic activities. Ma'arif operates more than 80 schools across the Kingdom under the brands Manarat Schools, Al Faisalia Islamic Schools, Green Hills International schools, and Nour Al Islam Schools.

### Business Segments/Services Portfolio

- **Schools:** Ma'arif operates a large number of private schools with more than 80 schools operating under its brand of 13 national and international institutions across the Kingdom. The company's workforce include more than 2,800 teachers providing education to more than 22,000 students. It provides educational services from KG to high school and follows both national and international curriculums.
- **Training Projects:** Ma'arif offers various academic training programs for teachers, staff and coaches. These include specialised training in English, Computer Science and Mathematics; leadership development; special skills program on time-management; meetings management; conversation; body language and presentation; financial and administrative training; and self-development programs aimed at developing social and cognitive skills.
- **Smart Education:** Ma'arif provides smart education programs through its Ma'arif Learning Gateway (MLG) platform. MLG offers educational services and application for online remote learning platforms. Since the start of the 2020 academic term, MLG have facilitated over 71,000 live lectures to its students which included both synchronous and asynchronous learning.
- **Unique Academic Programmes:** Ma'arif offers Masarat programs, which are designed to assist students in developing basic skills, career planning and help them in finding the right field of their interests. It also offers Alkhawarizmi program, an educational mathematical program designed for children. Ma'arif has also established a Life Development Centre that trains students on various topics including interior design, clothes production and marketing. Furthermore, it also offers an evening KG program for children between the ages of 4-7 years. The school also provides special classes to those children suffering from learning difficulties.
- **Academic Activities:** These include English as a second language service, sports programs, science club, leadership programs and Qudrat, Tahsili, CAIE and SAT preparation programs to students.

### Recent Developments/Future Plans

- In August 2019, GEMS Education KSA and Saudi Arabia-based Hassana Investment Co. acquired Ma'arif Education Group for US\$ 800 million. The deal aims to build a network of new schools for 130,000 students across the Kingdom, creating around 16,000 new jobs, 40% of whom are expected to be Saudi nationals. GEMS Education KSA is a joint venture of Saudi Arabia's General Organisation for Social Insurance (GOSI) and UAE's GEMS Education, while Hassana Investment Co. is an asset management company owned by GOSI.

## Middle East College (Privately Owned)

Oman

### Company Description

Founded in 2002, Middle East College (MEC) is a private university based in Oman. MEC offers various foundation, undergraduate and postgraduate programs in the areas of engineering, business, technology, and logistics. The infrastructure of MEC is spread over an area of 27,350 sqm and includes an on-campus female hostel. MEC is accredited by the Oman Academic Accreditation Authority (OAAA) and caters to more than 4,500 students from around the world.

### Business Segments/Services Portfolio

MEC services include the following:

- **Academic Departments:** MEC has seven departments and two centres - Department of Computing, Department of Civil Engineering, Department of Electronics and Communication Engineering, Department of Mechanical Engineering, Department of Management Studies, Centre of Postgraduate Studies, Centre for Foundation Studies, Department of Mathematics & Applied Sciences, and Department of Records Management & Archival Studies. The departments offer various undergraduate and postgraduate courses which are as follows:
  - **Academic Programs:** MEC offers a General Foundation Program, four undergraduate courses in Engineering, and Science and Technology; two bachelors programs in Business and Management and one Bachelors of Science (BSc) in Archives & Records Management. For postgraduate programs, the college offers MBA, Masters of Science (MSc) in Information Technology, MSc in Construction Project & Cost Management, and MSc in Electronic Engineering.
- **Collaborations:** MEC has collaborations with several universities and professional bodies that provide students with numerous academic benefits and opportunities.
  - **Academic Collaborations:** MEC has partnered with Coventry University (UK), University of Wolverhampton (UK), and Breda University of Applied Sciences (Netherlands) to provide academic excellence.
  - **Professional Body Membership:** MEC has obtained membership with the following professional bodies - The British Computer Society, European Council for Business Education, The Chartered Institute of Library and Information Professionals (CILIP), Oman Logistics Association (OLA), and The International Council on Archives.
  - **University Association Membership:** MEC has membership with Association of Arab Universities (AARU) and UNIMED, the Mediterranean Universities Union.
  - **Professional Partnerships:** MEC has partnered with Computing Technology Industry Association (CompTIA), US; Global Science and Technology Forum (GSTF), Singapore; Linux Professional Institute; SAP, Cisco Network Partner Academy and EC Council. The college is a member of Oracle Academic Initiative and has a MoU with Information Technology Authority, Oman-ITA. The college has also signed an agreement to be the first Microsoft IT Academy in Oman.

### Recent Developments/Future Plans

- In October 2020, MEC became the first Oman Research and Education Network (OMREN) member to implement the IPv6 infrastructure.
- In October 2020, MEC received research grants from the Ministry of Higher Education, Research and Innovation (MOHERI) for 22 projects under seven themed areas including Technology, Tourism, and Water Management.
- In March 2020, MEC's civil engineering programme received accreditation by the Joint Board of Moderators, UK.
- In October 2019, MEC signed a MoU with ASYAD Oman to increase cooperation between the organizations.

## Murdoch University Dubai (Privately Owned)

UAE

### Company Description

Established in 2007, Murdoch University Dubai is part of the Australia-based Murdoch University. The university offers internationally recognized diploma, foundation, undergraduate, and postgraduate degrees across Business, IT, Communications, Psychology, Education and Health. The university caters to more than 550 students and the programs are regulated by the Australian government's Tertiary Education Quality Standards Agency (TEQSA) and locally authorized by the KHDA. In 2020, the university expanded its campus to 27,000 sq. ft. with state-of-the-art facilities which includes open reception area, library, games room, classrooms and lecture theatres, cybersecurity lab, restaurants and cafes, among others.

### Business Segments/Services Portfolio

Programs offered by Murdoch University Dubai are as follows:

- **English Program:** This program offers courses which help to develop skills in academic proficiency and literacy in English with a duration of 10 weeks per course level.
- **Foundation Program:** The program offered is divided into three units that students from different streams can avail. They include - Core Unit (all streams), Additional Core Unit (for IT & Business Stream), and Elective Units (for Arts and Communication, Business and IT). The program covers teaching in areas of essential mathematics, accounting, marketing, mass communication, among others. The aim of the program is to prepare students for undergraduate degree program.
- **Diploma Programs:** The diploma programs offered by the university includes Diploma in Business, Diploma in Communication, Diploma in Information Technology (IT), and Diploma in Psychological Studies. The duration for the courses are 2-3 trimesters.
- **Undergraduate Programs:** This program offers nine bachelor's courses in various fields including psychology, finance, arts, management, marketing, journalism, strategic communication, business information systems, computer science, cyber security, and forensics. The university also offers criminology as a second major.
- **Postgraduate Programs:** It offers three graduate certificates and four master's degree in various fields such as business administration, international education, healthcare management and IT.

### Recent Developments/Future Plans

- In May 2020, Murdoch University inaugurated its new campus in Dubai Knowledge Park.
- In March 2019, the university launched its new English Language Program for students who don't meet the entry requirements for undergraduate or post-graduate courses.

## National Company for Learning & Education (Publicly Listed) Saudi Arabia

### Company Description

Established in 1958, National Company for Learning & Education (NCLE) is engaged in ownership, establishment and management of K-12 schools offering the Saudi national curriculum and the American curriculum in the Kingdom. The company's business activities also include research and investment in sports, recreation and sports clubs for school students. The company owns and operates the brand Tarbya Namouthajiya Schools (TNS), which has six campuses in Riyadh and Al Qassim, along with other brands such as Al Ghad and Al-Khawarzmi in Saudi Arabia. The schools have more than 14,000 students enrolled and has more than 1,500 staff members.

### Business Segments/Services Portfolio

- **TNS-AI Rayan District:** Established in 1958, the facility has a maximum capacity of 6,000 students. Currently, it has 3,166 students enrolled.
- **TNS-AI Rawabi District:** Established in 2009 and acquired by NCLE in 2005, it has a capacity of 5,000 students with 213 classrooms. It has 3,462 students enrolled.
- **TNS-AI Nozha District:** Established in 2013, the facility with 198 classrooms has a capacity of 5,000 students. Currently, it has 2,404 students enrolled.
- **TNS-AI Qurtobha District:** Established in 2017, the 53 classroom facility has a capacity of 1,200 students. Currently, it has 402 students enrolled.
- **TNS-Buraidah district:** Established in 2019, the facility with 122 classrooms has a capacity of 3,000 students. Currently, it has 380 students enrolled.
- **Al-Ghad National Schools:** Established in 1990, the facility has 94 classrooms and a capacity of 2,300 students. Currently, it has 1,402 students enrolled.
- **Al-Khawarizimi Schools:** Established in 2010, the facility has 49 classrooms and a capacity of 1,250 students. Currently, it has 1,129 students enrolled.
- **TNS-AI Qairawan District:** Opened in 2020, the facility has 220 classrooms and a capacity of 5,200 students. Currently, it has 955 students enrolled.
- **TNS-Doha Hills District:** The new facility is under construction at present and will span over an area of 9,875 sqm, with a capacity to accommodate 3,000 students.

### Recent Developments/Future Plans

- In October 2020, NCLE signed an agreement to buy 100% of Refan Co. for a total consideration of US\$ 252,266.
- In June 2020, NCLE announced that a lease agreement was signed between Al-Ghad National Schools and Roboua Altalem Real Estate Company to lease an educational complex in Riyadh for 10 years.
- In November 2019, NCLE signed a deal to acquire Al-Khwarizimi Education Co. for SAR 30.0 million (US\$ 8.0 million).
- In November 2019, NCLE signed an agreement to acquire Al-Ghad National Schools Co. for SAR 36.7 million (US\$ 9.8 million).

Current Price (US\$) 12.97

Price as on March 04, 2021

#### Stock Details

Thomson Reuters ticker	4291.SE
52 week high/low	15.2 / 6.7
Market Cap (US\$ mn)	557.5
Enterprise value (US\$ mn)	559.7
Shares outstanding (mn)	43

Source: Thomson Reuters

#### Share Price Chart



Source: Thomson Reuters

#### Valuation Multiples

	2018	2019	2020
P/E (x)	-	16.3	41.3
P/B (x)	-	1.9	3.7
EV/S (x)	-	5.6	11.6
Dividend yield (%)	-	3.0	1.6

Source: Thomson Reuters

#### Financial Performance

US\$ Million	FY 2018	FY 2019
Revenue	52.8	58.1
Operating Income	14.4	17.7
ROE (%)	8.3	9.2
ROAA (%)	8.2	7.3

Source: Company Financial Reports

#### Shareholding Structure

Mohamed Al Khudair RE De.	39.11%
Waqf	22.28%
Others	38.61%
<b>Total</b>	<b>100.00%</b>

Source: Thomson Reuters

## Newton International School (Privately Owned)

**Qatar**

### Company Description

Established in 2006, Newton International School (NIS) is a Qatar-based private educational institution operating nine campuses across Doha and Barwa. NIS follows the British National Curriculum with certification from Edexcel (Pearson) Examination Board and Cambridge International Examination Centre (CIE). NIS provides comprehensive English medium programs alongside Arabic and Islamic studies from pre-primary through primary year 6. The primary curriculum is structured into three groups, namely EYFS, key stage KS1 (years 1 to 2) and KS2 (years 3 to 6), and the secondary curriculum is split into KS3 (years 7 to 9), KS4 (years 10 to 11) and KS5 (years 12 to 13).

### Business Segments/Services Portfolio

The schools operated by NIS include:

- **NIS, West Bay:** The school provides the National Curriculum for England and Wales to students from KS1 and KS2.
- **Newton British Academy, Barwa City:** Founded in 2014, the school caters to students from EYFS to year 12. It caters to more than 1,852 pupils from over 70 different nationalities.
- **NIS, Lagoon:** Established in 2006, the school caters to students from FS1 to year 12 representing over 50 nationalities.
- **NIS, D-Ring Road:** Founded in 2007, the school caters to students from EYFS to year 8. It caters to more than 1,230 students representing over 50 nationalities.
- **Newton International Academy, Smash:** The school caters to students from EYFS to year 9.
- **Newton International Academy, Barwa City:** The school opened in 2013 and caters to students from EYFS to year 13. It has more than 1,864 students enrolled from over 70 nationalities.
- **Newton British School, Al Waab:** Opened in 2008, the school provides education from EYFS through year 6. It caters to more than 700 pupils from over 50 different nationalities.
- **Newton British Academy, Al Dafna:** Opened in 2016, the school caters to students from EYFS to year 6. It has 580 students enrolled from over 30 different nationalities.
- **Newton British School, Muraikh:** The school caters to students from EYFS to year 11.

### Recent Developments/Future Plans

N/A

## Oman Education and Training Investment Company (Publicly Listed) Oman

### Company Description

Founded in 1998, Oman Education and Training Investment (OETI) is a public joint stock company based in Sohar, Oman. The company's business activities include education and training services, facility management, investment in securities and higher education services. OETI's three main investments include Sohar University (education services), Intaj Sohar (training services), and Tajheez LLC (facility management).

### Business Segments/Services Portfolio

- **Sohar University:** Established in 2001, Sohar University is the first private university in Oman, affiliated to University of Queensland in Australia. It offers diploma, undergraduate and post-graduate programs in six faculties - business, computing, education & arts, engineering, language studies, and law. In addition to this, it also offers the General Foundation Program and runs several centres that teach English and Arabic languages to students. Sohar University offers a total of 35 programs to nearly 6,536 students. The Research & Development arm at the university undertakes several projects across four themes - emerging & advanced technology, environment, enterprise & industry, and connecting communities.
- **Intaj Sohar:** Intaj Sohar is a project developed by Sohar University along with Ministry of Commerce and Industry (MoCI) and the UK-based Advanced Manufacturing Research Centre. The project aims to develop technological skills in advanced manufacturing and dies and moulds; build infrastructure capacity in product design and prototyping, and support diversification of private businesses in Oman. As part of the project, Intaj Institute provides training and development to young Omanis.
- **Tajheez:** Primary role of Tajheez is to provide support services to OETI Group in project management, engineering, and facilities management.

### Recent Developments/Future Plans

- In September 2020, Sohar University launched an induction programme for the academic year 2020-21 to introduce the students to the university regulations and laws through audio-visual and readable resources.
- Dr. Hussein A. Kazem Al-Waeli and Dr. Reza Frazibor from the Faculty of Engineering and Faculty of Business of Sohar University were added to the list of the best 2% of scientists around the world, as part of a list issued by Stanford University (US).
- Sohar University and Al-Badi Investment Group signed an agreement to give priority to Sohar University students to be trained in the different units and projects of Al-Badi Group.

Current Price (US\$) 0.62

Price as on March 04, 2021

#### Stock Details

Thomson Reuters ticker	OETI
52 week high/low	0.7 / 0.5
Market Cap (US\$ mn)	43.6
Enterprise value (US\$ mn)	35.2
Shares outstanding (mn)	70.0

Source: Thomson Reuters

#### Share Price Chart



Source: Thomson Reuters

#### Valuation Multiples

	2018	2019	2020
P/E (x)	6.5	8.8	9.1
P/B (x)	0.7	0.8	0.7
EV/S (x)	1.1	1.5	1.9
Dividend yield (%)	0.0	5.3	8.0

Source: Thomson Reuters

#### Financial Performance

US\$ Million	FY 2018	FY 2019
Revenue	32.7	34.2
Operating Income	1.7	4.8
ROE (%)	2.3	6.7
ROAA (%)	0.9	2.8

Source: Company Financial Reports

#### Shareholding Structure

Global Financial Investment	37.68%
Al Saud Co Ltd	7.59%
Mohamed Soliman Al Hoqani	4.28%
Others	50.45%
<b>Total</b>	<b>100.00%</b>

Source: Thomson Reuters



## Skyline University (Privately Owned)

UAE

### Company Description

Established in 1990, Skyline University has two campuses, with the main campus - Skyline University College (SUC) located in Sharjah (UAE) and the other in Nigeria (Skyline University Nigeria). Spread over an area of 40 acres, SUC offers undergraduate and postgraduate programs through its two units - School of Business and School of Information Technology. In addition to this, it offers language learning programs and other short-term professional courses which are fully approved and accredited by the UAE's MoE. SUC has agreements with various colleges and universities in Canada, the UK, the US, Australia, New Zealand, Ireland, India, and Pakistan to provide students with further study opportunities. SUC is a group company of Skyline International Group, which has varied interests across sectors such as education, real estate, and manufacturing, among others.

### Business Segments/Services Portfolio

Programs and professional courses offered by SUC are as follows:

- **Undergraduate Programs:** Through its School of Business, SUC offers Bachelor of Business Administration (BBA) degree in domains such as finance, international business, and marketing among others. Through its School of Information Technology, SUC offers Bachelor of Science in IT program and other competencies and skills required to design, build, test and apply IT solutions for organizations.
- **Graduate Programs:** SUC offers Masters of Business Administration (MBA) programs in areas of e-governance, international business & marketing, finance, strategic human resource management, strategic management & leadership, sustainable development, and project management.
- **Professional Courses:** SUC also offers other professional development courses through Executive Development Programme (EDP), English Language Centre (ELC), Centre for Continuing Learning (CCL) and MBA qualifying programme/remedial courses.
- **Short-Term Courses:** ELC conducts short-term courses like General English/Business English for students of ESP (English for specific purposes) and ESL (English for second language learners).

### Recent Developments/Future Plans

- In November 2020, SUC signed a MoU with the Consulate General of Pakistan to provide scholarships to the employees of the consulate and Pakistani nationals residing in the UAE who are looking to pursue a higher degree in the country.
- In November 2020, SUC signed a MoU with IQ Robotics and Fulfillment to provide scholarships to its employees.
- In October 2020, SUC signed a MoU with AI Dobowi Group to provide scholarships to the employees of AI Dobowi and their families.
- In October 2020, SUC signed a MoU with Dubai Gold & Commodities Exchange to provide scholarships to the members of DGCX and their families, giving opportunities to pursue higher education under Skyline's School of Business and School of Information Technology.
- In October 2020, SUC signed a MoU with Skyline University Nigeria to establish ties of cooperation in research, education, and culture between educators and students in Nigeria and the UAE.
- In November 2019, SUC signed a MoU with Firebird Institute of Research Management in India to foster educational partnerships between the two organizations.

## Study World Education Holding Group (Privately Owned)

UAE

### Company Description

Founded in 2005, Study World Education Holding Group (Study World) provides a range of education management services to K-12 schools and universities. Through its wide network of group companies spread across the globe and partnerships with several educational institutions, the company provides services ranging from infrastructure support, academic administration, registry, student recruitment and marketing, to student housing and transportation, among others. The combined student population in Study World managed campuses is more than 5,000 students, and it aims to serve 20,000 students by 2020. Study World's group companies include Study World Higher Education Services (UAE), Study World Educational Services (UAE), Study World (India), Study World (Malta), Study World (Sri Lanka), and Dove Green Private School (UAE).

### Business Segments/Services Portfolio

Some of the group companies of Study World in the Middle East includes:

- **Study World Higher Education Services:** The company was set up to provide academic infrastructure to Heriot-Watt University Dubai Campus:
  - **Heriot-Watt University, Dubai:** Co-managed by Study World, Heriot-Watt University is the first overseas university to set up a campus in Dubai International Academic City. It offers courses at foundation, undergraduate, post-graduate and PhD levels in the fields of data science, computing and AI, business, accounting and finance, psychology, architecture and design, and construction and engineering. In 2019, Heriot-Watt signed a 10-year lease for a brand-new 218,000 sq. ft. campus in Dubai Knowledge Park.
- **Dove Green Private School, Dubai:** Dove Green offers education to students from FS1 to year 9 under the National Curriculum for England. The School caters to more than 400 students from over 50 nationalities. Their facilities include stimulating classrooms, outdoor and indoor sports areas, swimming pools, excellent dance studios, science and music room, and a learning plaza.
- **Study World Educational Services:** It provides marketing and recruitment services to Study World partner companies. These services include career counselling, travel assistance, and visa process guidance, among others. At present, the company offers services to Global College Malta.

### Recent Developments/Future Plans

- N/A.

## Taleb Group (Privately Owned)

Qatar

### Company Description

Established in 1955, Taleb Group is a diversified business entity with a presence across various sectors such as education, trading, contracting, construction, services, manufacturing, hospitality, and healthcare. Under its education portfolio, the group owns and manages five K-12 schools, namely the Cambridge School Doha, Cambridge International School for Girls, Doha Modern Indian School, Alpha Cambridge School, and Beta Cambridge School.

### Business Segments/Services Portfolio

Schools under the Taleb Group are branded under Taleb Education City:

- **The Cambridge School (TCS):** Established in 2001, TCS is one of the leading international schools in Qatar, which provides education based on the National Curriculum of England from KG until year 9. The school prepares students for the IGCSE, AS and A Level, following the Cambridge International Examinations Board. The school has students from over 50 nationalities.
- **Cambridge International School for Girls (CISG):** Established in 2004, CISG provides education to students from KG to year 12 based on the National Curriculum of England. The school prepares students for the IGCSE, AS and A Level, following the Cambridge International Examinations Board syllabus.
- **Doha Modern Indian School (DMIS):** Established in 2005, DMIS offers education from KG to year 12 under the India-based CBSE curriculum. DMIS follows the day boarding system for grade 3 and above, which incorporates academics in the morning and an afternoon self-improvement program (ASIP) that includes a supervised study-session and co-curricular activities. DMIS is the first Indian school in the country to obtain a 'Qatar National School Accreditation' for a 5-year period.
- **Alpha Cambridge School (ACS):** ACS commenced its operations in 2018. It follows the National Curriculum of England at the KG level, International Cambridge curriculum at the primary level culminating with IGCSE qualification in year 10, 11 and AS and A-Level in the years 12 and 13.
- **Beta Cambridge School:** Established in 2019, the school offers curriculum based on PYP, MYP (with an option for IGCSE) and DP of the IB. Early Year Program (EYP) to children aged between 3 and 5 years, PYP to grade I-V, MYP to grade VI-VIII followed by MYP/IGCSE to grade IX & X, and IBDP to grade XI & XII.

### Recent Developments/Future Plans

N/A



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Alpen Capital offers a comprehensive range of financial advisory services to institutional and corporate clients across the GCC and South Asia. We work with some of the leading business groups in the GCC and South Asia providing them with unique investment banking advisory solutions based on their requirements.

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We help our clients raise medium or long-term loans either through one single bank or jointly by multiple banks under one single loan agreement.

#### Mergers and Acquisitions Advisory

Our Mergers & Acquisitions services include advising and execution of domestic and cross-border transactions including mergers, acquisitions, divestitures and restructurings.

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Our Capital Markets Group offers a comprehensive approach to raising public and private capital for both established and high-growth clients.

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**Sale of 51% Equity Stake in  
Al Kabeer Group of Companies**



to  
**Savola Group**



Financial Advisor



**Dubai Investment Park  
Development Company LLC**

(A wholly owned subsidiary of Dubai Investments PJSC)  
Rated 'BB with Stable Outlook' by Standard & Poor's

**US\$ 300,000,000**  
Debut Sukuk Offering - 5 years

Joint Lead Managers



Financial Advisor



**AL Bayan Group of Companies**

Sale of 100% Equity stake in the water bottle  
manufacturing, purification and distribution business.



to  
**Agthia Group PJSC**



Financial Advisor



**Cholamandalam Investment and Finance  
Company Limited**

**INR 10,570,000,000  
(~US\$150 million)**

Non Convertible Debentures

Investor



Asian Development Bank

Financial Advisor

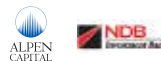


**National Savings Bank**

**US\$ 100,000,000**

Term Facility

Financial Advisor



**US\$ 67,500,000**

Syndicated Senior Term Facility

**US\$ 32,500,000**

Arranger and Facility Agent



Lenders

US\$ 20,000,000 US\$ 15,000,000



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**Techno Blue W.L.L.**

Sale of 100% Equity stake



to



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**Private Equity Placement in**



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