International School in Hail

INVESTMENT OPPORTUNITY – K-12 Education

EDUCATION

استثمر في السعودية
INVEST SAUDI

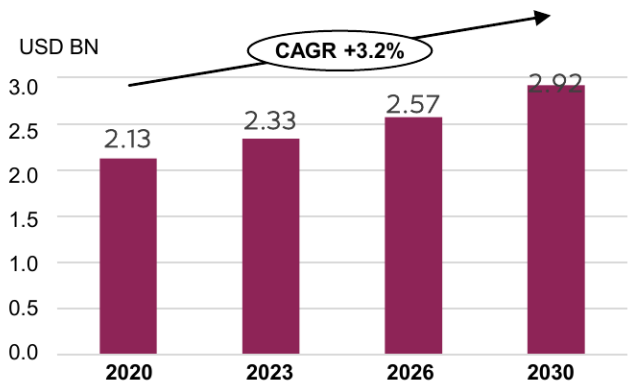
EDUCATION

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OPPORTUNITY DESCRIPTION: Invest in KSA's education sector by establishing a K-12 international school in Hail

DEMAND

MARKET SIZE, USD BN



KEY DEMAND DRIVERS

- The population of Hail has increased over the past years, reaching 747 thousand people in 2022, a 2% annual growth rate, and is expected to reach 761 thousand people by 2023, and is projected to approximately reach 875,000 by 2030.
- Hail has a relatively young population, with about 60% of its population under the age of 35.
- The enrollment of students in private schools is anticipated to witness substantial growth, with projections indicating that by2030, approximately 13,637 students will be enrolled in private schools in Hail. This reflects a remarkable increase of~2 times the current market size, driven by a robust CAGR of 9.25%

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS PROPOSITION

- Expected investment size of: SAR 131.2 Million (26M per one school)
- Expected IRR: 12%
- Payback Period: 9.2 years
- Job Creation: ~420
- Opportunity to consider different operating models – FDI with 100% ownership or joint venture with local private sector player(s)
- Region: Hail
- Land size: 14,043/ SQM

VALUE PROPOSITION

- Improve Hail's education standards through the development of private K12 schools which will serve the needs of Hail citizens and equip its youth with higher education quality. This will be translated in bridging the market gap by developing.
- The population of Hail is expected to reach approximately 875K by 2030.
- Student enrollment totaled in public, private and international schools is 148,215

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- There are (9) private school in Hail City.
- The dement of private school in Hail City would be around 5 schools by the end 2030.
- Local private and public schools.

GLOBAL TRENDS

- Global early childhood education market projected to reach USD ~310B in 2025, growing at 9.8% CAGR
- GCC pre-primary enrollment grew from ~794K in 2021 to ~969K in 2024, a 7% annual increase
- Globally, higher Early Years adoption leads to better lifelong learning outcomes and higher participation of women in the work-force
- Gross Enrollment Rate (GER) for OECD countries is ~80% as of 2021

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SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low | Medium | **High**

- The opportunity will contribute to the creation of approximately 400 jobs, directly, indirectly and induced.

VALUE CHAIN ANALYSIS

	Pre-K / Early years	K-12	Post-secondary Education	Continuous Learning
Traditional Education and Core Delivery	Early Years Education	**Primary** and Intermediate **Schooling**	Secondary Schooling; Higher Education *(Undergraduate / Diploma + Post-graduate)*; Technical Vocational Training (TVET)	Executive Education; Micro-Credentials; Online short form courses
Supplementary Education	Language Learning	Language Learning; Tutoring and Test Prep / Overseas Education Prep	Tutoring and Test Prep / Overseas Education Prep; After School activities (Music / Art / STEM / Sports etc.); Job matching / career counselling	
Ancillary (*Support*) Industries	Teacher training and other services such as curriculum design and publishing; Education Technology: Learning platforms and online education; Land and Infrastructure; Curriculum design and publishing			

KEY STAKEHOLDERS

وزارة الاستثمار Ministry of Investment

وزارة التعليم Ministry of Education

وزارة التجارة Ministry of Commerce

Human Resources and Social Development

هيئة تطوير منطقة حائل Hail Region Development Authority

ENABLING FACTORS

ENABLERS

- Government support and incentive policies
- Tax (VAT) Exemption in Tuition Fees for KSA Nationals
- Community Engagement
- Cultural and Social Support
- Strategic location and
- market demand

COST OF DOING BUSINESS IN KSA Factor

Ranking amongst regionalpeers

	Bottom 25%	Top 75%	Top 50%	Top 25%
Electricity tariffs for industrial players			$48 /MWh	
Productivity adjusted wages				$3.3 /hour
Logistics Performance Index (1-5)			3.2	
Construction Costs (Indexed to US, % 0 is cheapest)			74	
Ease of getting credit (0-100)				50

Definitions

#	SCORECARD SECTION	DEFINITIONS
1	Market size	Size of market in value/volume in KSA and/or Region (MENA/GCC) covering future projections based on available estimates from published /government sources
2	Business drivers	A select number of factors that will influence future demand for the related product/service
3	Investment highlights	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	Value proposition	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	Market readiness	An overview of KSA market structure, market maturity and level of participation by local and global players
6	Global trends	Latest business developments within the sector/product category
7	Scalability and localization	Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity's investment returns and the ability and potential to locally manufacture the product and its components
8	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
9	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
10	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
11	Enablers	Factors that enable investment in the underlying opportunity
12	Cost of doing business in KSA	Key factors that position KSA as a competitive destination for investment in the region. Productivity adjusted wages do not include cost of $1.23/hour towards annual recurring charges including work permit, resident identity (iqama) and health insurance

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