Private University Branch in Hail

INVESTMENT OPPORTUNITY – Higher Education

EDUCATION

استثمر في السعودية
INVEST SAUDI

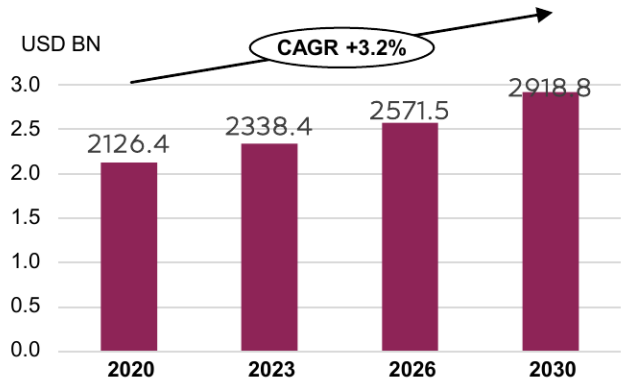
EDUCATION

Private University Branch in Hail

OPPORTUNITY DESCRIPTION: Invest in KSA's education sector by attracting a renowned higher education service provider to establish a private university branch in Hail.

DEMAND

MARKET SIZE, USD BN



KEY DEMAND DRIVERS

- Student enrollment in higher education institutions in Hail is expected to witness significant growth, with projections indicating that by 2030, approximately 42,000 students will be enrolled, driven by the growth in Hail's population through 2030. This reflects a significant increase of 1.13 times the current market size, driven by a strong CAGR of 2%.
- Moreover, this expected growth in higher education enrolment provides significant opportunities for education sector stakeholders to collaboratively join forces to enhance higher education infrastructure, curriculum development, and industry partnerships to ensure that university programs effectively meet the evolving needs of students and the labor market.

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS PROPOSITION

- Expected investment size of: SAR 115.2 M
- Expected IRR: 7.9%
- Payback Period:12.7 years
- Job Creation:1,630
- Opportunity to consider different operating models – FDI with 100% ownership or joint venture with local private sector player(s),
- Region: Hail
- Land size: 60,000/ SQM

VALUE PROPOSITION

- In alignment with Vision 2030 and Hail Region Strategy, Hail Region Development Authority shall seek to instigate demand in Hail's private higher education market through the attraction of a notable private service provider.
- The population of Hail is expected to reach approximately 875K by 2030.
- Students enrolled in higher education in Hail is expected to reach approximately 42,000 by 2030.

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- The growth rate of students enrolling in higher education in Hail is +2%.

Provider Landscape

AOU
الجامعة العربية المفتوحة
Arab Open University

جامعة حائل

GLOBAL TRENDS

- Digital transformation in education
- Focus on STEM and emerging fields
- Emphasis on research and innovation

EDUCATION
International School in Hail

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 Saudis
- Community Engagement
- Cultural and Social Support
- Strategic location
- 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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