

English Language Center in Najran

INVESTMENT OPPORTUNITY SCORECARD

EDUCATION

August 2022



EDUCATION

English Language Center in Najran

High Potential

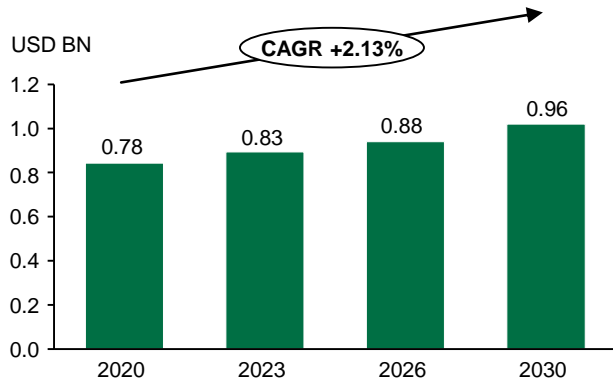
Moderate Potential

Low Potential

OPPORTUNITY'S DESCRIPTION: Opportunity to invest in KSA education sector by establishing English Language Center in Najran

DEMAND

MARKET SIZE, USD BN



INVESTMENT HIGHLIGHTS

- Expected investment size of USD 6-8 Mn
- Expected IRR: 7 – 9%
- Payback Period: 6 – 8 Years
- Opportunity to consider different operating models – FDI with 100% ownership or joint venture with local private sector player(s)

INVESTMENT OVERVIEW

VALUE PROPOSITION

- English language institutions in KSA are still at its nascency with a few domestic and international institutions catering to the increasing demands of Saudi citizens
- Najran city is becoming a touristic attraction for global tourism due to its historical archaeological sites and its natural landscape.
- Najran City is under the Future Saudi cities Programme developed by Saudi Ministry of Municipal and Rural Affairs (MOMRA) and United Nations habitat.
- Najran is recognized for its infrastructural development among the most prominent sectors: mining, agriculture and heritage tourism, which are contributing to the creation of jobs and economic movement that will create a need for educational services.

KEY DEMAND DRIVERS

- Openness to the world and changing regulatory landscape in Saudi Arabia are bound to further fuel the demand of English language
- Growing preference for a multilingual workforce by multinational corporations set up in KSA
- Change in government policy of delegating students abroad to learn English.
- Najran hosts more than 100 sites of sincere historic importance, which drives global tourism and the need for English language speakers
- Najran is undergoing regional infrastructural development that aim to promote tourism in the region

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- Increased globalization and demands from multinational corporations for English proficiency has made English language institutions lucrative
- Limited institution with limited courses and capability exist in the Kingdom

PROVIDER LANDSCAPE



¹Non-exhaustive list

GLOBAL TRENDS

- English is the operating system of the world and improves employability: The global English Language Learning market is projected to grow at a CAGR of 17.1% increasing from \$9.9bn in 2018 to \$22bn in 2024
- Advancement in technology and the pandemic has accelerated blended learning – a mix of face-to-face learning and online sessions



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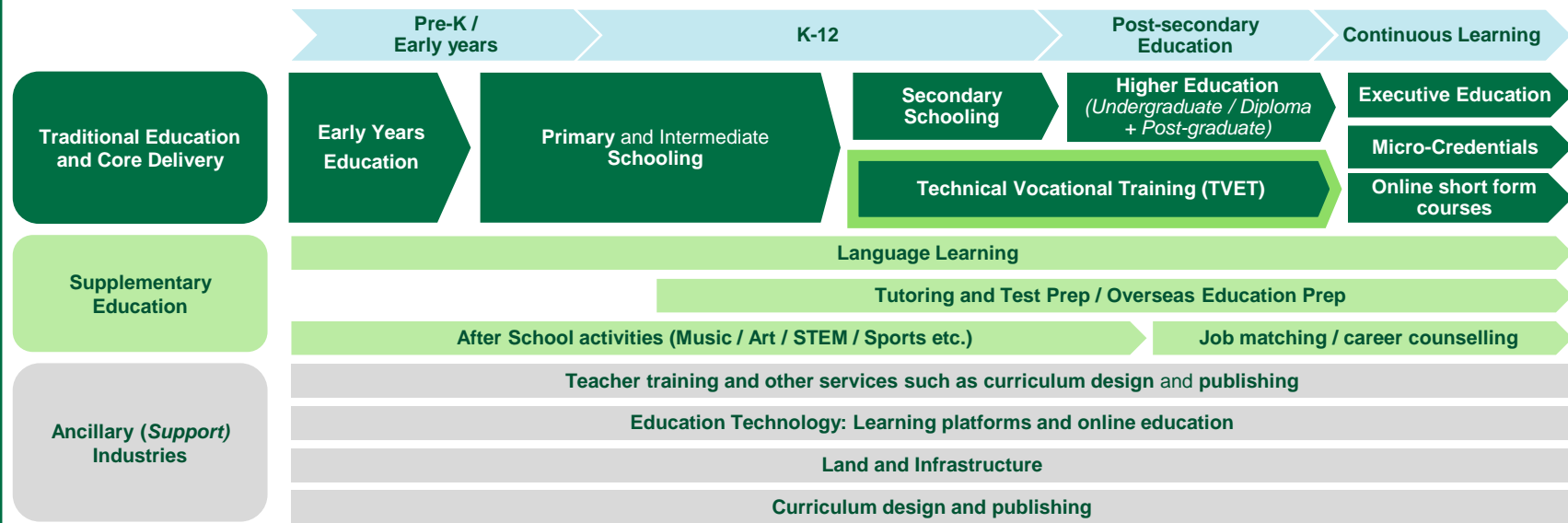
SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- The ability to diversify the English Language providers to enhance the global presence of the province.
- Low cost of construction, labour wages and utility fees to support low capital and operating expense for the investor and enable extending geographic footprint within the Kingdom

VALUE CHAIN ANALYSIS



KEY STAKEHOLDERS

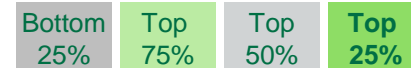
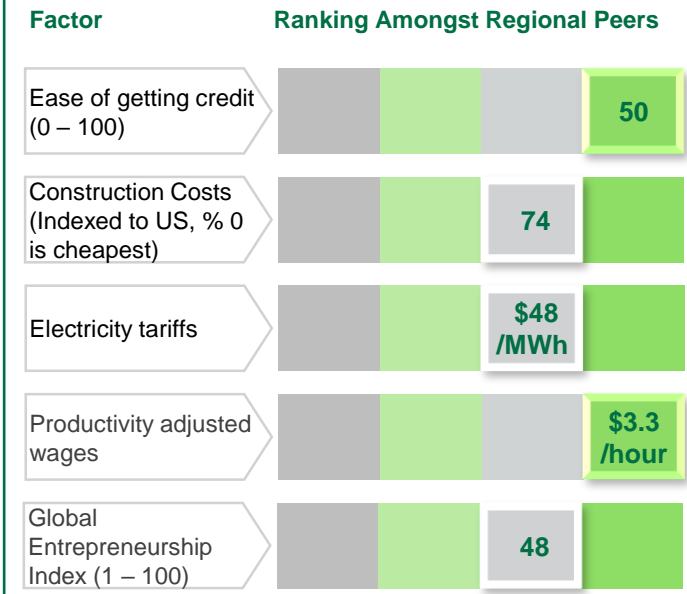


ENABLING FACTORS

ENABLERS

- 100% foreign direct ownership allowed
- Facilitate the issuance of the operational and academic staff visa
- Presence of infrastructural development projects in the region

COST OF DOING BUSINESS IN KSA



DEFINITIONS

#	SCORECARD SECTION	DEFINITION
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	Demand 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	Competitor analysis	List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share
7	Global trends	Latest business developments within the sector/product category
8	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
9	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
10	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
11	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
12	Enablers	Factors that enable investment in the underlying opportunity
13	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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