

Special Education Needs – Daycare Opportunity

Investment Opportunity

EDUCATION – April 2022





Special Education Needs - Daycare Opportunity

OPPORTUNITY DESCRIPTION: Invest in KSA's education sector by establishing high-quality SEN daycare centers across KSA

OPPORTUNITY REVIEW

Overview of SEN* population in KSA

Saudi Arabia has >1M people with special education needs



Saudi SEN population in KSA (2017)



Saudi population with intellectual impairments (2017)

There are multiple types of intellectual impairments prevalent in the Kingdom; there is a rising need to increase SEN* provision in the segment

Types of intellectual impairments

- Autism
- ADHD**
- Down's Syndrome
- Other intellectual disabilities

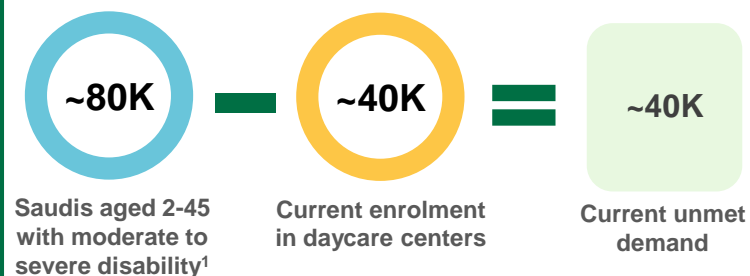
Growth of SEN* provision in KSA

The growth in formal SEN* provision in KSA is driven by multiple factors

- 1 Increasing population base
- 2 Rising awareness of intellectual disabilities
- 3 Improvement in SEN diagnosis and testing
- 4 Improvement in SEN provision and outcomes
- 5 Increased Government provision and financial support
- 6 Higher accessibility of testing knowledge and facilities in rural areas

Expansion of SEN* daycares in KSA

There is a need for expansion of SEN daycare centers in KSA to meet the unmet demand



Investors can choose to opt for either of the 2 licenses for opening new SEN daycares to cater to the large intellectually impaired population

وزارة الصحة
Ministry of Health

MoH SEN daycare centers provide childcare facilities in addition to medical diagnostic and treatment services

Human Resources and Social Development

MHRSD facilities in KSA provide daycare facilities with therapy, and offer up to SAR 45K in subsidy, for Saudi nationals

Note: *SEN stands for Special Education Needs **ADHD stands for Attention Deficit Hyperactivity Disorder
¹ Assuming a 1% incidence rate, 75% of population in age group 2-45, and ~50% of disabilities being moderate to severe



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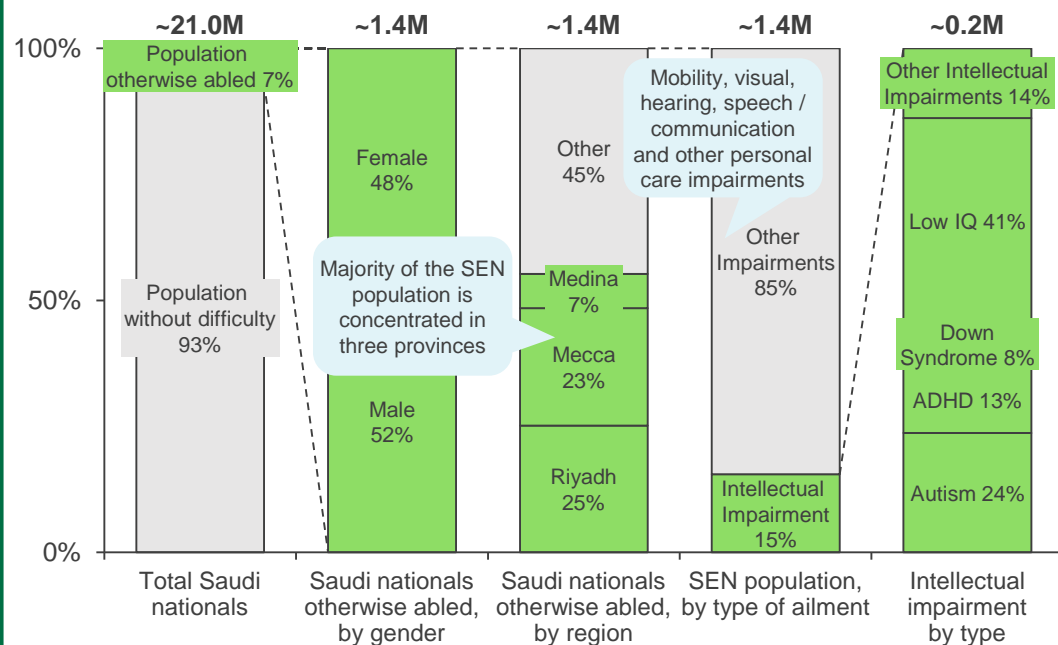
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KSA SEN OVERVIEW

Special Education Needs overview in KSA

KSA Saudi SEN population

(2017); Percentage, Number of persons



There is a **lack of trained education / therapy providers**, as well as specially tailored facilities for individuals with intellectual impairments (special education needs). Combined with the **current degree of under-diagnosis** in the region, there is an **urgent need to increase SEN provision** in the segment, which can be accelerated through the **participation of private providers**

Intellectual impairment affects a **person's ability to learn at an expected level and function in daily life**; the various types of impairments require varying degrees of **special attention and focus**

- Autism**
 - Developmental disorder that causes difficulty in communication, restricted / repetitive patterns of thought and behavior
 - KSA Incidence rate: ~1%
- ADHD***
 - Condition that causes attention deficiency, hyperactivity and /or impulsiveness
 - KSA Incidence rate: ~0.2%
- Down's Syndrome**
 - Genetic disorder usually causing intellectual disability, developmental delays and a distinct facial appearance,
 - KSA Incidence rate: ~0.1%
- Other intellectual disabilities**
 - Other disabilities include mental retardation etc., which is characterized by an IQ <50
 - KSA Incidence rate: ~0.5%

Drivers of increasing SEN cases

Enrolments in formal SEN have seen a growth over the last few years driven by increased population, improved awareness, diagnosis capabilities and accessibility of SEN facilities

- Increasing population base**
- Rising awareness in society**
- Improvement in SEN diagnosis and testing**
- Improvement in SEN curriculum and outcomes**
- Increased Government provision and financial support**
- Higher accessibility of testing knowledge and facilities in rural areas**

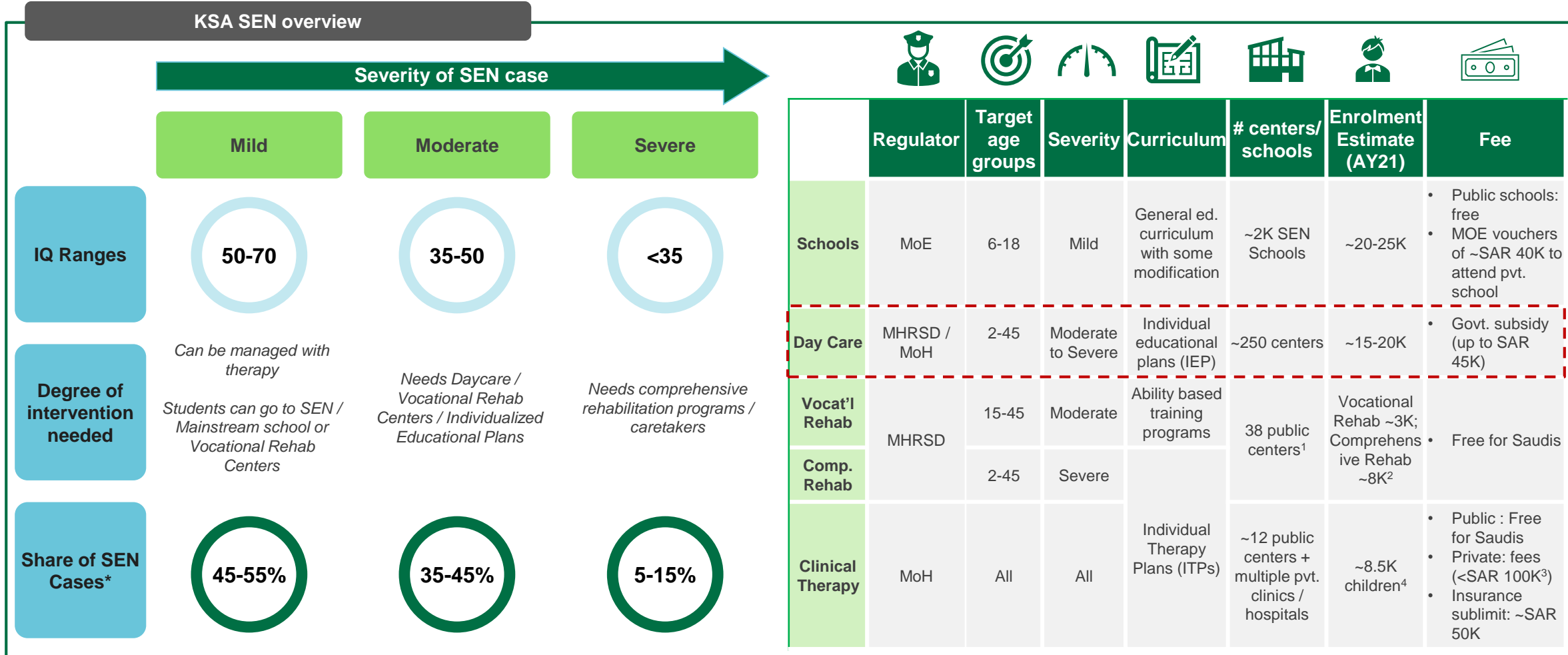
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KSA SEN OVERVIEW



Note: * Intellectual SEN cases only; ¹38 public centers operated by MHRSD; ²Includes 2K waitlisted children; ³Calculated as (SAR 200 per session) x (2-3 sessions daily) x (5 days per week) x (40 weeks); ⁴Public centers only



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EXPANSION OF SEN DAYCARES IN KSA

Why invest in SEN Daycares?



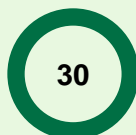
With three-fourths of the intellectually impaired population in the 2-45 age bracket, there is a huge potential to set up SEN daycares in Saudi Arabia to meet the growing demand for socialization, care, and therapy facilities for individuals with moderate to severe intellectual disabilities

Regulatory overview

MoH SEN daycare centers provide both services, medical diagnostic and treatment



Ministry of Health, Saudi Arabia



Number of centers



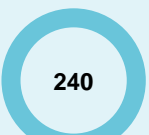
Enrolment

- Greater focus on therapy and related facilities
- Higher price points with absence of subsidies for the centers

MHRSD facilities in KSA provide daycare facilities with therapy only for Saudi nationals; these centers lack medical facilities



Ministry of Human Resources and Social Development, Saudi Arabia



Number of centers



Enrolment

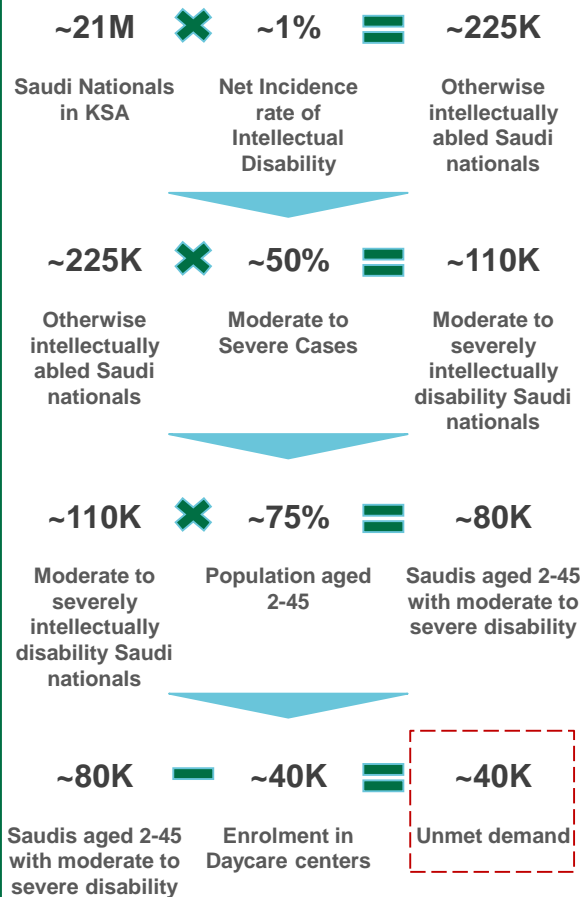


Per child subsidy for private centers*



Monthly subsidy for families**

Unmet demand



Case Study



مركز الرياض التخصصي للتأهيل

Riyadh Specialized Rehabilitation Center



Established in 1999



Um Al Hamam District, Riyadh



Capacity for 460 individuals



Caters to age groups 0-25+

- First daycare center licensed by Ministry of Human Resources and Social Development
- Non-governmental daycare center catering to individuals with different disabilities
- Offers evaluation and diagnosis, special education, rehabilitation services, and skills development and training services

Note: * Depending on rating of centers **Depending on severity of disability

Source: Provider websites

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