Opportunities in the Sector

SAUDI ARABIA EDUCATION REPORT 2021

INTRODUCTION

The education sector in the Kingdom of Saudi Arabia is undergoing rapid transformation at all stages of education, especially as policies stemming from Saudi Vision 2030 are put into play. It is important to recognise that the Kingdom's schoolgoing population is almost three times that of the rest of the GCC and with the growing interest towards private education, as well as a higher acceptance of foreign curricula, it creates a compelling case to invest in the education space of the Kingdom. Furthermore, this strong base of students will require adequate vocational training options as well as higher education options in the long run. Keeping in view all the interesting developments within the education space, we have developed a report that covers the four key segments of education:

- *Pre-primary education*
- *Primary and secondary education*
- *Tertiary education*
- *Technical and vocational training*

I hope you will enjoy this paper and wish all the stakeholders success in the years to come.

Shehzad Jamal
Partner - Healthcare and Education

SAUDI ARABIA EDUCATION REPORT 2021

EDUCATION SECTOR OVERVIEW

Historically, the education sector has been a key sector within Saudi Arabia, where in all but two of the last five years, it has accounted for the highest proportion of government expenditures.

The education sector has been a key sector of focus within Saudi Arabia, where in all but two of the last five years it has accounted for the highest proportion of government expenditures. Despite significant investment in education, where in 2020, education accounted for 18.9% of total government expenditures compared to 12.1% for OECD member countries, educational attainment levels sit materially below developed markets. The Programme for International Student Assessment (PISA) scores Saudi Arabia's Mathematics, Reading and Science at 373, 399 and 386 respectively compared to mean OECD scores of around 500 in the year 2018. These scores are despite relatively comparable primary, secondary and tertiary education enrolment rates of 95%, 96% and 71% respectively.

Therefore, whilst Saudi Arabia's education system is almost universally accessible, there are improvements that must be made to the quality of education outcomes. This shortcoming has been recognised by the Saudi Arabian government and is set to be addressed by the Human Capital Development Vision Realisation Program. This is one of thirteen such programs, which aim to fulfil the objectives of Saudi Arabia's Vision 2030, the country's far reaching economic diversification plan.

The government aims to not only improve the education outcomes but also to improve the structure of the education sector as a whole. The ultimate intention of this being to mould an education system that continually ensures it is fit for purpose and ultimately is in line with the developments and requirements of global and local labour markets.

REFORMS TO IMPROVE EDUCATION OUTCOMES INCLUDE:

TEACHER TRAINING	DEVELOPMENT OF CURRICULUM	PRE-PRIMARY EDUCATION
Improve training, development and recruitment of teachers	Improve education environment, education outcomes particularly in reading, maths and science and stimulate creativity and innovation	Increase pre-primary education enrolment rates to 95% by 2030

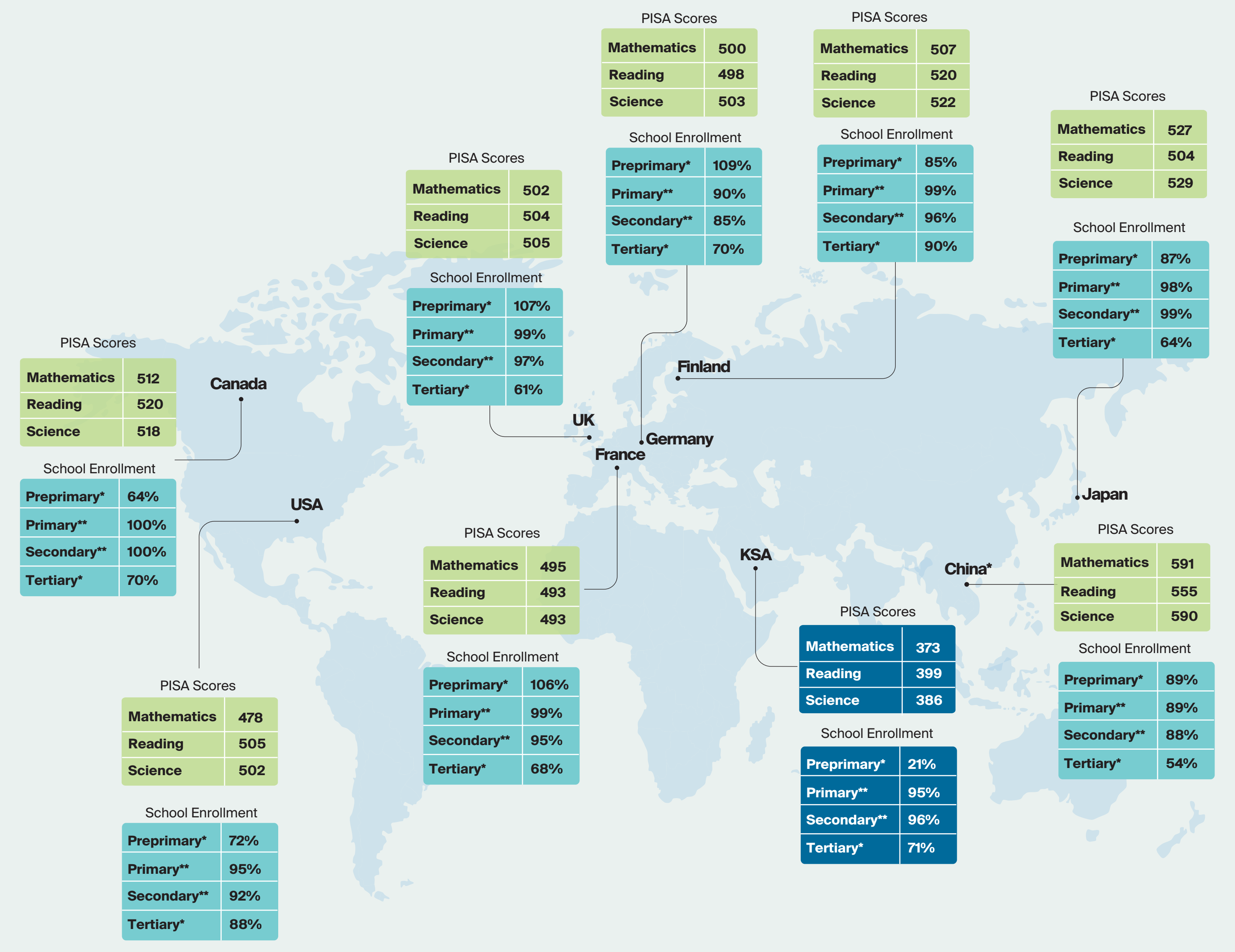
REFORMS TO ADDRESS THE UNDERLYING CHALLENGES INCLUDE:

100% FOREIGN OWNERSHIP	PUBLIC PRIVATE PARTNERSHIP (PPP) INITIATIVE	ACCESS TO FINANCING
Enabling foreign investors to hold majority ownership in private schools	Sector specific regulations to encourage PPPs	Access to a broad range of financing methods to support the two above-mentioned reforms

With a plethora of reforms, targets and fundamental changes in a range of demographic and societal norms, Saudi Arabia's education sector offers an abundance of opportunities for operators, developers and equity investors alike. Given the size of Saudi Arabia's population, these scalable opportunities exist across the education life cycle with most investment required immediately. Despite this, investors must remain mindful of the demand intricacies that exist on a national, regional and even on a city level, understanding these will be key to achieving both the investors' and the government's objectives.

SAUDI ARABIA EDUCATION REPORT 2021

PISA Scores, World Bank, World Development Indicators, Education



Source: *World Bank, OECD*

Note: *Data as at 2018, *China data represents Beijing, Shanghai, Jiangsu and Zhejiang and not all of mainland China. There is theoretically no minimum or maximum score in PISA; rather, the results are scaled to fit approximately normal distributions, with means around 500 score points and standard deviations around 100 score points.*

Note: *Data is latest available for each country, *Gross enrollment ratio is the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the level of education shown. **Net enrollment rate is the ratio of children of official school age who are enrolled in school to the population of the corresponding official school age.*

REGULATION

The education system in Saudi Arabia is regulated primarily by the Education Evaluation Commission (EEC) and the Ministry of Education (MoE). The EEC is responsible for evaluating public and private education in the Kingdom to ensure the quality of education meets or exceeds required standards. The MoE, which in 2015 merged with the Ministry of Higher Education, implements the standards and policies which Saudi Arabia's education system must adhere to and supervises all institutions at all levels of the education life cycle, including specialised education institutions.

The diagram below shows the set-up of the education system in Saudi Arabia, reciprocal levels in the American and English systems and the key regulatory bodies responsible for various segments the education life cycle.

Investors must remain mindful of the demand intricacies that exist on a national, regional and even on a city level, understanding these will be key to achieving both the investors' and the government's objectives.

K-12 Education System and Regulatory Authorities

Age	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18+
UK	Pre-Primary (FS1-FS2)		Primary 1-6						Secondary 7-11							Post-Secondary
USA	Pre-Kindergarten			Elementary 1-6						Secondary 7-11						Post-Secondary
KSA	Kindergarten			Elementary 1-6						Intermediate 7-11			Secondary 10-12			Post-Secondary
KSA's Key Regulators	Ministry of Education (MoE)									Technical & Vocational Training Corporation College of Excellence(COE) Saudi Skills Standards(SSS)						
	Educational Evaluation Commission (EEC)															

SAUDI ARABIA EDUCATION REPORT 2021

PRE-PRIMARY EDUCATION OVERVIEW

Whilst formal pre-primary education (nurseries and kindergartens) have been a component of Saudi Arabia's education system since 1974, due to its largely non-compulsory status, take-up has been relatively poor. As at 2019, only 21% of the applicable age groups were attending pre-primary education institutions, the lowest rate compared our selected countries.

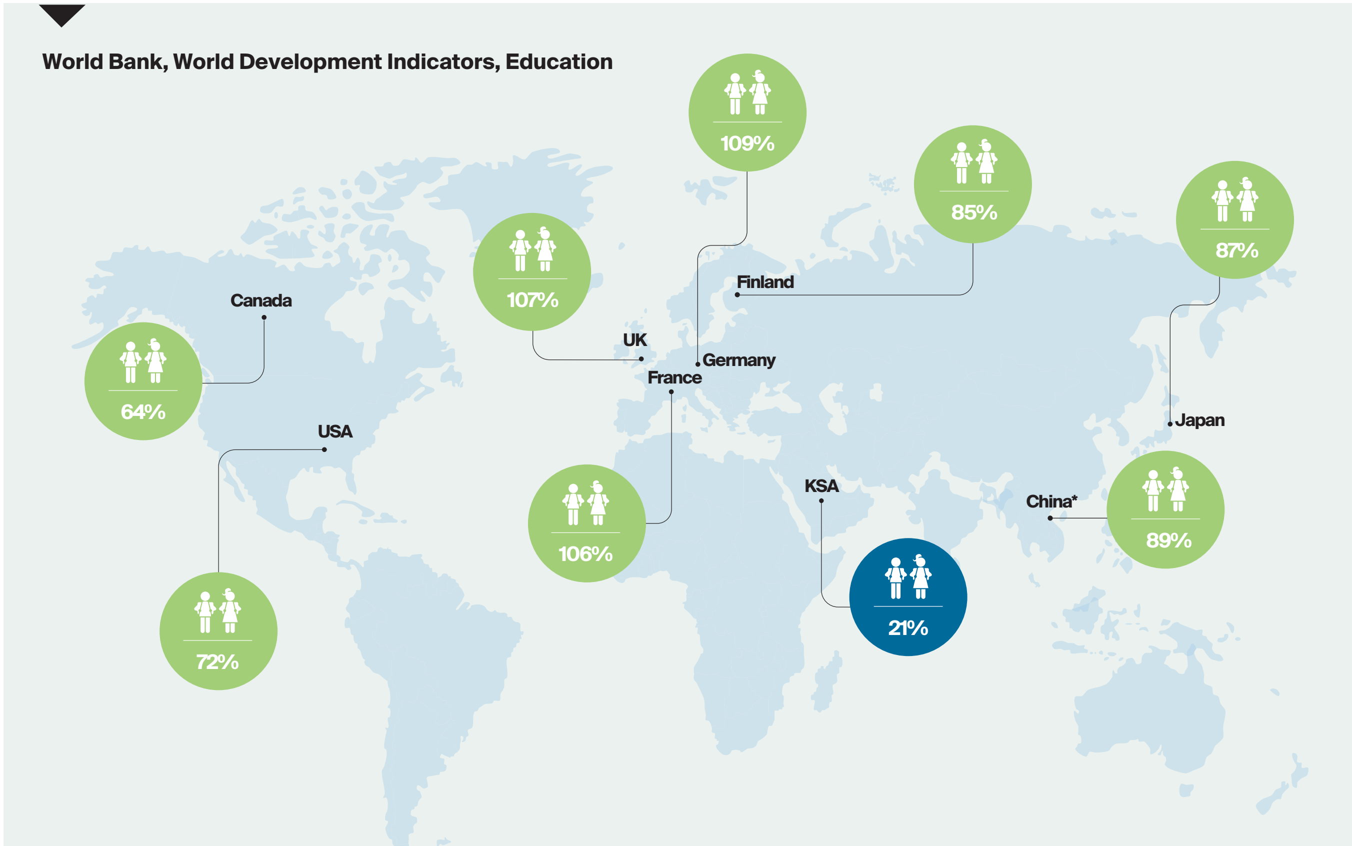
This low rate of enrolment may not be necessarily due to a lack of desire but more as a result of the availability of affordable and quality institutions. As pre-primary education is largely not compulsory, this sector has arguably been underserved within the public education sector and where private institutions are commanding fees, which may be out of reach for the average Saudi citizen.

Given the importance of early childhood education as a fundamental building block of future educational attainment, as part of Vision 2030, the Saudi Arabian government aims to increase the enrolment rate to 95% by 2030.

As social norms dissipate and as we continue to see an increase in female labour force participation rates, demand for affordable and quality pre-primary institutions is only likely to increase.

With reference to female participation in the work force, over 2,514 Saudi women working in the private sector have benefited from the Qurrah Program, particularly in nurseries and day care centers for children. The program announced by the Saudi Human Resources Development Fund aims to increase the percentage of Saudi women working in the private sector and contribute to the stability of Saudi women in their jobs.

Saudi Arabia's Ministry of Investment in conjunction with the Ministry of Education estimate that 1,500 kindergartens are required across Saudi Arabia over the next decade alone. However, the focus cannot solely be on kindergartens. Early childhood educational development institutions (1 month to 3 years old age group) must also be provisioned, in order for Saudi Arabia to achieve its desired international educational outcome scores.



Source: *World Bank*

Note: *Data is latest available for each country, *Gross enrollment ratio is the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the level of education shown.*

PRIMARY AND SECONDARY EDUCATION OVERVIEW

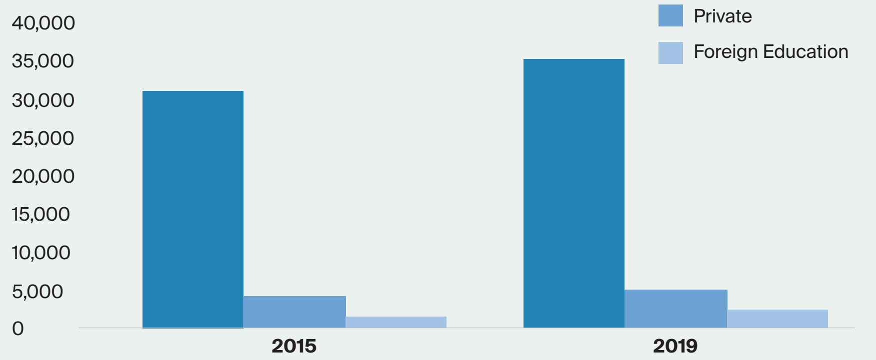
Over the four years to 2019, Saudi Arabia has seen a marked increase in the number of students and schools.

In Saudi Arabia, as at 2019, there were a total of 38,150 schools, up 16.5% from 2015. In comparison to other developed nations and relative to its population, Saudi Arabia has a significantly higher number of schools. This is largely due to schools being segregated based on gender, where schools must maintain segregated premises from grade one onwards.

Of the 38,150 schools, 80.3% of these schools were public schools, which provide state funded education and are based on a curriculum approved by the MoE. Private schools, which account for 12.5% of all schools, are fee-paying schools, which also undertake a MoE approved curriculum. Saudi nationals and Arab expatriates make up the vast majority of the student body at such private schools. Foreign schools, are schools that offer international curriculums such as American, British or Indian, accounted for 6.2% of schools. These fee-paying schools have grown in number by 42.1% since 2015.

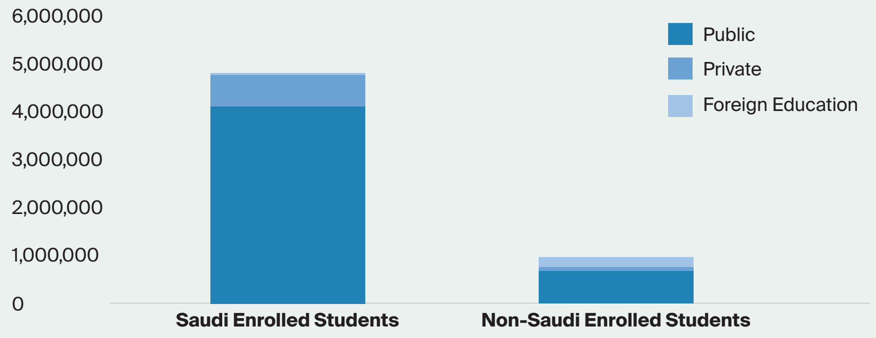
As at 2019, schools in the Riyadh region accounted for 22.8% of all schools in the Kingdom, followed by the Makkah region, which accounted for 19.0% of all schools. The Riyadh (38.9%) and Makkah (29.4%) regions accounted for 68.3% of the country's total foreign schools. This is underpinned by the concentration of high earning professionals in Riyadh, who value quality education and can afford private education. More so, this cohort prefers private education, and primarily the international curricula or curricula of their home country.

Schools by Sector, 2015-2019



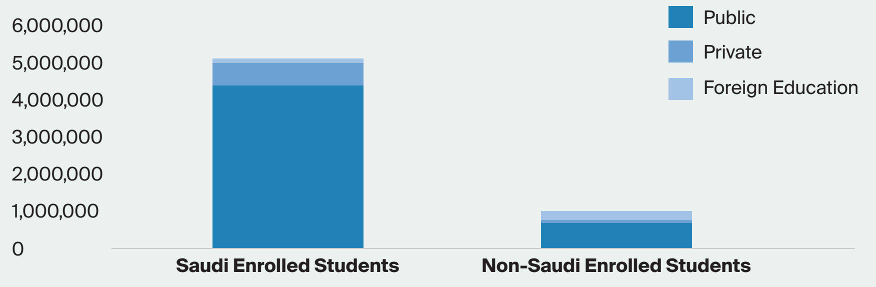
Source: Knight Frank Research

Students by Sector and Nationality, 2015



Source: Knight Frank Research

Students by Sector and Nationality, 2019



Source: Knight Frank Research

Saudi Arabia's total student population has increased by 6.2% in the four years to 2019 to reach 6.18 million. The public and foreign school sectors have seen their respective student populations grow by 5.8% and 37.0% over this period. However, over the same period, the private schools sector has seen its total student population decrease by 3.5%. As at 2019, the number of students studying in public, private and foreign curriculum schools account for 82.5%, 11.1% and 5.9% of the total student population respectively. The Riyadh, Makkah and Eastern Province regions account for 24.2%, 23.2% and 14.3% of Saudi Arabia's total student population respectively. Whilst the Jawf region recorded the highest growth rate of 14.5% in student numbers across all of Saudi Arabia's 13 regions, from 2015 to 2019, the Makkah region saw the highest absolute increase with over 96,000 more students enrolled in 2019 compared to 2015.

In the Kingdom's three major regions, Riyadh, Makkah and Eastern Province, we have seen sharp increases of 34.2%, 19.4% and 92.4% respectively, in the total student numbers studying foreign curriculums in the four years to 2019. Whereas, over the same period private curriculum student numbers fell by 7.1% on average in these three regions. This was mainly on account of expatriates leaving the country due to imposition of the expatriate Levy in 2017 and increasing popularity of foreign education among Saudi parents.

MAJOR CHALLENGES

1

INCREASED REGULATION

One of the key challenges facing the education sector stems from regulations implemented by the MoE and Civil Defence, which increased requirements relating to schools' infrastructure, health and safety standards and prohibited schools from operating in non-purpose built premises. As a result of these changes, in Riyadh, 40% of private schools are currently operating in violation of these more stringent health and safety measures and therefore must either move to purpose built premises or cease operation due to non-compliance

2

EXPATRIATE LEVIES

With the introduction of expatriate levies in 2017, which are set to increase annually for dependants, we have seen some schools witness a considerable decline in enrolment numbers as these expatriates chose to either send families back or leave all together. However, it is important to note that well reputed schools with purpose built facilities have seen enrolment numbers remain stable or even increase.

3

AFFORDABILITY

The fee structures in many well-reputed schools is considered to be unaffordable for many low to mid-income expatriate residents.

4

RECRUITMENT AND REMUNERATION

With high recruitment costs, from a limited pool, which are further inflated due to low retention rates given the transient nature of employment in the region, operating costs for operators can increase substantially and can lead to disruption in school operations and impact education outcomes. This challenge is further exacerbated by the substantial increases in salary bands for Saudi national teachers. This increasing cost base will ultimately lead to increased tuition fees, which in turn erodes affordability.

DEMANDS

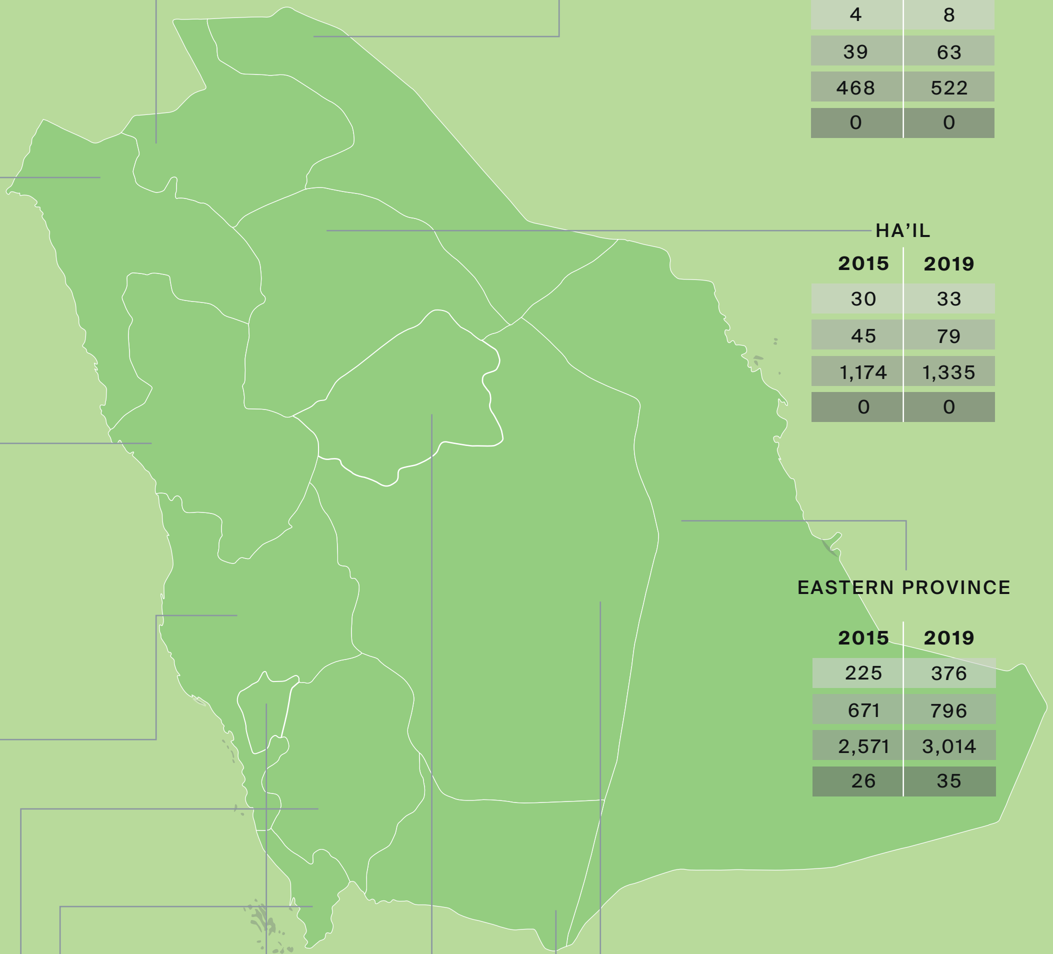
GROWING DEMAND FOR INTERNATIONAL EDUCATION

Foreign schools are seeing increased levels of demand from Saudi nationals as this segment of the population increasingly realises the benefits of their children obtaining international education. Anecdotally, the vast majority of this demand has been for the American and British curricula, with the former being most preferred.

AFFORDABILITY

With expatriate levies affecting both employees and employers, incomes have come under increasing pressure over recent years. More so, historically a reasonable portion of employment contracts included allowances for schooling, but as the Kingdom's economy has developed and opened up, we have seen such provisions diminish. As a result, affordability in the education sector is under increasing pressure, where demand for affordable education institutions is strongest from the middle-income segment.

NUMBER OF SCHOOLS BY PROVINCE AND SECTOR



AL JAWAF

2015	2019
12	19
109	159
651	764
0	0

NORTHERN BORDERS

2015	2019
4	8
39	63
468	522
0	0

TABUK

2015	2019
19	30
109	130
951	1,139
0	0

HA'IL

2015	2019
30	33
45	79
1,174	1,335
0	0

MADINAH

2015	2019
87	119
213	308
1,977	2,243
0	22

EASTERN PROVINCE

2015	2019
225	376
671	796
2,571	3,014
26	35

MAKKAH

2015	2019
595	697
983	1,158
4,741	5,413
0	0

ASIR

2015	2019
49	83
146	204
3,373	3,880
0	0

RIYADH

2015	2019
591	920
1,609	1,887
5,363	5,900
0	0

JIZAN

2015	2019
21	33
43	100
2,041	2,338
0	0

BAHAH

2015	2019
10	5
13	18
976	1,061
0	0

QASSIM

2015	2019
12	39
153	203
2,001	2,262
0	0

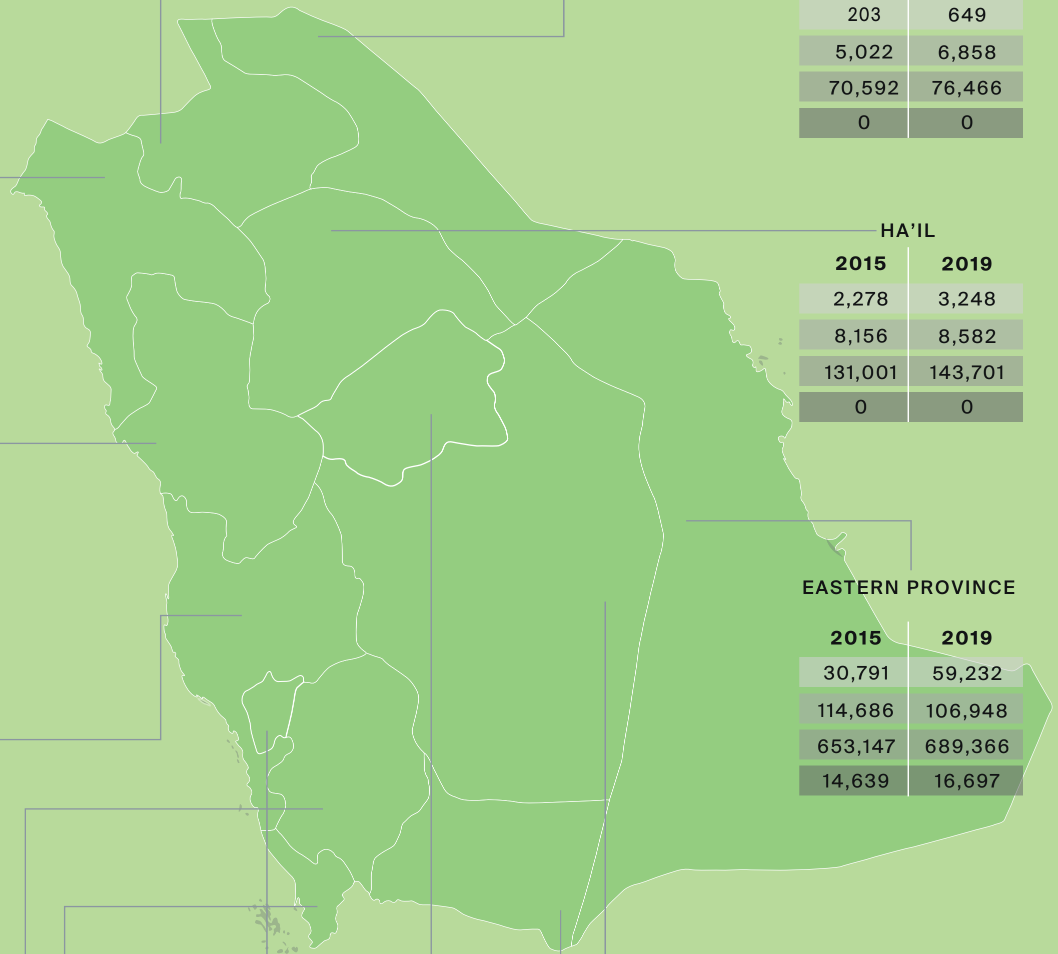
NAJIRAN

2015	2019
11	6
30	54
639	752
0	0

Foreign Education · Private · Public · Royal Commission

SAUDI ARABIA EDUCATION REPORT 2021

NUMBER OF STUDENTS BY PROVINCE AND SECTOR



AL JAWAF

2015	2019
806	1,312
14,327	17,927
107,412	121,069
0	0

NORTHERN BORDERS

2015	2019
203	649
5,022	6,858
70,592	76,466
0	0

TABUK

2015	2019
2,874	43,78
26,619	25,815
173,437	178,012
0	0

HA'IL

2015	2019
2,278	3,248
8,156	8,582
131,001	143,701
0	0

MADINAH

2015	2019
8,424	9,815
39,301	40,385
369,882	378,983
0	8,148

EASTERN PROVINCE

2015	2019
30,791	59,232
114,686	106,948
653,147	689,366
14,639	16,697

MAKKAH

2015	2019
91,633	109,428
156,752	144,026
1,070,243	1,161,476
0	0

ASIR

2015	2019
4,706	7,810
19,086	22,130
410,242	433,927
0	0

RIYADH

2015	2019
116,837	156,774
299,705	279,994
1,012,065	1,039,962
0	0

JIZAN

2015	2019
2,105	3,852
6,281	9,549
289,099	320,664
0	0

BAHAH

2015	2019
641	557
1,018	988
79,578	80,601
0	0

QASSIM

2015	2019
2,068	4,092
17,475	16,103
252,305	264,844
0	0

NAJIRAN

2015	2019
865	902
4,129	7,095
121,143	127,464
0	0

Foreign Education · Private · Public · Royal Commission

SAUDI ARABIA EDUCATION REPORT 2021

TERTIARY EDUCATION OVERVIEW

In the five years to 2018, the total number of students in higher education has increased by 8.3% and currently stands at 1.62 million.

CURRENT LANDSCAPE

The tertiary education sector in Saudi Arabia encompasses three main verticals, universities, colleges and technical and vocational institutions. In total, Saudi Arabia has 60 universities, with 70.0% of these being public universities. Colleges and universities in Riyadh, Jeddah, Buraydah and Madinah account for 28.3%, 18.3%, 13.3% and 11.7% of the total number of colleges and universities in the Kingdom respectively.

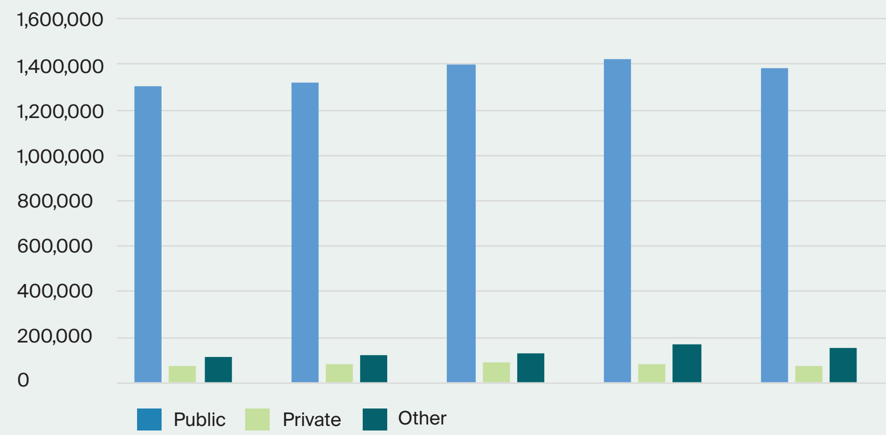
There are a total of 18 private universities in Saudi Arabia, seven of which (38.9%) are located in Riyadh. Of the 42 private colleges in Saudi Arabia, 10 are located in Riyadh and both Buraydah and Jeddah are host to seven private colleges each.

In the five years to 2018, the total number of students in higher education has increased by 8.3% and currently stands at 1.62 million. The total number of students in higher education has fallen from its peak in 2017, where there were 1.68 million students, by 3.6%. The proportion of students studying in public universities as at 2018 stands at 85.5%, compared to 4.8% studying at private universities and 9.6% of students choosing to undertake a technical and vocational course.

In public universities, the take up of Business Management as a major has increased by 61% in the four years to 2018, where this major accounted for 30.1% of all student enrolments, up from 19.8% in 2014. Arts and Humanities ranked as the second most subscribed to major, where 24.7% of all students enrolled undertook this major in 2018. This is despite the total number of students enrolled in this major declining by 12.7% from 2014 to 2018. The Natural Sciences, Mathematics and Statistics major group recorded a 55.9% increase in the total number of students enrolled to reach 126,123 students as at 2018, accounting for 9.1% of total enrolment.

In private universities, as at 2018, Health and Wellbeing majors accounted for the largest portion of enrolled students, with 35.4% of students choosing this major. This was closely followed by Business, Management and Law majors, which account for 31.9% of all enrolled students in private universities. Services and Arts and Humanities majors recorded the fastest rates of growth of 150.5% and 82.6% respectively in the four years to 2018, although the former has done this from a very low base. Over the same period, Education, Social Science, Journalism and Media and Information and Communication Technology majors were the only three to record reductions in enrolment levels, where enrolment levels fell by 83.9%, 61.4% and 11.6% respectively.

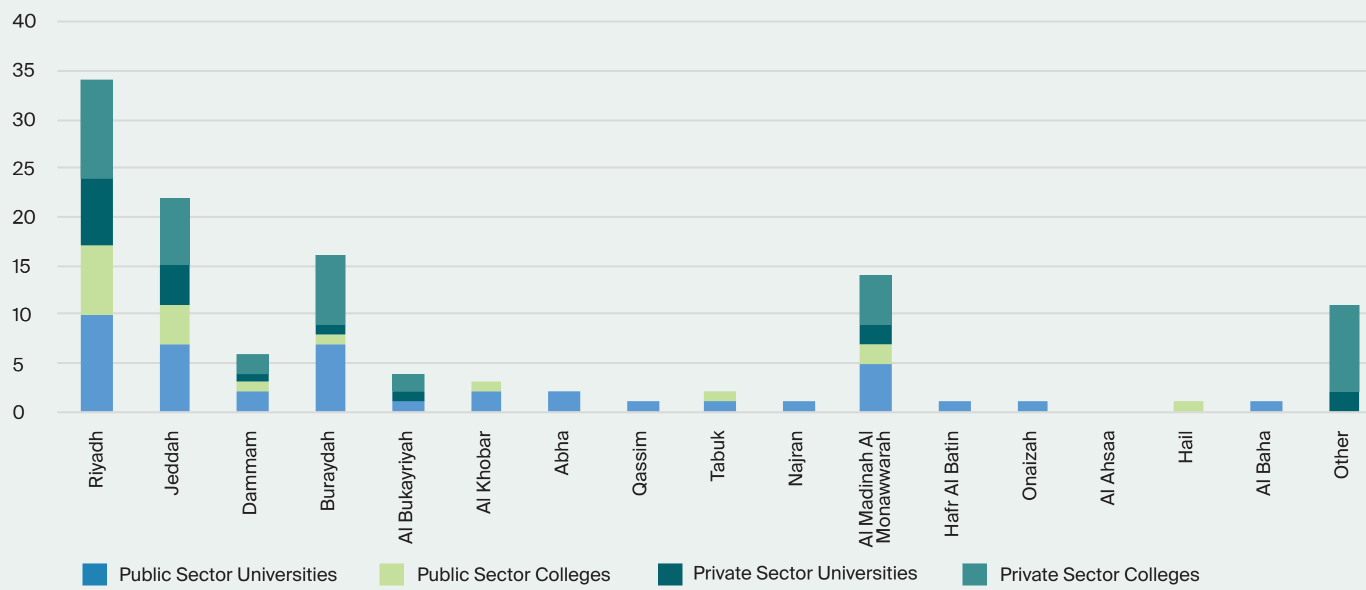
Breakdown of Number of Students Currently Enrolled in Universities in the KSA, 2014 – 2018



Source: Knight Frank Research

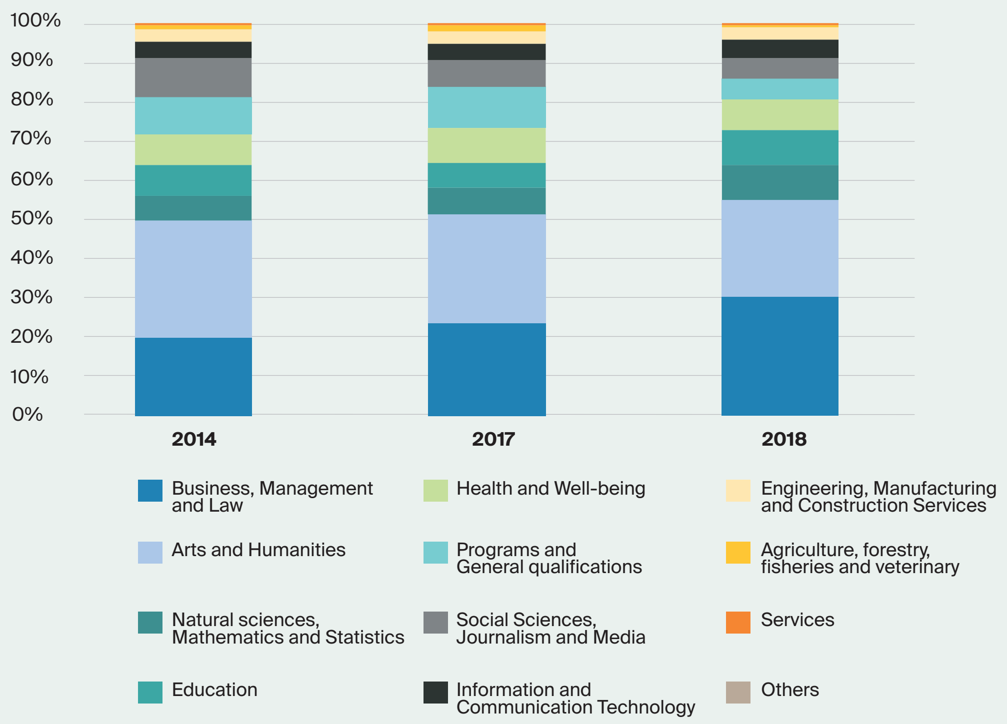
The proportion of students studying in public universities as at 2018 stands at 85.5%, compared to 4.8% studying at private universities and 9.6% of students choosing to undertake a technical and vocational course.

Universities and Colleges by Region, 2018



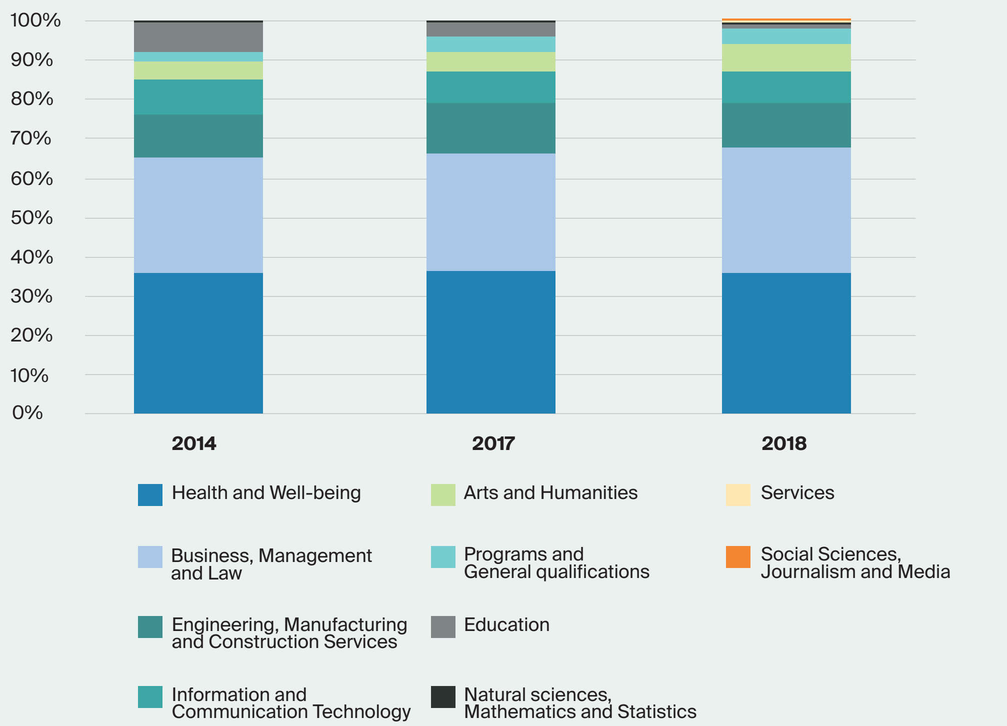
Source: Knight Frank Research

Breakdown of Students Currently Enrolled in Public Universities in the KSA by Majors, 2014 – 2018



Source: Knight Frank Research

Breakdown of Students Currently Enrolled in Private Universities in the KSA by Majors, 2014 – 2018



Source: Knight Frank Research

SAUDI ARABIA EDUCATION REPORT 2021

GOVERNMENT INITIATIVES

EDUCATION OUTCOMES

As part of the Human Capital Development Vision Realisation Program the Saudi Arabian government aims to ensure that education outcomes are in line with market requirements. Given this and expected labour requirements in developing sectors such as the tourism and industrial and logistics sectors, the government plans to expand the technical and vocational education sector. To achieve this, the government is set to apply a cap of 60% on the number of high school graduates attending universities, with the remaining 40% of students being redirected into the technical and vocational education sector.

KING ABDULLAH SCHOLARSHIP PROGRAM

In 2005, the King Abdullah Scholarship Program (KASP) was introduced, allowing Saudi nationals to study abroad with the government covering tuition fees, monthly living expenses and other living expenses such as healthcare insurance. On the back of weaker oil prices since 2014, which materially affected government revenues and spending, the government has begun to apply a more stringent eligibility criteria for this program. As a result, the total number of students enrolled in this program decreased from 140,033 in 2014 to 99,245 in 2018.

FINANCIAL CONSTRAINTS

REDUCTION IN FUNDING

The number of students being accepted to public universities and who are eligible for state funded education is falling as public sector higher education spending is wound down.

PRIVATISATION

With the government planning on privatising public universities, where a two year transition period will be granted once a university is set to be privatised, tuition fees are likely to be borne by the student alone, particularly as scholarships for private universities become less common

LAND REQUIREMENTS

The minimum land requirement for a college currently stands at 40,000 square metres, which would be suitable for 1,000 students. Furthermore, a university is required to have three colleges with a minimum number of students of 1,000 per college. This level of infrastructure requirement is likely to deter private investors.

BANK GUARANTEES

Investors must provide a bank guarantee to the MoE amounting to SAR 5,000 per student, which is set aside to cover the cost of transferring students in the event a university ceases operation.

DEMAND

PUBLIC VS PRIVATE

Private universities are generally considered to be more attractive in comparison to public universities given their greater levels of diversity, both in terms of culture and nationalities, and their broader course offerings.

GEOGRAPHIC DISPERSION

Almost 72% of colleges and universities are concentrated in the central or western parts of the Kingdom. As regional cities develop, we expect demand to strengthen in the North, North-West and the South of the country.

STUDENT SATISFACTION

Providing student accommodation in colleges and universities would help improve student satisfaction and is likely to drive both domestic and international demand

CURRICULUM DEVELOPMENT

As new economic sectors begin to come to the forefront of Saudi Arabia's economy, its education sector will have to ensure that its higher education provides appropriate higher education courses to ensure labour market supply matches demand. Specialisations in demand include:

- Project Management
- Industrial Engineering
- Tourism
- Entertainment
- Nursing

INTERNATIONAL DEMAND

With COVID-19 limiting mobility around the world we have seen many higher education institutes around the world start to offer online only courses. Despite the pandemic subsiding, this method of delivery may be here for the long run. This allows Saudi Nationals an opportunity to undertake a range of courses from a variety of internationally recognised universities, at the expense of local institutions.

DEMAND

As at 2018, 89.3% of high school graduates attended university in Saudi Arabia, which equates to an estimated 325,547 students. With the government looking to reduce this rate to 60%, we estimate that by 2030 there will be an excess of 69,494 seats within Saudi Arabia's university sector. After this period of decline, we expect growth to resume in 2031. However, even by 2035 the total number of students in universities will still be 27,638 below 2018 levels. Whilst this indicates that the case for expansion in this sector remains unviable, there is demand for replacement of existing facilities, which are no longer fit for purpose due to new regulations.

TECHNICAL AND VOCATIONAL TRAINING SECTOR OVERVIEW

With the government aiming to attract 30% of high school graduates to the TVT sector, we estimate that in the 10 years to 2030 a total of 123,378 additional TVT seats will be required.

CURRENT LANDSCAPE

The Technical and Vocational Training (TVT) sector is the corner stone of Saudi Arabia's economic diversification plan, which is aiming to create five million employment opportunities in the next 20 years to 2030. Around 40% of these new jobs are expected to be vocational and technical in nature, ensuring an efficient and effective TVT sector will be crucial going forward.

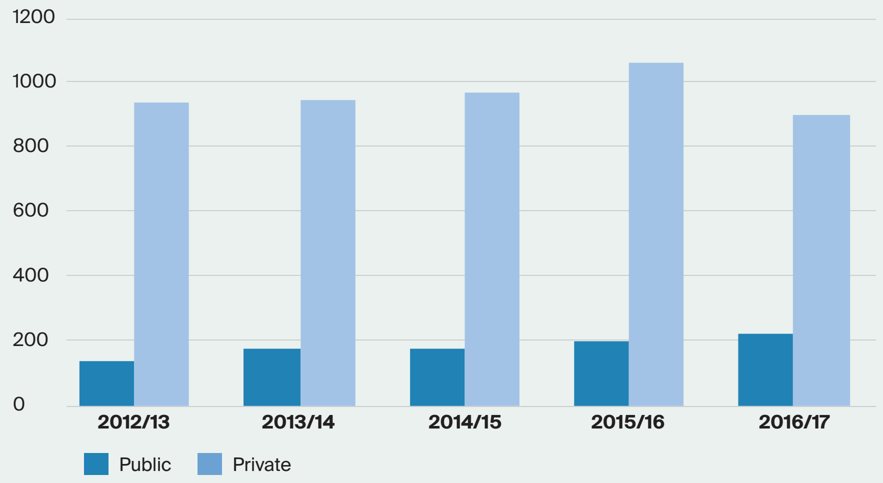
Across Saudi Arabia, as at 2017, there are a total of 1,120 TVT facilities, with the private and public sectors accounting for 80.1% and 19.9% of facilities respectively. In the five years to 2017, public sector TVT facilities have grown by 60.4% to reach 223 TVT facilities, whereas in the private sector we have seen this number decrease by 4.2% over the same period.

In Riyadh, while public and private TVT facilities account for 33.2% and 36.9% of the Kingdom's total TVT facilities, we have seen total TVT facilities decline by 7.7% in the two years to 2017. Despite the public sector recording growth rates of 42.3% over the two years to 2017, the larger private sector has seen total TVT facilities fall by 14.5% over the same period, resulting in the headline total declining.

Public TVT facilities can be subdivided into the following five categories:

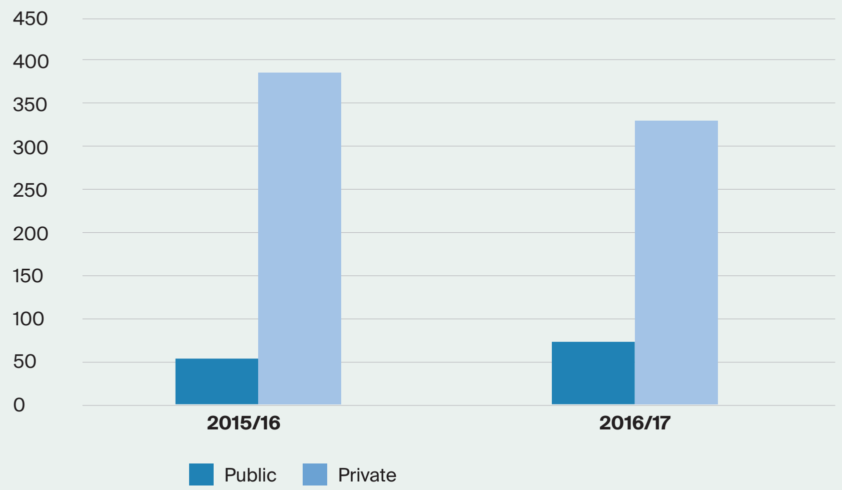
- Technical Colleges
- International Technical Colleges (ITC)
- Strategic Partnerships Institutes (SP)
- Secondary Industrial Institutes
- Industrial Vocational Training Institutes

TVT Facilities in KSA by Sector, 2012 - 2017



Source: Knight Frank Research

TVT Facilities in Riyadh by Sector, 2016 – 2017

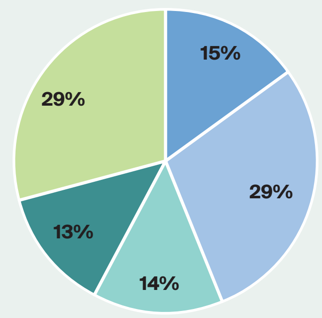


Source: Knight Frank Research

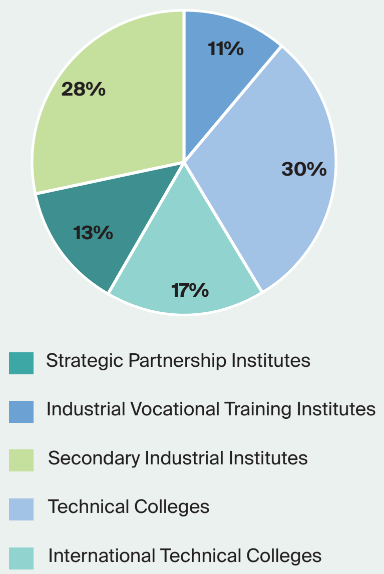
In both, the country as a whole and Riyadh, the two largest sectors by the number of facilities are Technical Colleges and Secondary Industrial Institutes, which provide technical and industrial vocational education and are operated by the local government authorities.

Whereas both International Technical Colleges and Strategic Partnerships Institutes are managed by the Colleges of Excellence (CoE). The CoE facilitates a network of technical colleges and enacts PPP models between the TVTC and international operators. The CoE identifies and collaborates with international vocational training providers, through pre-qualifications, procurement and tendering processes, and employers to meet the requirements of the labour market.

Public TVT Facilities in the KSA by Type, 2017



Public TVT Facilities in Riyadh by Type, 2017



Source: Knight Frank Research

GOVERNMENT INITIATIVES

REGULATORY BODY

In order for the TVT sector to be better recognised and to support the aims of Vision 2030, the Saudi Arabian Government has initiated a regulatory body called the Colleges of Excellence (CoE). The CoE aims to facilitate partnerships and collaborations with foreign operators in order to bring internationally recognised expertise to the country. Whilst the CoE runs the tender process for these foreign operators, it does not decide which specialisations will be sought; the wider Saudi Arabian government decides the required specialisations. Whilst the government's aim is to invite investors to develop facilities, currently we are seeing the Technical Vocational Training Corporation provide infrastructure to operators and allowing the operator to invest in the required facilities and ongoing operation. As part of the scheme, operators are eligible for favourable financing terms.

HIGH SCHOOL GRADUATES

Currently the TVT sector attracts 15% of high school graduates, with the government targeting to increase this to 40% by 2030. One of the primary mechanisms that will be used to achieve this target will be to reduce the number of guaranteed places at universities and redirect demand to the TVT sector.

OPERATIONAL CONSIDERATIONS

EXPATRIATES ENROLMENT

For all technical colleges under government led operations, regardless if the actual operators are local or foreign, expatriates can only account for 10% of students and must be from Arabic speaking nations.

CONTRACTUAL AGREEMENTS

Operational agreements with foreign operators are usually signed for five-year periods and in some cases may be extended for a further three years. Proposals to increase this limit to 10 years are currently being evaluated.

COMPENSATION

The mechanism of payment for foreign operators is largely dependent on individual tender packages, however, as a general rule the government pays operators based on the number of trainees enrolled and their attendance levels.

PROGRAM CYCLES

Currently, most TVT programs have a three year cycle, however, students can exit the training at any level, which gives them flexibility. The three year cycle consists of:

- Foundation year, where students improve their knowledge in English, Arabic, Information and Technology and other subjects required for further training. For English, the Cambridge English training system is followed.
- Associate diploma year, which focuses on the technical languages
- Diploma year, where training is focused on the specialty chosen

DEMAND

SPECIALISATIONS

As mentioned earlier in this section, the Saudi Arabian government decides which specialisations are offered based on economic needs. In general, the following specialities are considered as sectors of focus:

- Engineering and Construction
- Entertainment and Media
- Tourism

TOTAL DEMAND

With the government redirecting demand from universities to the TVT sector, in order to achieve its target of attracting 40% of high school graduates to the sector, we estimate that in the 10 years to 2030 a total of 123,378 additional TVT seats will be required.

KEY CONTACTS

Stefan Burch, MRICS
General Manager & Partner
+966 53 0893 297
stefan.burch@me.knightfrank.com

RESEARCH

Amar Hussain
Data Manager, MEA Research
+966 55 2323 036
amar.hussain@me.knightfrank.com

MARKETING

Thomas Farmer
Associate Partner
+971 56 6116 368
thomas.farmer@me.knightfrank.com

HEALTHCARE & EDUCATION

Shehzad Jamal
Partner
+971 56 4101 298
shehzad.jamal@me.knightfrank.com

REAL ESTATE STRATEGY & CONSULTING

Harmen De Jong
Partner
+966 56 3045 356
harmen.dejong@me.knightfrank.com

Dr. Gireesh Kumar
Senior Manager, Healthcare
+971 56 4845 490
gireesh.kumar@me.knightfrank.com

DEVELOPMENT MANAGEMENT

Kaveh Samsamy
Partner
+966 56 3561 622
kaveh.samsamy@me.knightfrank.com

Knight Frank Research Reports
are available at

KnightFrank.com.sa/en/research

Knight Frank

@KnightFrankME
@KnightFrankMiddleEast
@KnightFrankMiddleEast
@KnightFrankME
@KnightFrankMiddleEast