

### **Key growth drivers**

There're several growth drivers for private education in GCC: 1.8% annual increase in the population in the GCC will take the total population to 53.5 million by 2020; inclination towards private education by both local and expatriate families over public schooling; focus on quality assurance in education provision by the GCC countries are driving quality institutions into the region; increase in institutions providing teaching qualification both at the Under Graduate and Graduate level. There is a lot of support from the local regulatory bodies for introducing more teacher training programs in the region to increase the supply of teaching staff.

### **Challenging to get funding**

In general, financing for such projects are difficult to secure as banks usually would require personal guarantees, corporate

guarantees, hard asset pledges and collaterals which might not always be available to the banks. However, operators with track record of operations should still be able to raise financing, either from regional banks, international banks or through other funding mechanisms such as sukuk for example instead of a direct bank financing.

### **Pressure on financials**

Some institutions in the GCC region are feeling pressure with their financial performance and some of the reasons being: austerity measures adopted by the government and semi-government organisations which has an impact on schooling allowances for their staff; adding to the above mentioned measures is the loss of jobs mainly for the expatriate staff resulting in children leaving the schools and going back to their home countries.

