



# **Qatar Education Sector**

**Sector Analysis**

**June 2023**

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## 1. Education Sector Overview

### 1.1. Importance of the Education Sector

A well-functioning education sector is essential for any country's economic growth and development. It provides the workforce with the necessary skills and competencies to meet the demands of a rapidly changing job market. Education is crucial for countries to remain competitive globally in an increasingly interconnected world. A strong education sector equips individuals with the knowledge and skills necessary to participate in the global economy and adapt to new technologies and ideas. A highly educated workforce enhances productivity, innovation, and entrepreneurship, leading to economic advancement and improvement in living standards. The significance of the education sector in Qatar becomes more pronounced as the country aims to achieve economic diversification and decrease its reliance on hydrocarbon industries.

The extent of government support for the education sector becomes evident when considering the allocation of government funds. In 2021, government spending on education amounted to more than 8.9% of the national budget. This financial investment has played a role in the consistent growth of enrollment, with a Compound Annual Growth Rate (CAGR) of 4% observed between 2016 and 2020. Furthermore, the increasing presence of renowned foreign universities in Qatar contributes to the development of a high-quality education system that is well-regulated (QDB, 2021).

### 1.2. Education Sector Market Size

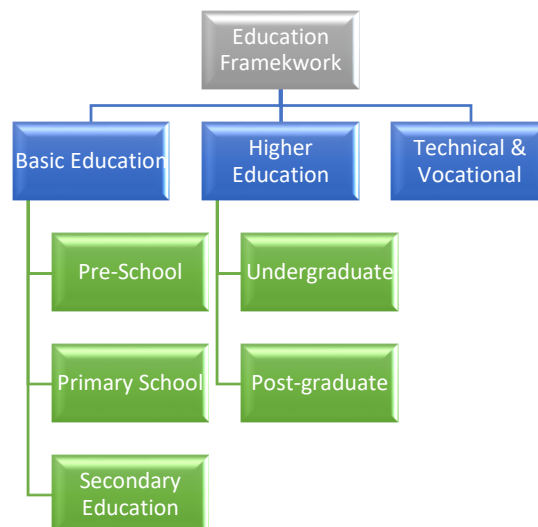
The education sector's contribution to Qatar's GDP has witnessed a significant increase, rising from 1.3% in 2012/13 to 3.3% in 2018/19. This growth can be attributed primarily to the government's intensified focus on education, which has resulted in the implementation of various reforms and substantial investments in the sector. In the 2020 budget, the government allocated QAR 22.1 billion to the education sector, accounting for 10.5% of the total budget. These funds were directed towards establishing new schools and expanding existing educational facilities. With a growing school-aged population, increased enrollment, rising tuition fees, and a shift towards private school admissions, Qatar's education sector is estimated to reach QAR 8.7 billion by the end of 2023 (QDB, 2020). Furthermore, the sector is expected to grow at a CAGR of approximately 5% from 2023 to 2028 (Ken Research, 2023).

### 1.3. Education System Framework

In Qatar, the education system is overseen and managed by the Ministry of Education and Higher Education (MOEHE), and it assumes the responsibility of supervising and managing the education system across all levels, starting from pre-school up to higher education. It holds the authority to regulate education policies and plays a crucial role in the formulation and implementation of educational reforms in the country. MOEHE also serves as the regulatory body for school fees, ensuring that they are controlled and regulated. Any private school wishing to increase its fees, including transportation fees, must obtain written approval from the MOEHE.

The education system in Qatar can be divided into two broad categories—basic education and higher education. Basic education covers pre-school, primary, and secondary education, while higher education includes undergraduate and post-graduate courses. The public school system in Qatar spans 12 years, starting with a 6-year elementary education phase, followed by a 3-year secondary education phase, and concluding with a 3-year higher education program. Elementary education is mandatory, and nationals receive free education at public primary and secondary schools. Schools in Qatar are categorized as independent schools (funded by the government), international schools, community schools, and private Arabic schools.

Qatar's education system is structured into five levels—Pre-primary, Primary, Secondary, Higher Education and Technical & Vocational Education. The following graph summarizes the Qatar education framework:



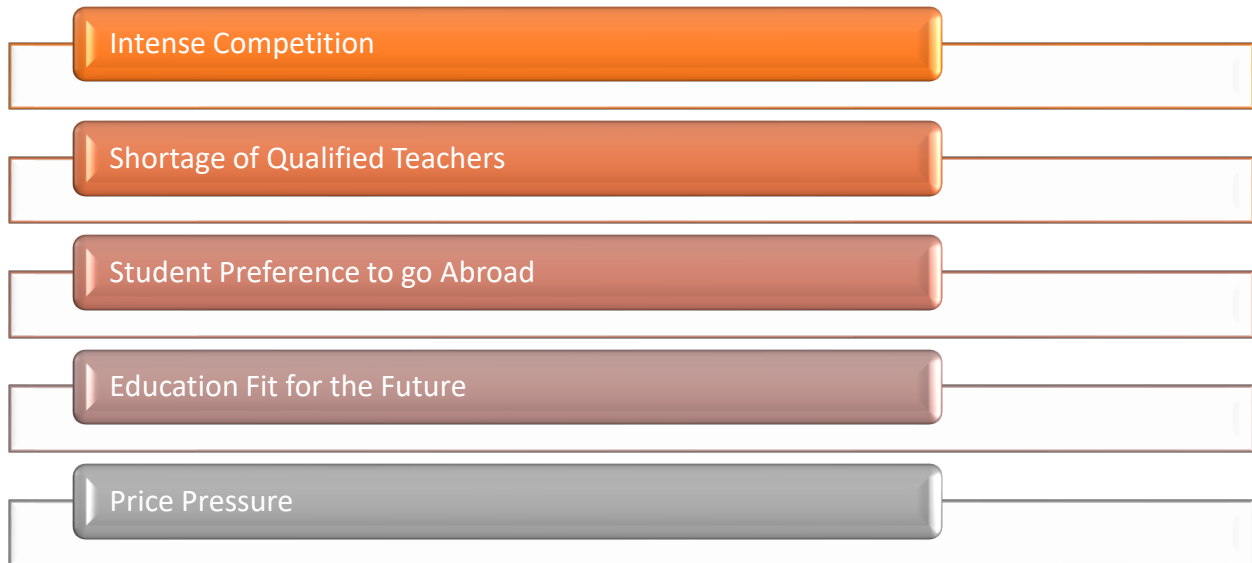
Between 2016 and 2020, the Pre-Primary segment experienced a Cumulative Average Growth Rate (CAGR) of 5.1% in terms of enrolment. Key players in this segment consist of Qatar Academy, ACS International School Doha, and the Royal Grammar School. The increase in the number of primary and secondary schools in Qatar has closely mirrored the growth in overall school enrollments. The number of schools has experienced a Compound Annual Growth Rate (CAGR) of 3.3%, while the CAGR for total school enrollments reached 3.6% between 2016 and 2020. Notable schools within this category are the International School of London, American School of Doha, and Park House English School. (QDB, 2021). Furthermore, Higher education in Qatar is experiencing significant growth, with an increasing number of foreign universities establishing their campuses in the country. This expansion is largely facilitated by the Qatar Foundation, which has played a key role in attracting these universities to its Education City campus in Doha.

Qatar is progressively giving more importance to vocational training and transitioning from a STEM (Science, Technology, Engineering, Mathematics) curriculum to a STEAM (Science, Technology, Engineering, Arts, Mathematics) curriculum. This shift emphasizes the significance of innovative thinking and creative abilities. Furthermore, the use of educational technology (ed-tech) is becoming increasingly crucial in improving access to high-quality education in Qatar. Both public and private schools are swiftly embracing e-learning platforms, ensuring uninterrupted learning regardless of lockdowns or other logistical limitations (QDB, 2021).

#### **1.4. Quality of Education**

The education system in Qatar maintains a high standard that is comparable to developed nations. According to the Global Competitiveness Index 2019, Qatar has made notable advancements in various areas. These include significant improvements in critical thinking in teaching, with the ranking rising from 9 in 2018 to 6 in 2019. The quality of vocational training also saw progress, moving up one spot to 16 in 2019 compared to the previous year. Additionally, Qatar showed improvement in digital skills among the active population, with the ranking improving from 17 in 2018 to 11 in 2019. Moreover, the skillset of graduates exhibited advancement, with the ranking climbing from 16 in 2018 to 8 in 2019. However, there was a slight decline in Qatar's ranking for the pupil-to-teacher ratio in primary education, dropping from 19 in 2018 to 22 in 2019 (Capital, 2021).

## 2. Key Sector Challenges



### 2.1. Intense Competition

Competition in the education industry is becoming fiercer, with an abundance of schools, rising costs, and a lack of teachers. This situation puts a growing strain on educational institutions across the board. To stay ahead, private and international operators are employing creative and unique marketing tactics to attract students. Despite these difficulties, the education sector has managed to grow steadily.

### 2.2. Shortage of Qualified Teachers

The primary obstacle the education sector encounters is the lack of skilled teachers. The competition to hire exceptional teachers remains intense, especially in subjects where there is a shortage, leading to increased salary expectations. The high cost of living in Qatar and the growing demand for teachers in their home countries serve as deterrents to retaining experienced staff. As the demand for international private schools continues to rise worldwide, schools face difficulties recruiting teachers from a diminishing pool of qualified and experienced individuals. This challenge is expected to worsen in the future.

### 2.3. Student Preference to Go Abroad

The inclination of students in Qatar to pursue higher education in foreign countries, primarily because of the limited availability of esteemed international institutions, as well as the desire to acquire global

skills that enhance their prospects of accessing job opportunities in international markets, remains a significant challenge, particularly regarding tertiary-level enrollments in Qatar.

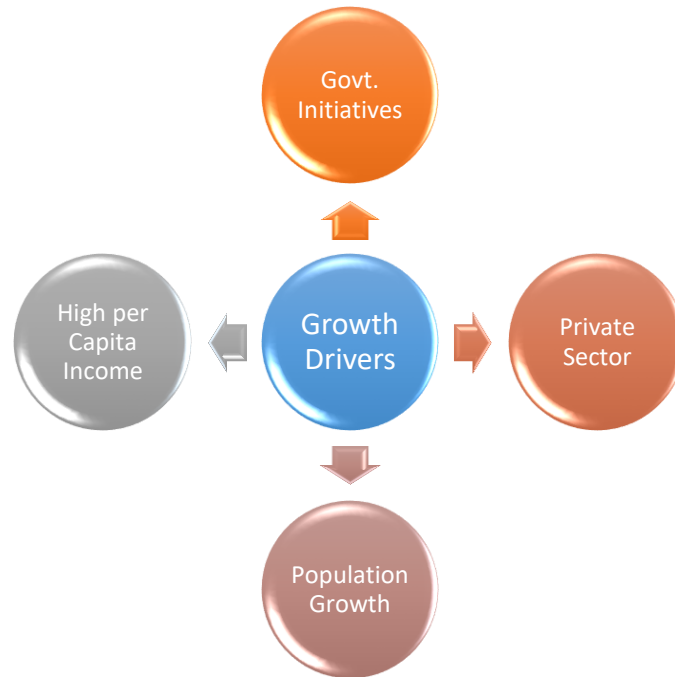
#### **2.4. Education Fit for the Future**

The sector faces a new and emerging challenge of providing education that aligns with the needs of the present and future. As the world moves towards a digital-centric future, it becomes crucial to equip youth with the skills required for professional careers across various sectors. It is more beneficial for children to engage with ideas, grapple with different perspectives, and develop a deeper understanding, rather than simply memorizing facts in isolation. Collaboration and creativity are essential skills that students must cultivate, necessitating an emphasis on group work, projects, and less traditional lecturing in classrooms. Furthermore, continuous investment is required to keep pace with the increasingly digital landscape. Therefore, it is crucial to develop a curriculum that surpasses outdated rote learning and better prepares students for the future. To remain globally competitive, the education sector must stay updated with essential advancements in modern work practices.

#### **2.5. Price Pressure**

Although there is still strong demand for high-quality schools in Qatar, there has been a significant increase in the number of schools available. The primary challenge now is to utilize the excess capacity effectively. In this highly competitive environment, only the most capable schools will thrive—while others will either need to enhance the quality of their offerings or face the risk of failure and closure. The influx of international institutions and an oversupply of local education providers have intensified competition among private operators, resulting in pricing pressures and a decline in profit margins.

### 3. Key Growth Drivers:



#### 3.1. Government Initiatives

Qatar recognises the significance of providing education and training opportunities of exceptional quality as a vital factor in realising its long-term objectives for human development. This commitment is embedded within the Qatar National Vision 2030 and the Second National Development Strategy 2018–2022, both emphasising the importance of elevating educational standards at all levels (QDB, 2021).

The government has implemented numerous measures to develop Qatar's educational sector. One such initiative is the establishment of Education City, which has attracted prestigious higher education institutions to establish branch campuses in Doha. Moreover, Qatar University has undergone extensive reforms aimed at enhancing the quality of education. These endeavours have yielded positive outcomes, particularly among Qatari citizens, including women, who have exhibited improved educational performance. This transformation involves diversifying industries, bolstering the private sector, and increasing the participation of Qatari citizens in the workforce. Additionally, the Qatari government generously provides scholarships to support study-abroad programs, resulting in a significant surge in the number of students engaging in such opportunities.



The Qatar Foundation has played a crucial role in implementing government support for the education sector. Among its responsibilities, the foundation oversees Education City. Additionally, it plays a crucial role in funding academic research in Qatar, providing scholarships/financial assistance to students and supporting various research and development initiatives. Furthermore, the foundation manages the Qatar National Research Fund, which has already allocated over US\$ 1.4 billion to fund more than 2,300 projects to date (QDB, 2021). Furthermore, The World Innovation Summit for Education (WISE), initiated by the Qatar Foundation, aims to transform education through innovative methods.

The government has also implemented the Qatar Public Private Partnership Schools Development Program to meet the increasing demand for high-quality education driven by population growth. This initiative aims to bridge the gaps in educational supply by addressing the needs of the expanding population (QDB, 2021). This includes scenarios where the private sector assumes responsibility for government schools while receiving public funding on a per-child basis. This approach could offer solutions to challenges faced by schools that currently experience substantial per-student expenditures.

### **3.2. Increased Participation of the Private Sector**

Enhancing private sector involvement is crucial for driving Qatar's education agenda forward. While government hold the responsibility of providing education, the private sector has the potential to elevate it to the next level by delivering high-quality education that prepares students for the future. Moreover, the private sector possesses the inherent agility to adapt quickly to the rapidly evolving educational landscape, driven by technological advancements and the need to equip students for jobs that may not even exist yet.

### **3.3. Population Growth**

The continuous arrival of expatriates will contribute to the population growth in Qatar due to the attraction of favourable job prospects and a tax-free environment, accompanied by a comfortable standard of living. Furthermore, the increasing preference of the expatriate community for private schools is anticipated to stimulate the expansion of international schools and universities throughout Qatar.

### **3.4. High per Capita Income**

The combination of high per capita incomes and a low-tax environment is expected to stimulate expenditures on high-quality education. The population benefits from various advantages, including free public education, accessible healthcare, and a low-tax environment, resulting in elevated personal income levels. As a result, there is an increased inclination among consumers to invest in higher-quality education, thereby creating favourable growth opportunities for education providers.

## **4. Sector Outlook**

Despite challenges, the education sector maintains an optimistic overall perspective. The significance of the education sector in achieving economic diversification and the goals outlined in Qatar National Vision 2030 ensures that it will continue to be a priority for the Qatari Government. By implementing investor-friendly policies, Qatar's education system will expand in scale and quality, ensuring that the country remains an attractive investment destination. Consequently, considerable budget allocations and supportive government initiatives are expected to drive future growth in the sector.

Despite the existence of challenges such as a lack of teachers, competition, and the need for education that aligns with future requirements, these issues will be effectively dealt with through government initiatives and the active participation of the private sector. Factors such as population growth, higher individual income levels, and a preference for private education exert influence on the growth of the education sector. Moreover, the increasing inclination towards private education is resulting in a rise in enrollment at private schools, thereby creating promising opportunities for operators within the private school industry.

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