

**Pre-Feasibility Study
A Private School**

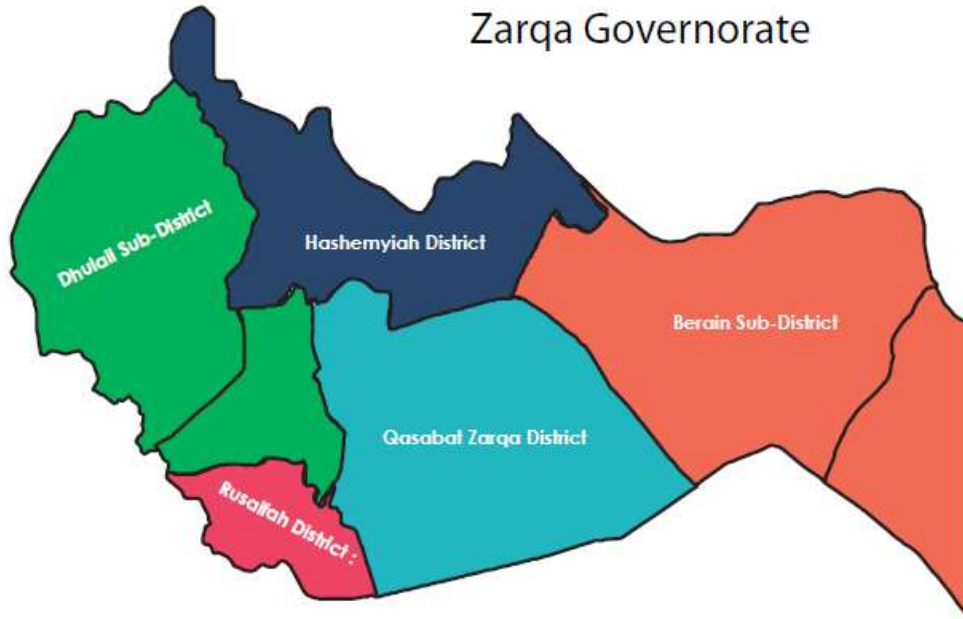
Zarqa

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Table of Contents

1	EXECUTIVE SUMMARY	3
2.	THE MACROECONOMIC ENVIRONMENT	6
2.1	AN OVERVIEW OF THE HASHEMITE KINGDOM OF JORDAN	6
2.2	POPULATION	7
2.3	ECONOMIC INDICATORS IN THE KINGDOM	9
2.4	THE JORDANIAN INVESTMENT ENVIRONMENT.....	13
2.5	THE ECONOMIC ENVIRONMENT IN THE SHORT AND MEDIUM TERM	16
3.	MARKET STUDY	17
3.1	PROJECT DESCRIPTION	17
3.2	EXPECTED SERVICES DESCRIPTION.....	18
3.3	MARKET ANALYSIS.....	19
3.4	SUPPLY ANALYSIS	26
3.5	MARKETING STRATEGY	30
3.6	THE EXPECTED MARKET SHARE	32
4.	TECHNICAL STUDY	34
4.1	THE DESIGNED PROJECT CAPACITY.....	34
4.2	THE REQUIRED FIXED ASSETS	34
4.3	THE REQUIRED HUMAN RESOURCES	35
4.4	THE SPECIAL REQUIREMENTS	38
4.5	THE REQUIRED LICENSES	42
4.6	PROJECT TIMETABLE	42
5.	FINANCIAL STUDY.....	43
5.1	FINANCIAL ASSUMPTIONS.....	43
5.2	INVESTMENT COST	45
5.3	FINANCING	45
5.4	REVENUES	46
5.5	THE PROJECTED COSTS	46
5.6	PROJECTED FINANCIAL STATEMENTS	49
5.7	FINANCIAL, ECONOMIC AND SOCIAL ANALYSIS	52
6.	RISK AND SENSITIVITY ANALYSIS.....	56
6.1	RISK ANALYSIS	56
6.2	SENSITIVITY ANALYSIS	60
7.	APPENDIX.....	63
7.1	APPENDIX 1: BY LOW NO. 130 FOR THE YEAR 2015 FOR ESTABLISHING AND LICENSING PRIVATE AND FOREIGN EDUCATIONAL INSTITUTIONS FOR THE YEAR 2015.	63



1. Executive summary

The purpose of this study is to determine the preliminary feasibility of establishing a private school in Zarqa Governorate specifically in a Hashmiah district. The school will provide all educational services and extracurricular activities for the residents of the governorate.

The school will include all the necessary facilities that are set up to provide an attractive environment for the provision of educational services to the students. The facilities include classrooms, laboratories, recreation and sports activities halls and playgrounds. It will include as well a library, lectures hall and a kitchen for housekeeping. The school will include 48 classrooms as the following:

- Kindergarten Department: It includes 12 sections from both the KG1 & KG2 levels equipped with games rooms.
- Mixed School Division: It comprises 12 divisions covering first to fourth grades.
- Female School Division: It includes 24 division s covering grades 5 through 6 (scientific, literary).

Table 1: Initial indicators of the project

Project Name	A private school
Sector	Education
Governorate	Zarqa
Region	Hashemiyah
Products/Services	<ul style="list-style-type: none"> ▪ Educational services for kindergarten KG1, KG2 ▪ Mixed educational services until the fourth grade, are taught the National Curriculum which is supported with materials in English. ▪ Educational services for girls from fourth grade until the Tawjihi, are taught the National Curriculum which is supported with materials in English.
Project Description	<p>The project is to establish a model modern school in Zarqa Governorate that provides private education services for students in all grades by teaching the National Curriculum in addition to teaching some subjects in English. The school will include all the necessary facilities to provide an attractive environment for the provision of educational services to student including classrooms and laboratories, play grounds to play and do entertainment activities, gyms, arenas, as well as a library and lecture hall ,specialized kitchen to housekeeping lessons, where the school will include 48 classrooms/ sections distributed as follows:</p> <ul style="list-style-type: none"> ▪ The kindergarten Division: It consists of 12 Classrooms of both levels KG1 & KG2 with games rooms. ▪ Mixed School Division, which includes 12 Classrooms and covers Grades first to fourth grades.

	<ul style="list-style-type: none"> ▪ The female school Division: Includes 24 Classrooms and covers fifth to Tawjihi grades (scientific, literary streams).
Target Market	All students in Zarqa Governorate
Investment Cost	The project investment cost is JD 1.209 million
The Average return on Investment	The average return on investment during the ten years is 13.1%
Internal Rate of Return	The IRR of the project 18.7%
Average Added Value of the Project	The average added value of the project during the last ten years is about JD 874 thousand
Risk Assessment	The Sensitivity Analysis indicates a low risk in case of 10% increase in investment cost, or 10% increase in operating costs, whereas a high risk in case of 10% decrease in revenues.
The project Justifications	<ul style="list-style-type: none"> ▪ Insufficient number of private schools in Zarqa Governorate, forcing some parents to teach their children in private schools in Amman and especially secondary classes. ▪ lack of high quality schools in the Governorate
Partners/ Stakeholders	<ul style="list-style-type: none"> ▪ The Ministry of Education / Private Education

2. The Macroeconomic Environment

2.1 An Overview of the Hashemite Kingdom of Jordan

The Hashemite Kingdom of Jordan is a landlocked country surrounded by land except at its southern extremity at the port of Aqaba, where that area is the only sea exit area in Jordan. The Kingdom is bordered at its west side by Palestine and the Mediterranean Sea, at its south and east by the Kingdom of Saudi Arabia, at north east by Iraq and at north by Syria.

Figure1 : Map of the Hashemite Kingdom of Jordan



Jordan is marked by three climatic zones from west to east including the Jordan Valley, most of which lies below sea level and is considered subtropical, and upland areas to the east of the Jordan Valley, ranging in height from 100 to 1500 meters above sea level and this is one of the areas dominated by Mediterranean climate, and the desert areas stretching to the east of the highlands.

The total area of the Kingdom is approximately 89.3 thousand square kilometers, and the semi-desert conditions prevail in over 80% of this area where there are some wet lands settings like Azraq Basin.

The kingdom is divided administratively into twelve governorates distributed into three regions: the Northern Region (includes the governorates of Irbid, Mafraq, Jerash and Ajloun) while the Central Region (includes the governorates of the capital, Zarqa, Balqa, Madaba) and the Southern Region (includes the governorates of Karak, Tafila, Ma'an, Aqaba), and the major cities are Amman (the capital), Zarqa and Irbid.

2.2 Population

Based on the General Census of Population and Housing in 2015, the population in the kingdom amounted to about 9.5 million people with a population density of 107.3 inhabitants per km², where the Capital City knocked off other governorates by population amounting to about 4 million people and a population density of 538.8 inhabitants per km², mainly because Amman is the most attractive governorate for Jordanians and for those coming to Jordan from other countries, followed by Irbid Governorate with a population of 1.8 million people, and then Zarqa Governorate with a population of 1.4 million. Tafila Governorate which is considered to be the least populous governorate whose population is about 96 thousand people.

Table 2: Number of population and population density in the Kingdom for 2015

Governorate	Population (people)	Area (Km ²)	Population density (people/ km ²)
Central Region			
Capital	4007526	7,579	528.8
Zarqa	1364878	4761	286.7
Balqa	491709	1120	439.0
Madaba	189192	940	201.3
North Region			
Irbid	1770158	1572	1126.1
Mafraq	549948	26551	20.7
Jerash	237059	410	578.2
Ajloun	176080	420	419.2
Southern Region			
Karak	316629	3495	90.6
Tafeileh	96291	2209	43.6
Maan	144082	32832	4.4
Aqaba	188160	6905	27.2
Total of Kingdom	9531712	88793.5	107.3

Source: Department of Statistics, Jordan General Population and Housing Census, 2015

On the other hand, the population growth rate has reached about 3% in 2010 and increased to 9% during the years 2013 and 2014 and then dropped a little during 2015 to reach about 8%, according to demographic surveys for the Department of Statistics. The reason for the high growth rates is attributed to the influx of large numbers of refugees from Syria to the Kingdom which resulted in a marked decline in per capita real GDP index by 5.4% to JD 1,197.4, based on the Statements of the Central Bank of Jordan.

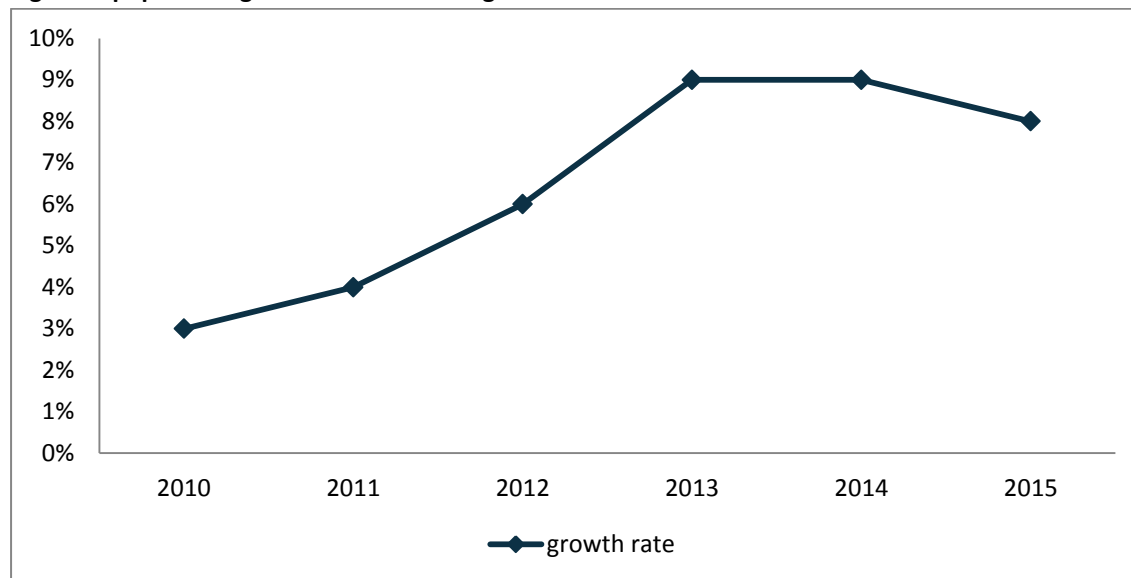
The unemployment rate among Jordanians also witnessed a rise by 1.1 percentage to reach to 13%, due to the structural imbalances that the labor market is suffering from and the acquisition of the low-paid foreign workers on a large number of new jobs in the economy, according to the Central Bank of Jordan.

Table 3: Number of population and population growth in the Kingdom, thousand

	2010	2011	2012	2013	2014	2015
population	6698.0	6993.0	7427.0	8114.0	8804.0	9531.7
growth rate	%3	%4	%6	%9	%9	%8

Source: Department of Statistics

Figure 2: population growth rate in the Kingdom



2.3 Economic Indicators in the Kingdom ¹

Countries across the Middle East are still suffering from instability and closure or partial closure of borders; including the borders of important markets for the Kingdom's products. These factors led to a decline in the performance of many of the economic sectors, including the external sector, national exports, touristic income, and Foreign Direct Investment (FDI), and they contributed to a slowdown in the economic growth to about 2.4% in 2015, compared to 3.1% in 2014. The growth achieved in 2015 came from growth across several economic sectors, especially in the finance, insurance, and real estate services; the transport, storage, and communications services; the mining industry; the manufacturing industry; and the agriculture sector. These sectors contributed a combined 1.8 percentage points (or 75%) of the growth rate achieved during 2015, reflecting the diversity of the economic growth sources in the Kingdom.

Additionally, the general price level registered a decline in the prices of oil, commodities, and other related services in the global markets. Therefore, the general price level, measured by the relative change in the average consumer price index deflated by 0.9% in 2015, compared to the inflation of 2.9% in 2014.

The budget deficit, after aid, increased by 1.2% to a record 3.5% of GDP, compared with 2.3% in the previous year. In addition, the Balance of Payments' Current Account recorded a deficit of 8.9% of GDP, compared with 7.3% in 2014. At the end of 2015, the net public debt amounted to 22,847.5 million Jordanian Dinars (85.8% of the GDP), with an increase of 5.0% of the GDP. However, the total public debt reached 24,876.5 million Jordanian Dinars (93.4% of GDP). This increase resulted from financing both the general budget deficit and the guarantees for loans for the National Electricity Company and the Water Authority, as well as the slowdown of economic growth during 2015. The indebtedness of the National Electricity Company and the Water Authority recorded 6.7 billion Jordanian Dinars at the end of 2015.

On the monetary and banking front, most monetary indicators experienced positive development in performance in 2015, primarily in the Central Bank's foreign reserves, which maintained comfortable levels that amounted to about \$14.2 billion. The dollarisation rate decreased, which reflected positive demand for Jordanian Dinars in comparison to other major foreign currencies. With regards to the activities of licensed banks, the outstanding balance of credit increased by 9.5%, to reach 21,103.5 million Jordanian Dinars at the end of 2015. The total deposits registered with licensed banks increased by 7.7%, to reach 32,598.5 million Jordanian Dinars at the end of 2015. The increase in deposits came as a result of the high dinar deposits, which increased by 2,001.4 million Jordanian Dinars (8.3%), and higher foreign currency deposits, which increased by 336.1 million Jordanian Dinars (5.4%).

Furthermore, many of the external sector indicators registered a drop in performance in 2015 due to the deepening instability in the region and almost full closure of the borders

¹ The Central Bank of Jordan

with Iraq and Syria. However, the drop in oil prices in the global markets contributed to the decline in the Kingdom's imports bill for energy, as it dropped by 40.6%, which in turn contributed to a decline in total imports and the trade deficit by 11.4% and 14.0%, respectively. Thus, the Current Account, excluding aid, declined to 11.9% of GDP, compared to 12.4% in 2014.

The Current Account deficit increased after aid, to reach 2,365.6 million Jordanian Dinars (8.9% of GDP) in 2015, compared with a deficit of 1,851.7 million Jordanian Dinars (7.3% of GDP) in 2014. This decline is due mainly to the decline in total exports by 6.6% and the decline in surplus in the services account by 27.7%, as touristic income decreased by 7.1%, and the decline in the surplus in the current transfers account decreased as a result of reduced foreign aid.

Capital and financial accounts resulted in a net inflow of 1,593.7 million Jordanian Dinars in 2015, compared to 909.0 million Jordanian Dinars in 2014; this was due to the Kingdom's higher net obligations towards the outside world. Foreign Direct Investment registered a net inflow of 909.4 million Jordanian Dinars, and the reserved investment registered an inflow of 918.4 million Jordanian Dinars due to the Kingdom issuing Eurobonds that are worth \$2.0 billion in the global markets. The withdrawal of bank loans on behalf of the Central Bank increased the use of funds from the International and Arab Monetary Funds by 543.3 million Jordanian Dinars. This led to the registration of a surplus in the overall Balance of Payments of 328.7 million Jordanian Dinars during 2015, compared to a surplus of 1,550.7 million Jordanian Dinars during 2014.

According to the Central Bank of Jordan, the increased international investment at the end of 2015 showed an increase in the external net liabilities of the Kingdom, which reached 24,357.5 million Jordanian Dinars, compared with 22,578.8 million Jordanian Dinars at the end of 2014. This was due to an increase in the external balance of assets and financial liabilities for all of the economic sectors in the Kingdom, which reached to 18,657.9 million Jordanian Dinars and 43,015.5 million Jordanian Dinars, respectively, during 2015.

Table 4: main economic indicators 2011 to 2015 in millions of dinars

	2011	2012	2013	2014	2015
Population (millions)	6.993	7.427	8.114	8.804	9.532
Unemployment rate	12.9	12.2	12.6	11.9	13.0
Production and Prices					
GNP at current market prices	20,288.8	21,690.0	23,611.2	25,141.2	26,289.6
GDP at current market prices	20,476.6	21,965.5	23,851.6	25,437.1	26,637.4
The rate of growth in GDP at constant market prices (%)	2.6	2.7	2.8	3.1	2.4
The total national disposable income at current prices	23,743.5	24,774.9	28,424.5	30,302.1	30,234.7
The rate of growth in gross national disposable income at current prices (%)	4.7	-0.2	8.6	3.1	-2.4
Change in the index of consumer prices (%)	4.2	4.5	4.8	2.9	-0.9
The change in the GDP deflator (%)	6.4	4.5	5.6	3.4	2.3
Money and Banking					
Exchange rate of the Jordanian dinar to the US dollar	1.410	1.410	1.410	1.410	1.410
Money supply (P2)	24,118.9	24,945.2	27,363.4	29,240.4	31,605.5
Net foreign assets of the banking system	9,370.1	6,665.5	6,923.4	7,932.3	8,137.3
Net domestic assets of the banking system	14,748.8	18,279.7	20,440.0	21,308.1	23,468.2
Net debt of the government	6,701.4	9,461.3	10,494.8	10,473.9	11,386.4
Private sector debts (Residents)	14,925.0	15,953.6	17,222.5	17,852.8	18,704.5
Other factors ⁽¹⁾	-6,877.6	-7,135.2	-7,277.3	-7,018.5	-6,622.7
Deposits in dinars at licensed banks	19,119.1	17,711.1	21,003.0	24,013.1	26,014.5
Foreign currency deposits at licensed banks	5,258.8	7,258.6	6,590.2	6,247.9	6,584.0
Rediscount rate (%)	4.50	5.00	4.50	4.25	3.75
Treasury bills interest rate for 6 months (%)	3.232	3.788	-	-	-
Public Finance					
Total revenue and foreign aid	5,413.9	5,054.2	5,758.9	7,267.6	6,796.4
Ratio to GDP (%)	26.4	23.0	24.1	28.6	25.5
Total spending	6,796	6,878.2	7,077.1	7,851.1	7,722.9
Ratio to GDP (%)	33.2	31.3	29.7	30.9	29.0
Overall deficit/savings (on an accrual basis)	-1,382.7	-1,824.0	-1,318.2	-583.5	-926.5

	2011	2012	2013	2014	2015
Ratio to GDP (%)	-6.8	-8.3	-5.5	-2.3	-3.5
Net outstanding balance of the domestic public debt	8,915.0	11,648.0	11,863.0	12,525.0	13,457.0
Ratio to GDP (%)	43.5	53.0	49.7	49.2	50.5
Outstanding external public debt ⁽²⁾	4,486.8	4,932.4	7,234.5	8,030.1	9,390.5
Ratio to GDP (%)	21.9	22.5	30.3	31.6	35.3
Foreign Trade and Balance of Payments					
Current account	-2,098.8	-3,344.9	-2,487.7	-1,851.7	-2,365.6
Ratio to GDP (%)	-10.2	-15.2	-10.4	-7.3	-8.9
Trade balance (Deficit)	-6,261.7	-7,486.6	-8,270.1	-8,495.6	-7,249.3
Ratio to GDP (%)	-30.6	-34.1	-34.7	-33.4	-27.2
Commodity exports	5,684.5	5,599.5	5,617.9	5,953.6	5,558.3
Imports of goods (FOB) ⁽³⁾	11,946.2	13,086.1	13,888.0	14,449.2	12,807.6
Balance of services (net)	896.0	1,332.3	1,209.5	1,778.9	1,286.4
Income account (net)	-187.8	-275.5	-240.4	-295.9	-347.8
Current transfers (net)	3,454.7	3,084.9	4,813.3	5,160.9	3,945.1
Capital and financial account (net)	2,298.9	3,808.9	1,811.1	908.9	1,593.7
Direct foreign investment in Jordan (net)	1,055.0	1,074.3	1,281.2	1,426.7	905.1

Source: Monthly Statistical Bulletin, Central Bank of Jordan

1. Includes the debts of public and financial institutions and other factors, as shown in the Monetary Survey Agenda.
2. This represents the total balance of drawn loans, minus total repayments.
3. Does not include imports of non-resident entities.

2.4 The Jordanian Investment Environment

Investment Law No. 30 for 2014

Investment Law no. 30 for 2014 is considered an appropriate legislative framework to attract foreign investments and stimulate local investments. It is considered a competitor to other investment laws in the region because it contains many advantages, incentives, and guarantees, and it offers a range of incentives and benefits in and outside the Development and Free Zones. The law includes a series of public provisions, such as foreign investment guarantees (depositing and withdrawal of capital, investment management, and transfers) and the inadmissibility of the disbarment of investment property. The law offers provisions to settle investment disputes, protection, and encouragement of mutual investment agreements between the Kingdom and other countries.

The following shows the major incentives granted by the law:

❖ Incentives and Benefits outside the Development and Free Zones

- The production inputs for the industrial and crafts sectors are exempted from customs duties.
- The return of the general sales tax on the production inputs for the industrial and crafts sectors within 30 days.
- Production inputs and fixed assets of the industrial and crafts sectors are exempted from customs duties and are granted a reduction in general sales tax to 0%.
- Returning to the sales tax on the services needed to practice economic activity within 30 days.
- The goods that are necessary for the economic activities of the following sectors are exempted from customs duties and are subject to 0% general sales tax:
 - Agriculture and livestock, hospitals and specialised medical centres, hotels and touristic facilities, touristic entertainment and recreation centres, call centres, scientific research centres and laboratories, art and media production, convention centres and exhibitions, transfers and/or distributions and/or extraction of water, gas and oil derivatives, air transport, maritime transport, and railways.

❖ Incentives and Benefits inside the Development and Free Zones

- 5% income tax on the income generated from economic activity within the Development Zone.
- 5% income tax on income generated from economic activity in the industrial sector.
- Tax exemptions that are granted in the Kingdom on goods and services exports.
- Reduction of sales tax to 0% on goods and services that are used by the establishment in order to exercise its activity inside the Development Zone.
- 7% sales tax on specific services provided by a registered company in the zone when these services are consumed in the zone.

- Exemptions from customs duties except for a specified number of goods.

❖ **The Reduction of Income Tax in the Least Developed Areas for Regulation No. 44 for 2016**

- The reduction of income tax in the least developed areas for Regulation No. 44 for 2016 was approved. It aims to create an attractive environment for investments that promote economic development through the reduction of income tax outside the Development Zones and in the least developed areas in the Kingdom. The regulation specified the areas that are considered least developed and identified the activities that are excluded from this reduction.
- Under the provisions of Articles 4 and 5 of this regulation, the areas that were categorised as least developed and enjoy the reduction in income tax are divided into four categories; each category enjoys a reduction in income tax on their activities for a period of 20 years.
- Category A includes the Northern Valley District, Deir Alla District, Shouneh Al-Janoubieh District, the Southern Valley District, Rweished District, the Northern Desert District, the North Western Desert District, Al-Azraq Province, Al-Jiza District except for the borders of the new Al-Jiza municipality, Al-Moakar District except for the borders of Al-Moakar municipality, and the Governorate of Aqaba except for the Aqaba Special Economic Zone. The reduction rate for this category is 100%.
- Category B includes the Governorates of Maan, Tafileh, Karak, and Ajloun. The reduction rate for this category is 80%.
- Category C includes the Governorates of Jarash, Mafraq, and Irbid except the borders of the Greater Irbid Municipality. The reduction rate for this category is 60%.
- Category D includes the Governorates of Madaba, Balqa, Amman except for the Greater Amman Municipality, and Zarqa except for the borders of Zarqa Municipality and Russaifeh Municipality. The reduction rate for this category is 40%.

❖ **Trade and Free Trade Agreements**

The most important agreements are:

- Jordan joining the World Trade Organisation in 2000, which led to the opening of the markets of 150 countries for Jordanian exports in goods and services, and provided new opportunities of access to other countries within a clear and transparent environment of laws, regulations, and procedures.
- A series of regional trade agreements, such as the Jordan Partnership Agreement with the European Union, Agadir Agreement, Free Trade Arab Agreement, the free trade agreement between Jordan and the European Free Trade Association, and the adoption of the Euro-Mediterranean simplification of the rules of the Origin System, which includes the decision to simplify the rules of the origins of Jordanian products between Jordan and the European Union came into effect on July 19, 2016, and will remain in effect until December 31, 2026.

- A series of bilateral trade agreements with many countries, such as the free trade agreement between Jordan and the United States of America, the Qualified Industrial Zones Agreement, the free trade agreement between Jordan and Singapore, the free trade agreement with Turkey, the free trade agreement with Canada, and many other agreements.
- Jordan has signed more than 35 agreements with Arab and foreign countries in order to prevent double taxation between Jordan and these countries, thus protecting investors' rights.
- The Agreement of Promotion and Protection of Investments and the Movement of Capital between the Arab Countries was signed in 2000 with 11 Arab countries who are members of the Arab Economic Unity Council, in order to establish an appropriate environment for investments and economic cooperation between investors in the Arab countries, thus pushing and stimulating investment activities by providing encouragement and mutual protection for Arab investments.

Human Development Report for 2015

The Human Development Report that was issued by the United Nations Development Program in 2015 showed that Jordan fell 3 points to number 80. Please note that Jordan's place on the Human Development Report index value has improved slightly.

Global Competitiveness Report

The Kingdom's rank has improved by one point in the Global Competitiveness Report for the year 2016/2017, at 63 out of 138 countries compared to 64 out of 140 countries in the 2015/2016 report. It is considered an insignificant improvement, especially because of the reduction in the number of countries participating in this year's report. Amongst the Arab countries, Jordan was ranked after the United Arab Emirates, Qatar, the Kingdom of Saudi Arabia, Kuwait, and Bahrain, who were ranked 16, 18, 29, 34, and 39, respectively.

Doing Business Report

In the Doing Business Report that was issued by the World Bank Group, Jordan is still ranked 118, up one rank from the 2016 report, because of the variation in the performance of the different sub-indicators. Jordan ranked ninth among the Arab countries; the United Arab Emirates was ranked first among the Arab countries at 26, followed by Bahrain at 63 and Oman at 66.

2.5 The Economic Environment in the Short and Medium Term

Risks analysis implemented by BMI indicates that the Jordan's political and economic risks in the short and medium term are less than the overall average of the world and the Middle East. The state's risks and the operational risk are estimated to be within the acceptable levels. The international institutions' forecasts point out that the economic and foreign trade indicators are expected to achieve acceptable rates of growth with the exception of the continued increase in internal and external indebtedness.

Table 5: Assessment of short and long-term risks

	Long term		Short term		Operational risks	State risks
	political	Economic	political	economic		
Jordan	63.1	39.2	66.6	46.2	58.7	55.4
Turkey	60.2	49.4	58.4	56.9	55.9	56.1
Egypt	53.3	45	52.4	48.7	42.9	47.5
Lebanon	45.8	54	55.4	53.5	44.2	49.5
West Bank and Gaza	33.1	38.1	32.2	36.5	32.5	34.3
Syria	22.9	24.4	22.4	23.6	29.3	26.1
Regional average	49.4	46.9	51.2	48.7	46.6	48.3
global average	64.1	50.7	61.3	51.9	49.8	54.6

Source: the economy and state risks, IHS, 15/09/2016

Table 6: The most important key economic indicators 2016-2020

Indicator	2016	2017	2018	2019	2020
The growth rate of GDP	2.6	2.7	2.8	3.2	3.1
GDP (in USD billions)	39.6	42.1	44.8	47.8	50.9
Population (In millions)	9.8	10.1	10.4	10.7	11.0
Consumer Price Index (% change)	-0.7	1.8	3.3	4	3.2
Exports (in USD billions)	7.3	7.6	8.2	8.8	9.6
Imports (in USD billions)	18.3	19.2	20.1	21.3	22.8
Foreign direct investment, the net value (in USD billions)	1.5	1.5	1.6	1.6	1.7
Foreign direct investment, the net value (% of GDP)	3.7	3.7	3.6	3.4	3.3
Foreign exchange reserves (in USD billions)	13.9	14.9	15.7	16.8	17.7
Total external debt (in USD billions)	24.4	27.8	30.7	33.7	36
Total external debt (% of GDP)	61.6	66	68.6	70.4	70.6
Total external debt (% of foreign currency earnings)	127.3	138.3	143.6	147.5	147.8

Source: the economy and state risks, IHS, 15/09/2016

3. Market study

3.1 Project Description

The project is mainly about the establishment of a private school in Zarqa Governorate, specifically in the Hashemite district in order to provide education services according to the national curriculum that is in addition to teaching some other subjects in English. The school will include all the facilities necessary to provide an attractive environment for providing educational services to students. It will include Sports and playgrounds, as well as a library, a lecture hall and a kitchen for housekeeping. The school will include 48 classrooms / divisions distributed as follows:

- Kindergarten Department with 12 classrooms from both levels: KG1 & KG2, with equipped games rooms.
- The Mixed School Division comprises 12 classrooms covering grades 1 to 4.
- The female school division includes 24 classrooms covering grades 5 to 12 (scientific, literary) as follows:
 - Grades 5 through 8: 12 classrooms.
 - Grades 9 to 10: 6 classrooms.
 - Grades 11-12: 6 classrooms (scientific, literary).

The school will also include the following facilities:

- Separate playgrounds for kindergarten students, mixed school and high school.
- Football fields, basketball, volleyball, table tennis and chess rooms.
- Library.
- Computer lab.
- Laboratories for scientific materials: physics, chemistry, biology.
- Lecture hall and seminars.
- Kitchen for the housekeeping period.
- Management and Secretariat.
- Registration and accounting department.
- Break room for teachers.
- Learning difficulties room.
- A warehouse for books and school uniforms.
- Food and beverage canteen for students.

The school will be designed to suit people with special needs (people with disabilities), where the roads will be equipped and taking into consideration the construction of their corridors, entrances and exits.

3.2 Expected Services Description

Expected project services include:

- Kindergarten KG1, KG2
- Mixed educational services up to the fourth grade the National Curriculum is taught supported with subject in English.
- Educational services for females from the fourth grade to the 12 (Tawjihi) the national curriculum supported by subjects in English will be taught.
- Laboratories include:
 - Chemistry laboratory.
 - Physics lab.
 - Biology laboratory.
- Kitchen and housekeeping to train female students on cooking, embroidery, sewing ... etc
- Extracurricular activities include at least the following:
 - Trips
 - Summer Club
 - Winter Club
 - Sports activities and competitions at the school and governorate level.
 - Cultural activities and competitions at the school and governorate level, such as Quran memorization competitions
 - Using interactive learning methods using Tablets, data show, laptop and IPAD for students (paid), digital boards.
 - Creative education through the use of robot (can be contracted with a specialized external center to provide this service to students wishing to).
 - Scientific Club and Wall Magazine.
 - Special classes for students with learning difficulties.
- Transportation.

3.3 Market analysis

The status of the education sector in Zarqa Governorate

Zarqa is the third largest governorate in terms of population with a population of 1.36 million, representing 14% of the total population of the Kingdom. Due to its geographical area, its population density is 286.7 persons / km².

To analyze the status of the education sector in Zarqa, we highlight the most important indicators related to the education sector which include:

Number of Schools in Zarqa Governorate

The total number of schools in Zarqa Governorate reached 748 schools in 2015, of which 102 are for girls, 165 are for boys, 481 are mixed gender schools, accounting for 10% of the total number of schools in the Kingdom.

The following table shows the number of schools in Zarqa Governorate for the year 2014-2015. The number of private schools in the governorate is 347, constituting 12% of the number of private schools in the Kingdom.

Table 7: Distribution of schools for Zarqa and the kingdom for 2014-2015

Governorate	UNRWA schools	Other public schools	Private schools	Public schools
Zarqa	27	5	347	369
Kingdom	175	40	2,871	3,716
Governorate share out of the kingdom	%15	%13	%12	%10

Source: Ministry of Education, Statistical Report for the academic year 2014/2015, The study team calculations.

All the schools in Zarqa Governorate follow the Education Directorate of the Ministry of Education. Zarqa Governorate has three Directorates: the first Zarqa Directorate, the second Zarqa Directorate and the Al-Rusaifa Directorate. These directorates supervise the establishment and licensing of private schools and kindergartens in the governorate and ensure that schools comply with the legislation As well as supervising the purchase of private schools for textbooks and manuals. The following table shows the number of schools affiliated to each directorate and their distribution by gender. The table also shows the distribution of schools by grade level.

Table 8: Distribution of schools according to directorate and grade for the years 2014-2015.

Directorate	Gender	Total				UNRWA schools				Other public schools				Private schools				Public schools			
		Total	High school	Primary	kindergarten	Total	High school	Primary	kindergarten	Total	High school	Primary	kindergarten	Total	High school	Primary	kindergarten	Total	High school	Primary	kindergarten
First Zarqa	Males	81	22	59	0	3	0	3	0	2	1	1	0	8	6	2	0	68	15	53	0
	Females	66	20	46	0	3	0	3	0	2	1	1	0	2	2	0	0	59	17	42	0
	Mixed	234	16	110	108	0	0	0	0	1	0	1	0	197	13	76	108	36	3	33	0
	Total	381	58	215	108	6	0	6	0	5	2	3	0	207	21	78	108	163	35	128	0
Second Zarqaa	Males	40	19	21	0	1	0	1	0	0	0	0	0	0	0	0	0	39	19	20	0
	Females	11	5	6	0	1	0	1	0	0	0	0	0	0	0	0	0	10	5	5	0
	Mixed	104	18	63	23	0	0	0	0	0	0	0	0	33	0	10	23	71	18	53	0
	Total	155	42	90	23	2	0	2	0	0	0	0	0	33	0	10	23	120	42	78	0
Rusaifa	Males	44	13	31	0	9	0	9	0	0	0	0	0	1	1	0	0	34	12	22	0
	Females	25	8	17	0	7	0	7	0	0	0	0	0	0	0	0	0	18	8	10	0
	Mixed	143	14	62	67	3	0	3	0	0	0	0	0	106	3	36	67	34	11	23	0
	Total	212	35	110	67	19	0	19	0	0	0	0	0	107	4	36	67	86	31	55	0
Total	Males	165	54	111	0	13	0	13	0	2	1	1	0	9	7	2	0	141	46	95	0
	Females	102	33	69	0	11	0	11	0	2	1	1	0	2	2	0	0	87	30	57	0
	Mixed	481	48	235	198	3	0	3	0	1	0	1	0	336	16	122	198	141	32	109	0
	Total	748	135	415	198	27	0	27	0	5	2	3	0	347	25	124	198	369	108	261	0

Source: Ministry of Education, Statistical Report for the academic year 2014-2015

The above table shows that the number of kindergartens in private schools that reached 198 kindergartens. The number of private elementary schools (grades 1 to 10) reached to 124, and the secondary school are only 25. The table also shows that most of the private schools and kindergartens in the governorate are mixed gender with 336 schools and kindergartens, while there are two schools for girls and nine schools for boys only.

With regard to the Second Zarqa Directorate (covering the Hashimiah district, Brin district, the Azraq District and the Dulail district), there are only 10 primary schools and 23 kindergartens, all of them are mixed gender schools.

Number of students

The total number of students in Zarqa Governorate reached to 270,253 in 2015 which represented 14.4% of the number of students in the Kingdom. The number of students in private schools in Zarqa reached to 49,186 students as is shown in the following table. Males in private schools are 30,651 students and females are around 18,535. The share of the Second Zarqa Directorate is 3055 students only; the majority is male students (62%).

Table 9: Student Distribution 2014-2015

Directorate	Gender	UNRWA schools	Other public schools	Private schools	Public schools	Total
First zarqa	Males	2109	2859	16489	45020	66477
	Females	1799	2084	10270	51579	65732
	Total	3908	4943	26759	96599	132209
Second zarqa	Males	638	256	1886	17625	20405
	Females	705	0	1169	18355	20229
	Total	1343	256	3055	35980	40634
Rusaifa	Males	8054	0	12276	28649	48979
	Females	7487	0	7096	33848	48431
	Total	15541	0	19372	62497	97410
Total	Males	10801	3115	30651	91294	135861
	Females	9991	2084	18535	103782	134392
	Total	20792	5199	49186	195076	270253

Source: Ministry of Education, Statistical Report for the academic year 2014-2015

Number of classrooms

The total number of **classrooms** in 2015 was 75,548 in the Kingdom while the total number of **classrooms** in Zarqa Governorate was 9,195. Representing 12.2% of the **classrooms** in the Kingdom. The number of **classrooms** in private schools in Zarqa is 2,547. The following table shows the distribution of **classrooms** in private schools by grade level.

Table 10: Distribution of classrooms in Zarqa Governorate in private schools for the academic year 2014-2015.

Directorate	Kindergarten				Primary				High school				Total			
	Male	Female	Mixed	Total	Male	Female	Mixed	Total	Male	Female	Mixed	Total	Male	Female	Mixed	Total
First Zarqa	41	26	293	360	340	180	597	1117	41	33	10	84	422	239	900	1561
Second Zarqa	3	1	77	81	16	4	54	74	0	0	0	0	19	5	131	155
Rusaifa	3	1	265	269	106	40	392	538	10	10	4	24	119	51	661	831
Total	47	27	635	710	462	224	1043	1729	51	43	14	108	560	295	1692	2547

Source: Ministry of Education, Statistical Report for the academic year 2014-2015

In addition to the previous indicators, we provide some indicators for the education sector in Zarqa and the Kingdom:

- The average number of students per class in Zarqa for all schools is 29.28. The average for the Kingdom is 24.82. In the private schools in the governorate, the average is 19.31. The average for private schools in the Kingdom is 20.28.
- The average student per teacher in Zarqa for all schools is 20.42. The average for the Kingdom is 16.08. In the private schools in the governorate, the average is 16.71. The average for private schools in the Kingdom is 14.88.
- The average rate of a teacher per classroom in Zarqa Governorate for all schools is 1.43.
- The average for the Kingdom is 1.54. In the private schools in the governorate, the average is 1.16. The average for private schools in the Kingdom is 1.36

It is clear from the above that the high population density in addition to the high proportion of the school-age population has had a clear effect on the overcrowding of the school classes in Zarqa compared to the Kingdom, in addition to the high percentage of students per teacher compared to their percentage in the Kingdom. The governorate is characterized by a higher tendency towards vocational education compared to other governorates in the Kingdom. The percentage of vocational education in the governorate is 24.11% out of the kingdom, which is one of the highest in the governorates. However, Zarqa governorates still have the lowest level of illiteracy among the population. The illiteracy rate in the governorate is 8.3%, which is lower than the national average of 9.2%.

As for school dropout, Zarqa governorate recorded a dropout rate of 0.35%, which is higher than the general average of the Kingdom, which reached 0.25% as mentioned in the development program of Zarqa Governorate 2016-2018.

The market size of the private education sector in Zarqa Governorate

The following tables show the growth in the number of private schools in the governorate. The number of schools and kindergartens in the last three years grew from 304 to 347, with an annual growth rate of 6.85%, while the number of students increased from 44,544 students to 49,186 with an annual growth rate of 5.13%.

Table 11: Distribution of schools in Zarqa for the years 2012 through 2015

Zarqa governorate	UNRWA schools	Other public schools	Private schools	Public schools	Total
2013 - 2012	27	5	304	346	682
2014 - 2013	27	5	329	363	724
2015 - 2014	27	5	347	369	748

Source: Ministry of Education, Annual Statistical Reports

Table 12: Number of kindergartens in private schools for the years 2012 to 2015

Time period	Number of kindergartens in private schools
2013 – 2012	181
2014 – 2013	187
2015 – 2014	198

Source: Ministry of Education, Annual Statistical Reports

Table 13: Number of students for the years 2012 through 2015

Year	Gender	UNRWA schools	Other public schools	Private schools	Public schools	Total
2013 - 2012	Males	10100	2516	27961	86486	127063
	Females	9517	1849	16583	95831	123780
	Total	19617	4365	44544	182317	250843
2014 - 2013	Males	10482	2597	30012	89412	132503
	Females	9817	1889	18236	100810	130752
	Total	20299	4486	48248	190222	263255
2015 - 2014	Males	10801	3115	30651	91294	135861
	Females	9991	2084	18535	103782	134392
	Total	20792	5199	49186	195076	270253

Source: Ministry of Education, Annual Statistical Reports

Analysis of Education Sector in Zarqa Governorate

The education sector in Zarqa is one of the most important and distinguished sectors in terms of abundance and qualified human resources resulting from education. However, the sector suffers from some challenges. The "Local Development program for Zarqa 2016-2018" states that the most important challenges in the education sector in Zarqa are the following:

- Inadequate educational environment in terms of buildings, human resources and student awareness.
- The abilities of students as a human resource in voluntary and national work are not invested.

This is due to the following reasons:

- Insufficient number of school buildings compared to students.
- The number of teachers is low compared with the number of students.
- The teaching materials with educational and moral impact, such as sports and technical education classes and activities such as theater and others are not activated.

Resulting in the following effects:

- Low level of education of attainment among students.
- The negative role of the school in society on all respects. The most important aspects are awareness and hygiene.
- There is a state of despair and frustration among the workers in schools and educational institutions.

The proposed solutions were:

- Increase the number of non-rented school buildings.
- Cancel the two-period system.
- Rehabilitation of infrastructure to suit the status of education and schools.
- Provide appropriate transportation.
- Provide special services for persons with disabilities.
- Create modern classrooms.

The municipalities of the governorate have called for investing in private schools to overcome the current weakness in the education sector.

Employment in the sector

The number of employees in the education sector in Zarqa Governorate reached 15,598 employees in 2015, representing 8.5% of the total number of employees in Zarqa Governorate. The number of employees in the education sector in Zarqa is less than the employment rate in the education sector in the Kingdom. That reflects weakness in the sector

Table 14: Employment in the education sector

Sector	Zarqa governorate	The kingdom	Zarqa to kingdom ratio
Number of employees in the education sector	15,598	173,356	%9
Total number of employees	183,507	1,398,029	% 13.13
Percentage of employees in the education sector	%8.5	%12.4	

Source: Department of Statistics, Employment and Unemployment survey.

Number of teachers and administrators

The total number of teachers working in all schools in Zarqa Governorate is 13,257 teachers for the year 2014-2015, which constituted 11.4% of the total teachers in the Kingdom. The total number of administrators working in the governorate was 1,634, constituting 10% of the total number of administrators in the Kingdom.

Table 15: Distribution of teachers and administrators numbers in Zarqa and kingdom for 2014-2015.

Governorate	Total teachers	Total administrators
Total Zarqa Governorate	13,257	1634
Kingdom	116,742	15939
Governorate to kingdom ratio	%11.4	%10

Source: Ministry of Education, Statistical Report for the academic year 2014/2015, The study group's accounts

The following table shows the distribution of teachers by school and grade level, with a total of 2,943 teachers working in private schools. The percentage of female workers in the private education sector in Zarqa is higher compared with males. The percentage reaches 91.8%, most of them work in kindergarten and basic education.

Table 16: Distribution of teachers for Zarqa Governorate 2014-2015

Gender	Total				UNRWA schools				Other public schools				Private schools				Public schools			
	Total	High school	Primary	kindergarten	Total	High school	Primary	kindergarten	Total	High school	Primary	Kindergarten	Total	High school	Primary	kindergarten	Total	High school	Primary	kindergarten
Males	4351	976	3355	20	360	0	360	0	146	56	90	0	241	47	174	20	3604	874	2730	0
females	8906	1580	6508	819	393	0	393	0	187	37	144	6	2702	343	1634	725	5624	1200	4337	88
Toatal	13257	2556	9862	819	753	0	753	0	333	93	234	6	2943	390	1808	745	9228	2073	7067	88

Source: Ministry of Education, Statistical Report for the academic year 2014-2015

3.4 Supply analysis

Key Competitors

Name of the school	Islamic Center Association Schools
Curriculum	The National Curriculum in addition to additional books are taught to students
Grades	From the first to twelfth grade (scientific / literary)
Number of students	900 student
Number of classrooms	12 classrooms
Number of divisions	31 divisions
Number of teachers	60 teachers
Number of administrative staff	10
prices	<ul style="list-style-type: none"> ▪ Prices range from JD 630 per student for the first grade to JD 1800 per student for the twelfth grade. ▪ Transportation charges range from JD 270 to 300 depending on the regions. ▪ Books and uniforms JD 100 ▪ Learning Disabilities: Diagnostic test JD 15 ▪ The tuition fees range from JD 400 to 500 depending on the level.
Kindergarten	KG1 - KG2
Number of division	20
Prices	360 JD/ child

Name of the school	The pioneer Jordanian American Academy schools and kindergarten
Curriculum	The National Curriculum in addition to additional books that are taught in English.
Grades	From the first to eighth grade
Number of students	350 student
Number of classrooms	8 classrooms
Number of divisions	18 divisions
Number of teachers	25 teachers
Number of administrative staff	7
prices	<ul style="list-style-type: none"> ▪ Prices range from JD 1600 per student for the first grade and JD 2,500 per student for the eighth grade ▪ Transportation charges are 300 JD and from Hashimiyah are 450 JD. ▪ And the books and clothing costs 200 JD.
Kindergarten	KG1 - KG2
Number of division	5
Prices	1300 JD/ child

Name of the school	Modern Almawakeb schools and kindergarten
Curriculum	The National Curriculum
Grades	From the first to tenth grade
Number of students	370 students
Number of classrooms	10 classrooms
Number of divisions	16 divisions
Number of teachers	25 teachers
Number of administrative staff	5
prices	<ul style="list-style-type: none"> ▪ Prices range from JD 500 for the first grade to JD 650 for tenth Grade ▪ Transportation charges range from 250 to 300 JD. ▪ Books and uniforms 100 JD.

Name of the school	Alitihad Islamic schools
Curriculum	The National Curriculum
Grades	From the first to twelfth grade.
Number of students	400 student
Number of classrooms	12 classrooms
Number of divisions	20 divisions
Number of teachers	40 teachers
Number of administrative staff	10
prices	<ul style="list-style-type: none"> ▪ Class prices range from JD 500 for the first grade to 750 JD for the twelfth class ▪ Transportation charges range from 250 to 300 JD ▪ Books and uniforms 100 JD
Kindergarten	KG1 - KG2
Number of division	8
Prices	500 JD/ child

Name of the school	Manchester English Schools
Curriculum	The National Curriculum
Grades	From the first to eighth grade
Number of students	350 students
Number of classrooms	8 classrooms
Number of divisions	7 divisions
Number of teachers	20 teachers
Number of administrative staff	6
prices	<ul style="list-style-type: none"> ▪ Prices range from JD 1000 for the first grade to JD 1800 for the eighth grade. ▪ The transportation fee is JD 300 ▪ And the books and uniforms fee JD 150
Kindergarten	KG1 - KG2
Number of division	6
Prices	900 JD/ child

Name of the school	International English Schools
Curriculum	The National Curriculum with additional books taught in English.
Grades	From the first to eighth grade
Number of students	350 students
Number of classrooms	8 classrooms
Number of divisions	16 divisions
Number of teachers	20 teachers
Number of administrative staff	5
prices	<ul style="list-style-type: none"> ▪ Prices range from JD 1000 for the first grade and JD 1600 for the eighth grade. ▪ Transportation charges range from JD.250 to 300 ▪ And the books and uniforms fee JD.150
Kindergarten	Not available

Name of the school	University of Zarqa schools and kindergarten.
Curriculum	The National Curriculum
Grades	Includes 3 schools as follows: <ul style="list-style-type: none"> ▪ A male school from the fifth grade to the twelfth class. ▪ A female school from the fifth grade to the twelfth class. ▪ Mixed primary school from first to fourth grade.
Number of students	1600 students
Number of classrooms	8 classrooms for male school. 8 classrooms for female school. 4 classrooms for primary school.
Number of divisions	70 divisions
Number of teachers	114 teachers
Number of administrative staff	50
prices	<ul style="list-style-type: none"> ▪ Prices range from JD 1,000 to Kindergarten and JD 2,000 for the twelfth Class. ▪ Transportation charges range from 350 to 500 JD. ▪ And the books and uniforms fee 150 JD.
Kindergarten	KG1 - KG2
Number of division	10
Prices	1000 JD/ child

Name of the school	Roman Catholic Female School
Curriculum	The National Curriculum
Grades	For the first grade to twelfth grad.
Number of students	600 students
Number of classrooms	12 classrooms
Number of divisions	20 divisions
Number of teachers	30 teachers
Number of administrative staff	10
prices	<ul style="list-style-type: none"> ▪ Prices range from 600 JD for the first grade and JD 900 for the twelfth class. ▪ The transportation fee is 300 JD. ▪ Books and uniforms 100 JD.
Kindergarten	Separated kindergarten
Number of division	1

3.5 Marketing Strategy

Target market

The project targets all students in Zarqa Governorate.

The expected services and products

Expected project services include:

- Kindergarten KG1, KG2
- Mixed educational services up to the fourth grade the National Curriculum is taught supported with subject in English.
- Educational services for females from the fourth grade to the 12 (Tawjihi) the national curriculum supported by subjects in English will be taught.
- Laboratories include:
 - Chemistry laboratory.
 - Physics lab.
 - Biology laboratory.
- Kitchen and housekeeping to train female students on cooking, embroidery, sewing ... etc
- Extracurricular activities include at least the following:
 - Trips

- Summer Club
- Winter Club
- Sports activities and competitions at the school and governorate level.
- Cultural activities and competitions at the school and governorate level, such as Quran memorization competitions
- Using interactive learning methods using Tablets, data show, laptop and IPAD for students (paid), digital boards.
- Creative education through the use of robot (can be contracted with a specialized external center to provide this service to students wishing to).
- Scientific Club and Wall Magazine.
- Special classes for students with learning difficulties.
- Transportation.

Expected prices

The price strategy of the project includes:

Table 17: Expected prices

Statement	Average price (JD) per student annually
Kindergarten	650
Mixed school (1 st to 4 th grade)	800
Classes (5 th to 8 th grade)	1200
Classes (9 th to 10 th grade)	1600
Classes (11 th to 12 th)	2000
Income from the sale of books and uniforms	100 JD / student (10% of the teaching revenue)
Income from extracurricular activities	(10% of the teaching revenue)
Transportation	Average of 300 JD for every student

Promotion

The project's promotional strategy includes:

- Focusing on the famous administrative and educational staff in Zarqa and its surroundings in order to attract them to work in the new school. This makes it possible to focus on the quality of the existing capabilities and the modern services that are unique to the school in Zarqa.
- Giving discounts and payment facilities to outstanding students and attracting these students from competing schools. A series of incentives and discounts can also be given

to parents who study more than one student at the school. And incentives can be given to orphans and children of martyrs, armed forces, outstanding students and. But it is important to highlight the advantages the school has over its competitors.

- Designing a website and using social media and thinking about implementing a school application.
- School brochures and services.
- Advertising in local newspapers and other media at the beginning of the project.
- Place billboards on main streets and roads leading to school.
- Opening ceremony and inviting all concerned.

Selling

The project's sales strategy includes:

- Direct sale to students and parents.
- It is possible to go towards contracting with local and international associations and organizations, especially in case of wanting to cover orphans or refugee children.

Services

The project delivery strategy includes:

- The presence of teachers and administrators with extensive experience and reputation at the county level.
- Focus on quality of services and materials used.
- Obtain all relevant quality and accreditation certificates (locally and internationally).
- Maintaining students' safety, thinking of ways of insurance, especially for the bus service (paid by their parents).
- Respect the rules of hygiene, sanitation and public safety.
- Maintenance of equipment continuously.
- Pay attention to the appropriate appearance of employees and students.
- To pay attention to the good and decent treatment of students.
- The interest in providing new and innovative services and the use of technology to raise the level of student's education. Teach them the ways of creative thinking
- Credibility to deal with customers.

3.6 The Expected Market Share

The following table shows the expected demand in private schools as measured by the number of students. This is based on the growth rate of 5.13% in private schools and the assumption that the school will start in the academic year 2018/2019.

Table 18: Expected demand Size in Private Schools in Zarqa Governorate (number of students)

Statement	1 st year	2 nd year	3 rd year	4 th year	5 th year	6 th year	7 th year	8 th year	9 th year	10 th year
Number of students in private schools	60083	63165	66405	69812	73393	77158	81116	85278	89652	94251

The table below shows the size of demand for the new private school services and their market share for the first ten years of the project.

Table 19: Demand for new school services and expected market share

Statement	1 st year	2 nd year	3 rd year	4 th year	5 th year	6 th year	7 th year	8 th year	9 th year	10 th year
Number of students in private schools (market size)	60,083	63,165	66,405	69,812	73,393	77,158	81,116	85,278	89,652	94,251
Number of students enrolled in the new school	440	616	704	858	880	968	1012	1034	1056	1056
Market share(%)	0.73	0.98	1.06	1.23	1.20	1.25	1.25	1.21	1.18	1.12

4. Technical Study

4.1 The Designed Project Capacity

The designed capacity of the project is as mentioned previously 48 classrooms / division, which requires school building area estimated at around 2,500 m². It also requires purchasing a land area of 3000 m². The school buildings will consist of 5 floors with an area of 500 m².

The number of classrooms per department is as follows:

- Kindergarten: 12 classes.
- Classes (1-4): 12 classes.
- Grades (5-8): 12 classes.
- Classes (9-10): 6 classes.
- Classes (11 - 12): 6 classes.

These details are based on the results previously mentioned in this study, as well as market size analysis.

The possibility of future expansion of the school whether on the current floors or through the construction of new floors on the same building, has also been taken into consideration. The building can also be utilized by building a neighboring building according to needs and within the regulations and instructions.

4.2 The Required Fixed Assets

The following table shows the total cost of fixed assets, which amounted to 1,042,500 JD.

Table 20: Total cost of fixed assets

Statement	Unit	Price (JD)	Amount (JD)
Land M ²	3,000	30	90,000
Building	2,500	200	500,000
Rooms, furniture and fixture	55	1,500	82,500
Transportation vehicles	9	25,000	225,000
Information technology	-	-	125,000
others	-	-	20,000
Total			1,042,500

The figures were estimated from the findings of the market study

* Information technology includes the cost of computers dedicated to the computer lab and the cost of the main server of the school and the cost of interactive boards for students and the Data Show and its laptops.

4.3 The Required Human Resources

The following table shows the human resources required for the project. The number of employees required is 105 employees with a total salary of JD 401,640 annually. Administrative salaries consist of JD 88,440 annually and operational salaries of JD 313,200 annually.

Table 21: Projected human resources and costs

Statement	Number of employee	Salary (JD/Monthly)	Total salary (JD/Annually)	Administrative (JD/Annually)	operational(JD/Annually)
General director	1	1,500	18,000		
Principles	3	700	25,200	18,000	25,200
Teacher	80	300	288,000		288,000
Accountant	2	400	9,600		
Registration/ manager/ marketing	3	250	9,000	9,600	
Technical	1	300	3,600	9,000	
Driver	9	300	32,400	3,600	
Services, cleaning and security	6	220	15,840	32,400	
Total	105		401,640	15,840	313,200

The following table shows the general job description of the jobs required in the project.

Table 22: General Job description of the jobs required in the project

Job	Job description
General director	<p>In charge of :</p> <ul style="list-style-type: none"> ▪ Directing the administrative and academic staff. ▪ Define vision and mission and develop the school strategy and reflect it in all means of communication with employees, students, parents and others. ▪ Major client files and large deals ▪ Determining fees and prices for school services and signing contracts (partnerships). ▪ Follow-up and coordination of work in all school facilities (kindergarten, mixed school, primary school and high school). ▪ Assess the success of schools in achieving their goals (performance). ▪ Reports to the Board of Directors about the performance of the school / company.
School principal	<p>This section is for principals of all educational facilities (Kindergarten, Mixed School, Primary School, and High School). Each principal is responsible for the following in relation to his / her school:</p> <ul style="list-style-type: none"> ▪ School management and staff smoothly. ▪ Develop job descriptions and Key performance indicator to achieve the desired performance of teachers and teachers. ▪ Hold periodic meetings with stakeholders and partners (parents and board of directors) to review the success of school procedures and policies. ▪ Follow-up of books, uniforms, maintenance of equipment, furniture (periodic and emergency maintenance). ▪ Identify required jobs, supervise interviews and recruit, welcome new staff and integrate them into school. ▪ Staff training, mentoring and evaluation. ▪ Maintain access to new knowledge and methods of education through follow-up of published journals and participate in local and international seminars, workshops, conferences and exhibitions, if possible.
Teacher	<ul style="list-style-type: none"> ▪ Teaching the materials entrusted to them efficiently. ▪ Monitoring the development of students. ▪ Ensuring students' compliance with school rules and regulations.

Job	Job description
	<ul style="list-style-type: none"> ▪ Promote the school through their family and community relationships. ▪ Receiving complaints and objections from parents and transferring them to the administration concerned. ▪ Perform any duties assigned to them.
Marketing	<ul style="list-style-type: none"> ▪ Identify opportunities to attract new students and set priorities for access and registration. ▪ Presenting bids and negotiating fees and prices within the school policy to sign new contracts. ▪ Market surveys and research. ▪ Relay the needs of parents and customers and defend them. ▪ Develop and implement expansion plans and increase sales. ▪ Document all contact details and addresses of customers. ▪ Represent the school / company in meetings related to its work.
Accountant	<p>The Accountant performs the following tasks:</p> <ul style="list-style-type: none"> ▪ Participate in the preparation of the estimated budget of the school in cooperation with the managers concerned. ▪ Follow-up the preparation, review, amendment and adoption of administrative systems and regulations of the organizational unit, which includes the procedures, rules, instructions, organizational structure and functions, functions and competencies, job description cards and the list of powers. ▪ Monitor the policies and procedures of the financial plans and ensure that they comply with the regulations and laws. ▪ Preparation of the estimated budget including salaries and allowances, operating expenses, maintenance and operation programs, projects under implementation and new projects.
Administrative	<p>The administrative officer performs the following tasks:</p> <ul style="list-style-type: none"> ▪ To carry out procedures and policies to ensure the attendance and departure of employees and the payment of their financial dues and the entitlement of the leaves withdrawn by them. ▪ Prepare school staff payroll and reports on attendance and discipline information at work. ▪ Prepare and update a database of all vacancies in the school in order to attract staff with specifications that fit the requirements of the posts. ▪ Receiving, archiving, sorting, and selecting applications that meet the needs of the business, as requested by the

Job	Job description
	managers concerned. <ul style="list-style-type: none"> ▪ Registration of new students and follow up their affairs in cooperation with the accountant.
Technical	Carry out all maintenance work for all the facilities in the school, which include maintenance of buildings, electricity and paint failures, etc.

4.4 The special requirements

The following are the most important guidelines, general and special requirements for private schools that must be considered for the development and implementation of the project. For further details, see Appendix 1: Establishment and Licensing of Private and Foreign Educational Institutions No. 130 for the year 2015.

Guidelines and general steps for establishing a private kindergarten

First: Submit a request for establishment with the Directorate concerned and include the request for the following documents:

1. Room measurement scheme
2. General site layout
4. Organizational site chart / organization of accommodation
5. Valid Permission for works or construction permit
6. A copy of the civil ID or a copy of the registration certificate of the association
7. If the founder is a foreigner, he must present a copy of a valid passport and a letter of approval from the Investment Promotion Department.

Second: The necessary specifications must be provided in the construction:

1. Classes: A minimum area of 16 m², where each student is allocated one square meter per class.
2. School yard: not less than 110 m².
3. The School yards shall be calculated as 2 m² per student and the rebound area calculated from within the School yards, and shall not be less than four meters and the height of the fence shall be one and a half meters at a minimum.
4. The availability of washrooms with a seat + washbasin + tap in a water bar for every 25 students.
5. The following will be available in kindergarten:
 - Management room
 - Games room and activity
 - Classroom at least

- A height of at least 80 m² and a normal lighting (window area) of not less than 10% of the classroom area or (60 m²), natural lighting not less than 15%, fluorescent lighting.

Third: Steps of establishment

1. After the founder submits a request for establishment, the Licensing, Establishment and Buildings Committee of the Directorate shall make a preliminary disclosure on the site and fill out a preliminary disclosure form.
2. The Directorate shall address the Greater Amman Municipality or the Municipality concerned to give an opinion on the organizational and construction aspects and the possibility of granting the building the necessary professional license.
3. If the answer of the Municipality of Amman or the Municipality was affirmative the governor is addressed to give an opinion attaching the forms of establishment, then the governor will address the following authorities: (Directorate of Health concerned, Directorate of Special Education, Directorate of Civil Defense, Municipality / Municipality concerned, the security authorities) to give an opinion and then the governor will write to the Directorate with the decision and ask the founder to complete the following documents in two copies:
 - A lease or title deed, a trade name and a commercial record
 - Documents of the founder or authorized signatory for the company or association:
 - Copy of personal identity, non-judgmental, disease-free certificate.
 - Documents of the candidate principal: (copy of the personal identity, non-judgmental, disease free, image of the academic qualification certificate, education license, certificate of experience, unified contract of work).
4. Filling the engineering report and the educational report by the department
5. A copy will be submitted to the ministry where the initial approval for the establishment is obtained. The founder shall announce the registration of the students and appoint teachers. The members of the department shall visit the school to find out the actual formations and verify the required records and submit another report to the ministry. The Directorate renews the license annually.

Guidelines and general steps to establish a private school

First: Submit a request for establishment to the Directorate concerned and the request will include the following documents:

1. Room measurement scheme
 2. General site layout
 3. Organizational site chart / organization of accommodation
 4. Permission for valid works or construction permit
 5. A copy of the civil ID or a copy of the registration certificate of the association
 6. If the founder is a foreigner, he must present a copy of a valid passport and a letter of approval from the Investment Promotion Department.
-

Second: Necessary specifications that must be provided in the construction:

1. Classes: A minimum area of 16 m^2 , where each student is allocated a square meter in the classroom
2. Yards: 200 m^2 as a minimum for the first to fourth grade
 - 400 m^2 from the first grade to the tenth grade.
 - 600 m^2 for the high school.

The yards are calculated at 2 m^2 per student, and the rebound area which is calculated from within the yards, and will be not less than four meters. The height of the fence is one and a half meters at a minimum.

3. The availability of washrooms with a seat + washbasin + tap in a water bar for every 25 students.
4. The following must be available in the construction for 1st to 4th grades:
 - Administration
 - Computer room
 - Classrooms

For grades 1 through 8, in addition to item (4) the following should be provided:

- Laboratory
 - Library
 - House-keeping
 - Workshop
 - A teacher room and the for the higher grades physics laboratory, biology laboratory and chemistry laboratory will be provided in addition to above mentioned items.
5. The height of the building is not less than (80 m 2) and the normal lighting (the size of the windows) is not less than 10% of the classroom area or (60 m 2), natural lighting not less than 15%.

Third: Steps of incorporation:

1. After the founder submits a request for establishment, the Licensing, Establishment and Buildings Committee of the Directorate shall make a preliminary disclosure on the site and fill out a preliminary disclosure form
2. The Directorate shall address the Greater Amman Municipality or the Municipality concerned to give an opinion on the organizational and construction aspects and the possibility of granting the building the necessary professional license
3. If the answer of the Municipality of Amman or the Municipality was affirmative the governor is addressed to give an opinion attaching the forms of establishment, then the governor will address the following authorities: (Directorate of Health concerned, Directorate of Special Education, Directorate of Civil Defense, Municipality / Municipality concerned, the security authorities) to give an opinion and then the governor will write to the Directorate with the decision.
4. ask the founder to complete the following documents in two copies:

- A lease or title deed, a trade name and a commercial record
 - Documents of the founder or authorized signatory for the company or association:
 - Copy of personal identity, non-judgmental, disease-free certificate.
 - Documents of the candidate principal: (copy of the personal identity, non-judgmental, disease free, image of the academic qualification certificate, education license, certificate of experience, unified contract of work).
5. Filling the engineering report and the educational report by the department
 6. A copy will be submitted to the ministry where the initial approval for the establishment is obtained. The founder shall announce the registration of the students and appoint teachers. The members of the department shall visit the school to find out the actual formations and verify the required records and submit another report to the ministry. The Directorate renews the license annually.
 7. To obtain a license for a foreign program, the school must contact the authorized center for licensing the programs and after obtaining the approval, approval shall be attached with the application for the program license to the Directorate of Special Education to be submitted to the Ministry for getting approval. The following programs are licensed:
 - British Program GCE _ I GCSE
 - The American program H. S.D + SAT II
 - International Baccalaureate Program

Documents attached with the bus registration and authorization process:

1. Clearance from the Social Security Corporation.
2. Copy of the institution's license (kindergarten, school) for the last year
3. Cover book from the educational institution and contains the following information:
 - Name of the Commissioner to sign the process.
 - A table showing the following details

Bus Number	Type & model	Number of students registered for the bus	Number of supervisors	Number of buses owned by the association

4.5 The Required Licenses

The following table shows the necessary licenses from different parties to implement the project.

Table 23: Licenses required for the project

Statement	Party
School registration	<ul style="list-style-type: none"> ▪ Ministry of Industry and Trade ▪ Ministry of Education
Operation	<ul style="list-style-type: none"> ▪ Ministry of Education ▪ The municipality ▪ Social security ▪ Income and sales tax

4.6 Project Timetable

The following figure shows the 14-month project execution time, as follows:

Phase	Year (months)													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Research and study	■	■	■											
Approval and registration		■	■	■	■	■								
Building and preparation					■	■	■	■	■	■				
Furnishing										■	■	■	■	
Pilot operation and recruitment													■	■
Total	14 months													

5. Financial Study

5.1 Financial Assumptions

The following table illustrates the financial assumptions of the project.

Table 24: the financial assumptions of the project

Item	Assumption
Inflation rate	3%
Financing	Equity constitutes 75% of the investment and loans constitute 25%
Interest rate	9%
Working capital	3 months of annual costs
Pre-operating expenses	JD 24 thousand (2% of investment)
Tax rate	12%
exemptions	customs and tax exemptions on the project by 40%, as this project is located in a development area – category “D”
Staff benefits	25% of salaries
The annual increase in salaries	7%
Staff incentives	0.5% of total revenues
Assets depreciation rate	4%-20% of the asset value
Accounts receivable	0.08 of total revenues
Accrued expenses	0.168 of operation costs
Maintenance	JD 5 thousand at the first year, with 5% annual increase
Electricity, fuel, and water	JD 10 thousand at the first year, with 3% annual increase
Hospitality	0.8 of total revenues
Extracurricular activities	0.03 of total revenues
Busses expenses	0.07 of transportation revenues

Other operating costs	1% of total revenues
Stationary	0.15 of total revenues
Professional fees	JD 3 thousand at the first year, with 5% annual increase
Marketing expenses	0.2 of total revenues
Other administrative expenses	JD 3 thousand at the first year, with 5% annual increase

5.2 Investment Cost

The project's Investment cost is estimated at JD 1.209 million distributed to fixed assets of JD 956 thousand, and working capital and pre-operating expenses of about JD 253 thousand. The following table shows the project's Investment cost.

Table 25: the project's investment cost

Item	Value (in thousand JD)
Fixed assets	956
Per-operating expenses	24
Working capital	229
Total	1,209

5.3 Financing

The project will be financed by the partners' shares (shareholders) in the company by 75% which is estimated at about JD 907.1 thousand, while the other 25% of the project investment cost will be financed through bank loans of about JD 302.4 thousand. The following table shows the financing schedule for to the implementation of the project.

Table 26: Project financing schedule

Item	Value (in thousand JD)	%
Equity	907.1	75%
Loans	302.4	25%
Total	1,209	100%

5.4 Revenues

The following table shows the total revenues of the project, where it is noted that the revenues in the first year amounts to about JD 490 thousand, and increased to reach up to JD 1.430 million in the tenth year, due to the increase of students.

Table 27: Total revenues.

Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Kindergarten	85,800	117,832	151,709	187,512	193,137	198,931	204,899	211,046	217,378	223,899
Grade (1 – 4)	140,800	217,536	224,062	230,784	237,707	244,839	252,184	259,749	267,542	275,568
Grade (5 – 8)	158,400	217,536	280,078	346,176	356,561	367,258	378,276	389,624	401,313	413,352
Grade (9 – 10)	-	-	-	115,392	158,472	204,032	252,184	259,749	267,542	275,568
Grade (11 – 12)	-	-	-	-	-	6,956	9,552	12,299	15,201	15,657
Total education revenues	385,000	552,904	655,848	879,864	945,878	1,015,060	1,087,543	1,120,169	1,153,774	1,188,387
After discount is (10% on average)	(38,500)	(55,290)	(65,585)	(87,986)	(94,588)	(101,506)	(108,754)	(112,017)	(115,377)	(118,839)
Uniforms and books revenues	38,500	55,290	65,585	87,986	94,588	101,506	108,754	112,017	115,377	118,839
Revenues of Summer / winter clubs and extracurricular activities such as trips and the robot's club	38,500	55,290	65,585	87,986	94,588	101,506	108,754	112,017	115,377	118,839
Transportation revenues	66,000	95,172	108,768	122,364	122,364	122,364	122,364	122,364	122,364	122,364
Total revenues (JD thousand)	490	703	830	1,090	1,163	1,239	1,319	1,355	1,392	1,430

5.5 The Projected Costs

Operating Costs

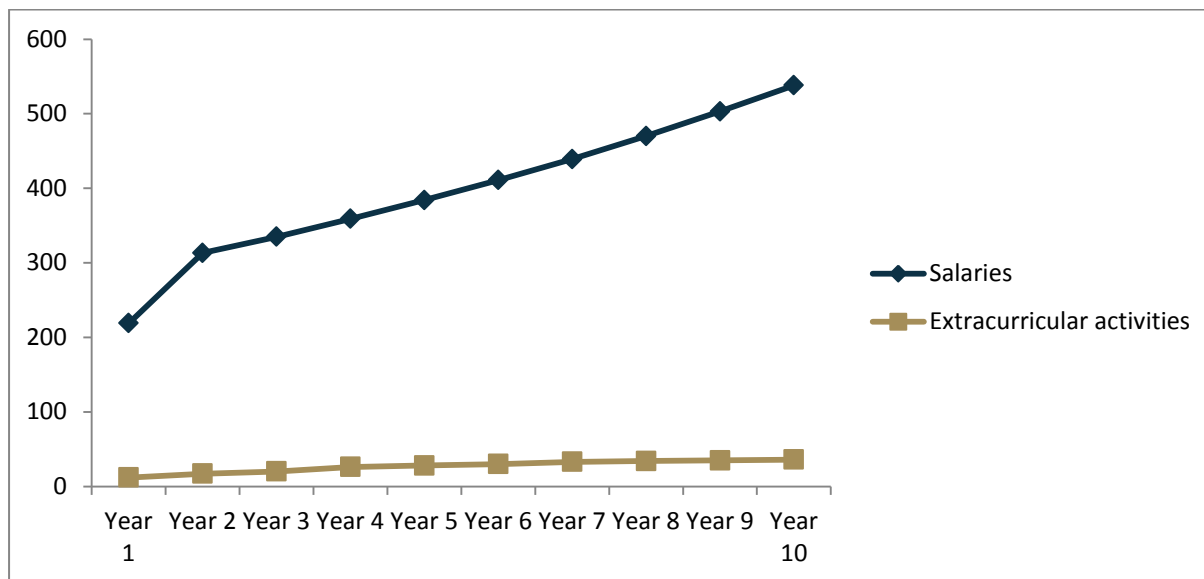
The following table shows the project's Operating Costs according to the previous assumption over ten years. Extracurricular activities costs in Year 1 amounted to JD 12 thousand which goes up to JD 36 thousand in Year 10. Moreover, the salaries' cost amount to JD 219 thousand in Year 1 which increases to JD 538 thousand in year 10.

The following tables show the projected operating costs of the project over the first ten years.

Table 28: Operating Costs of the Project

Operating Costs (in thousand JD)										
Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Salaries	219	313.20	335	359	384	411	439	470	503	538
Staff expenses	55	78	84	90	96	103	110	118	126	135
Busses expenses	46	67	76	86	86	86	86	86	86	86
Extracurricular activities	12	17	20	26	28	30	33	34	35	36
Hospitality	3.9	5.6	6.6	8.7	9.3	9.9	10.5	10.8	11.1	11.4
Electricity, fuel, and water	10.0	10.3	10.6	10.9	11.3	11.6	11.9	12.3	12.7	13.0
Depreciation	71	71	71	71	71	71	71	71	71	71
maintenance	5	5	5	6	6	6	7	7	7	8
Others	5	7	8	11	12	12	13	14	14	14
Total	426	573	616	667	702	740	780	821	864	911

Figure 3: Projected Operating Costs of the Project



Administrative costs

The following table shows the projected administrative costs of the project. Employees' salaries reach JD 88 thousand in the first year and increase to JD 162.6 thousand in the tenth year. The marketing expenses are about 1 thousand JD in the first year and increase to about 2.9 thousand JD in the tenth year.

Table 29: General and Administrative Expenses

General and Administrative Expenses (in thousand JD)										
Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Salaries	88.4	94.6	101.3	108.3	115.9	124.0	132.7	142.0	152.0	162.6
Other staff expenses	22.1	33.1	35.4	37.9	40.6	43.4	46.5	49.7	53.2	56.9
Staff incentives	2.4	3.5	4.2	5.5	5.8	6.2	6.6	6.8	7.0	7.1
Stationary	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.0	1.1	1.1
Professional	3.0	3.2	3.3	3.5	3.6	3.8	4.0	4.2	4.4	4.7

fees										
Marketing expenses	1.0	1.4	1.7	2.2	2.3	2.5	2.6	2.7	2.8	2.9
Other expenses	3.0	3.2	3.3	3.5	3.6	3.8	4.0	4.2	4.4	4.7
Amortization	24.2									
Total	123.5	118.7	127.4	137.4	146.9	157.0	167.7	178.9	190.9	203.6

5.6 Projected Financial Statements

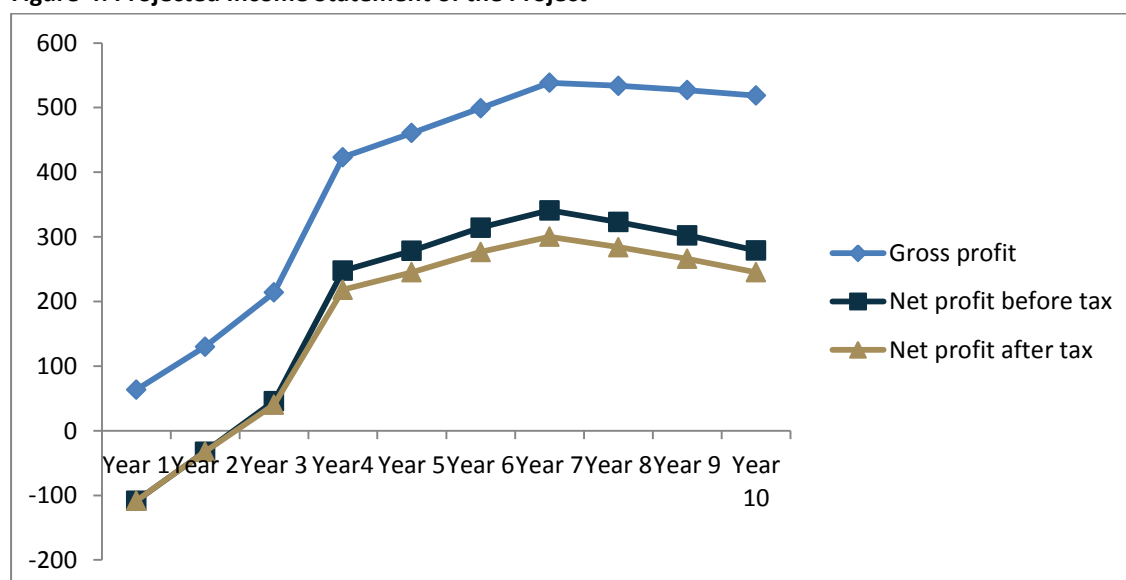
Income Statement

The following table shows the projected income statement of the project. It indicates that gross profit will increase from JD 36.5 thousand in the first year to JD 518.7 thousand in the tenth year. The net profit before tax will also increase from JD 45.9 thousand in the third year to JD 278.8 thousand in the tenth year, and the net profit after tax will increase from JD 40.4 thousand in the third year to JD 245.3 thousand in the tenth year.

Table 30: The Projected Income Statement of the Project

Income Statement(in thousand JD)										
Item	Year 1	Year 2	Year 3	Year4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues	489.5	703.4	830.2	1,090.2	1,162.8	1,238.9	1,318.7	1,354.6	1,391.5	1,429.6
Operating costs	426.0	573.3	616.2	667.0	702.3	739.9	780.1	820.9	864.4	910.9
Gross profit	63.5	130.1	214.0	423.2	460.6	499.0	538.5	533.7	527.1	518.7

Administrative expenses	144.9	139.7	149.9	161.7	172.8	184.7	197.4	210.7	224.8	240.0
Net profit	(81.4)	(9.7)	64.1	261.5	287.7	314.3	341.1	323.0	302.3	278.8
Financial expenses	27.2	22.7	18.2	13.7	9.2	-	-	-	-	-
Net profit before tax	(108.6)	(32.4)	45.9	247.8	278.5	314.3	341.1	323.0	302.3	278.8
Tax	-	-	5.5	29.7	33.4	37.7	40.9	38.8	36.3	33.5
Net profit after tax	(108.6)	(32.4)	40.4	218.1	245.1	276.6	300.2	284.2	266.0	245.3

Figure 4: Projected Income Statement of the Project


Financial Position Statement

The following table shows the projected balance sheet of the project during the first ten years. It indicates that total assets will increase from JD 1.209 million in the year of incorporation to about JD 1.581 million in the tenth year.

Table 31: Projected financial position statement of the project

Financial position statement (in thousand JD)											
Statement	Year of incorporation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets											
Cash	229	276	285	309	372	293	443	601	759	687	834
Receivables		41	59	69	91	97	103	110	113	116	119
Inventory		15	21	25	33	35	37	40	41	42	43
Other assets	-	5	7	8	11	12	12	13	14	14	14
Total current assets	229	336	372	412	506	436	596	763	926	859	1,011
Fixed assets	957	957	957	957	957	1,074	1,074	1,074	1,074	1,299	1,299
Total depreciation	-	95	165	236	306	377	447	518	588	659	729
Pre-operating expenses	24										
Net assets	981	862	792	721	651	698	627	557	486	641	570
Total assets	1,209	1,198	1,163	1,133	1,157	1,134	1,223	1,320	1,412	1,499	1,581
Shareholders rights and obligations											
Accrued expenses and receivables		72	96	104	112	118	124	131	138	145	153
long term loans	302	252	202	152	102	-	-	-	-	-	-
Total liabilities		324	299	256	214	118	124	131	138	145	153
Shareholders contributions	907	907	907	907	907	907	907	907	907	907	907
Retained earnings		(33)	(42)	(30)	35	109	192	282	367	447	520
Total equity	907	874	865	877	942	1,016	1,099	1,189	1,274	1,354	1,428
Total shareholder rights and obligations	1,209	1,198	1,163	1,133	1,157	1,134	1,223	1,320	1,412	1,499	1,581

Cash Flow Statement

The following table shows the projected cash flow statement of the project during the first ten years. It indicates that the cash flow from operation will increase from JD 21 thousand in the first year to JD 319 thousand in the tenth year; while the Cash at the end of the term will increase from JD 229 thousand in the year of incorporation to JD 834 thousand in the tenth year.

Table 32: The expected cash flows statement of the project

Cash Flow Statement (in thousand JD)											
Statement	Year of incorporation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operation Activities											
Net profit	-	(109)	(32)	40	218	245	277	300	284	266	245
Depreciation	-	119	71	71	71	71	71	71	71	71	71
Change in working capital	-	11	(2)	(8)	(24)	(3)	(3)	(3)	2	3	3
Cash flow from operation	-	21	36	102	265	313	344	368	357	339	319
Investing Activities											
Fixed assets	(981)	-	-	-	-	(118)	-	-	-	(225)	-
Cash flow from investment	(981)	-	-	-	-	(118)	-	-	-	(225)	-
Financing Activities											
Capital (Equity)	907	-									
Loan	302	(50)	(50)	(50)	(50)	(102)	-	-	-	-	-
Distribution of profits		76	23	(28)	(153)	(172)	(194)	(210)	(199)	(186)	(172)
Cash flow from financing	1,209	26	(27)	(78)	(203)	(274)	(194)	(210)	(199)	(186)	(172)
Net cash flow	229	47	9	24	62	(79)	150	157	158	(72)	147
Cash at the beginning of the term	0	229	276	285	309	372	293	443	601	759	687
Cash at the end of the term	229	276	285	309	372	293	443	601	759	687	834

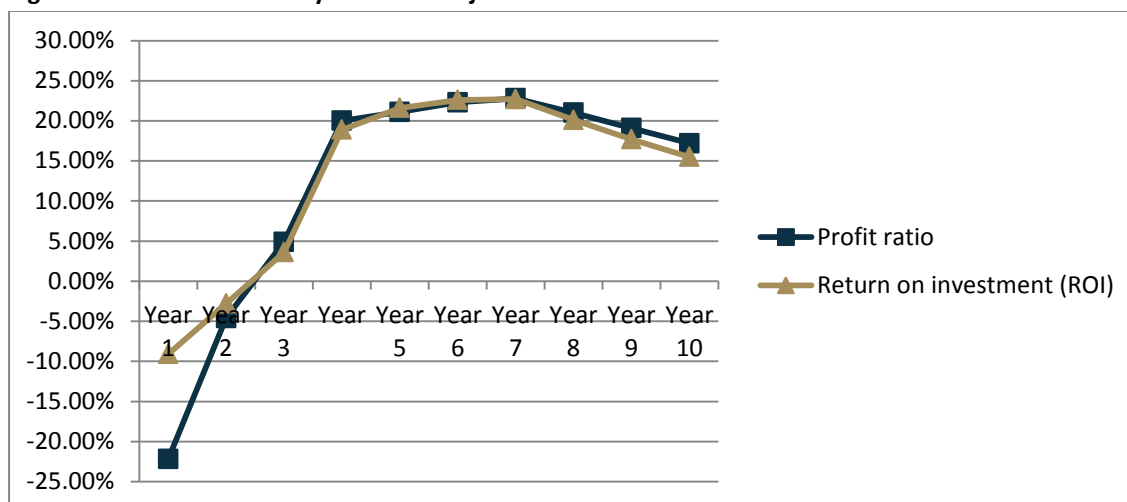
5.7 Financial, Economic and Social Analysis

Financial analysis

The following table shows the financial analysis of the project. It indicates that the net profit ratio will increase from -22.2% in the first year to 17.2% in the tenth year, and the return on investment will increase from -9.1% in the first year to 15.5% in the tenth year.

Table 33: Financial Analysis of the project

Financial Analysis (In Thousand JD)										
Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets	1,198	1,163	1,133	1,157	1,134	1,223	1,320	1,412	1,499	1,581
Revenues	490	703	830	1,090	1,163	1,239	1,319	1,355	1,392	1,430
Profits	(109)	(32)	40	218	245	277	300	284	266	245
Capital (Equity)	907	907	907	907	907	907	907	907	907	907
Profit ratio	-22.2%	-4.6%	4.9%	20.0%	21.1%	22.3%	22.8%	21.0%	19.1%	17.2%
Return on investment (ROI)	-9.1%	-2.8%	3.6%	18.9%	21.6%	22.6%	22.7%	20.1%	17.7%	15.5%
Return on capital (ROC)	-12.0%	-3.6%	4.5%	24.0%	27.0%	30.5%	33.1%	31.3%	29.3%	27.0%
The rate of return on revenues	-22.2%	-4.6%	4.9%	20.0%	21.1%	22.3%	22.8%	21.0%	19.1%	17.2%
Assets Turnover (Time)	0.41	0.61	0.73	0.94	1.03	1.01	1	0.96	0.93	0.9

Figure 5: The Financial Analysis of the Project


Economic Analysis

The following table shows the economic analysis of the project during the first ten years, we note that:

- Internal rate of return was 18.7%. It exceeded four times the rate of return on assets, which means the economic feasibility of the project
- The present value of the project reached about JD 1,330. It exceeds the investment with JD 907 thousand, which means the economic feasibility of the project.
- The profitability index of the project reached 1.47 times, which means that the expected value of the project will increase by 1.47 of the investment value, which proves that the project is feasible.
- The project payback period is 6.4 years.

Table 34: the economic analysis of the project

Economic Analysis (in Thousand JD)											
Statement	Year of incorporation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net cash flow from operations and investment	(907)	(29)	(14)	52	215	210	344	368	357	339	319
Residual value											1,428
Cash flow	(907)	(29)	(14)	52	215	210	344	368	357	339	1,746
Internal Rate of Return (IRR)	18.7%										
Current Value	1,330										
Net current value	423										
Profitability Index (Time)	1.47										
Payback period (Year)	6.4										

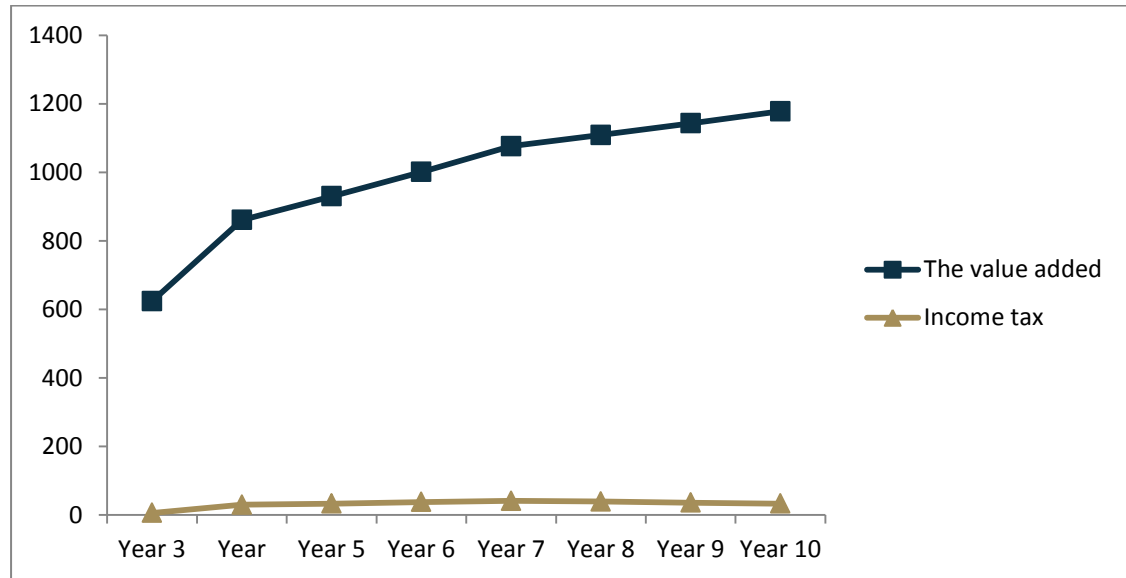
Social Analysis

The following table shows the social analysis of the project. It is noticed that the number of staff required for the project will increase from 105 employees in the first year to 163 employees in the tenth year. The value added of the project will also increase from JD 306 thousand in the first year to JD 1.178 million in the tenth year. The income tax will reach JD 33 thousand in the tenth year.

Table 35: the Social Analysis of the Project

Social Analysis										
Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Number of Employees	105	110	116	122	128	134	141	148	155	163
Expected number of Jordanian employees	105	110	116	122	128	134	141	148	155	163
The value added - thousand dinars	306	513	624	861	930	1,001	1,076	1,109	1,143	1,178
Income tax (thousand JD)	-	-	6	30	33	38	41	39	36	33

Figure 6: the social analysis of the project



6. Risk and Sensitivity Analysis

6.1 Risk Analysis

The following table shows the risk matrix that may face the project and the mitigation procedures avoid potential risks.

Table 36: Project risk matrix

Risks	Type of Risks	Risk Evaluation/Avoidance
Financial Risks	<ul style="list-style-type: none"> ▪ Credit Risk Credit risk represents the risk of the company's financial loss as a result of the customer's violation of the contractual obligation or that of the party dealing with the company through a financial instrument. These risks are mainly caused by trade receivables and others. ▪ Liquidity Risk Liquidity risk is the risk resulting from the company's inability to meet its financial obligations at time. The company's liquidity management is to ensure as much as possible that the company always maintain enough liquidity to meet its obligations as they become due and payable in normal and emergency conditions without incurring unacceptable losses or risks that affect the company's reputation. ▪ risk of currency fluctuation 	<ul style="list-style-type: none"> ▪ The financial risks that may face the company are low, because the company payment method is cash with some credit ▪ There is no risk of currency price volatility, because the company services will be sold in local currencies ▪ There is no risk of inflation because the company's pricing is based on a periodic basis

Risks	Type of Risks	Risk Evaluation/Avoidance
	<p>Currency risk is the risk of the fluctuation of the value of financial instrument, due to fluctuations in foreign currency exchange rates.</p> <ul style="list-style-type: none"> ▪ inflation risk <p>It is the risk associated with the possibility that the inflation or the rise in the cost of living might lead to the erosion of part of the real value of the investment.</p>	
<p>Business risk (sector risk)</p>	<ul style="list-style-type: none"> ▪ Strategic Risk <p>It is the risk resulting from taking wrong decisions by the company's management, or implementing the decisions in a wrong way, or not taking the decisions at the right time; which leads to losses or causes loss of alternative opportunities.</p> <ul style="list-style-type: none"> ▪ Legal and Regulatory Risks <p>These risks are reflected as a result of non-compliance with laws, guidelines and instructions governing the work. Legal risks are caused by the company's break of the laws governing the work in the state in which the company operates. While regulatory risks arise from the company's violation of laws and standards issued by the regulatory</p>	<ul style="list-style-type: none"> ▪ The risks are considered low before the company's establishment, because of getting the approval of the official authorities ▪ Reputational risk is very high, as the company deals with very sensitive issues ▪ Market risk in the short term will be low because of the lack of competition from the private sector

Risks	Type of Risks	Risk Evaluation/Avoidance
	<p>authorities.</p> <ul style="list-style-type: none"> ▪ Reputation Risk <p>Reputation risk arises from influential negative public views which result in great losses of customers or money. It includes the actions of the company's management or its employees which project a negative image of the company, its performance and its relationships with customers and other stakeholders. Reputation risk also results from circulating rumors about the company and its activity.</p> <ul style="list-style-type: none"> ▪ Competition Risk <p>Competition risk results from domestic and external market and reduces sales and profits.</p>	
<p>Operational Risk</p>	<p>Operational risk involves losses resulting from the failure of internal operations, human resources and external systems or events. It includes:</p> <ul style="list-style-type: none"> ▪ IT Risks <p>They are losses arising from downtime or systems failure due to the infrastructure, information technology, or the lack of systems, and any failure or malfunction in the systems. They include: the crash of</p>	<ul style="list-style-type: none"> ▪ Operational risks are very low, for the company will contract with specialized technical bodies to develop the required information systems, in order to manage operations ▪ Market competitive salaries will be paid ▪ Information security plan will be put in place to safely keep the company information

Risks	Type of Risks	Risk Evaluation/Avoidance
	<p>computer systems, breakdowns in communication systems, programming errors, computer viruses and interest losing due to breakdown.</p> <p>▪ Human Resources Risk</p> <p>Losses caused by employees or related to them (intentionally or unintentionally). It also includes acts that are intended as methods of cheating, abusing property or circumvent the law, regulations or company policy by officials or employees, as well as losses arising from the relationship with the customer, shareholders, regulators and any third party.</p>	
State Risk	<p>State Risk includes politicians' interference, civil unrest, wars, financial and monetary policies and high level of debts.</p>	<p>▪ State Risk is considered to be low, due to security and political stability; international reports indicate that State Risk is low both in medium and long terms</p>

6.2 Sensitivity Analysis

First: Increase of Investment cost by 10%

The following table shows the results of the sensitivity analysis when investment cost increases by 10%.

Table 37: Investment Increase by 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	18.2%	16.7%	1.5%
The Present Value at a discount rate of 13% (in Thousand JD)	1293.8	1296.0	-2.2
Net Present Value at a discount rate of 13% (in Thousand JD)	385.9	294.7	91.1
Profitability Index (Time)	1.4	1.3	0.1
Payback period (Year)	6.1	6.1	0.0
The Net Profit Ratio – an average of 10 years	11.6%	11.3%	0.2%
Return on Investment - an average of 10 years	12.7%	11.8%	1.0%
Return on Capital – an average of 10 years	18.4%	16.6%	1.9%
The Rate of Return on Revenue - an average of 10 years	11.6%	11.3%	0.2%
Assets Turnover (Time)– an average of 10 years	0.9	0.8	0.1
The added value - an average of 10 years (in thousand dinars)	874.1	873.8	0.2
The value of the income tax - an average of 10 years (in thousand dinars)	24.9	24.8	0.1
The value of the sales tax - an average of 10 years (in thousand dinars)	0.0	0.0	0.0

The above analysis refers to the feasibility of investment in the project, in light of the high cost of the total investment of the project, which increased by 10%. It is noted that:

- the internal rate of return is 16.7%, which is suitable for investment purposes
- the new payback period is 6.1 years and is considered reasonable for recovery purposes
- the rate of return on capital reaches 16.6%, which is considered suitable for investment purposes

Second: Reducing Revenues by 10%

The following table shows the results of the sensitivity analysis when reducing revenues by 10%.

Table 38: reducing revenues 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	18.2%	10.4%	7.8%
The Present Value at a discount rate of 13% (in Thousand JD)	1293.8	728.4	565.4
Net Present Value at a discount rate of 13% (in Thousand JD)	385.9	-179.5	565.4
Profitability Index (Time)	1.4	0.8	0.6
Payback period (Year)	6.1	8.9	-2.8
The Net Profit Ratio – an average of 10 years	11.6%	2.8%	8.8%
Return on Investment - an average of 10 years	12.7%	6.2%	6.5%
Return on Capital – an average of 10 years	18.4%	7.6%	10.8%
The Rate of Return on Revenue - an average of 10 years	11.6%	2.8%	8.8%
Assets Turnover (Time)– an average of 10 years	0.9	0.9	0.0
The added value - an average of 10 years (in thousand dinars)	874.1	764.0	110.1
The value of the income tax - an average of 10 years (in thousand dinars)	24.9	13.1	11.8
The value of the sales tax - an average of 10 years (in thousand dinars)	0.0	0.0	0.0

The above analysis shows the low sensitivity of the project in the case of reducing the revenues or demand by 10%. It indicates that:

- the internal rate of return is 10.4%, which is sensitive for investment purposes
- the new payback period is 8.9 years and is considered reasonable for recovery purposes
- the rate of return on capital reaches 7.6%, which is considered suitable for investment purposes

Third: Increasing the Operating Costs by 10%

The following table shows the results of the sensitivity analysis when increasing the operating costs by 10%.

Table 39: Increasing the Operating Costs by 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	18.2%	13.0%	5.2%
The Present Value at a discount rate of 13% (in Thousand JD)	1293.8	911.2	382.6
Net Present Value at a discount rate of 13% (in Thousand JD)	385.9	3.3	382.6
Profitability Index (Time)	1.4	1.0	0.4
Payback period (Year)	6.1	7.9	-1.8
The Net Profit Ratio – an average of 10 years	11.6%	5.5%	6.1%
Return on Investment - an average of 10 years	12.7%	8.7%	4.0%
Return on Capital – an average of 10 years	18.4%	11.4%	7.0%
The Rate of Return on Revenue - an average of 10 years	11.6%	5.5%	6.1%
Assets Turnover (Time)– an average of 10 years	0.9	0.9	-0.1
The added value - an average of 10 years (in thousand dinars)	874.1	803.1	71.0
The value of the income tax - an average of 10 years (in thousand dinars)	24.9	17.6	7.3
The value of the sales tax - an average of 10 years (in thousand dinars)	0.0	0.0	0.0

The above analysis shows the feasibility of the project in light of increasing the operating costs of the project by 10%. It indicates that:

- the internal rate of return is 13%, it is suitable for investment purposes
- the new payback period is 7.9 years and is considered relatively acceptable for recovery purposes
- the rate of return on capital is 11.4%, which is considered suitable for investment purposes

7. Appendix

7.1 Appendix 1: By law No. 130 for the year 2015 for establishing and licensing private and foreign educational institutions for the year 2015.

Article (1): This system is called (the system of establishing and licensing private and foreign educational institutions for the year 2015) and shall come into effect from the date of its publication in the Official magazines.

Article (2): (a) the following words and phrases wherever stated in this Law shall have the meanings assigned to them below unless the context indicates otherwise:

Law: Education law.

Ministry: Ministry of Education.

Institution: The private or foreign educational institution established in accordance with the provisions of the law and this regulation.

Founder: The natural or moral person who owns the institution.

Establishment: Establishment or expansion of the institution in accordance with the provisions of this Regulation and the instructions issued pursuant thereto.

Director of the institution: The person who manages the institution and is responsible for the conduct of the educational process.

(B) The definitions contained in the law shall be adopted wherever they are provided for in this Law unless the context indicates otherwise.

Article 3: Any normal or legal person may submit to the Ministry a request to establish the institution on the approved form for this purpose, accompanied by the following documents:

1. A copy of the identity card if the founder is a natural person or a copy of the registration certificate if the founder is a legal person or a letter from the concerned embassy certified by the Ministry of Foreign Affairs if the founder is a foreigner.
2. A certificate of non-judgment of the founder if he is a natural person and the authorized signatory.
3. A statement of the sources of funding of the Foundation.
4. The trade name certificate of the institution.
5. A statement about the previous works and jobs held by the candidate's director
6. contract with an accredited doctor to provide health services to students.
7. Valid Permission for works.
8. Schematic site chart and signed land site plan.
9. The approval of the Greater Amman Municipality or the relevant Municipality, as the case may be, on the property for which the establishment is to be established.
10. Copy of title deed or lease contract.
11. A pledge not to announce the start of registration in the institution or the registration of students or the collection of any fees or the perform of any activity in them before obtaining the license in accordance with the provisions of this system and the instructions issued pursuant thereto.

B- After fulfilling the requirements stipulated in paragraph (a) of this Article and approval of other relevant parties, the Ministry shall issue the applicant for initial approval of one year

during which he shall complete the establishment procedures specified in accordance with the provisions of this Law and the instructions issued pursuant thereto.

C- After the Ministry has ascertained the availability of the license conditions stipulated in this Regulation and the instructions issued hereunder and in any other regulations and instructions related to the license and in light of the engineering a disclosure of the establishment of the institution and its facilities is issued by the Ministry for one year.

D- The license of the Foundation shall be renewed annually and for the following academic year no later than the end of June of each academic year, subjected to the fulfillment of the requirements and conditions stipulated in this Law and the instructions issued thereunder.

Article (4): (a) Each student shall be allocated one square meter within the classroom and two square meters of open spaces.

(B) The building of the institution shall be independent of any other building. The area of open spaces shall not be less than (500 m²). These squares shall be free of columns and any buildings or facilities except for umbrellas for the students and the necessary sanitary facilities.

(C) The open spaces reserved for students shall not be used for parking or for buses.

D) The roofs of the Foundation premises shall not be used for students.

E. The Foundation may not use buildings that are not executed with concrete or steel.

The private educational institution may not be licensed to commercial streets or industrial and commercial areas or to commercial, industrial or residential premises.

Article (5): The natural person established or authorized to sign or authorized to sign for the non-natural person must:

(A) Have good conduct .

(B) Is not convicted of a felony or a misdemeanor that violates honor, morals or public morals, and is rehabilitated or covered by a general amnesty.

He must have a first degree or equivalent at the minimum.

(D) Not be a public servant.

(E) His aims shall be if he is a moral person to teach the students.

Article (6): A - The founder may delegate another to supervise the institution provided that the conditions stipulated in Article (5) of this system are met and the approval of the ministry that the authorization is in writing and specific.

B- In the event of the death of the Founder and the non-fulfillment of the conditions stipulated in Article (5) of this Law, any of the heirs shall appoint the guardian or the competent Shari'a court as the agent of the heirs who fulfills the conditions stipulated in that article and determines his salary from the entity that appointed him Not to exceed the salary of the Director of the Foundation itself.

If the Founder loses one of the conditions stipulated in Article 5 of this Law, he shall submit to the Ministry a request to transfer the license in the name of a person who meets the conditions within a period not exceeding three months or the end of the academic year, whichever is further.

D- Subject to the provisions of Article (15) of this Law, the Founder shall be prohibited from interfering in the conduct of the educational process.

Article (7): The founder may establish one or more institutions or branches of the licensed institution and treat the institution or branch and for all purposes as an independent institution.

Article (8): A - The institution may establish an internal residence for students and rooms of learning difficulties, swimming pools, restaurants, gymnasiums and other facilities within the institution provided that:

- 1- The prior approval of the Ministry before starting to establish any of them.
2. Availability of public safety conditions in accordance with applicable legislation.
- 3- A valid license issued by the concerned authorities.
4. A sufficient number of managers to manage and supervise them.

The facilities referred to in paragraph (a) of this Article shall be subject to the supervision of the Ministry and shall be renewed annually.

Article (9): A - The institution may not accept students more than absorptive capacity specified in the license.

B - The institution is obliged to obtain the prior approval of the ministry before the opening of a new division or classes or the replacement of a people under the authority of the abolition of those division or classes.

The institution may be moved to another location after obtaining the approval of the Ministry provided that the conditions stipulated in this Law and the instructions issued pursuant thereto are fulfilled in the new site.

Article (10): A - The Corporation shall prepare a special unified contract approved by the Ministry and signed by the institution and the student's guardian at the time of registration. Each one shall keep a copy thereof. This contract shall include tuition fees, wages and allowances in a detailed manner and how to pay them.

(B) The Foundation shall not raise tuition fees, wages or allowances during the academic year, nor shall it be increased to more than 5% per annum, and according to justifications approved by the Ministry.

The institution shall provide to the Ministry before the start of the process of acceptance and registration of students in three months with the detailed tuition fees and the proposed increase that will occur. No fee or allowance shall be collected before the Ministry is notified and obtained its approval. A copy thereof shall be kept in the register of the institution.

(D) The Foundation shall keep records of its business in addition to any records requested by the Ministry and subject to its audit.

Article (11): (a) No corporal punishment may be imposed on students in the institution.

B- The institution may not file any student's file or deprive him of his education during the academic year. In the event that his guardian fails to pay the tuition fees, the institution may resort to the judiciary to claim its financial rights according to the contract concluded between the parties due to non-payment of fees for the previous year or years.

C- In the event that the institution does not wish to continue accepting a student for the next academic year, he must inform his guardian four months before the beginning of the following school year and the reasons for its decision to inform the ministry of this decision within one week from the date of its adoption. The Foundation shall deposit the file with the Department of Student Affairs in the Ministry and in accordance with a special register.

Article (12): (a) The Foundation may not rent the facilities allocated to students to any party or invest them other than for the purposes assigned to them.

(B) The Foundation may use school buildings and facilities during the evening, weekly, official or summer holidays to carry out educational and educational activities, subject to the approval of the Ministry.

The institution may not admit students to enroll.

D) Co-education is allowed in the kindergarten stage up to the sixth grade of the basic stage and the Ministry's approval is obtained for co-education for the other educational stages.

E. the Foundation may not accept grants, donations and grants if they are from a source other than Jordan only after the approval of the Council of Ministers.

F. the Foundation shall enter any donation, grant provided and record any of them in its official records.

Article (13): The institution shall put in its main entrance and in a prominent place a plate bearing its name, address, date of establishment, telephone numbers, name of the founder, name of the Chairman of the Board of Directors or the Chairman of the Board of Directors, the name of the principal, qualifications and details of its classrooms, facilities and spaces. This information is updated whenever it is changed and the Ministry is provided with a copy of the data contained in this painting.

Article (14) A- The license of the Corporation shall be canceled by a decision of the Minister in the following cases:

1- If the institution is liquidated or dissolved or the bankruptcy of the founder is declared, provided that the work in the institution continues until the end of the academic year in which it occurred in coordination with the relevant authorities.

2- At the request of the Founder, provided that the Ministry is notified of its desire to cancel the license at least one semester in advance and to inform the parents accordingly.

3 - If the institution has three warnings as a result of violating the laws and regulations and instructions related to its work.

B- The founder may request the suspension of the license of the institution for a period of not more than two consecutive or sporadic two years in order to upgrade and develop its educational services provided that the parents are notified and the ministry approves it at least two months before the end of the school year. Cancellation of the license If the period of time specified for the suspension has passed without the applicant applying for renewal of the license, the license shall be deemed null and void.

Article (15): A. The management of the institution shall be a director who shall be responsible to the Ministry for the conduct of the educational process in the institution.

B- In addition to the conditions stipulated in the law, the Director of the Foundation shall require the following:

1- To have good conduct.

2. He shall not be convicted of a felony or a misdemeanor that violates honor, morals or public morals, and shall be rehabilitated or included in a general amnesty.

3. Not be employed in the public sector.

4 - full-time to do his work.

(C) The Director of the Foundation shall be prohibited from managing more than one institution or branch thereof.

D) The Director of the Corporation shall submit the information and data required by the Ministry.

(E) A General Director of the Corporation may be appointed if it has more than one branch, subject to the conditions provided for in paragraph (a) of this Article.

(F) The appointment of a Jordanian Associate Director shall be required in foreign educational institutions that meet the conditions stipulated in paragraph (a) of this Article.

(G) The functions and duties of the Director of the Foundation shall be regulated by instructions issued for this purpose.

H.1 The teacher in the institution shall be fully committed to the performance of his work and shall be prohibited from being employed in the public sector.

2 - The institution must obtain the approval of the Ministry before the appointment of a foreign teacher.

Article (16) A- The existing licensed institutions before the provisions of this Law shall have their status corrected in accordance with its provisions and the instructions issued thereunder, within the period specified by the Ministry in accordance with the correction requirements, provided that it shall not exceed two years from the date of its entry into force.

Notwithstanding the provisions of paragraph (a) of this Article, the Ministry shall, upon the entry into force of the provisions of this Law, satisfy the fees, allowances, wages and prices of the textbooks paid to it for each student exceeding the absorptive capacity specified in the license granted to it. This offense was repeated.

Article (17): It is prohibited for the institution to start the process of admitting students or teaching before obtaining the necessary license from the ministry, subject to the imposition of penalties stipulated by the law and the refund of all amounts paid to it by the student in favor of the ministry.

Article (18): Without prejudice to any more severe penalty stipulated in any other legislation, whoever contravenes the provisions of this Law and the instructions issued pursuant thereto shall be punished by the penalties prescribed by law.

Article (19): The Minister shall issue the necessary instructions to implement the provisions of this Law.

Article (20): The system of private educational institutions No. (27) of 1966 shall be repealed provided that the instructions issued pursuant thereto shall continue to be replaced by others in accordance with the provisions of this Law.