



Project: Books & Education Materials

Prepared by: Reciprocus International
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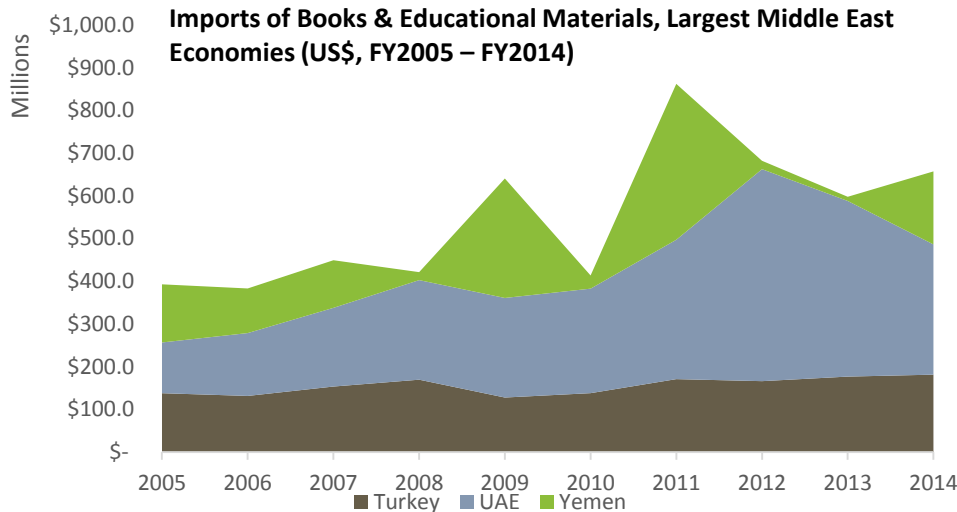
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Reciprocus is delighted to present to you our initial views on potential growth of books and education materials in Middle East market

- Our indicative view is predicted on publicly available information and our knowledge of books and education materials in Middle East.
- Our high-level research has identified and analyzed some potential markets of interest – mainly UAE, Turkey, Yemen, Bahrain, Saudi Arabia and Jordan.
- We observed a caveat which is that large Middle East economies have likely reached saturation in 2012 and recent growth opportunities are slightly more limited than frontier economies.
- This is due to both demand and supply factors. Demand factors include both diversification into non-oil industries and increasing literacy and educational attainment.
- The supply side drivers, on the other hand, include increasingly open goods and capital flows as the region modernizes. Also, supply chain efficiencies play a part too.
- Despite the sizes, the largest economies have not been able to sustain significant growth in recent years.
- Our research suggests that the fastest growing opportunities might lie in Gulf Cooperation Council (GCC) markets of Bahrain and Saudi Arabia as well as Jordan.
- Similar driving factors have been at play and these include education reform in Bahrain and backing from Saudi Arabia's government.
- Given an exciting prospect outlook in Middle East market, we recommend company to expand and explore books and education materials market in the aforementioned markets.

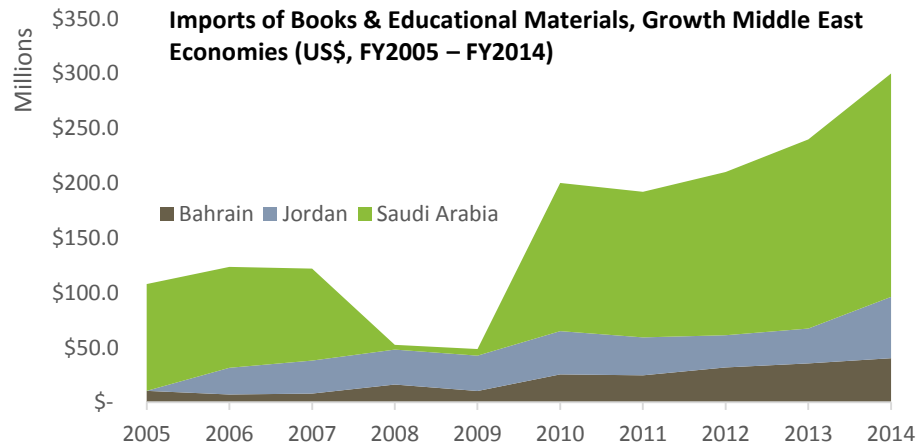
Middle East Landscape and Analysis

Largest Middle East's Market Overview



- **Overall Middle East:** Sustained and substantial growth observed with **6.56%** 10-Year CAGR and **2.49%** 3-Year CAGR respectively to reach a total market size of US\$1.3bn in 2014.
- **United Arab Emirates:** Has historically remained the largest single market with US\$305mn of imports in 2014, comprising **25.34%** of broader region. However we expect frontier markets to gain ground on the UAE as growth in the country has slowed down recently.
- **Turkey:** Second-largest market in the Middle East with US\$181mn of imports in 2014, comprising **14.58%** of the broader region. Small but sustained growth of around **2.84%** y.o.y. over the past 10 years.
- **Yemen:** Third-largest market in the Middle East with US\$170mn of imports in 2014, comprising **11.70%** of the broader region. Highly seasonal and fluctuating short-term growth with no clear long-term trend.

Growth Middle East's Market Overview



- **Bahrain:** Sustained and substantial growth with **14.42%** 10-Year CAGR and **8.14%** 3-Year CAGR to reach US\$40mn in 2014. Bolstered by open market access as well as free and compulsory basic education in public schools. Has one of the highest literacy rates (93%) across GCC member states.
- **Saudi Arabia:** Sustained and substantial growth with **7.66%** 10-Year CAGR and **11.03%** 3-Year CAGR to reach US\$203mn in 2014. Bolstered by one of the highest fiscal spending rates on education in the Middle East as well as a demand for high-quality international education by incoming expatriates.
- **Jordan:** Substantial growth with **23.94%** 3-Year CAGR to reach US\$55mn in 2014. Bolstered by compulsory primary and secondary education and education reforms in the 1990s. Jordan has historically been a leader in Arab Education and its model has been exported to its neighbors.



About Reciprocus

We specialize in assisting small and medium-sized businesses with expansion into overseas markets:

- Selecting and Structuring Route to Entry;
- Mergers, Acquisitions, Joint Ventures;
- Distributorships, Franchising and Licensing;
- Capital Raising.

For more information about our practice, visit our website at: www.reciprocus.com.



IE Singapore Assistance

The Singapore Government co-funds up to 70% of the third party professional fees for internationalization activities under the following schemes:

Market Readiness Assistance Grant: Market assessment, market entry and business matching activities.

Global Company Partnership Grant: Market research, scouting for overseas partners and due diligence activities.

More information available at:
<http://www.iesingapore.gov.sg/Assistance>.

Reciprocus International

International Plaza
10 Anson Road #10-22
Singapore 079903

Tel: +65-6225-9986
Fax: +65-6225-8223

Reciprocus Americas

Empire State Building
350 5th Ave, Suite 7610
New York, NY 10118

Tel: +1-212-565-0600
Fax: +1-646-349-3532

Reciprocus Europe

Taefernstrasse 22a
5405 Baden-Daettwil
Switzerland

Tel: +41 56 470 42 70
Fax: +41 56 470 42 72



David Emery

Chairman

david@reciprocus.com



Robert MacPherson

Junior Partner

robert@reciprocus.com

