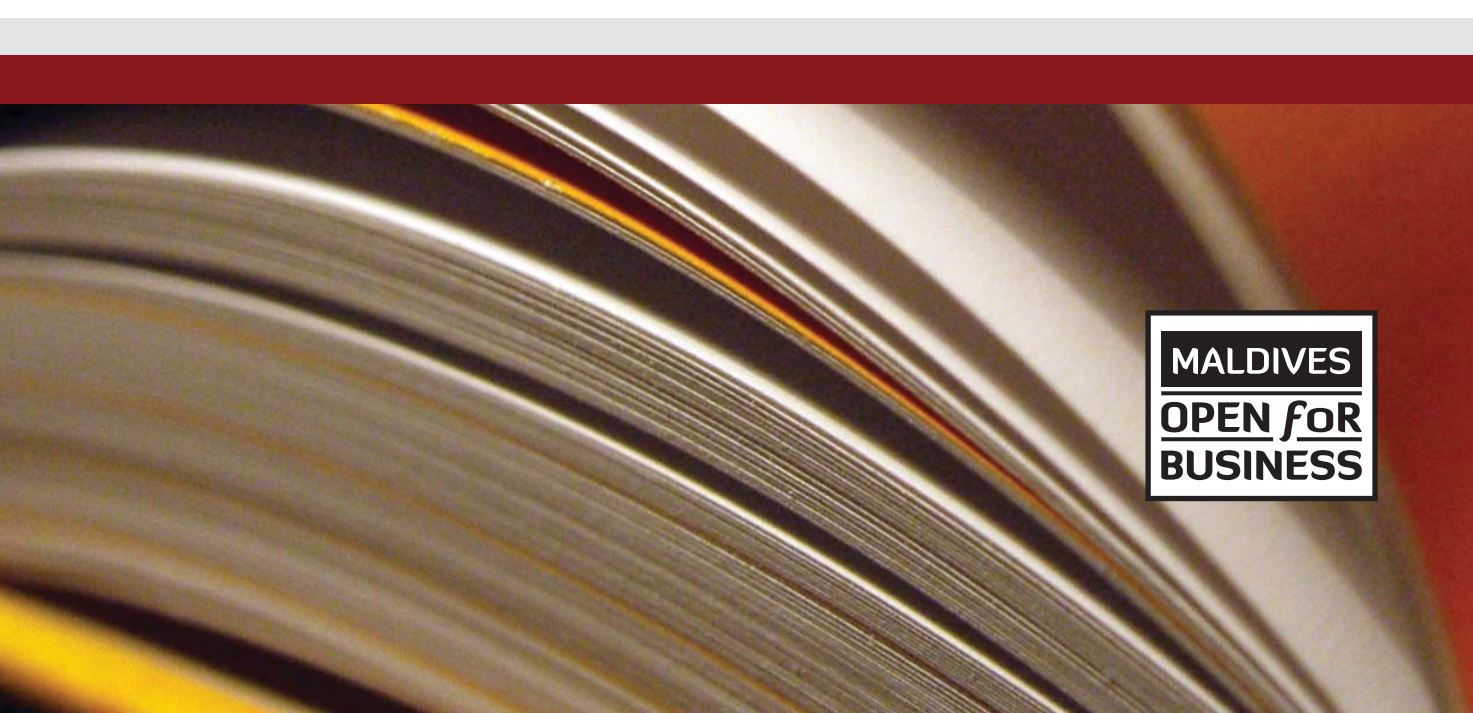




INVESTMENT OPPORTUNITIES

Privatising Education



MALDIVES
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BUSINESS

Introduction

The government aims to explore a market-based approach to its policy on the expansion of educational services for regional development and facilitate privatization of these services. To this effect the government plans to open the Upper North (Haa Alif, Haa Dhaal, Shaviyani) and South region (Seenu and Gnaviyani Atoll) for potential investors and education management organisations to establish private high quality education institutions.

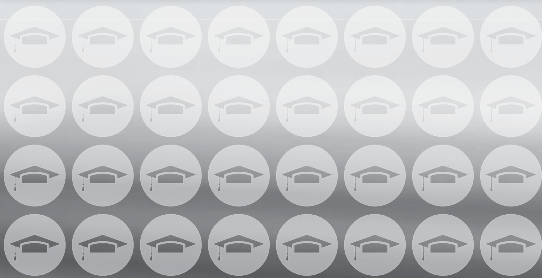


Market Potential

Establishment of good quality international schools can give families the opportunity to send their children to such an institution in home soil, instead of exploring options of migrating to or sending their children abroad. Already there are thousands of students studying in schools abroad. It would also provide an opportunity for families that lack the means to give their children a high quality education.

Maldives is only in its infant stage in the development and provision of higher education. Only limited opportunities for higher education are currently available locally through the Maldives College of Higher Education and by the very few private providers. Most school graduates are seeking progression to higher education from institutions abroad. Every year there are about 10,000 students graduating from secondary schools. For these school leavers placements are available only in very limited programs in local institutions and they can only cater for just a fraction of them. The few higher education providers are only established in the capital Male' and as a result, for the majority of those coming from the atolls, the cost of lodging and living in Male' is too expensive for them to afford.

Establishment of tertiary and other higher level educational institutions will create prospects for the many who are seeking opportunities to further their education. With the high value put on education investment in higher education in the different regions will be a potential business venture.



Proposed Options for privatisation

1. Business Model

Private schools can be encouraged using a business model, in which government can seek investments in private schools at allocated locations of North and South. The government will facilitate this process, while the private party will make the capital investment, and pay an agreed rent to the government. The government can also lease to the proponents existing school facilities and additional land to setup higher education institutions which can run parallel to the school.

2. Management Outsourcing/Joint Venture

The government can decide on outsourcing the management of pre-assigned schools based on investors' choice. The government could also form a Joint Venture with a management partner, whereby the government contribution would be the existing physical infrastructure and facilities of schools.

3. Partial Privatization

Privatization in the education sector is a relatively new concept in the Maldives; however, in order to ensure optimal benefits to the society, the Ministry of Education could embark on initial pilot programs to outsource some elements of the services provided by the schools.

Possible services that can be outsourced:

1. Library services
2. Computer labs and IT services
3. In-service training
4. Sports and other extra-curricular activities
5. Printing Services
6. Teacher recruitment services.

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