

# Ambient Insight Regional Report

## The Middle East Market for Self-paced eLearning Products and Services: 2011-2016 Forecast and Analysis

Three Major Catalysts Driving the Adoption of eLearning  
Across the Region



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## Table of Contents

List of Tables .....	3
List of Figures .....	3
Abstract .....	4
The Catalysts .....	4
Mobile Learning and the "Threat of Product Substitution" .....	6
What Are They Buying? .....	6
Partnering with Domestic Suppliers is a Good Idea .....	7
Related Research .....	7
2011-2016 Middle East Forecast and Analysis .....	8
Private Schools Offer Lucrative Opportunities .....	8
Digital English Language Learning in High Demand .....	8
Demand-side Analysis .....	9
Egypt.....	11
Israel.....	13
Jordan .....	16
Kuwait .....	18
Lebanon.....	20
Oman .....	23
Qatar.....	25
Saudi Arabia .....	27
Turkey .....	30
The United Arab Emirates (UAE) .....	33
Supply-side Analysis .....	38
Revenue for eLearning Tools by Ten Middle East Countries .....	39
Diverse Demographics Create a Challenge for Suppliers .....	41
Partnering with Pan-regional Suppliers is a Really Good Idea .....	41
Index of Suppliers .....	43

## List of Tables

Table 1 - 2011-2016 Revenue Forecasts for Self-paced eLearning by Ten Top Buying Countries in the Middle East (in \$US Millions) .....	10
Table 2 - 2011-2016 Middle East Revenue Forecasts for Self-paced eLearning by Product Type (in \$US Millions) .....	38
Table 3 - 2011-2016 Revenue Forecasts for eLearning Authoring Tools in the Middle East (in \$US Millions) .....	39

## List of Figures

Figure 1 - 2011-2016 Top Self-paced eLearning Five-year Growth Rates in the Middle East by Country .....	9
Figure 2 - 2011-2016 Middle East Self-paced eLearning Five-year Growth Rates by Five Product Types.....	40

**This is a Regional Report. Ambient Insight has five types of syndicated market research reports:**

- **Premium Reports:** A Premium report includes a buyer analysis, with five-year forecasts and profiles for the top buying countries in each region, a supply-side analysis, and an index of suppliers - These reports are designed for suppliers that need an in-depth view of the buying behaviors in each of the top buying countries in each region of the globe.
- **Standard Reports:** A Standard report includes a brief buyer analysis and a regional demand-side forecast analysis across seven regions. A Standard report does not include country profiles, supply-side analyses, or an index of suppliers - These reports are designed for suppliers that understand the international market dynamics and "just want the numbers."
- **Regional Reports:** A Regional report includes regional demand-side forecast analysis with five-year forecasts and profiles for the top buying countries in each region - These reports are designed for suppliers that are competing (or plan to compete) in specific regions.
- **Targeted Reports:** A Targeted Report may analyze buying behavior and trends in a specific buyer segment; may isolate revenue opportunities, forecast revenues, and trends for a particular product type; or may pinpoint revenues and trends for a specific sub-category of content, service, or technology - These reports are designed for suppliers that are targeting specific buyers or specializing in a particular product sub-type.
- **Revenue Snapshots** are 2-3 page reports that include a single revenue-forecast table and a brief description of that table from a current market report. Please review the free Executive Overview for each report for a list of available tables. Contact us at [info@ambientinsight.com](mailto:info@ambientinsight.com) to request a specific Revenue Snapshot.

## Abstract

The revenues for Self-paced eLearning products in the Middle East reached \$378.4 million in 2011. The growth rate is 8.2% and revenues will reach \$560.7 million by 2016. The largest buyers in the region are the public and private academic segments. The public school systems in many countries in the region are operated by central state-run agencies, so the buyer is the government in those countries.

Corporate expenditures tend to be heavily concentrated in specific industries, depending on the country. This report identifies those verticals for suppliers. Consumer spending is different in each country and that buying behavior is discussed in this report.

This is a regional report with revenue forecasts broken out for ten countries: Egypt, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Turkey, and the United Arab Emirates (UAE). Oman has the highest growth rate in the region at 19.6%, followed by Lebanon, Turkey, Kuwait, and Qatar at 16.0%, 12.9%, 12.6%, and 11.3%, respectively.

There are two sections in this report: a demand-side analysis and a supply-side analysis. Additionally, there is an index of over 150 suppliers competing in the region. The demand-side analysis provides insight into the buying behavior in the ten top buying countries in the Middle East and identifies the top buyer segment in each of those countries.

This report identifies the most lucrative revenue opportunities for suppliers, such as the thriving private school market and the demand for digital English language learning content. The United Arab Emirates, Kuwait, and Jordan have the highest percentages of private schools *in the world* at 65%, 46%, and 42%, respectively. Private schools are avid buyers of eLearning content, tools, and platforms.

Most countries in the region have government policies in place mandating English language learning programs in the schools. There is a strong demand for digital English language learning products in both the academic and consumer segments across the region. This report identifies the buyers in the countries that spend the most on digital English eLearning products.

## The Catalysts

The three major catalysts in the Middle East are the countrywide content digitization efforts across the school systems in the region, the large-scale deployments of tablets in the academic segments, and the rapid adoption of eLearning in the higher education segments. Combined, these catalysts have created a massive demand for packaged content.

Countrywide academic content digitization efforts are underway in most of the countries in the region. Many of these initiatives include the provision of tablets on a national scale. This essentially creates a new delivery platform for suppliers. Several of the initiatives are quite ambitious:

This is a regional report for the Middle East. Regional reports are designed for suppliers that are competing (or plan to compete) in specific regions.

- The goal of Kuwait's "e-education" plan is to deploy eLearning in all schools by 2013. The program deployed learning technology and digital content in 2011 starting with high schools. In 2012, the government began rolling out the eLearning products in the middle schools, elementary schools, and kindergartens, respectively. As of October 2012, **all the textbooks in Kuwait were digitized.**
- As part of a \$1.4 billion initiative, Turkey intends to equip over 15 million students across 40,000 schools with tablets in the next four years, which represents a huge new delivery ecosystem for learning technology suppliers.
- In September 2011, the Israeli Ministry of Education indicated that their goal was to replace all print-based textbooks with digital books by 2016. Also, the government will not approve any books that do not contain an additional digital format, starting in the 2012-2013 school year. **This is the first country in the world to establish such a firm eTextbook mandate.**
- In January 2012, the Supreme Education Council (SEC) in Qatar announced a series of "e-education" initiatives that include digitizing all the content used in the schools and providing each student with a personal learning device by 2014.
- In October 2012, the UAE government indicated that they were on track to get 400 schools equipped with learning platforms by 2015, well ahead of schedule on a project that started in 2010 to deploy learning technology in all 425 state-run public schools. This effectively creates a nationwide delivery platform for suppliers that will reach over 294,000 students.

Most of the higher education institutions in the region have started to offer online courses, some quite recently. These institutions are experiencing a boom in online course enrollments.

The Arab Open University (AOU) has seven branches in the region: Kuwait, Saudi Arabia, Egypt, Jordan, Lebanon, Bahrain, and Oman. AOU has physical campuses and offer most of their courses online (in physical labs and over the Internet.) AOU is a pan-regional higher education institution that makes extensive use of eLearning in their programs. AOU has over 50,000 enrolled students across the region with enrollments rising by over 20% a year.

Virtual universities (100% online) were quite rare in the region until very recently. Bin Mohammed e-University (HBMeU) launched in 2009 and is the first virtual university in the UAE. The Turkish government now supports four virtual institutions. The Saudi Electronic University (SeU) launched in August 2011 and is the second virtual university in the country.

## **Mobile Learning and the "Threat of Product Substitution"**

There is a significant "threat of product substitution" in the Middle East, with Mobile Learning gaining traction at the expense of eLearning. According to the International Telecommunication Union (ITU), the Middle East has some of the highest mobile penetration rates in the world.

Saudi Arabia topped the list with a mobile penetration rate of 198.1%, followed by Kuwait at 172.8%, Oman at 162.7%, the United Arab Emirates at 145.2%, Qatar at 140.2%, and Israel at 133.6%. Jordan and Egypt both have penetration rates over 100%. Turkey is close to saturation at 93%.

The Middle East also has the highest smartphone usage in the world. This explains the relatively low demand for eLearning in the consumer segments across the region. There is a boom in demand for Mobile Learning content, particularly early childhood learning and language apps, **in every country in the region**. This report identifies those countries where this buying pattern is particularly acute.

One major inhibitor in the region is the rapid adoption of Mobile Learning, which is cannibalizing the sales of eLearning products.

## **What Are They Buying?**

The supply-side section provides revenue forecasts for five types of Self-paced eLearning products and services including:

- Packaged content
- Custom content development services
- Cloud-based authoring tools and learning platform services
- Installed authoring tools
- Installed learning platforms

The Self-paced eLearning product type that will generate the highest revenues in the Middle East throughout the forecast period is packaged content. Authoring tools will generate the second-highest revenues.

In many countries in the region, the percent of native-born citizens can be very low, with the majority of the population made up of foreign guest workers, expatriates, and their dependents. Kuwait, Qatar, and the UAE are good examples. Content suppliers that intend to compete in these countries need to offer products in several languages. Those languages are identified for each country in this report.

The growth rate for installed authoring tools in the Middle East is 10.9%, the highest growth rate of all products in the region. Consequently, the supply-side section includes a five-year breakout of the authoring tool revenues in each of the ten countries analyzed in this report.

## ***Partnering with Domestic Suppliers is a Good Idea***

The barriers-to-entry can be quite daunting for non-domestic suppliers trying to enter the market in specific countries. Partnering with domestic suppliers is often the only viable way to enter these markets. Partnering with pan-regional suppliers is a really good way to enter the region and they are identified in the supply-side section of this report.

The telecoms are major competitors throughout the region. Umniah, Du, Omantel, Mobily, QNet, Nawras, Türk Telekom, and Etisalat are major eLearning suppliers in the region.

Over 150 suppliers operating in specific countries in the Middle East are cited in this report. This will help international suppliers identify local partners, distributors, resellers, and potential merger and acquisition (M&A) targets. Device makers and telecoms are quite active in the Middle East eLearning market and offer significant partnering opportunities for international suppliers. This report identifies over a dozen of these telecoms.

Marketing particular products to specific buyers is the key to generating revenues in Middle East. Ambient Insight provides a detailed description of our product types and buyer segments in [Ambient Insight's 2013 Learning Technology Research Taxonomy](#).

## ***Related Research***

Buyers of this report may also benefit by the following Ambient Insight market research:

- [The Worldwide Market for Self-paced eLearning Products and Services: 2011-2016 Forecast and Analysis \(Premium Edition\)](#)
- [The Worldwide Market for Digital English Language Learning Products and Services: 2011-2016 Forecast and Analysis \(Premium Edition\)](#)
- [The Worldwide Market for Mobile Learning Products and Services: 2012-2017 Forecast and Analysis \(Premium Edition\)](#)
- [The Worldwide Mobile Location-based Learning Market: 2011-2016 Forecast and Analysis](#)
- [Ambient Insight's 2013 Learning Technology Research Taxonomy](#)



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