

# Education Investment in Oman

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## Growth and Opportunity

The remarkable growth of the education sector sits alongside a commitment from His Majesty the Sultan's government to both spend and promote further investment in this area. It is seen as a key feature of the government's long-standing vision for economic diversification and the transformation of Oman.

Investor interest in private educational institutions continues to rise, with higher education likely to be the key focus for investors, both domestic and foreign. In large part the interest is driven by the availability of government incentives, such as favourable terms for key infrastructure and the financial support granted by the government for building universities' campuses and sponsoring students to study in these universities. The government's commitment to the education sector is further evidenced by its promotion of 'labour readiness' for the next generation of Omani graduates and its complementary in-country value ("ICV") initiative, whereby specified levels of corporate spend need to promote domestic development, including the development of national training, education and research and development institutions. ICV is currently applicable to the oil and gas sector and the vision is to increase the level of spend on local content from the 18% that it stood at in late 2013, when ICV was unveiled, to 32% by 2020.

## Sector Oversight

Below are the main regulators of education in public and private sectors in Oman (as previously covered in a previous Law Update article)

**Public Education:** Ministry of Education is in charge of formulating the policies of education, administration and management of the education system in Sultanate of Oman;

**Private School Education:** This is delivered by private schools licensed by the Ministry of Education which approves its syllabus; and

**Higher Education:** Ministry of Higher Education is the responsible body for regulating the higher education in the Sultanate in public and private universities and colleges as well as recognition of certificates issued by educational institutions abroad.

In addition to the administrative and regulatory bodies mentioned above the Education Council, plays an important role in formulating the policies and provision of legislative proposals to both Ministry of Education and Ministry of Higher Education as well as observing the performance of the educational institutions in the country and issuing reports in this regard to the relevant authorities.

The Education and Higher Education Councils continuously propose and formulate policies to drive forward the development of the education sector in Oman. The main projects that are being undertaken presently by the education councils include:

- the formulation of the national education strategy 2040; and

- restructuring of the education system and some education law.

These types of projects will ensure transformation of education in Oman in the near future and should open up the Oman market for new investors in the educational sector. The increasing impact of the [Law for the Protection of Competition and Prevention of Monopoly](#) further ensures that opportunities for investment in all sectors, including education, are offered equally to all investors whether local or foreigner. Relaxation of exclusivity rights for commercial agents has meant some regional franchise arrangements are more straightforward.

### **Regulatory Framework in Oman**

**Public schools** are established by Ministry of Education in different governorates in Oman which offers three levels of education- elementary, primary and secondary.

**Private schools** are subject to foreign investment rules and cannot be established without the issuance of a trade license by Ministry of Commerce and Industry and an approval from Ministry of Education. An Omani local partner is required to establish a private school and cannot be wholly owned by a foreign investor with the exception of GCC nationals who are accorded similar treatment to Omanis.

Most private schools take the form of limited liability companies in Oman. Limited liability companies are run and managed by managers compared to private universities that are run through a board to be appointed by the council of trustees.

**Private universities** can be established in the Sultanate given that the majority of the funds in the share capital of the universities are owned by Omanis and the main objective of the university is not realization of profits.

The establishment of private universities and approval of its articles of association are made by way of issuance of a decision by the Minister of Higher Education upon a request made by the founders of the private university.

### **The drive for quality and the investment environment**

Many see the greatest investment opportunity being in the graduate training field. Vocational training institutions such as Oman Tourism College, Maritime College of Oman and the International College for Engineering and Management are all partnerships between government and private sector interests. All are developing professional training, both academic and vocational, to a high calibre alongside the ever improving and developing accreditation regimes. These types of labour preparedness institutions complement private sector job-creation initiatives and the in-country value programme.