



**Maher Milad Iskander & Co.**  
LAWYERS & COUNSELORS

# EGYPT

LAND OF OPPORTUNITIES



## Invest in Education

An Economical Guide

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Additional detailed information on Egypt, and advice on how to access our market intelligence and services, can be obtained from Maher Milad Iskander & Co. Trade and Investment Team in Egypt. Full contact details are available at the end of this guide.

Whilst we make every effort to ensure that the information is accurate, we can accept no responsibility for any errors, omissions or misleading statements.

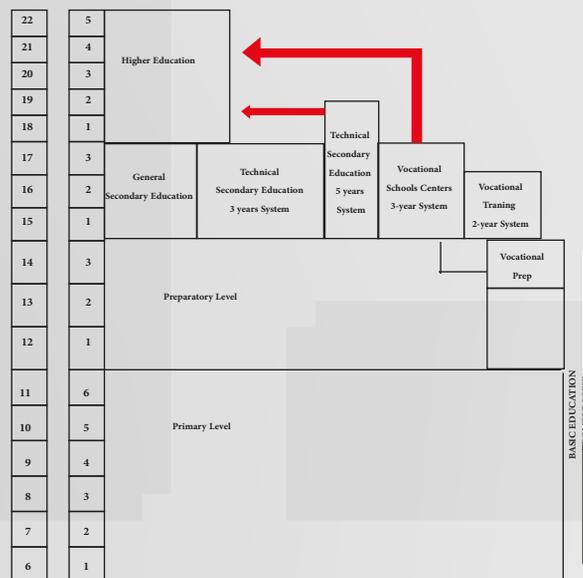
**Maher Milad Iskander**  
Managing partner

## Background of Tourism in Egypt:

This guide is designed to inform potential investors about the current and upcoming education sector within Egypt. We hope that after you have completed looking through it, you will have an understanding of the different types of educational services within the country, where the core areas of investment lie, the advantages of investing here and the legal processes which must be incurred to successfully carry out a project within this sector. We have also included a section outlining relevant success stories within this field. At the end you can find a brief over-view of our firm and the services we provide should you decide to launch a project in Egypt.

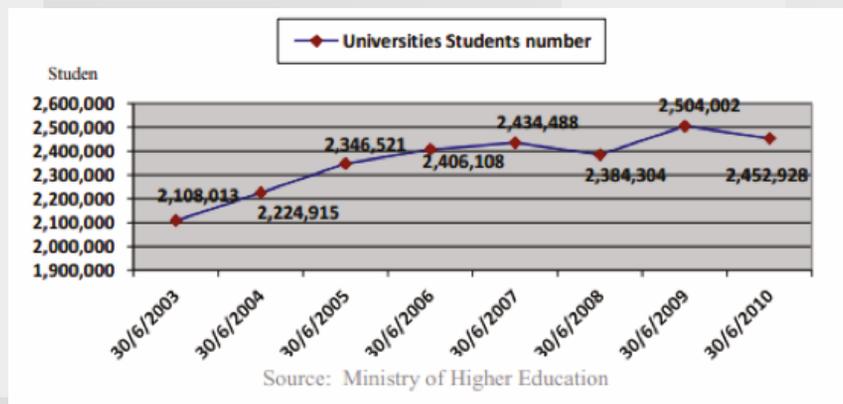
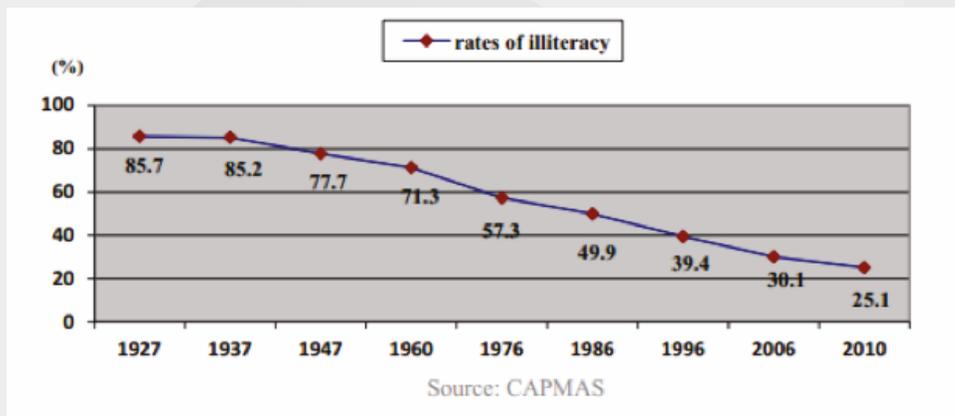
## Introduction

Egypt's education sector is both varied and highly influential within the country, the Middle East, and North Africa as a whole. Using a model which balances private and public schooling, Egypt has successfully created and served the largest work force within the Middle East, one which is ripe with investment opportunities. The public education system in Egypt consists of three levels: the basic education stage for 4–14 years old; kindergarten for two years followed by primary school for six years and preparatory school for three years. Then, the secondary school stage is for three years, for ages 15 to 17, followed by the tertiary level. Education is made compulsory for 9 academic years between the ages of 6 and 14. Moreover, all levels of education are free within any government run schools.



The Ministry of Education is responsible for making decisions about the education system with the support of three Centers: the National Center of Curricula Development, the National Center for Education Research, and the National Center for Examinations and Educational Evaluation. Each center has its own focus in formulating education policies with other state level committees. As well as this, the Ministry of Higher Education supervises the higher education system. There are currently 2.5 million university students served by 39 universities (20 public and 19 private), with the total number of students enrolled in private institutes reach-

ing 313,931 in June 2013. Furthermore, the government investments in university and higher education were approximately EGP 4.1 billion in 2012/2013 and the number of public schools increased from 36 thousand schools in the year 2006/2007 to more than 40 thousand schools in the year 2010/2011 (of which 5,662 school were private schools). In total, the government has invested about EGP 4.5 billion for a pre-university education in plan 2012/2013. As a result of these changes, the illiteracy rate has also dropped from 85.7% in 1927 to 25.1% in 2010, and is continuing to incline.



Over the years, the government has also sought educational reform through hiring American consultants to assess curriculum, restructuring high school studies, looking to Germany for vocational education guidelines, and increasing the number of experimental language schools in which subjects like science and math are taught in another language.

Opportunities for investment can be found both within the higher education market and within workplace training schemes. Currently, there is particular demand for training courses (which range from driver education to high-end corporate seminars) due to the increasing requirements from employers. Today, a growing percentage of young people prefer to stay in Egypt and work at both home-grown giants and multinationals. To succeed within such a highly competitive environment, they need suitable training which is of the same standards as their international counterparts. As a result, in addition to the traditional higher education system, vocational and corporate training programs are becoming increasingly popular. Corporate programs teach skills including time management, sales and marketing, human resources and

finance, all of which groom students to reach managerial positions. C-suite executives benefit from advanced professional seminars, while blue-collar and semi-skilled workers are taking vocational courses to upgrade their skills. Barely a decade old, the corporate training sector is packed with potential.

Egypt's premier public-private partnership in education is the Egyptian Education Initiative (EEI) launched in partnership with the World Economic Fund. The EEI supports education reform through the use of communication and information technology tools in partnership with some of the world's leading IT firms, including HP, Cisco, Oracle, IBM and Siemens. Other collaborative efforts between the government and the private sector have led to widespread access to technology by installing computer Labs in 2000 schools, while connecting 1120 schools to the internet, and creating about 1954 community level IT clubs.

It is clear that as Egypt grows, demand for schools providing cutting-edge, high-quality education and training will continue to grow, and this in return will provide investment opportunities unrivalled within the region.

## Areas for Investment

### K-12 schools

Investment in this education sector can be varied. There is a growing demand for international schools because, unlike domestic private schools, they are geared towards preparing students to continue their education outside Egypt. They have been attractive and sometimes necessary alternatives for the children of Egyptian executives and diplomats returning home from abroad with poor Arabic skills or accustomed to another style of learning. The Ministry of Education has recently given such students permission to enrol in schools without an approved Egyptian curriculum and reserves 5 % of all Egyptian university spots for graduates of foreign programs.

Setting up a private international school within Egypt is a very profitable business, and has proven to be successful on a number of occasions. Start-up costs need not be extortionate since the fundamental elements required are easily attainable and cheap (e.g. materials to construct the school, labour force etc...)

There is also huge potential for investing in equipment for k-12 schools, including but not limited to:

- **Smart Boards:** The Smart Board assists the teacher in creating an atmosphere that is vivid, interactive, and an all-in-one answer to needs in the classroom. They also allow program lesson plans to be saved easily for future uses, improve communication between teachers for ideas on improving the lesson plans, and create an easy way to build on experience.

- **Classmate PC:** Used for one to one learning. It is a great tool for building basic computer skills. And with Learning through fun with Magic Desktop, students can perform mental mathematics, problem solving and basic writing skills.

- **Senteo:** An interactive remote control device used for rating the students overall

general knowledge through a classroom poll.

- **School Educational Management Systems:** This program is used to track all Human Resource information, Student Affairs, Financial information for students and teachers, transportation fees, etc. All schools are linked for ease of internal management.

- **Learning Management Systems:** allow teachers to give assignments, make announcements, or work with students on projects via the internet.

- **Bridge IT:** Online lecture or explanation from teachers to students or parents, with an area for students to ask questions about the lesson.

Importing this type of equipment is both easy and can be sold within the country at a healthy profit due to their increasing demand from schools at all levels.

## Universities and Post-Graduate Training Programmes

Higher education is provided by universities and non-university higher education institutes and is accessible to all students holding the general secondary education certificate, a technical diploma with high scores, or a diploma of advanced technical studies. Most higher education institutes offer a standard four year programme at the end of which a diploma is awarded (the equivalent to a bachelor's degree) and a master's programme which is completed after two years. Exceptions to this layout are: dentistry, pharmacy, veterinary medicine, engineering and fine arts which take five years to complete, and medicine which takes six. Doctorate degrees are normally three years, but can be completed within a maximum of five years.

Partnerships with international universities and institutions in the higher education system has been successful in the past with the existence of British, American, and German Universities which bridge a gap between the students in Egypt and the country of their partner universities. Despite this, there is still the possibility to make similar investments within higher education, especially within post-graduate studies since there is a need to bridge the gap between university and industry. Studies have shown that it takes an average of 2 years for fresh graduates to be "work useful" within Egypt, and there is, therefore, space in the market for investment in programmes which seek to minimize this gap.

## Vocational and Technical training

There are synergies across a wide variety of sectors which the government has identified as requiring modernization and up skilling. Through the Technical and Vocation Education and Training Reform Program (TVET), a sector based approach to skills development has been piloted in Egypt through the creation of 12 Enterprise-TEVET Partnerships (ETPs). There are opportunities for curricula work and skills products from the UK to cover the following sectors: Ready Made Garments, Industrial Engineering, Building & Construction Materials, Wood & Furniture Industries, Food Industries, Tourism, Civil Engineering, Leather & Tanning Industry, Chemical and Pharmaceutical Industries, Printing and Mass Media. These sectors account for 80% of employees in the labour market.

The project works at several levels in order to achieve sustainable results by means of establishing decentralized, demand-orientated development partnerships between businesses, enterprises, associations and training facilities.

Another aim of this system is to improve the qualifications and further develop the competence and potential of vocational training staff and decision-makers in the vocational training system. The project also advises decision-makers in formulating and implementing the national reform policy for vocational training.

As a result of this scheme, some 50,000 job-seekers and young people have received basic and further training through employment-orientated vocational training measures in the key sectors. They have all gone on to find employment in the private sector. For these measures, new training concepts and curricula were developed and modular teaching and learning material provided. Approximately 10,000 teachers and trainers also received further training. A significant amount of companies and associations were actively involved in implementing the vocational reform.

The project has proposed a long-term vocational training reform policy and strategy, and a master plan for their implementation to the Egyptian reform government. The European Union and the Egyptian Government have agreed to a follow-up project for the implementation of vocational training reform.

There is room in Egypt for similar schemes which directly impact the educational sector, and investments would be welcomed due to the positive impact they have on the Egyptian economy. The imbalance of supply and demand in the labour market has already been significantly improved, and there has been an increasing demand for trained Egyptian experts in the domestic and international labour market. Together with its partners, projects like TVET have adapted Egyptian vocational training standards, certification and the accreditation of training facilities and staff to international standards. Start-up costs of institutions which provide such training programmes can be considerably less than investing within a school or other formal education entities which need to abide by specific bureaucratic standards.

## Advantages of Investing in Education

### 1. A Large and Growing Domestic Student Base

Almost 50% of Egypt's 80 million citizens are under the age of 25 which means there is an ever growing market for higher education. Furthermore, many multinational companies are expanding their operations in Egypt, and more and more Egyptian companies are becoming regionally and even globally competitive. The need has therefore never been greater for highly skilled labour, including technicians, engineers and fluent foreign-language speakers, to name a few.

The availability of a range of student residential places also encourages international students to continue their higher education within Egypt. This is further strengthened by the availability of student friendly public transport within the country, and the availability of copious activities which cater to everyone's tastes.

### 2. Availability of local employment

Egypt produces a skilled and multilingual workforce of more than 2 million university graduates in each year. The diverse nature of the Egyptian workforce and economy guarantees both a large pool of people who can teach and conduct training programs, as well as a large pool of workers who will be demanding additional training to upgrade their job skills to be more competitive in today's global economy. There is also an average of 20 million students in the education field annually which provide a wide talent pool to draw from for staffing new schools.

### 3. Low Start-up Costs

Egypt offers labour, raw materials, energy and a global quality telecom network at highly competitive prices — all important components of building and running a successful technical institute. Low start-up costs and daily overhead also improve profitability in the long run.

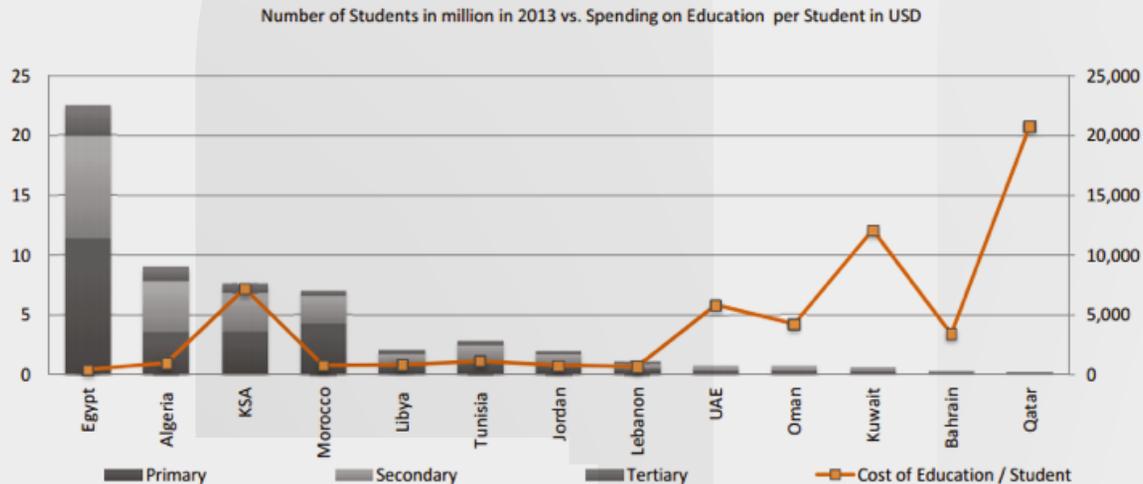
### 4. Demand for Corporate Training Programmes

The demand for such training programmes far exceeds their supply within Egypt which forces many corporations to turn to costly short-term solutions from European companies who have an expertise in a particular area of business. This therefore provides an array of opportunities for trainers and teachers to fill this gap in the market.

## 5. Strong Public Support

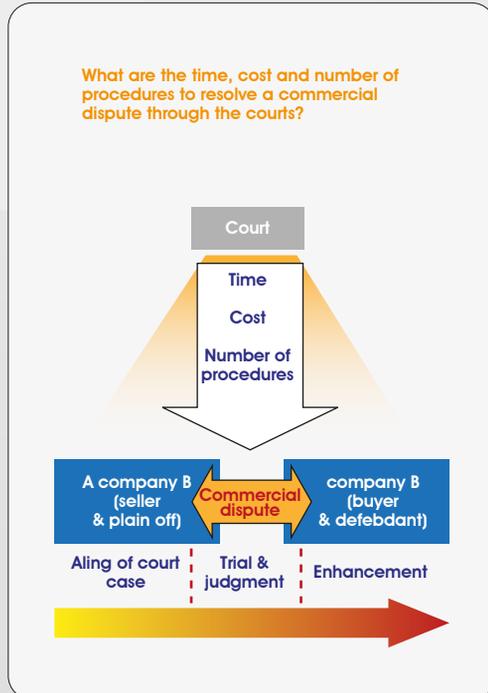
Aside from the obvious economic benefits, the public is also pushing for projects which focus on good quality education in the country for a number of reasons. Firstly, because a better education promises a better quality of life; in other words, the public accepts that they can earn more and attain better jobs, with more schooling. For many, more schooling can also be a source of social mobility. Similarly, Egyptians are interested in raising the average level of schooling in their population, in part, because they think that doing so will improve productivity, raise the quality of jobs in the economy, and increase economic growth.

The link between education and economic growth was based on the argument that a major effect of more education is that an improved labour force has an increased capacity to produce. Because better-educated workers are more literate and numerate, they should be easier to train and it should be easier for them to learn more complex tasks. In addition, they should have better work habits, particularly awareness of time and dependability. These concepts are understood by the public here which is why there is such a high demand for further learning programmes and better schooling systems within the country.



## The Egyptian Legal System

Egypt's system of civil law is based on a legal code derived largely from the Napoleonic Code. Jurisdiction is determined on the basis of the claim value. Cases up to and including EGP 40,000 (US\$5,700) are heard by the lower division of the courts of first instance, and those above EGP 40,000 are heard by the upper division.



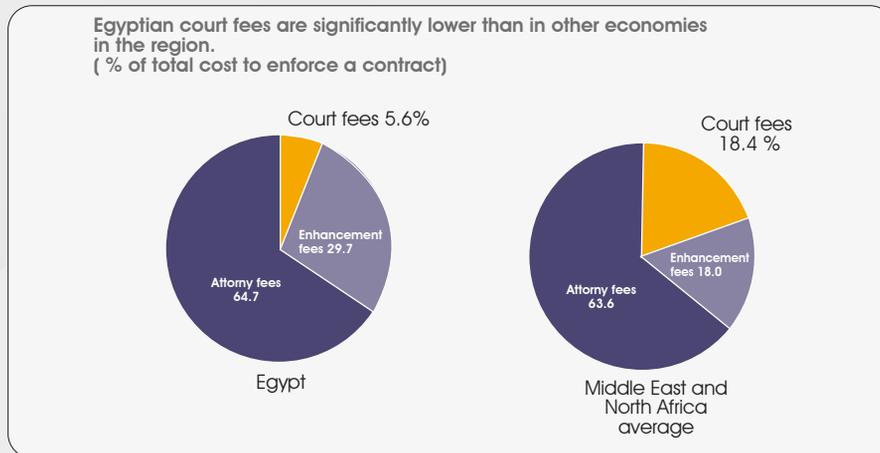
The Civil and Commercial Procedural Code regulates the procedures before all sorts of courts as laws, regulations and procedures are the same across cities. However, the court jurisdiction varies from one local court to another according to the nature of the dispute.

One way to reduce caseload is alternative dispute resolution (ADR). Since 2009, the International Finance Corporation (IFC) has supported an ADR project by providing professional training and certification for mediators, conducting awareness raising workshops, and assisting with the drafting of Egypt's first mediation law, which will regulate both private and judicial mediation. These efforts have already started to produce positive results. There is a now steady referral of cases to mediation at the three IFC-supported institutions—the Economic Courts, the General Authority for Investment and Free Zones, and the Cairo Regional Centre for International Commercial Arbitration—and the average number of days required for case resolution through mediation is 28.6 days.

The average cost of litigation in the Egyptian cities measured is 23.6% of the claim value, is significantly lower than the global average of 35.1% and below the regional average of 24.6%. Court and enforcement fees are regulated nationally by the Ministry of Justice as set by the Law on Court Fees and therefore are identical across cities. Egypt's court fees, at 1.3% of the claim value, are among the lowest in the world. Together, the court and enforcement fees constitute 35.3% of the total cost, with court fees accounting for only 5.6%, compared with 18.4% of the total cost in the Middle East and North Africa. Court fees such as the fee to file a case are fixed, while the enforcement fees are largely based on a percentage of the claim value.

Egypt is one of the countries which take less time to issue a judgment. As the number of days it takes to consider a lawsuit is 1010 days. This is relatively good in comparison with Italy that takes 1185 days to consider a lawsuit.

Such period could be reduced in many governorates where an efficient computerized system allows judges and court registers to access case information including trial dates, adjournment and final judgment.



### Relevant Laws for Investing In Egypt

- The Ministerial Decree No.209 of 1988 provided for the establishment of vocational schools at the preparatory level, open to primary school graduates, pupils who have not completed primary education as well as those pupils who failed twice in the first or second preparatory year.
- Pre-university education is regulated by Law 139/1981, modified by Law no 233/1988, Law No. 2/1994 and Law No. 23/1999.
- Law No. 155 of 2007 concerns educational staff and provides for the establishment of the Professional Academy for Teachers.
- Law No. 49/1972 provide for the organization of public universities. According to this law, universities are public authorities of a scientific and cultural nature and each of them stands as a corporate person.
- Law No. 101/1992 regulates the establishment of private universities. The organization of private higher institutes is regulated by Law No. 52/1970.
- Law No. 528 of 2003 regulates technical colleges.
- Law No. 82 of 2006 provides for the establishment of the National Authority of Educational Quality Assurance and Accreditation, under the authority of the Prime Minister.

## Success Stories

### Schools:

#### 1. Maadi British International School (MBIS)

MBIS is a privately operated, not-for-profit institution that was founded in 1995. MBIS, which follows the English National Curriculum, is accredited by the Worldwide Education Service (WES) and is a full member of the Incorporated Association of Preparatory Schools (IAPS). Operating through the Maadi Egyptian British Cultural Society, MBIS, which has a reputation for high academic standards and a caring staff, has thrived. Originally opened with 6 students, today MBIS is a well-established Nursery and Primary School with approximately 380 pupils from ages 2 to 11 years. In September, 2010 a Year 7 class was introduced, and September, 2011 saw the unveiling of a Year 8 class. The school serves the expatriate community of Maadi; a pleasant suburb situated 8 km from downtown Cairo.

#### 2. Canadian International School of Egypt (CISE)

The Canadian International School of Egypt (CISE) opened its doors on September 15, 2002 as the first Canadian school in Egypt and the Middle East to be authorized the Ministry of Education of Ontario to grant credits toward the Ontario Secondary School Diploma. The Egyptian initiators of this project chose the Province of Ontario, Canada's most populated province, to provide the curriculum and most of the teaching staff for the school.

CISE is located in New Greater Cairo (Katameya) at El Tagamo El Khames, 4th District, Zone 6. The school is within 40 minutes of Maadi, Heliopolis and Nasr City. The facility is an enclosed area of approximately 25,000 m<sup>2</sup>, located in a quiet area conducive to the learning process. The CISE teaching staff is comprised of Canadian teachers, trained and experienced in delivering the education program of the Province of Ontario and utilizing the best proven Canadian and International pedagogy. The Arabic and Religion programs are taught by highly qualified and experienced Egyptian teachers.

#### 3. Deutsche Evangelische Oberschule (DEO)

Deutsche Evangelische Oberschule is an exclusive German school in Cairo, Egypt, operated by the German Protestant community of Cairo. DEO was founded in 1873 on a piece of land donated by Khedewi Ismail, and has been considered one of the leading schools in Egypt ever since, providing top quality education to its students. The school moved to Zamalek in 1953 and then moved to Dokki, to its current location in 1977. DEO is located on an area of 31,500 m<sup>2</sup> and includes in its facilities several international-standard class rooms, laboratories, PE facilities, swimming pool, theatre, and playgrounds. The School provides tuition from Kindergarten to High school, and supports the Thanawya Amma and Abitur systems.

#### 4. Cairo English School (CES)

Cairo English School opened in 2006 with 130 students and now has over 1250 students from the ages of 3 to 17. The school is situated on a purpose built modern campus in the rapidly growing area of New Cairo. The campus includes an Olympic sized swimming pool, 400 meter running track, football fields, an indoor air-conditioned gymnasium and modern classrooms including fully equipped science labs and ICT suites. CES is a member of Educational Services Overseas Limited (ESOL), a group of eight American and British schools spanning six countries and three continents. The school draws on the collective experience and professionalism of ESOL schools, teamed with a British based system for international education to help it develop and grow in a well-structured and planned way. It is also a member of the British Schools of the Middle East (BSME), and a full member of the Council of International Schools (CIS). The school is also authorized by the International Baccalaureate Organisation (based in Geneva Switzerland) to deliver the prestigious International Baccalaureate Diploma. In the academic year 2010/2011, the school expects to be awarded the "International School Award" by the British Council and will be preparing for an accreditation visit from CIS.

#### 5. Cairo American College (CAC)

The school holds approximately 845 students a year from over 50 different countries, making it one of the most diverse schools in Egypt. The teaching team is also international, with 10 countries represented in their collection of staff thus far.

CAC is a robust school with a storied history. Serving the international population of Cairo since 1945, CAC has grown from its early roots into a vibrant learning community of 845 students from PreK-12th grade. The school offers an educational program similar to the average U.S. standard, using curriculum models taken from Californian public schools. International Baccalaureate and Advanced Placement programs are offered within the high school, giving students the option to opt-in or out, to suit individual educational needs. Starting in the eleventh grade students may elect to pursue an International Baccalaureate Diploma.

All school instruction is in English, however several other languages are offered, including Arabic, French, and Spanish, which are taught in grades 1-12. Technology is integrated into the curriculum school-wide, employing the use of Apple devices. Cairo American College is also accredited by the Middle States Association of Colleges and Schools.

## 6. American International School of Egypt (AISE)

The American International School in Egypt has been one of Egypt's leading schools since it opened its doors to its first 240 students in 1990. Today, AISE has two campuses, with a combined student population of over 2000 students. AISE is also a member of Educational Services Overseas Limited (ESOL). In partnership with the school community, the school's mission is to provide eligible students, primarily from the Middle East and living in the Greater Cairo area, with a challenging American and International college preparatory education. Fully accredited by the Middle States Association of Colleges and Schools in Philadelphia, AISE's American diploma is recognized by the Egyptian Ministry of Education as equivalent to the Egyptian General Secondary Certificate. The school's International Baccalaureate Diploma Program (IB DP) is also authorized by the International Baccalaureate Organization in Geneva, Switzerland. AISE currently offers a comprehensive Pre-Kindergarten to Grade 11 American and international curriculum which taught in English by certified and highly qualified teachers. More than 50% of the schools teachers hold post graduate degrees, including doctorates.

## 7. Lycée Français du Caire (LFC)

LFC is a French preparatory, primary, and secondary school. The school's main language of instruction is French, while Arabic and English are taught in the primary and Spanish or German are taught in later years (preparatory). It is located in Maadi, just outside Cairo's borders, and is considered as a private school in Egypt, but has the status of French public school for France. The school has over 1600 students, and programs are derived from the French educational system. LFC also provides the opportunity for students to sit the French high school test Baccalaureate, most of the time with the LFC seniors and some students from other cities. The LFC diploma is recognized in France, and is given by the Academy of Lyon. The school is situated on approximately 15 000 m<sup>2</sup> of land which holds an array of facilities such as a football field, baseball pitch, and basketball courts.

### Universities:

## 1. American University in Cairo (AUC)

Established in 1919, The American University in Cairo (AUC) is the oldest in Egypt. In 2010, AUC had 4,760 students enrolled in undergraduate degree programs after expanding with the brand new 260-acre campus located in New Cairo — a state of the art facility that boasts the largest English language library in Egypt (one which holds more than 414,000 volumes and advanced research facilities).

## 2. International Marketing & Management Institute (IMI)

IMI, affiliated with the University of Cambridge Local Examinations Syndicate, offers internationally recognized qualifications certificates. IMI offers the Cambridge Professional Diploma in management, business and corporate training. The certificates and diplomas, which are offered worldwide, are internationally recognised making them useful both for business people who may choose to move abroad to find employment, and for those who wish to work at globally competitive companies within Egypt.

## 3. The German University in Cairo (GUC)

GUC is a private university established in cooperation with the State Universities of Ulm and Stuttgart and is supported by the German Embassy in Cairo and the Arab/German Chamber of Industry and Commerce (AHK). There is an array of facilities provided at the GUC premises for both its students and staff, such as the grand GUC German Centre where over 3,500 students learn German simultaneously. An excellent structured language program is offered by the German Centre to all students during the study at GUC. Currently, the GUC has 4 rented buildings in a prime location of Rehab City (10 minutes away from GUC Campus) for student accommodation; two buildings are restricted to female students (total of 70 rooms) and the other two for males (total of 89 rooms).

## 4. British University in Egypt (BUE)

BUE welcomed its first cohort of students in September 2005 when they began their degree studies on a brand new state-of-the-art campus. Located in El Sherouk, the University campus covers approximately 50 acres (feddans) of land. The University operates within the framework of the UK Quality Assurance Agency and provides degrees in a similar style and to an equivalent standard to UK programmes. The BUE and Loughborough University (LU) one of the top ten universities in the UK, have signed a Memorandum of Understanding, under which LU would validate BUE's undergraduate programmes. BUE is now well placed to become a leading university in the region and to establish a global reputation as a high quality teaching and research institution. Besides the currently offered undergraduate degree programmes in Business Administration, Economics, Political Science, Engineering, Informatics & Computer Science, and Nursing, BUE plans to offer programmes in Arts & Humanities, Education and Communication and Media studies.

## What Maher Milad Iskander (MMI) law firm Can Do For You:

With over 25 years of experience Maher Milad Iskander & Co. can assist in the following areas:

- Reviewing agreements & contracts, participating in negotiations, providing pre-contract advices and drafting of all kinds of business contracts.
- Preparation of documents and relevant paper work for the registration of projects.
- Dispute resolution, representing clients in courts of all levels if a dispute arises regarding your business.
- Staying updated with any changes in the law (nationally and internationally) related to the education sector and informing clients of any changes which may affect their business.
- Providing counseling on development, planning and construction of educational projects, including methods of financing.
- Creating employment contractual terms and conditions, overseas employment issues, and trade union negotiations.
- Handling investment fund formation, structuring and joint ventures, mergers and acquisitions transactions.



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