

# The Benefits of the English Language for Individuals and Societies: Quantitative Indicators from Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Tunisia and Yemen

A custom report compiled by Euromonitor International for the British Council





# English Language Quantitative Indicators: Morocco, Algeria, Tunisia, Egypt, Jordan, Lebanon, Iraq and Yemen



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# 1. INTRODUCTION

## 1.1 PROJECT BACKGROUND

### **The British Council**

The British Council is a world-renowned public organisation that promotes British cultural relations through educational programmes, the support of scientific research and the promotion of cultural and artistic events that raise Britain's profile in the international space. The British Council provides educational opportunities for the people of the UK and other countries, and helps build trust between them worldwide. It has operations in around 100 countries, and is active in the arts, education and English. In 2010-2011, The British Council engages face to face with 30 million people and reached a further 578 million.

### **About Euromonitor International**

Established in 1972, Euromonitor International is a global research organisation with over 800 full-time staff and field-based analysts in over 80 countries worldwide researching and tracking fmcg, industrial, service and B2B markets. It remains independent and privately owned. Euromonitor International has used its extensive network of in-country analysts located throughout the MENA region to conduct this research on behalf of The British Council.

### **Project objectives**

Although English is considered a key factor in raising the economic standards of individuals and countries, there is very limited quantitative evidence that supports this notion. In order to best demonstrate the benefits of English for both individuals and countries, The British Council commissioned Euromonitor International to best map quantitative evidence of English language against the importance it imparts to individuals and as well as to countries. The countries researched for this purpose are Algeria, Morocco, Tunisia, Lebanon, Egypt, Jordan, Iraq and Yemen. In order to fulfil the objective of the research, Euromonitor International will provide quantitative evidence that demonstrates the value of having English language skills at both individual and country level.

## 1.2 GLOSSARY OF TERMS

Term	Definition
<b>Foreign Direct Investment (FDI) Inflows</b>	Inflows of FDI in the reporting economy comprise capital provided (either directly or through other related enterprises) by a foreign direct investor to an enterprise resident in the economy.
<b>Gross National Income (GNI)</b>	The aggregate value of the gross balance of primary incomes for all sectors. GNI is equal to GDP less taxes (less subsidies) on production and imports, compensation of employees and property income payable to the rest of the world plus the corresponding items receivable from the rest of the world. Thus GNI at market prices is the sum of gross primary incomes receivable by resident, institutional units/sectors. It is commonly denominated GNP. In contrast to GDP, GNI is not a concept of value added but a concept of income.
<b>Remittance Inflows</b>	Remittance inflows are credit flows of Balance of Payments. These are the sum of three components: (a) workers' remittances recorded under the heading "current transfers" in the current account of the balance of payments;(b) compensation of employees which includes wages, salaries, and other benefits of border, seasonal, and other non-resident workers (such as local staff of embassies), which are recorded under the "income" subcategory of the current account; and (c) migrants' transfers, which are reported under "capital transfers" in the capital account.
<b>Basic Level of English</b>	Basic speakers possess very basic understanding of English and usually speak broken sentences. They have problems in understanding fluent English and cannot read and write English to a correct standard.
<b>Intermediate Level of English</b>	Intermediate level signifies people having general command of the language, usually falling between basic and fluent levels.
<b>Fluent Level of English</b>	Fluent level of English signifies a person with very good command of English (reading, writing and speaking) with only occasional inaccuracies.
<b>Social Class B (used in consumer perception analysis section)</b>	Social class B refers to the number of households with a gross income between 150% and 200% of an average gross income of all individuals aged 15+. Population is based on the de Jure definition of population, which counts all individuals (or vital events) recorded (or attributed) to a geographical area on the basis of the place of residence. Annual gross income refers to income before taxes and social security contributions from all sources including earnings from employment, investments, benefits and other sources such as remittances.
<b>Social Class C (used in consumer perception analysis section)</b>	Social class C refers to the number of households with a gross income between 100% and 150% of an average gross income of all individuals aged 15+. Population is based on the de Jure definition of population, which counts all individuals (or vital events) recorded (or attributed) to a geographical area on the basis of the place of residence. Annual gross income refers to income before taxes and social security contributions from all sources including earnings from employment, investments, benefits and other sources such as remittances.
<b>Social Class D (used in consumer perception analysis section)</b>	Social class D refers to the number of households with a gross income between 50% and 100% of an average gross income of all individuals aged 15+. Population is based on the de Jure definition of population, which counts all individuals (or vital events) recorded (or attributed) to a geographical area on the basis of the place of residence. Annual gross income refers to income before taxes and social security contributions from all sources including earnings from employment, investments, benefits and other sources such as remittances.



**Social Class E  
(used in  
consumer  
perception  
analysis  
section)**

Social Class E presents data referring to the number of households with a gross income less than 50% of an average gross income of all individuals aged 15+. Population is based on the de Jure definition of population, which counts all individuals (or vital events) are recorded (or are attributed) to a geographical area on the basis of the place of residence. Annual gross income refers to income before taxes and social security contributions from all sources including earnings from employment, investments, benefits and other sources such as remittances.

## 2. EXECUTIVE SUMMARY

### 2.1 KEY FINDINGS

#### **Positive transition towards learning English observed in most economies**

The economies researched for this report (Algeria, Morocco, Tunisia, Egypt, Lebanon, Jordan, Iraq and Yemen) fall under the Middle East and North African region. Although each of them has distinctive geographical and cultural differences, they are all seeking to develop their economies and create better living standards and improved social conditions for their inhabitants.

One of the most important ways they are trying to achieve this is through the improvement of English language skills at all levels. Each of the governments regard this as an essential part of achieving growth, by giving domestic companies a competitive edge in the global economy as well as attracting investment from abroad.

These trends are already in place, and GDP growth in the majority of the countries ranged between 5% and 15% year-on-year during 2005 to 2011. Much of this growth was underpinned by the development of new industries including telecommunications, IT and maritime and airfreight.

This growth in new industries was most visible in Morocco and Tunisia, while a similar strengthening in service sectors was most evident in Lebanon. All of these industries have a strong demand for English speakers because many of the key companies in them are multinational operators that use English for internal communication, and are likely to have substantial English-speaking client bases.

The economies researched for this report all recognise the power that strong levels of English language proficiency in the local workforce has in attracting foreign investment, which is instrumental in improving overall economic conditions. In turn, this creates more employment opportunities and reduces unemployment, one of the most serious problems faced by a number of these countries.

Research by Euromonitor International underlines the fact that decisions on inward investment from English-speaking countries, and in some cases non-English-speaking countries such as India and China, are often based on the strength of English skills among the workforce. Naturally, this directly influences the economic development of the countries seeking to attract foreign direct investment (FDI).

Egypt is the largest country in the Middle East and North African (MENA) region, and receives the highest levels of FDI from countries including the UK and the US. From Euromonitor International's research, FDI for these countries grew on average by between 3% and 5% year-on-year during 2005-2010, although the political instability experienced by most of the countries under research during 2010-2011, known generally as the Arab Spring, impacted inflows dramatically, albeit in the short term.

The English language is set to become even more popular in the long term across the region due to increased interest from the younger population in particular. Most young people in the region have a very clear understanding of the importance of English proficiency and its role in helping them to gain employment with multinational companies either within their country or abroad, with employment in international economic hubs such as the United Arab Emirates a typical target. Private language training centres play a central role in helping these individuals improve their English language skills.

#### **The international language of communication**

A number of factors influence demand for the English language across the eight researched countries. By far the most important is the growing aspirations of the younger population. Research shows one of the primary reasons this group wish to improve their English skills is to more actively immerse themselves in online social networking, which is primarily conducted in English.

A strong level of English is also seen as essential in order to access the best higher education opportunities and ultimately enhance career prospects. In countries such as Algeria, Morocco, Tunisia, Egypt and Lebanon, the younger generation is keen on exploring higher education opportunities in English-speaking countries such as Canada, where immigration procedures are less stringent and job opportunities are relatively plentiful.

Even in less stable countries such as Iraq, the most popular higher education destinations for students seeking to study abroad are the US, the UK and Australia. The local government in Iraq is now seeking to develop this trend and has set aside budgets to assist the best and most motivated students to achieve their full higher education potential.

As part of the research, consumer perception analysis of 300 telephone interviews took place in all countries, with the exception of Yemen and Iraq. The results of this survey demonstrate that individuals understand the importance of the English language when it comes to their own personal growth, increasing international business and for the country's overall development.

The overriding view of individuals interviewed shows that speaking English is perceived as beneficial for countries at a national level, as it allows local companies to participate more fully in international business and trade, as well as facilitating dialogue with non-Arab countries.

A strong individual level of English also helps increase the chances of placement with multinational companies that typically offer better pay levels. Employment with these companies also offers the opportunity to travel to other countries in pursuit of career development, as most of these operators have global offices.

At the same time, there is widespread individual consensus that using English in conversation helps improve social status and is regarded in a number of countries as a significant social marker. Proficiency also allows the most effective use of the internet and modern technology, where technical language and the language of international communication are usually English.

Private companies are also increasingly driving demand for English, and multinational companies in particular. Over the past five years, Tunisia has witnessed an increase in business dealings primarily using the English language, and this is expected to grow in the future. Organisations including Kromberg & Schubert, Yazaki, Yura Corporation (formerly Sewon), Ramada Plaza and Mövenpick, are currently investing in Tunisia, and are actively recruiting employees whose English language skills are high.

### **Efforts undertaken by governments to improve English education**

Governments play a key role in elevating English as a key factor in support of economic growth in the majority of these countries. The reason for this is the importance of a good level of the language in the workforce in attracting foreign investors, not only from English-speaking countries such as the UK, but also emerging economies such as India and China, which use English to conduct business internationally. This realisation has driven a number of initiatives, one of the most noteworthy being the Algerian government opening the door to privatisation in education since 2008.

This follows decades of strict state control of the educational system in Algeria, and marks a significant change in direction for the country. Consumer demand for these schools is solid, as private education institutions are perceived to offer better-quality English tuition than public alternatives. In addition to this, the Algerian government has also introduced new curricula for primary and secondary education, the key purpose of which is to modernise the country's social structure, including English teaching.

Government expenditure on education has grown in most of these countries, even in French-dominated systems such as Tunisia, where English teaching in higher education is being reviewed by the government with the aim of improving the professional skills of graduates, and encouraging investment from abroad.

### **A lack of colonial affiliation with Britain does not limit desire for English**

Arabic is the language most commonly spoken across all eight countries, although its local dialect differs from one country to another. French remains the key business language in Algeria, Morocco and Tunisia, thanks to their francophone backgrounds that stem from a shared colonial history. French is spoken by around 30% of the total population in Lebanon. In Iraqi Kurdistan, Kurdish is the dominant language, while the language predominantly spoken remains Arabic in many parts of Jordan and Yemen.

The colonial dominance of France in the region, and the fact that the British Empire had a relatively limited regional presence, means that French is the most commonly taught second language. However, there is strong individual demand for English language tuition, as well as an increasing emphasis on its provision by local governments and industry. English is seen as the best way of improving international communication, and helping these countries develop a competitive edge in the challenging global market.

It is clear that the development of English language tuition is at an early stage in many countries. In Algeria, for example, multinational organisations investing in the country in the oil and gas industry are facing sizeable challenges in finding local workers with the required levels of English language skills. Most governments in the eight researched countries are therefore starting to focus on improving the secondary and higher education systems, and gearing the state provision towards delivering better-quality English language education where possible.

It is evident that levels of English are improving in each of the eight countries, and are well supported by government initiatives that include starting English language education at earlier stages of primary education and improving the language skills of graduates to suit local labour market needs. According to Euromonitor International, the number of English speakers in Yemen, Iraq, Egypt, Algeria, Morocco and Tunisia is likely to grow at an average year-on-year growth rate of between 5% and 7% during 2011-2016.

### **Vital role played by corporations**

Euromonitor International interviewed key multinationals in order to understand their perspective on the value of English within these eight selected markets. The interviews made clear that these multinationals are the primary drivers for demand in English speakers, irrespective of the sector in which they specialise. However, industries such as IT and software development, maritime and air freight, telecommunications, banking and finance, tourism and hospitality have the highest need for English-speaking employees due to the international nature of their business and their greater exposure to English-speaking customers.

The ability of oil and gas companies to pay a higher premium for English speakers creates a large difference in salaries. Salary gaps (the average difference in annual salary between similar-skilled individuals who speak English and do not speak English) in francophone countries such as Algeria, Morocco and Tunisia are typically less than those in Lebanon and Egypt, since the establishment of foreign companies has only recently begun in these countries.

Levels of English required by organisations vary by industry type and employee position. Interviews underlined the fact that English is considered a vital requirement for middle and senior management within most private companies, while government-run companies considered it of lesser importance. There is evidence that this trend is beginning to change, however. In Egypt, the region's key economy, government entities that were traditionally content with employing Egyptians speaking only Arabic, are now seeking to employ Egyptians who speak both English and Arabic in order to improve the skill sets of their workforce and help open Egypt to the global market.

Even French companies such as Medex Petroleum in Tunisia that use French as their primary language, claim that between 60% and 70% of their employees have intermediate English language skills. Spanish and French tourism and hospitality companies such as RIU Hotels in Tunisia agree that English-speaking employees are assets to their companies, and are seeking to build trilingual workforces, with proficiency in Arabic, English and French or Spanish.

### **Private education remains affordable only to the affluent**

Private education institutions typically offer the highest-quality English education in the region, the costs of which are very high and beyond the means of the majority. Education in private schools and institutions is limited to the most affluent members of society, and graduates from these schools will typically move on to employment with better-paying private companies.

In order to bridge the gap in quality of English education between the private and public sector, students and graduates from public institutions are increasingly taking up English language courses at professional training centres. This trend is most prevalent in Tunisia.

Urbanisation also plays a key role in determining the level of English spoken in all of the researched countries. The adult literacy rate (measured among those aged 15 years and above) in Lebanon is highest in Beirut, where only 6.1% of the total population cannot read and write. By comparison, in the southern and eastern regions of Lebanon, illiteracy rates run as high as 16.8%.

### **Canada becoming a preferred higher education destination**

France remains the most popular higher education destination for students in Algeria, Morocco and Tunisia due to strong linguistic and cultural ties as a result of their colonial history. However, Canada is now becoming one of the most preferred higher education destinations for students in Egypt, Lebanon, Algeria, Morocco and Tunisia.

This is because Canada offers less stringent immigration procedures, and is more likely to allow students to stay in the country and look for jobs. There is also the attraction of Quebec, a large French-speaking province. However, the majority of Canadians are English speaking, therefore English language skills are a necessity for career development in most of the country.

Shared linguistic backgrounds help determine the choice of destination for international students from these countries. The UK and Egypt also share a colonial past, and the UK is one of the largest investors in Egypt. As a result, the number of Egyptian students studying in the UK is relatively high. The US and Australia are the other key English-speaking countries selected by students who want to further their education and improve their English skills.

This trend is slightly different in Jordan, where most students prefer going to neighbouring Arab countries such as Egypt for higher education. Still, universities in the UK and the US are the most highly regarded foreign universities by Jordanians but are not as popular as other countries because of the high cost of education in the UK and the US.

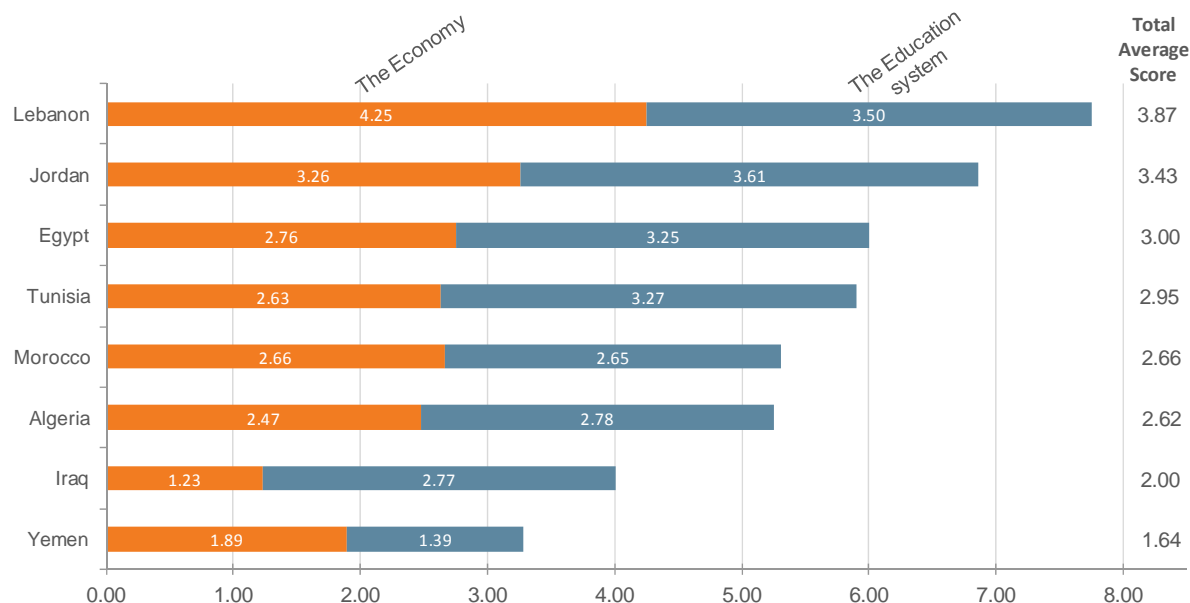
In Yemen, a smaller proportion of students study abroad due to the country's economic difficulties and low salary levels. However, the government provides scholarships for aspiring and well-deserving students to pursue their higher education in Jordan, Egypt and other Arab countries.

### **English: a critical developmental target in the region**

Euromonitor International conducted interviews with a crosssection of organisations regarded as most dynamic in each country, including private companies, the government, educational institutions and a number of selected NGOs. These interviews established that English is increasingly used in a strategic way for economic and individual advancement.

To best benchmark the overall performance of English language in all eight countries and identify which qualitative indicators best demonstrate the benefits of speaking the English language, Euromonitor International has created an overall scoring system for economy and education (countries and individuals).

### The Economy and The Education System - Comparative Performance



Source: Euromonitor International, 2011

Note: Scoring built using a 1 to 5 rating for each variable, where 1 = low performance and 5 = high performance; score allocated based on the range of data between the lowest country and the highest depending upon the parameters under consideration.

Quantitative indicators were used to better understand English in the context of the education system (or as benefits for individuals): the salary gap between English and non-English speakers, the number of English speakers expressed as a percentage of the total population, government expenditure on education expressed as a percentage of total public expenditure, the quality of the education system, the rate of secondary school enrolment as gross percentage and the human development index for 2011.

Quantitative indicators used to assess English and its impact upon each country's economy are: the percentage of foreign direct investment (FDI) from English-speaking countries, ease of doing business ranking for 2011, cumulative per capita foreign direct investment inflows in US\$, gross national income per capita, unemployment rate expressed as percentage of unemployment of economically active population and perception of inadequately educated workforce

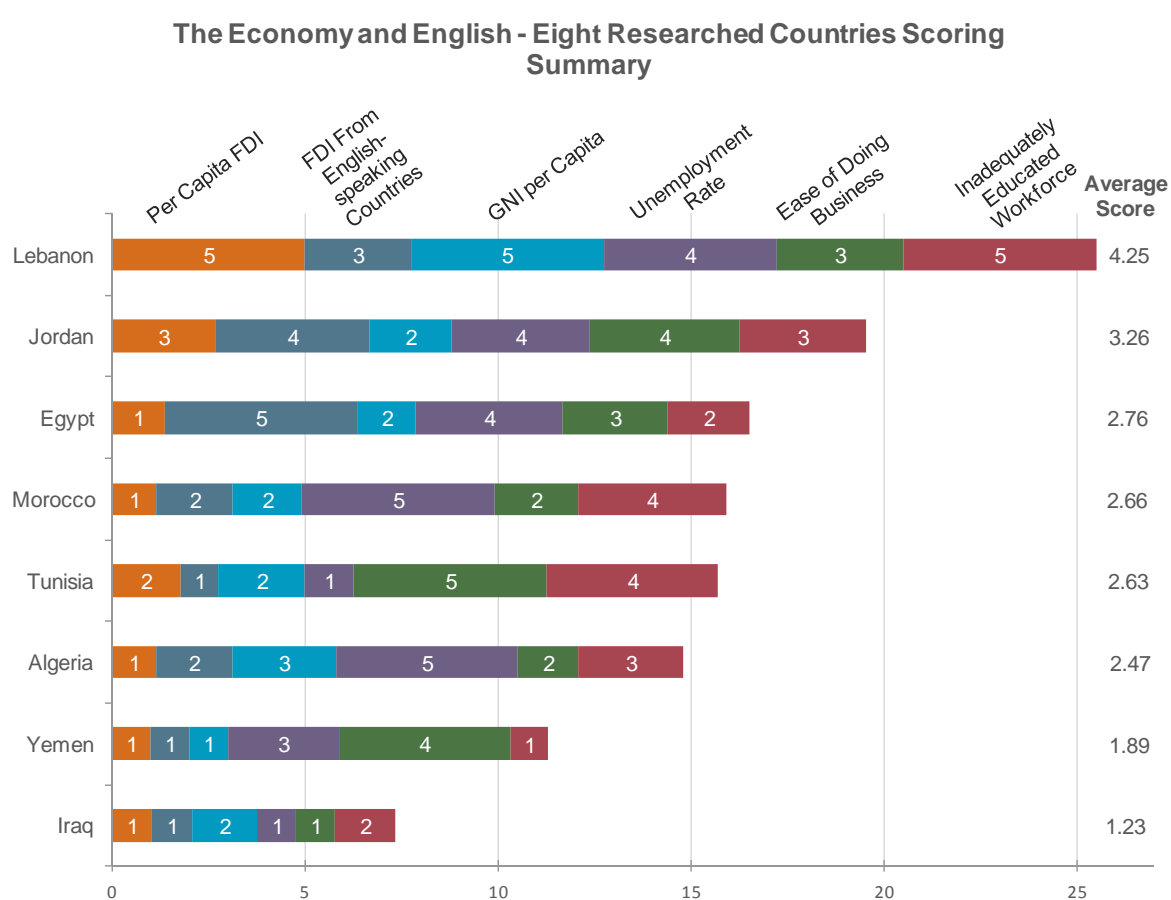
The higher the score attributed to each country, the greater the impact of English on the education system and the economy of the country.

## 2.2 THE ECONOMY AND ENGLISH

### Overview

Each country was analysed using a range of indicators that demonstrate the value of English. The indicators considered are the percentage of FDI from English-speaking countries, ease of doing business ranking, cumulative per capita foreign direct investment inflows, gross national income per capita, unemployment rate expressed as percentage of unemployment of economically active population and perception of inadequately educated workforce.

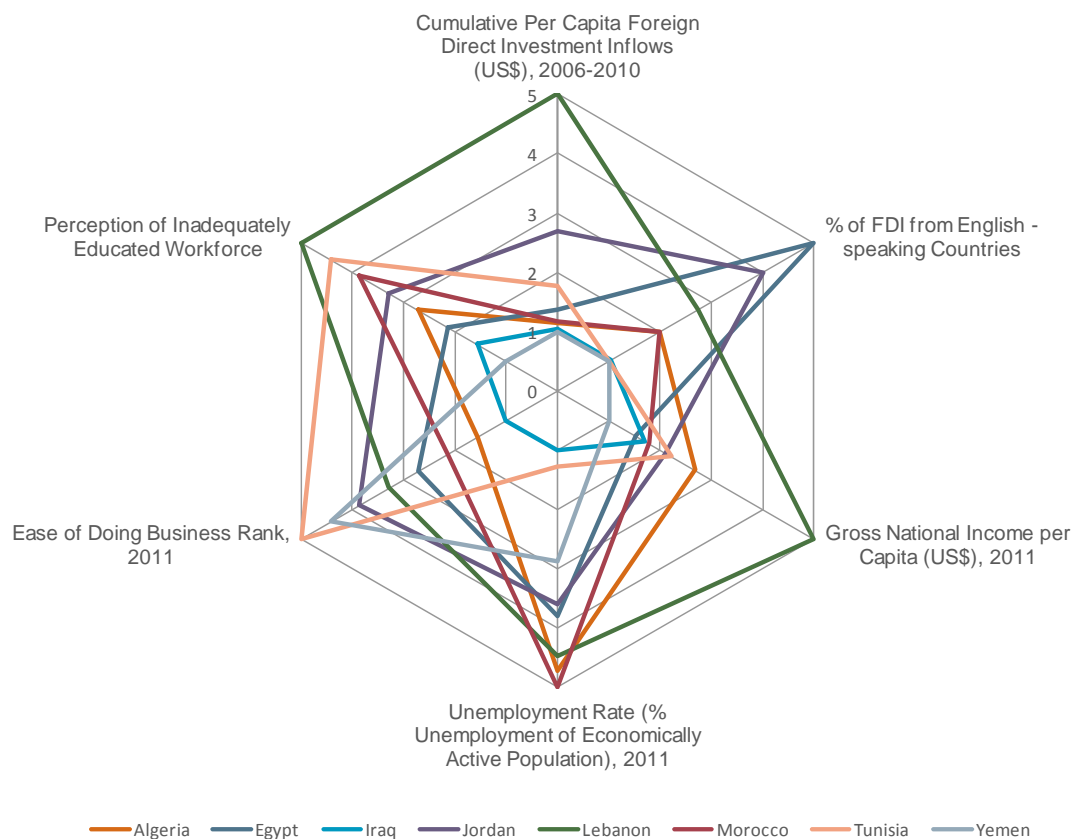
Extensive interviews were conducted with multinational companies, recruitment agencies, higher education institutions and government authorities in order to best understand the correlation between English language skills and the economic growth of each country. Lebanon and Jordan have higher literacy rates and better infrastructure for developing English compared to the rest of the countries.



Source: Euromonitor International, 2011

Note: Scoring built using a 1 to 5 rating for each variable, where 1 = low performance and 5 = high performance; score allocated based on the range of data between the lowest country and the highest depending upon the parameters under consideration.

## The Economy and English - Eight Researched Countries



Source: Euromonitor International, 2011

Note: Scoring built using a 1 to 5 rating for each variable, where 1 = low performance and 5 = high performance; score allocated based on the range of data between the lowest country and the highest depending upon the parameters under consideration.

### Total FDI per capita and FDI coming from English-speaking countries

Of the eight countries under research, Egypt had the highest percentage of investment from English-speaking countries in 2011 (57.4% of FDI coming from English-speaking countries), including investment from countries such as the UK and the US.

Jordan has the second highest percentage of FDI from English-speaking countries followed by Lebanon. According to the Investment Development Authority in Lebanon, the country received about 25.6% of FDI from English-speaking countries such as US, UK and Canada in 2010, the year, which also marked the establishment of around 81 companies from all over the world.

Iraq and Yemen had the least foreign investment from English-speaking countries in spite of the Iraqi government putting strategies in place to try to make the business environment more attractive to international companies.

Investment from English-speaking countries still lags behind investment from France and other European countries in Algeria, Morocco and Tunisia; however, this is a trend that is slowly changing in favour of English-speaking countries.

It is evident from the research that the number of English speakers in these countries will increase in the next 5 to 10 years because of the growing emphasis placed by governments on attracting FDI.



Multinational companies in most sectors such as oil and gas, IT, software development and telecommunications all emphasised that English was crucial when hiring, irrespective of the position of the applicant.

### **Ease of doing business**

Tunisia and Jordan have the most favourable ease of doing business ranking closely followed by Lebanon, with The World Bank's Ease of Doing Business scale placing Tunisia 40th in the global market in 2011.

All eight countries are determined to increase the speed of adoption and use of English in order to maintain and drive economic growth. Interviewees in all countries understand that the English language is a pillar of the global trade environment. Effective communication with potential customers all over the world is essential in a global trading environment and, according to the findings of this study, this is where English will be most valuable.

### **Unemployment rate**

Unemployment is one of the most serious issues faced by the eight countries surveyed, in particular in those where political stability is weak, and where civil unrest is therefore likeliest among the unemployed. Levels of unemployment in 2011 were highest in Iraq (19.0%), followed by Tunisia (18.3%). Morocco had the lowest unemployment rate (9.0%) in 2011, according to Euromonitor International. Regional governments are therefore looking to improve the employability of their people by investing in education and raising levels of English use and proficiency is part of this.

English language development has become an educational focus for the Tunisian government, for example, which is now working towards strengthening university English departments by signing partnerships with foreign universities. Tunisian students also have access to a variety of exchange programmes at university level, courses and scholarships at foreign universities and research institutions. Examples include a partnership MBA programme with the Paris-based CNAM (Conservatoire National des Arts et Métiers) taught in English, and MSB (Mediterranean School of Business), which has a number of partners among US-based university counterparts.

There is a clear correlation between high unemployment rates and an inadequately educated workforce in these countries. For example, the percentage of inadequately educated workforce was the lowest in Lebanon (2.9%), where the unemployment level was 10.3% in 2011. Lebanon has a strong service sector, one of the areas where English-speaking abilities are most valued and in demand.

### **Lebanon has high gross national income per capita**

Gross national income per capita is highest in Lebanon, thanks to the country's high literacy rates and smaller population compared to the other researched countries. Gross national income per capita in Lebanon, according to Euromonitor International, was US\$10,095 in 2011. Yemen and Iraq were lowest, with US\$1,743 and US\$3,271, respectively. These trends reflect the quality of education provision within the respective markets.

Higher gross national income per capita in Lebanon can be directly attributed to its better-educated workforce and the resulting high number of English speakers, because it is perceived that private education offers better-quality English education, which remains affordable only to the more affluent due to the high cost of such education.

### **Conclusion**

English is growing in importance among these eight economies. Historically, the strong linguistic and cultural ties between the UK and Egypt have underpinned solid levels of FDI development from English-speaking countries, while the history of French colonisation of countries such as Morocco and Tunisia has underpinned more investment from France, again supported and made easier by linguistic connections.

However, investment from non-European countries in the region as a whole, which is evident in the development of new industries including IT and software development and telecommunications, has seen a growing recognition that these economies need to look beyond traditional business relationships to the global market.

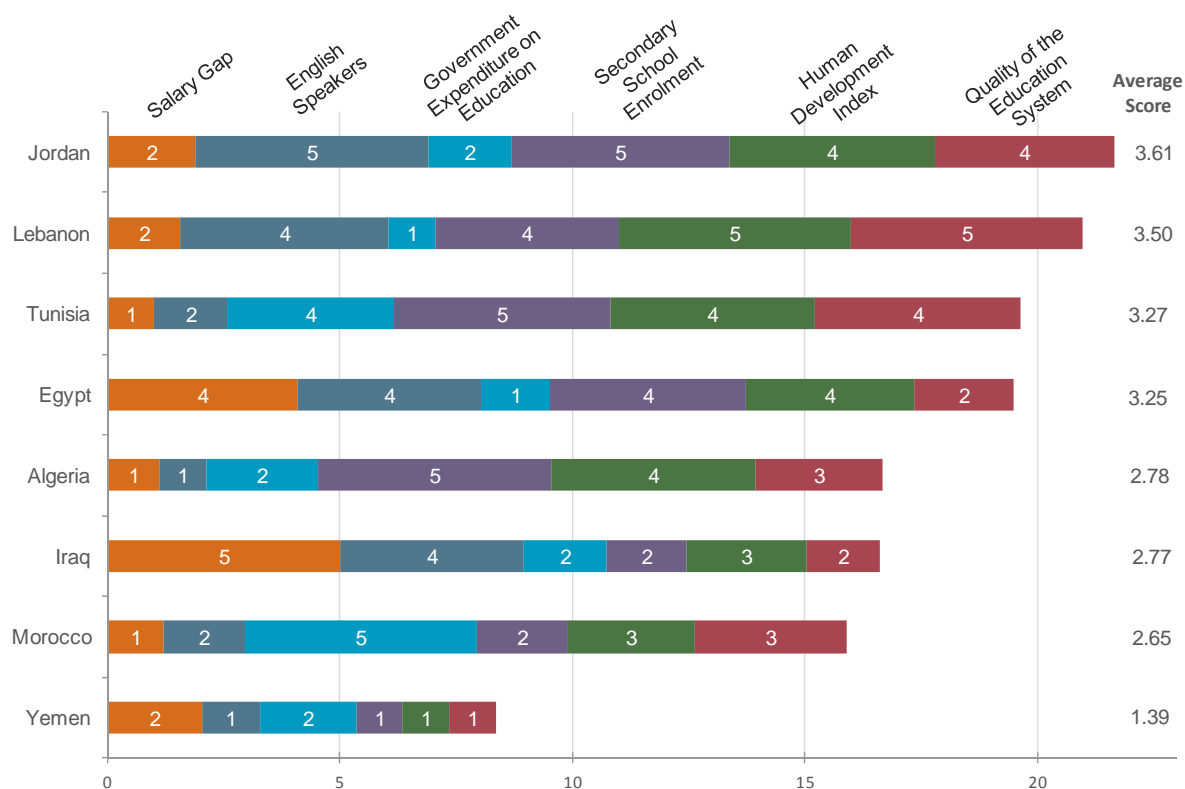
Hence, there is a strongly emerging demand for improved English education in these countries' respective workforces, as a means of both widening the scope of domestic industry and also attracting more multinational companies and FDI. Improving economic growth is clearly the main reason for this, but reducing unemployment as a means of securing political stability in the wake of the Arab Spring is also an imperative for many of these countries.

## 2.3 THE EDUCATION SYSTEM AND ENGLISH

### Overview

During the research, each of the eight countries was assessed on six quantitative indicators focused on the education system to understand how English language benefits individuals. These included the salary gap between English and non-English speakers, the human development index, secondary school enrolment rate, government expenditure on education as a percentage of total public expenditure, quality of the education system and English speakers as a percentage of total population.

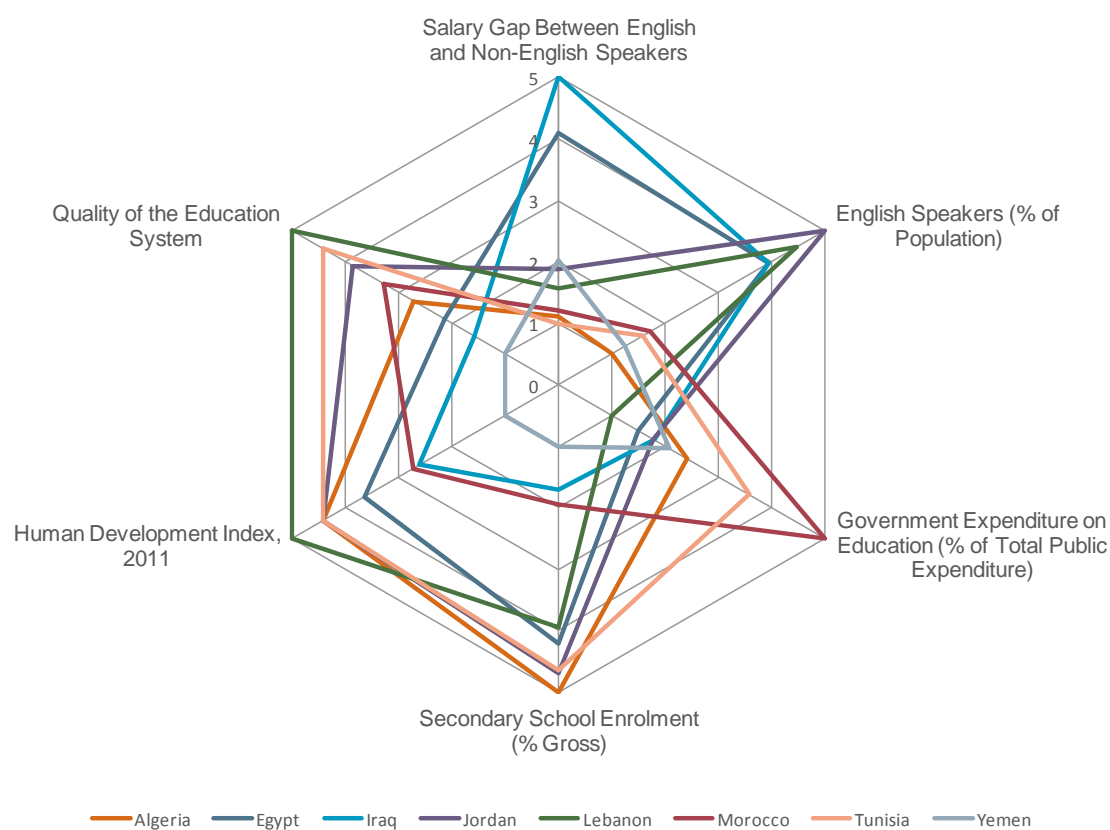
The Education System and English - Eight Researched Countries Scoring Summary



Source: Euromonitor International, 2011

Note: Scoring built using a 1 to 5 rating for each variable, where 1 = low performance and 5 = high performance; score allocated based on the range of data between the lowest country and the highest depending upon the parameters under consideration.

## The Education System and English - Eight Researched Countries



Source: Euromonitor International, 2011

Note: Scoring built using a 1 to 5 rating for each variable, where 1 = low performance and 5 = high performance; score allocated based on the range of data between the lowest country and the highest depending upon the parameters under consideration.

Lebanon scores highest in terms of the quality of its education system, followed by Tunisia and Jordan. Jordan and Lebanon have the highest number of English speakers, as well as the highest literacy rates; 45% of the population in Jordan and 40% of the population in Lebanon speak English at an intermediate level. Significant amounts of government funding in Lebanon are sourced from The World Bank and USAID, an example of which is the sponsoring of the University Student Assistance Program (USAP) for students studying at both the Lebanese American University and Haigazian University.

Other regional economies are also seeking to boost their education systems with international help. The Tunisian government has sought to increase its international cooperation in higher education and scientific research. Iraq and Yemen scored lowest in quality of the education system, a reflection of the political and economic instability of these countries. Nonetheless, there is strong demand for educational improvement in these countries, with English set to play a key role.

In most of the researched countries, there is a perception that the best English education is provided by private institutions, most of which are in urban areas. Access to private education is scarce in rural areas, which partly explains the low number of English speakers in such areas.

### Impact of English on salary gap

English fluency clearly has a profound effect on income levels. The salary gap between similar-skilled individuals that speak English and those that do not varies between 5% and 95%. The salary gap in Tunisia was lowest, and ranges, between 5% and 10% rising to 75% in Egypt and 95% in Iraq. In Baghdad, the difference in salary may rise to 200% in certain cases depending on the specific skills of the individual.

## **Lebanon has high Human Development Index value due to its relatively high literacy rates**

The United Nations Development Programme (UNDP) Human Development Index (HDI) is an index that measures average achievement in three basic dimensions of human development such as lifespan, educational attainment and standard of living. Lebanon has the highest HDI value of the eight countries thanks to its better standards of living and access to quality education.

## **Noticeable efforts taken by most governments to improve the quality of education**

Regional governments are undertaking a variety of measures to improve the quality of English education. In Algeria, for example, the government has partly decentralised the country's education system by permitting private universities since 2008. The decision to allow private investors is anticipated to help lower the demographic pressure on the public sector, and let the government target low-income students with the greatest need for financial support.

Government expenditure on education was highest in Morocco (27.2% of the total public expenditure) followed by Tunisia (19.8%) and Algeria (13.8%) in 2011.

Other measures also being undertaken to improve the standards of English education include the Tunisian government's plan to introduce distance-learning courses in English. These efforts indicate that English education will become more important over the next 10 years in these economies, as all of them consider the English language to be a key driver creating economic growth in the international business environment.

## **Jordan has good quality education and highest secondary school enrolment rate**

Lebanon, Tunisia and Jordan have a high quality of education compared to the other countries under review. In addition, Jordan has the highest number of English speakers, helped in part by students taking English from the first grade at public schools and the absence of a rival foreign language.

Tunisia has 193 institutions of higher education and research, of which 13 are universities and 24 are Higher Institutes of Technological Studies (ISET). Partnerships, cooperation agreements and activity programmes have been signed with institutions in the Maghreb and European regions.

Efforts have also been made by the Tunisian government in developing relationships with partners in North American and Asian countries: University of Waterloo (Canada), University of Maryland (US), Alba (US), Azad University (Iran), Aden University (Yemen), Sherbrook University (Canada) are among the partners. Such partnerships encourage students to learn English education, since they aim to provide a sound higher education qualification based on rich cross-cultural experience.

English language learning largely begins from secondary schools in the MENA region, which is why it is crucial to analyse the secondary school enrolment rates between the researched countries. According to The World Bank data, Algeria (94.9%), Jordan (91.1%) and Tunisia (90.5%) possessed better secondary school enrolment rates in 2011 compared to the rest.

## **Conclusion**

One of the factors contributing to the highest number of English speakers in Jordan arises from the fact that Jordan is the only country that teaches English in public schools starting from the first grade. Jordan also boasts the second highest secondary school enrolment rate. The combination of these factors with a good human development index places Jordan's education system as the strongest among the researched countries.

Lebanon has the second highest number of English speakers, after Jordan and a relatively strong education system, and a particularly well developed private education sector. Literacy rates are high, and despite the lack of natural resources in comparison to countries such as Iraq, the country has been able to position itself as a regional financial hub, thanks in part to investment in education. The clear advantages of a well-educated workforce are stark in comparison to other Middle Eastern countries.

Yemen and Iraq both have weak education systems, with political instability in both countries making improvement difficult. Significant efforts are being made by the governments in all of the researched economies in order to improve the standard of English education. The impact of English language skills is felt most in the salary gap in these countries between English and non-English speakers.

## 2.4 SCORING DEFINITIONS

Segment	Dimension	What it Means	Range of Scoring
The Economy	% of FDI from English-speaking Countries	The percentage of foreign direct investment originating from English-speaking countries in 2009	Low: Iraq (1.7%) High: Egypt (57.4%)
	Ease of Doing Business Rank, 2011	Taken from The World Bank, showing how easy it is to do business in a given country according to a variety of indicators	Low: Iraq (159) High: Tunisia (40)
	Cumulative Per Capita Foreign Direct Investment Inflows (US\$), 2006-2010	Taken from UNCTAD, showing the cumulative amount of foreign direct investment to a country per capita in 2006-2010 (US\$)	Low: Yemen (155) High: Lebanon (4,947)
	Gross National Income (GNI) per Capita (US\$), 2011	The aggregate value of the gross balance of primary incomes for all sectors in US\$ divided by the country's population	Low: Yemen (1,743) High: Lebanon (10,095)
	Unemployment Rate (% Unemployment of Economically Active Population), 2011	Unemployed population as a percentage of the economically active population in 2011	Low: Iraq (19%) High: Morocco (9%)
	Perception of Inadequately Educated Workforce, 2009	Taken from the World Economic Forum Global Competitiveness Report, showing whether the workforce is adequately educated to invest in the country in 2009	Low: Yemen (14.9%) High: Lebanon (2.9%)
The Education System	Salary Gap Between English and Non-English Speakers, 2011	The average difference in annual salary between similar-skilled individuals who speak English and do not speak English in 2011	Low: Tunisia (7.5%) High: Iraq (95%)
	English Speakers (% of Population), 2011	The percentage of the population who could speak English from basic to intermediate level in 2011	Low: Algeria (7%) High: Jordan (45%)
	Government Expenditure on Education (% of Total Public Expenditure)	The percentage of total government spending allocated to education in 2011	Low: Lebanon (6.4%) High: Morocco (27.2%)
	Quality of the Education System	Taken from the World Economic Forum Global Competitiveness Report, showing the quality of the education system in 2011	Low: Yemen (1.7) High: Lebanon (5.1)
	School Enrolment, Secondary (% Gross), 2011	The percentage enrolment rates in secondary schools in 2011	Low: Yemen (44.1%) High: Jordan (91.1%)
	Human Development Index, 2011	A composite index measuring average achievement dimensions of human development: long and	Low: Yemen (0.462) High: Lebanon (0.739)

		healthy life, knowledge and decent standard of living	
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Source: Euromonitor International, 2011

Note: Scoring built using a 1 to 5 rating for each variable, where 1 = low performance and 5 = high performance; score allocated based on the range of data between the lowest country and the highest depending upon the parameters under consideration.





## 3. MOROCCO

### 3.1 MANAGEMENT SUMMARY MOROCCO

#### French and Arabic dominate, but English increasingly important

Since constitutional reforms undertaken in July 2011 in response to Arab Spring protests, Morocco has two official languages; Arabic (Darija being the most commonly spoken local Arabic dialect), the principal language of government, and Amazigh, a Berber language. Arabic is the most commonly spoken language in Morocco, with close to 90% of the population speaking it according to the most recent official census in 2004.

However, French is the principal language of business in the country, and its status as a commercial *lingua franca* reflects the country's colonial past. Nevertheless, English is growing in popularity among younger Moroccans, driven by a perception that it improves career prospects, as well as increasing exposure to social media such as Facebook and Twitter, which predominantly use English as an international medium. The next biggest driver for English language comes from young Moroccans hoping to pursue higher education in countries such as the UK, the US and Canada; student visa requirements in the UK, for example, have toughened the language requirement for potential applicants.

#### Government keen on improving infrastructure and financial stability

Sectors such as tourism and agriculture have traditionally driven the Moroccan economy. However, growth in these sectors has proved unpredictable and hard to sustain over the review period, and the government is keen to diversify the economy by developing new tech-led industries, such as aeronautic equipment manufacturing. The country's proximity to markets in the EU as well as lower production costs (especially in terms of labour) is proving attractive, and a variety of multinational companies have set up operations in the Kingdom.

The Financial Times' specialist division FDI Intelligence named Morocco the African Country of the Future 2011/12 due to its ongoing success in attracting foreign direct investment (FDI). The government is seeking to attract more FDI and multinational companies to Morocco, with the aim of developing the country's position in the global economy. English skills are a primary tool in the new global market, and there is growing recognition by the government that levels of English will need to be improved within the country's business environment in order for this to happen.

#### Growth in the importance of English

Although French remains the principal language of business in Morocco, English is becoming more popular. This is a result of the growing number of companies actively seeking to have working fluency in English in support of their international operations, as well as the dominance of English in new technologies, notably IT. The average salary gap between non-English speakers and English speakers is estimated at around 12% in Morocco.

At the same time, in line with regional trends, urbanisation is on the increase in Morocco. According to Housing Minister Ahmed Taoufiq Hejira, in a speech in April 2011, each year, Moroccan cities gain 600,000 new inhabitants. With growing urbanisation, demand for English is also expected to rise in Morocco, as the working environment in cities increasingly requires English skills for the best jobs. The strongest demand for English tuition therefore currently comes from private individuals.

#### Private education offers better quality English education

While considerable efforts are being undertaken by the government to improve quality of public education, private educational institutions in Morocco are more likely to offer their students quality foreign language education, including English. However, most Moroccans cannot afford private education due to high costs involved.

### **Eighty-five per cent of Moroccans consider speaking English beneficial for the country**

Although a number of Moroccans consider Arabic and French to be important for doing business, they all agree that speaking English will be beneficial for Morocco at a national level since it enables them to carry on international business and trade along with facilitating effective international dialogue with non-Arab countries. With many foreign investments currently taking place in Morocco, most Moroccans believe that learning English will contribute to the overall development of the country.

## 3.2 MOROCCO - KEY FACTS AND PROFILE

### Key Facts

<b>Country name:</b>	The Kingdom of Morocco
<b>Official language(s):</b>	Arabic and Berber are the two official languages. French is the business language. Spanish is spoken by around 10% of the total population
<b>Population:</b>	32,770,900 (2011)
<b>Capital:</b>	Rabat
<b>Key industries:</b>	Agriculture; manufacturing; tourism; banking and finance; mining and quarrying; oil and gas

### English Profile

<b>English speakers in 2011:</b>	14% of the total population
<b>Salary gap between someone who can speak English and someone who cannot:</b>	12%
<b>Ranking of benefits of English in the workforce (1= not beneficial at all and 5= very beneficial):</b>	3.25
<b>Level of English required for recruitment:</b>	14% (1/7) Fluent 29% (2/7) Good 29% (2/7) Intermediate 28% (2/7) Basic
<b>Rival of English in the work environment:</b>	Arabic and French

### Research Methodology

<b>Multinational and local:</b>	Ten companies were contacted
<b>Industries:</b>	Top ten leading industries including agriculture; banking and finance; manufacturing; mining and quarrying, oil and gas
<b>Jobs advertised in newspaper or online:</b>	Conducted a snapshot of printed and online job advertisements requiring English (50)
<b>Education:</b>	Leading English language providers along with higher educational universities and Ministry of Education
<b>Recruitment agencies:</b>	Five recruitment agencies contacted

Source: Euromonitor International fromtrade interviews, 2011

Note: Percentage of English speakers indicated is at an intermediate level

## 3.3 THE IMPACT OF ENGLISH ON THE COUNTRY

### Government focus on non-traditional sectors

The former French colony of Morocco is an emerging economy within the North African region. Tourism, manufacturing, and the service and agriculture sectors are the main generators of GDP. The unemployment rate was estimated to be around 9% in 2011, which is beginning to cause serious concern for the government. The government is therefore trying to restructure the economy with greater focus on the private sector, using foreign, private and public investment to address these unemployment issues.

The government also aims to increase the contribution of its IT and telecommunications sectors to around 23% of total GDP by 2013, and is developing training programmes to increase the number of qualified workers in these sectors, as well as undertaking major investments to improve their infrastructure. The government is also seeking to diversify its economy from traditional, less dynamic sectors such as tourism and agriculture, and hoping to develop new tech-based industries such as aeronautic equipment manufacturing. Bombardier Aerospace, for example, signed a Memorandum of Understanding (MoU) with the Kingdom of Morocco in 2011 to establish a new manufacturing facility in the country.

Other foreign investors have chosen Morocco because of its close geographical proximity to Europe, lower production costs and a stable macroeconomic environment. As a result, the Moroccan GDP has seen considerable growth over the past six years, growing from US\$76,203 million in 2005 to US\$101,396 million in 2011 following the shift in focus towards these new, non-traditional sectors. The World Bank's 2012 Doing Business report compares regulation for domestic firms in around 183 nations across the world. This report ranked Morocco first among the 12 economies that have improved in terms of ease of doing business. This is likely to increase the attraction of Morocco for multinational companies, further reinforcing increased demand for English in the future.

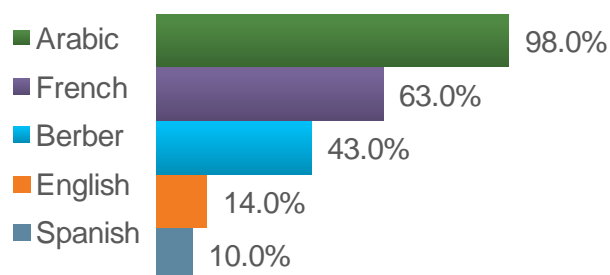
### French is the business language in Morocco

As part of the constitutional reforms in 2011 undertaken to prevent the spread of unrest from the Arab Spring, the Moroccan government made Amazigh Berber an official language alongside Arabic. This was in response to long-standing demand from the Amazigh, who account for more than a third of the country's population. However, French remains the language used for doing business.

Broadly speaking, English is the fourth most commonly spoken language in Morocco. Key tourist destinations and large cities such as Casablanca, Rabat, Tangiers, Marrakesh, Agadir and Fez have larger numbers of English speakers compared to other parts of the country, reflecting their status as both economic centres and tourist destinations. Around 10% of the total population speaks Spanish, predominantly in northern and southern parts of the country that were Spanish enclaves. Among the upper-income segment of the population, French is the most widely used language.

Demographic changes including growing urbanisation and the increasing number of women seeking education are the key factors driving the increase in the number of English speakers in Morocco. A mixture of desertification, better employment opportunities and improved standard of living in the cities are the main causes behind Morocco's ongoing urbanisation. As a result, there has been a surge in the use of English, especially among younger Moroccans using the language when navigating the internet.

### Languages Spoken in Morocco by Percentage of Population - %, 2011



Source: Euromonitor International, 2012 from CIA World Factbook, 2011

Note: This is the number of English speakers to at least an intermediate level. Arabic mentioned here refers to the local Arabic spoken in Morocco.

#### Individuals driving increased demand for quality English education

English is the fourth most important language in Morocco after Arabic, French and Berber. French is the dominant non-native language due to Morocco's historic colonial relationship with France. Darija is the Arabic dialect spoken in Morocco. However, there is a gradually emerging trend for English study at higher education level, as graduates become more aware of the benefits of the language. There is a widely held view that English skills are more likely to open opportunities to international business careers.

The role of the government is limited in promoting English education in Morocco. Demand for English tuition essentially comes from individuals seeking to learn the language to communicate via social networking sites and improve their employment prospects with multinational companies both within and outside Morocco.

The consumer perception analysis undertaken for this report showed that average ratings for "access to better education", "access to more information", and "use of internet/technology effectively" had the highest average scores on a scale of 1 to 5, where 1 stands for strongly disagree and 5 stands for strongly agree. Morocco has very few higher education institutions where courses are taught exclusively in English.

One exception to this is Al Akhawayn University in Ifrane. This university is based on American higher education standards, and English is the key medium of instruction.

#### Interview with a leading American non-profit organisation dealing in education, training and development in the MENA region:

We're now seeing the government sending its employees to learn English; about half of them pay for their courses, with the other half subsidised by the state. Awareness of the benefits of learning English is gradually gaining importance, noticeably among the younger population in Morocco.

### 3.3.1 Investment and English in Morocco

#### Government keen on attracting foreign direct investment

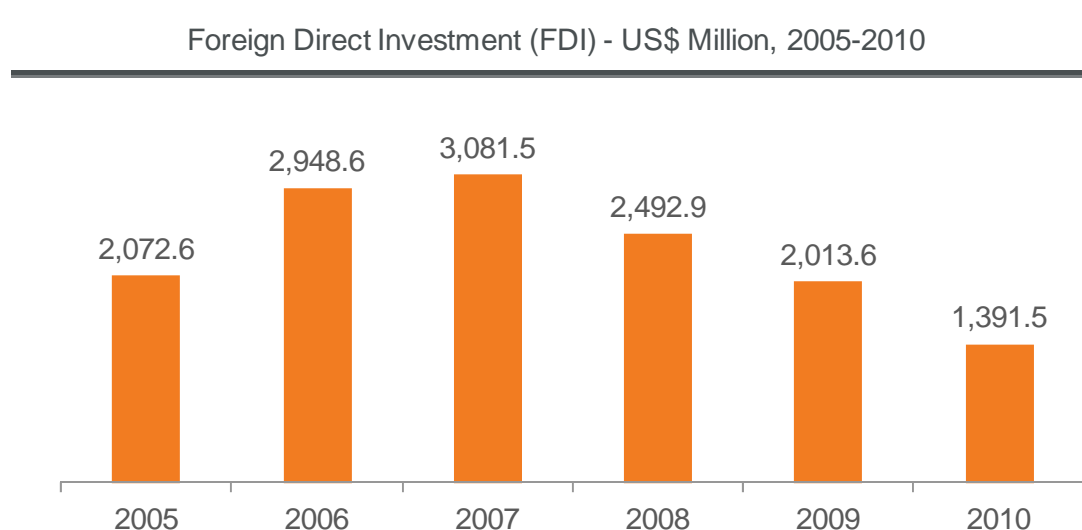
Due to its close geographical proximity and long-standing cultural ties, Morocco has always attracted foreign direct investment (FDI) from France and Spain. During 2008-2009, total FDI into Morocco dropped in the wake of the global financial crisis. The political uncertainty surrounding Morocco and other North African countries following the Arab Spring also saw FDI levels drop; for example, FDI inflow from Spain fell to US\$117.7 million in 2010/2011 from US\$212.1 million in 2009.

However, following a series of constitutional reforms in response to public demand during the Arab Spring, stability has returned. The Financial Times' specialist division FDI Intelligencenamed Morocco, the African Country of the Future 2011/12 in the wake of this, partly as a result of its success in attracting FDI projects. The government is keen to further increase levels of FDI and attract multinational companies. However, English-speaking countries generated around 15% of the total FDI in 2010.

In order to attract FDI from companies involved in nearshoring (this is the growing trend of transferring business or IT processes to companies in a nearby country), the government has offered tax incentives and development subsidies in order to fend off competition from other regional countries such as Tunisia. Nearshoring companies can qualify for a 5-year tax exemption and are granted a 50% overall rebate for every new recruit, and investors receive a refund of €5,800 in employee training costs.

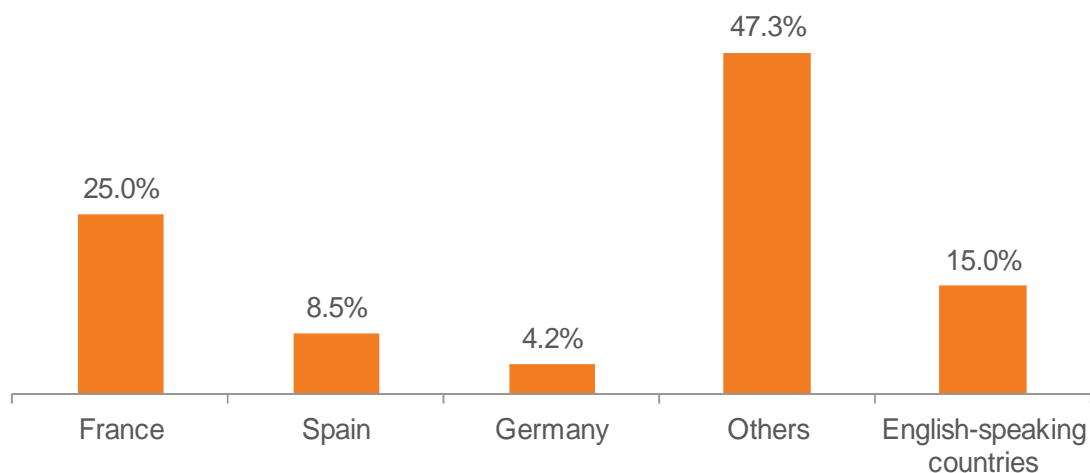
International companies such as Air Liquide, Colgate-Palmolive and Nestlé are now looking at expanding their businesses in Morocco because of the country's political and economic stability and the low operating costs that it offers. The establishment of company operations such as these will create more employment opportunities for Moroccans with good English-speaking skills, as this is a key recruitment criterion for multinational companies. This, in turn, will boost demand for the provision of English language tuition in Morocco.

Out of 10 multinational companies interviewed, eight emphasised the benefits of English language skills, which helped them widen their client base and expand their business internationally.



Source: Euromonitor International, 2011

Foreign Direct Investment (FDI) Inflows by Country - %, 2010



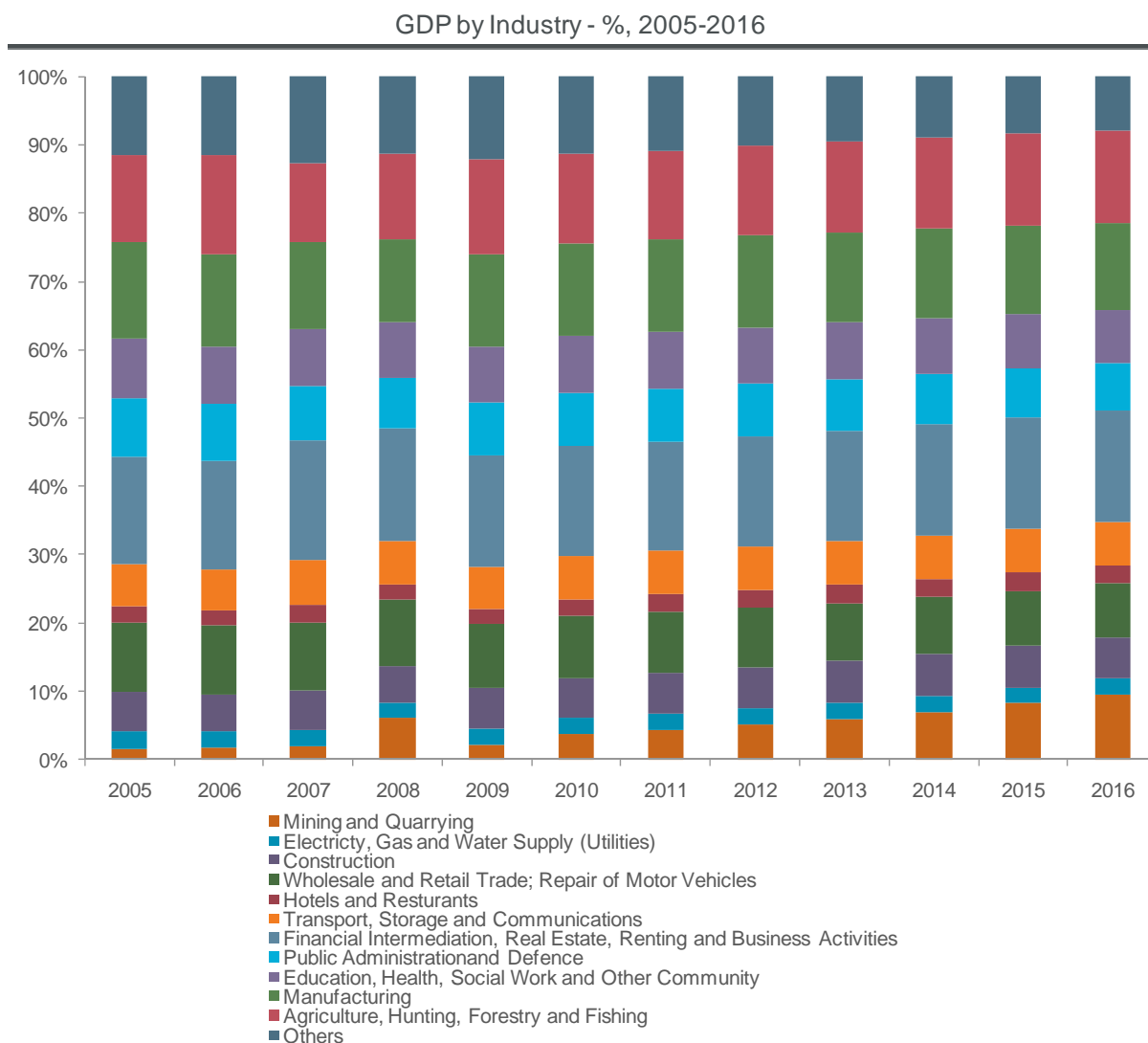
Source: Euromonitor International from OECD (Organisation for Economic Co-operation and Development), 2011  
Note: "Others" is the combined share of all other countries that have any sort of investment in Morocco

### Growth focus on technological advancements

Agriculture, hunting, forestry and fishing, followed by manufacturing, then banking and finance, are the principal sectors contributing to total GDP in Morocco, according to Euromonitor International. These three industries generated a combined 42.3% of total GDP in 2011. Construction and tourism are the other important industries, and employ a large number of people.

With anticipated technological advancements as a result of government investment, there will be an increase in the number of IT companies in Morocco. These companies are likely to value English-speaking skills, given the fact that the number of Information and Communications Technologies (ICT) users had increased to 1.62 million by the end of 2011. With social networking gaining popularity among young Moroccans, the increasing use of computers and other telecommunication devices will boost demand for English over the next 5-10 years.





Source: Euromonitor International, 2011

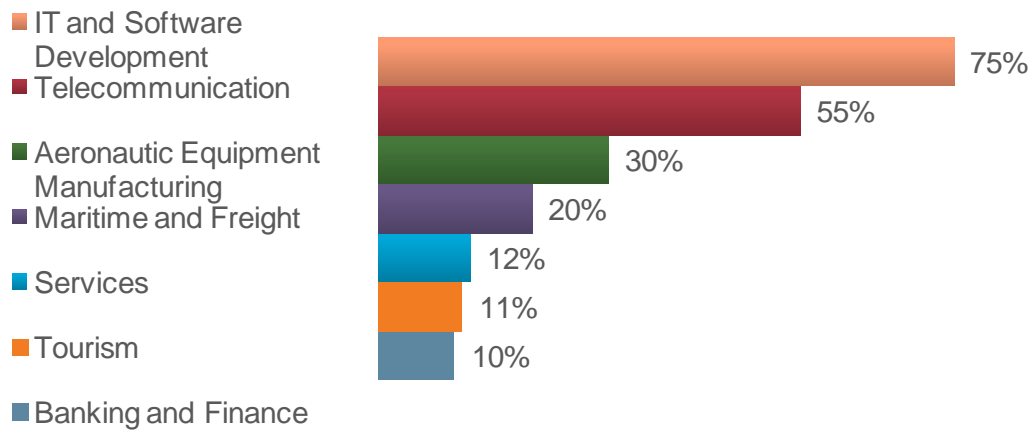
### New and non-traditional industries demand highest numbers of English speakers

The growth of new industries in Morocco, such as maritime and airfreight, IT and telecommunications, aeronautics and other services focused on international trade, are leading the demand for English speakers. In addition, there is also an increasing number of companies involved in outsourcing telecommunications and IT being set up in Morocco. This is creating demand for English speakers and in turn encouraging young Moroccans to study English.

As previously discussed, IT nearshoring and software businesses are on the increase in Morocco, and these operations typically require strong levels of English. The Moroccan government is seeking to attract FDI in aeronautic equipment manufacturing, and as a result several specialist companies have established themselves in Morocco. Subcontractors of Boeing, the French jet engine maker Snecma and Matis Aerospace are among the 100 companies already operational in the dedicated industrial zone in Nouasser, 18 miles east of Casablanca. These companies employ more than 8,500 people and generate an average of US\$1 billion of annual revenue, almost all of which derives from overseas sales. Demand for English skills among these international companies in dealing with their clients is high.

Industries that Demand the Most English Speakers - %, 2011

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Source: Euromonitor International from trade interviews, 2011

### 3.3.2 The Influence of English

#### Increasing spread of industries observed across the key cities of Morocco

Most corporations in banking and finance, oil and gas, and other services are concentrated in urban areas, typically the key cities of Rabat, Casablanca, Marrakesh, Tangiers and Fez.

Indicator	North	South	Centre
<b>Main cities:</b>	Tangiers, Tetouan, Oujda	Agadir, Marrakesh, Layoune, Dakhla	Casablanca, Rabat, Kenitra, Fez
<b>Main industries:</b>	Nearshoring, automobile, aeronautics, tourism, textiles	Mining, tourism, fishing	Services, telecommunications, agriculture, real estate, oil refining, banking, textiles, automotive
<b>Largest MNCs:</b>	Renault, Delphi, Inditex, Veolia	Accor	BNP Paribas, Société Générale, Danone
<b>Main local language:</b>	Arabic, French, English Spanish	Arabic, French, English, Spanish	Arabic, French, English
<b>Usage of English:</b>	Quite prevalent	Quite prevalent	Largest numbers of English speakers

Source: Euromonitor International from trade interviews, 2011

Industry	Location	Main Companies
<b>Banking and finance:</b>	Casablanca	Attijariwafa, BMCE Bank, Banque Populaire, Credit Immobilier, Credit Agricole, Société Générale, BNP Paribas, Citibank
<b>Energy and oil:</b>	Mohammedia	Samir, based in Mohammedia, 40 miles south of the capital Rabat, is Morocco's sole oil importer and refiner
<b>Maritime and ports:</b>	Casablanca, Tangiers	The nation's ports operator, Marsa Maroc, is based in Casablanca. This was Morocco's largest sea port before Tangiers Med, the continent's largest facility, went online in 2010
<b>IT and technology:</b>	Casablanca	Meditelcom, Wana, Maroc Telecom, Dell
<b>Services:</b>	Casablanca, Rabat, Fez, Tangiers	Royal Air Maroc, Autoroutes du Maroc, Chemins de Fer Maroc (ONCF), CTM, Risma

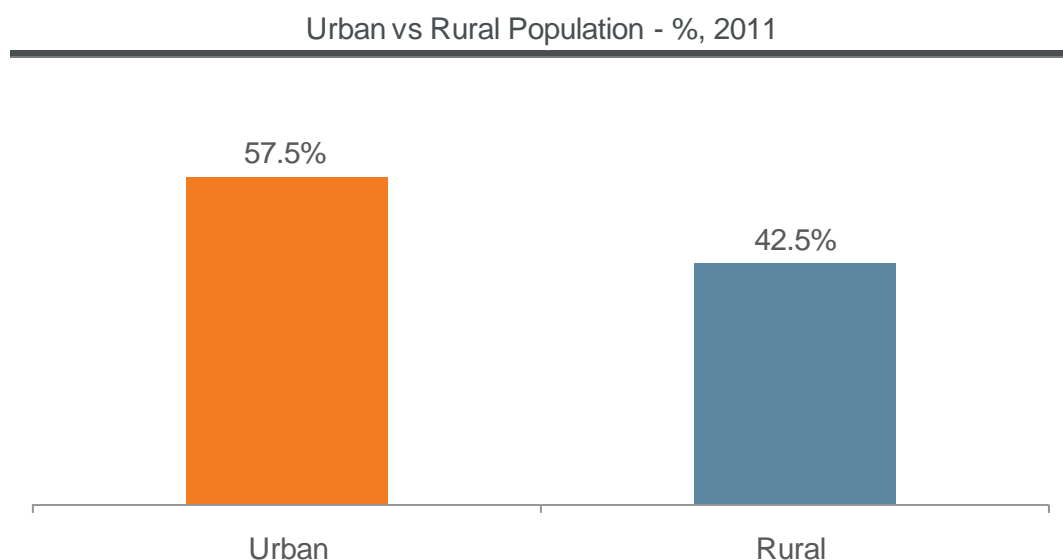
Source: Euromonitor International from trade interviews, 2011

#### Urbanisation proves key driver for English in Morocco

Job patterns are the key influence on population density in Morocco, and the most populated regions are those with the highest number of manufacturing plants such as the Kenitra Casablanca strip. Some 58% of the total population lives in urban areas, attracted by greater employment opportunities

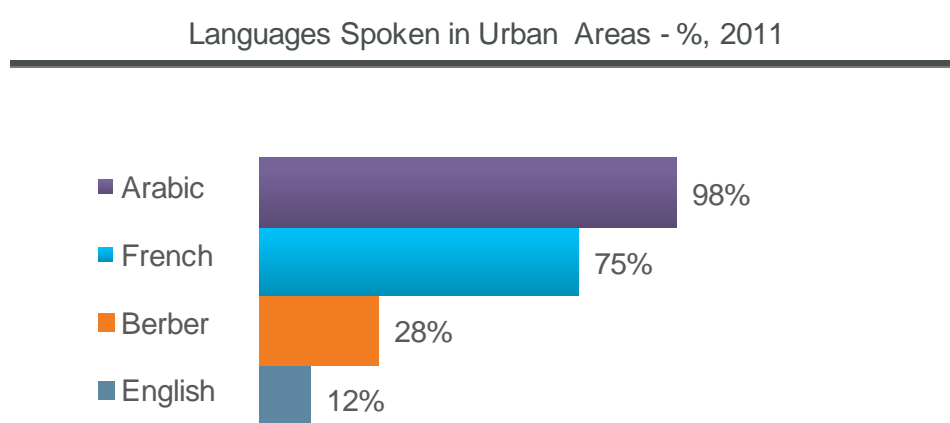
and higher standards of living. The density of schools and higher education institutions is greater in cities than rural areas.

Television and media access is higher in urban areas, and Moroccans living in these areas are more aware of the benefits of English because of their greater exposure to global trends. This is because exposure to media helps urban residents know more about global educational trends and its benefits, which further facilitates them to educate their children in better-equipped private education institutions. English speakers are therefore mainly found in urban areas due to the dual effect of having more private schools as well as them imparting better quality English education than public schools.



Source: Euromonitor International, 2011

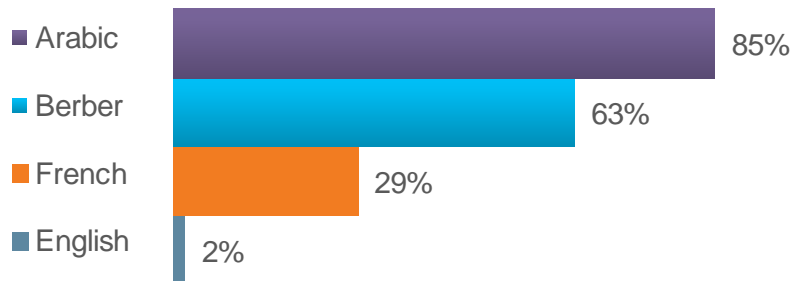
Moreover, young adults living in urban areas view foreign languages such as English and French as tools that will assist them in travelling abroad for higher education and improved employment prospects. Most English speakers are concentrated in cities such as Casablanca, Rabat, Tangiers, Marrakesh, Agadir and Fez. Access to English education is highest in urban areas, as the number of schools and universities per resident is high compared to rural areas where educational centres may be more remote.



Source: Euromonitor International from trade interviews, 2011

Note: These are languages spoken at an intermediate level

Languages Spoken in Rural Areas - %, 2011



Source: Euromonitor International from trade interviews, 2011

Note: These are languages spoken at an intermediate level

**Interview with a leading telecommunications company:**

With social networking becoming increasingly popular in the Middle East and African region, we're seeing growing interest among youngsters, especially in cities, in learning English since it boosts their social position within their society. Moroccans also consider learning English as a tool that will help them access better standards of living through employment opportunities in countries such as the United Arab Emirates.

### 3.3.3 The Employment Market and English

#### Morocco still facing challenges relating to unemployment

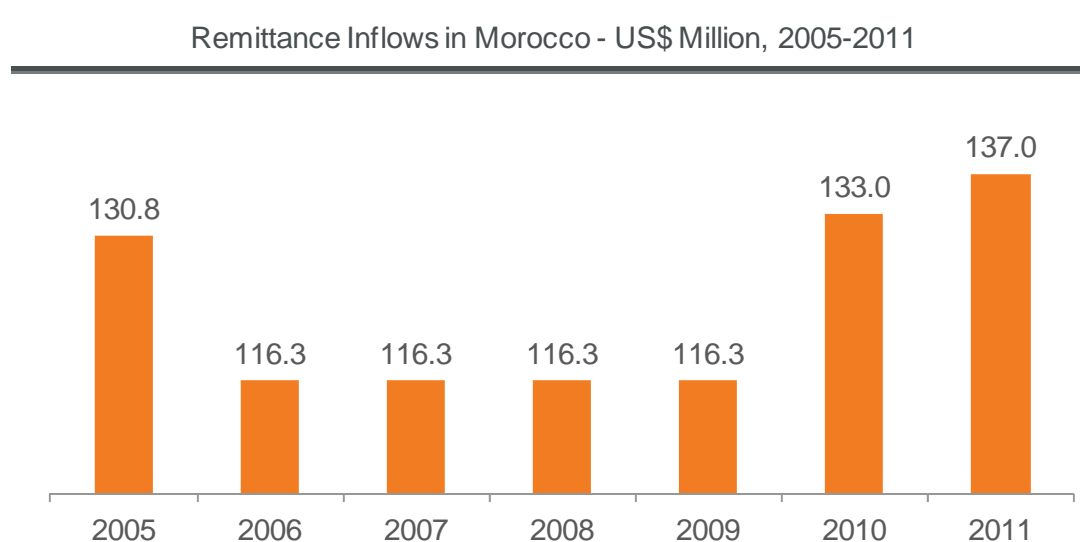
Morocco continues to face unemployment issues due to the effects of the global economic slowdown and the Eurozone crisis. The European economy greatly influences the Moroccan economy because of its close proximity, long-standing trade relationships and the remittances of the large numbers of Moroccans settled in Europe.

Typically, in most parts of the Middle East and African region, government agencies tend to employ graduates from state schools, while private companies look for applicants from the private sector. There is a perception among employers in Morocco that state school graduates are less qualified than those from private institutions because of their comparative lack of exposure to foreign languages.

Graduates from private institutions typically prefer to work for private companies, as salaries are generally higher than state-run companies. There are a number of sectors, however, where state-offered educational qualifications are an advantage, such as medicine. Medical schools in Morocco, for example, are all based in public universities, and the minority of doctors who qualify overseas have to clear a strenuous accreditation hurdle to practice in the Kingdom. Other sectors with similar issues include architecture, civil aviation and maritime transport, and to a lesser extent law schools.

In addition to this, students who are seeking to leave Morocco and work in countries that offer better employment opportunities often drive demand for higher education in Morocco. The importance of this trend is underlined by the rising level of remittances from Moroccans working abroad. Remittance levels remained stable between 2006 and 2009, largely because of the global economic slowdown.

Remittances to Morocco increased in 2010 and 2011 due to the rising number of Moroccans migrating to work outside Morocco. There is an increasing trend of Moroccans moving to Canada for higher education and preferring to work there due to less stringent immigration rules than the UK, one of the key influencing factors for the English language.



Source: Euromonitor International, 2011

Employers' requirement for English language skills is largely dependent on the position and company type. It was evident from trade interviews that English was considered a key requirement for middle and senior management employees within most private companies, while government-run companies considered it least important for doing business in the country.

On the other hand, multinational companies place high importance on English and prefer to hire employees who have at least intermediate English language skills. In addition to this, English was also a requirement for specific departments irrespective of the company size and industry. Marketing and sales, purchasing and research and development (R&D) are some of the other departments within companies that typically demand English speakers.

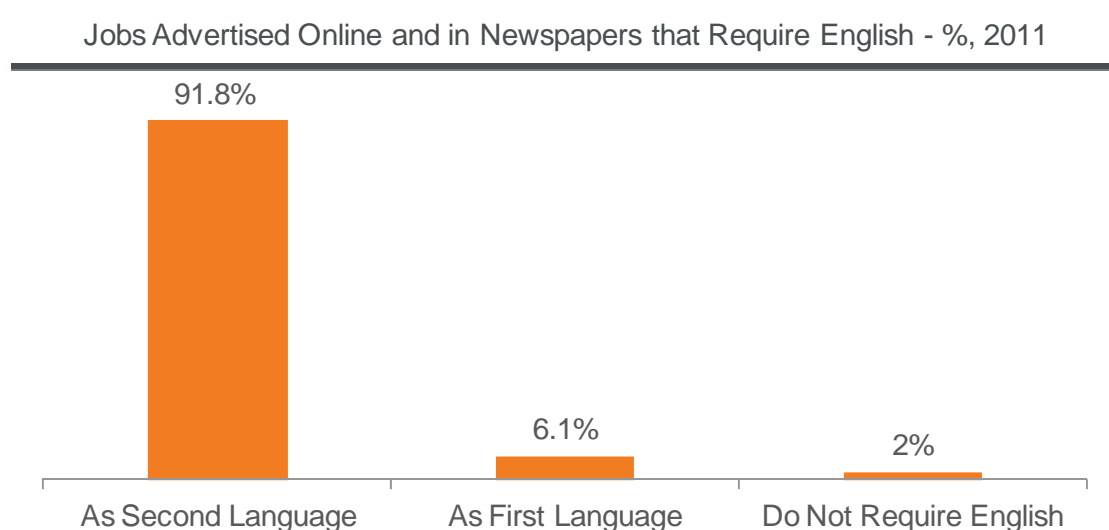
**Interview with key recruitment agency specialising in managerial positions across most of the key industries in Morocco:**

When hiring for board positions of large companies, English is a prerequisite. Whatever business the company is in, these positions require strategic thinking, networking on a global level, and managers to be aware of the industry’s global trends and competitive environment. All of these require fluency in English.

Job Positions	Search Channels
Manual labour worker <sup>1</sup> :	Most companies do not advertise for these positions as they generally maintain a database of résumés, to which they refer when the need arises
Middle positions <sup>2</sup> :	Corporate websites and recruitment agencies
Senior positions <sup>3</sup> :	Recruitment agencies, newspaper and corporate websites

Source: Euromonitor International from interviews with recruitment agencies and printed publications such as newspapers

Notes: <sup>1</sup> includes all vocational trades such as carpentry, painting, electrical, etc.; <sup>2</sup> includes any job requiring up to five years’ experience; <sup>3</sup> includes any job requiring five years’ experience



Source: Euromonitor International from trade interviews, 2011

Most of the jobs advertised online and in newspapers only required knowledge of English as a second language, and only a few asked for fluent English. Most Moroccans are bilingual in Arabic and French. Companies consider trilingual employees (English, French and Arabic) as assets, especially for middle and senior positions.

**Not all jobs specify English as a requirement**

During the research, Euromonitor International took a snapshot of jobs advertised online and in newspapers in Morocco. Of the 50 job advertisements, 45 required English only as a second

language, while three required English as the first language. Two did not require any foreign language skills.

It was also evident from trade interviews that private companies usually ask for English speakers, while this is not a core requirement for government jobs. Most private companies however stated that English is a key requirement for middle- and senior-level executives and for employees in marketing, sales and research departments. Companies in all sectors typically require their Managing Directors, CEOs and Board Members to be proficient in English.

Overall, multinational companies are the biggest employers of English speakers in the country, irrespective of the industry type. Younger Moroccans are now seeking to study English to increase their chances of employment in key positions within these companies.

IT and telecommunications are increasingly important employment sectors in Morocco, and a working knowledge of English has become increasingly important within them. This is because software development and coding in IT companies is in English. Most of these companies have diversified business operations in different parts of the world, and English is the most common *lingua franca* between international divisions.

Similarly, import and export companies along with the maritime and airfreight, financial services, tourism and aeronautics sectors reported demand for English-speaking employees, especially in senior positions. Again, this reflects the international nature of these businesses, which is more likely to involve the exchange of goods or services in the global market.

#### Interview with a leading bank:

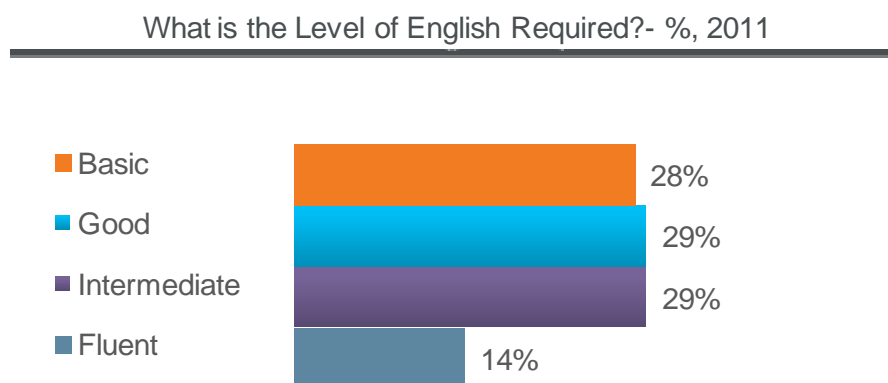
The Moroccan administration has singled out a handful of strategic sectors that are believed to provide the country with sizeable competitive advantages; these sectors are deeply rooted in the English-speaking culture. Call centres that handle calls from Europe, back-office operations for banks, nearshoring for European companies and software development are all now done exclusively in English.

#### Salary Differentiation - English Skills vs No English Skills

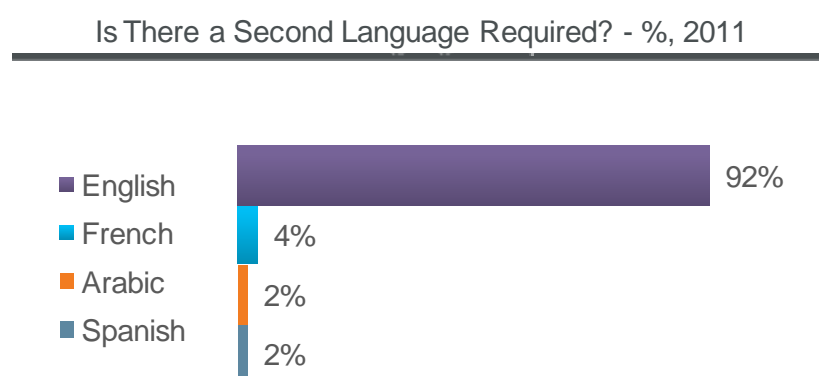
Job Title	Professional Salaries with English Skills to at least Intermediate Level (Gross Salary/Month US\$)	Professional Salaries with no English Skills (Gross Salary/Month US\$)
Director:	19,000	12,000
Senior manager:	7,000	5,000
Manager:	5,000	4,000
Senior analyst:	4,100	3,600
Analyst:	3,000	2,750
Secretary:	2,100	1,700
Carpenter:	900	900
Electrician:	1,200	1,200
Plumber:	900	900
Receptionist:	1,200	1,000



Source: Euromonitor International from trade interviews, 2011



Source: Euromonitor International from trade interviews, 2011



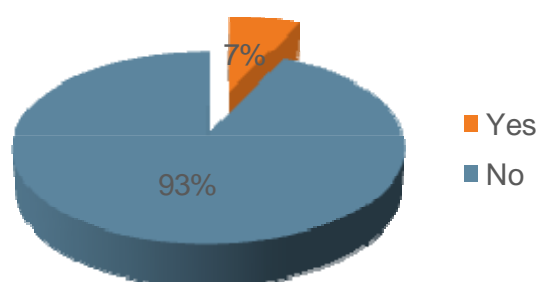
Source: Euromonitor International from trade interviews, 2011

### Companies investing in English training for employees not very common

During trade interviews, Euromonitor International found that few companies were interested in investing in English training programmes for their employees. In most cases, Arabic is used for internal communication, and the official language of work remains predominantly French. Given that most Moroccans speak both French and Arabic, and that the demand for English skills is mainly at middle and senior levels, there is no real necessity for employers to train their employees in English.

In general, middle- and senior-level executives have already acquired solid English language skills, and do not need training. Even in sectors such as IT and telecommunications, companies prefer to hire employees with English language skills already in place, rather than employing a non-English speaker and training them in English. Indirectly, therefore, corporations play an important role in creating demand for English education in Morocco, and there is a growing trend for young Moroccans to study English in order to boost their employment or higher education prospects.

Is English Used for Training Purposes? - %, 2011



Source: Euromonitor International from trade interviews, 2011

**Interview with one of the key pharmaceutical companies in Morocco:**  
About 95% of our employees are Moroccan and hence the first language is invariably Arabic. As most Moroccans are fluent in French, the first additional language required is French, and English is the second language. Spanish is also a key language required in the northern territories of the Kingdom such as Tangiers and Tetouan.

#### **Private companies place high importance on knowing English compared to government-run institutions**

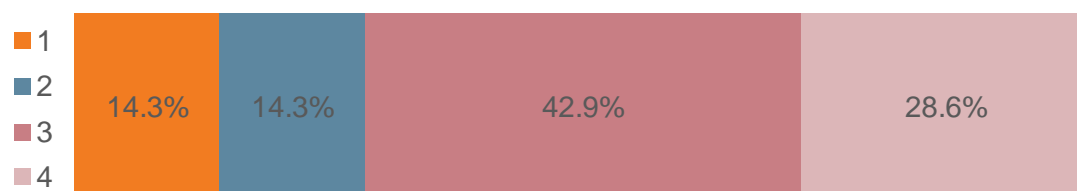
According to one of the interviews with a recruitment agency, the company expects to see more demand for English speakers in most sectors over the coming 5-10 years, driven by the increasing emphasis placed by the government on attracting FDI to improve the economy. International mining companies, companies specialising in IT, telecommunications, aeronautics, maritime and airfreight, finance and tourism are now increasingly favouring applicants with at least intermediate English-speaking skills.

Companies interviewed were asked to grade how important it is for employees to have solid English skills in order to conduct and develop business. The average score was 3.25 on a scale of 1 to 5, with 5 being most important. Companies also agreed that the importance of English largely depended on the position employees held within their organisation. English is least important for manual jobs, highly important for middle and higher management roles and of moderate to high importance to employees in marketing, sales and research departments. According to these sources, English is beneficial as it increases opportunities to conduct international business.

Morocco's automotive industry is another sector where the trend for recruiting more English speakers is growing. This is because of the increasing number of foreign companies setting up manufacturing sites in Morocco, such as Renault's plant in Tangiers. Following this, car equipment manufacturers set up plants in Morocco to supply the Renault production line, including one in Delphi.

### How Does English Benefit Company Growth? - %, 2011

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Source: Euromonitor International from trade interviews, 2011

Note: 5=very important; 1=not important

## 3.4 THE IMPACT OF ENGLISH ON THE INDIVIDUAL

### English boosts employees' career prospects

As demand for English language skills in the work environment has risen, demand for language centres and private tutors will grow over the next 5-10 years.

Increasingly, those with higher levels of English skills will have the best chances of securing employment, gaining promotion and being entrusted with additional responsibilities. Improved skill sets and accumulated work experience create greater career flexibility, and will stand people in good stead should they decide to start their own business.

#### Interview with a leading agri-business company:

Since the world is becoming increasingly global, English is very important for international trade. Employees with better English skills, especially the middle- and senior-level executives who tend to represent the company in different meetings, are therefore very important for the company's professional image.

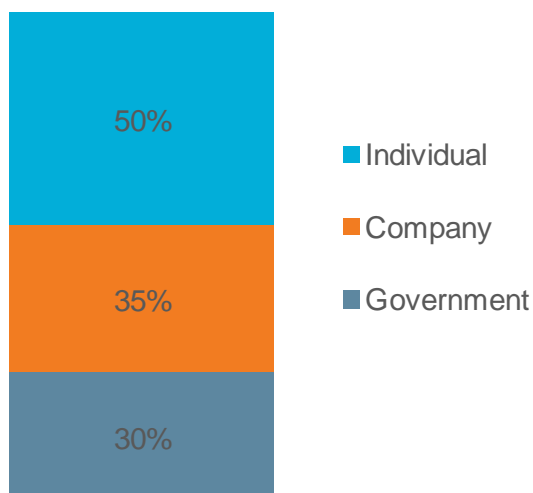
### Essential role played by the government in promoting English education

Although individuals currently drive demand for English education in Morocco, the government is also trying to promote English education. In an attempt to tackle shortcomings in its education system, the government initiated an emergency plan called "Programme d'Urgence 2009-2012". The programme aims to improve the overall education system by increasing accessibility among students and retention rates in schools and universities as well as to improve performance by maintaining international standards and benchmarks.

Other plans include improving school drop-out rates in rural areas by building more schools. This will reduce travel distances and costs for more rural children. Other efforts taken by the government include providing high-speed internet connections to around 1,000 schools in 2009 along with web tools training for teachers.

The government has also provided financial aid to students to buy computers. Around 90% of the educational budget is allocated annually to paying teachers. Between 2004 and 2008, the primary and secondary education budget grew 7% annually on average, while that of higher education grew by 14%. The World Bank and United Nations Educational, Scientific and Cultural Organization (UNESCO) have helped to fund the education system in Morocco in the past. The French and US governments have also contributed both cash and training to develop the education sector in Morocco.

### Who is Creating Demand for English Education? - %, 2011



Source: Euromonitor International, 2011

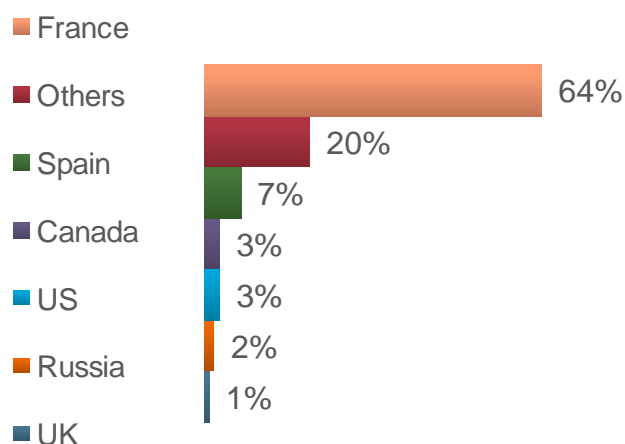
Note: Overall percentages score based on trade interviews. May sum to over 100% due to multiple answers per interview

#### France remains key higher education target country

Those Moroccan students who do travel abroad for study generally go to France to take Master's degrees, and it is rare for Moroccans to travel to the UK or the US for higher education. Long-standing cultural and linguistic ties between France and Morocco are the main reasons for this. At the same time, the high tuition costs and stricter immigration rules for students wishing to study in the UK also act as a discouraging factor.

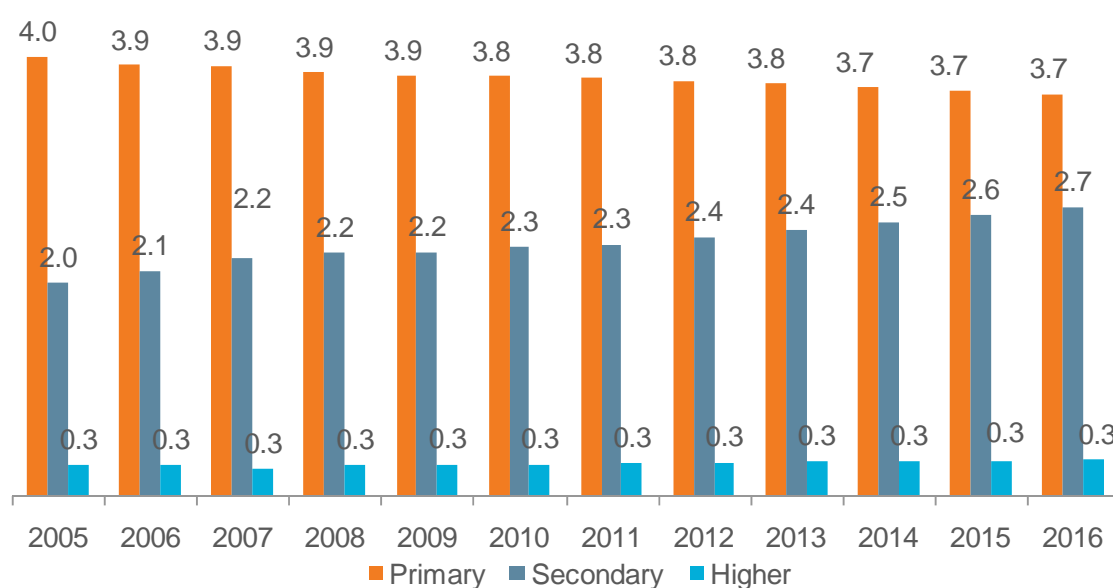
The trend of Moroccans migrating to France in pursuit of higher education has affected the growth of English, as these students are either recruited by French-speaking companies in Morocco, or they stay on after university in pursuit of work in France. However, students increasingly recognise the advantages of adding English to their skill set, as it opens doors to better career prospects as well as allowing them to pursue higher education in English-speaking countries such as Canada, the US and the UK. It is important for students to know English when applying for higher education in the above-mentioned countries and is difficult for a French or Arabic speaker to be absorbed completely into the system.

Most Popular Countries Amongst Students in Morocco - %, 2011



Source: Euromonitor International from The World Bank data and trade interviews, 2011

Total Moroccan Student Population by Level of Study - Million, 2005-2016,



Source: Euromonitor International, 2011

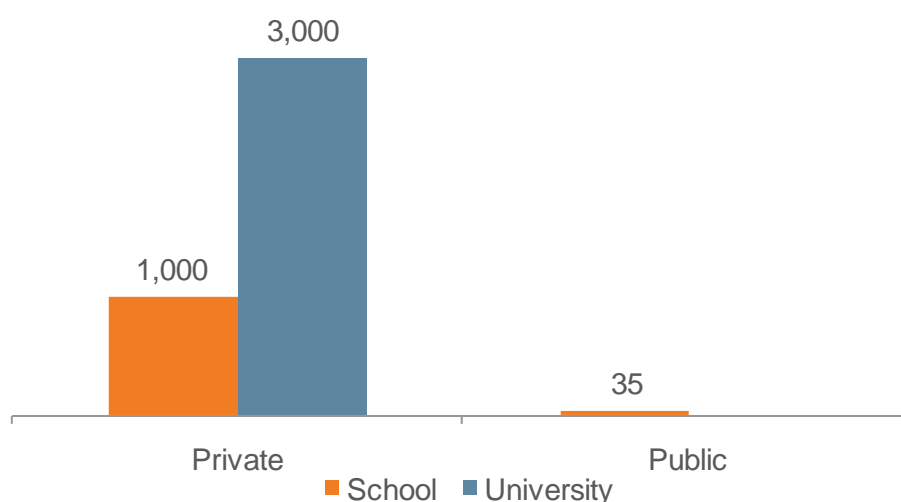
Difference in costs of major types of educational institutions - US\$, 2011

Institution Type	Average Cost per Student per Term	Source of Funding	Cost to the State
<b>Average cost of public school:</b>	Public education is free in Morocco with a minimum expenditure of around US\$35 involved for books and other school materials	Parents	US\$35

	per term		
<b>Average cost of private school (including universities):</b>	School: US\$1,000 for all services University: US\$3,000 for all services	Parents	None

Source: Euromonitor International, 2011

Going to School - How Much Does it Cost? - US\$/per term, 2011



Source: Euromonitor International from trade interviews, 2011

Note: Public education is free in Morocco and semi-private institutions do not exist in Morocco

**Interview with the Ministry of Education:**

France remains the most attractive higher education destination for Moroccan students thanks to its close proximity and long-standing ties with the country. However, students opting for Canada tend to stay there once they graduate due to relatively lenient immigration procedures and the high demand for qualified workers. However, in the US, conditions are becoming more stringent, especially for male students from Arab countries.

**Regional presence of higher education institutions restricts accessibility**

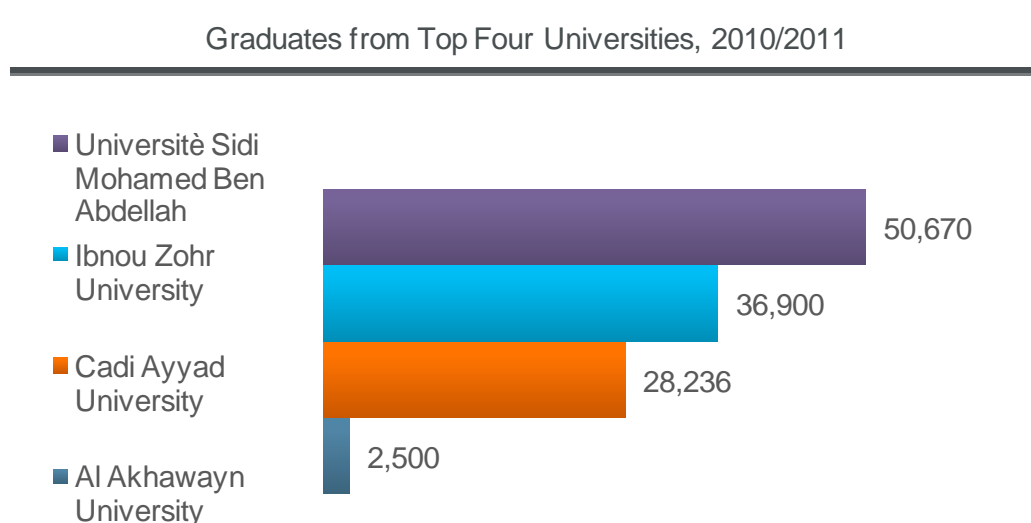
As of 2011, Morocco had around 15 public universities and three private universities. However, there are more than 200 accredited private education institutions providing college and graduate studies in the Kingdom. These include the École Supérieure Internationale de Gestion, École des Hautes Études Commerciales et Informatiques, Institut des Hautes Études de Management, École Supérieure de Gestion, and the École Nationale de Commerce et de Gestion.

According to the Ministry of Education, 70% of private schools (colleges as well as schools) are concentrated in Morocco’s two main cities, Rabat and Casablanca. The 15 state universities are mainly located in the Kingdom’s largest cities, while the nation’s most prestigious private university, Al Akhawayn, is located in a small town of less than 10,000 people in the Atlas Mountains, 60km from Fez and Meknes.

Exposure to foreign languages such as English is more prevalent and strong in private schools than in public schools. This gives privately-educated students a marked competitive edge in employment and higher education opportunities. However, a large proportion (around 40%) of the households in the Kingdom has GDP per capita of less than US\$3,000 and cannot afford private school education. The regional limitations of higher education institutions and their affordability for the wider population therefore restrict the spread of English education in the country.

English is taught from an earlier age in private schools than in public schools, where it typically starts from the age of 14. Moreover, students in private education also tend to receive a better education due to better facilities, a lower number of students per class and more qualified and motivated teachers. According to the Ministry of Education, private schools are less common in rural areas. The government is attempting to improve the availability of rural education with a programme of school building; in 2011, more than half of the total 7,208 (4,410) schools built were in the countryside.

More students graduate from public universities in Morocco than private universities, as a result of the lower and more affordable cost of education. Since the cost of education in public schools and universities remains affordable, the majority of the population tends to study in such institutions where the standard of English education is relatively lower than that offered by private institutions.



Source: Euromonitor International from The World Bank data and trade interviews, 2011

The popularity of English as a study language is increasing among Moroccan students, mainly because of the perception that a good command of English provides better job prospects and can open doors to working in an English-speaking environment. Furthermore, it also helps them migrate to neighbouring Arab countries such as the United Arab Emirates for prospective job opportunities.

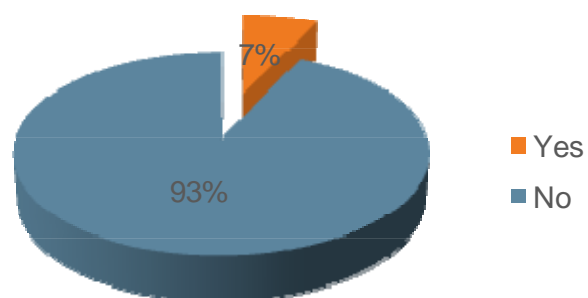
Although presently, there are not many graduate programmes sponsored by the private sector, government expenditure on education is gradually increasing in Morocco due to the latter's efforts to make education accessible to the majority of students. Government expenditure on education increased from US\$7,690 million in 2010 to US\$8,926 million in 2011.

With the government keen to increase foreign direct investment, efforts are now being made to initiate English education from early stages of primary education in public schools, in order for students studying in public schools not to lag behind private schools, which are considered to offer better quality English education.



Do Universities have Graduate Programmes Sponsored by the Private Sector? - %, 2011

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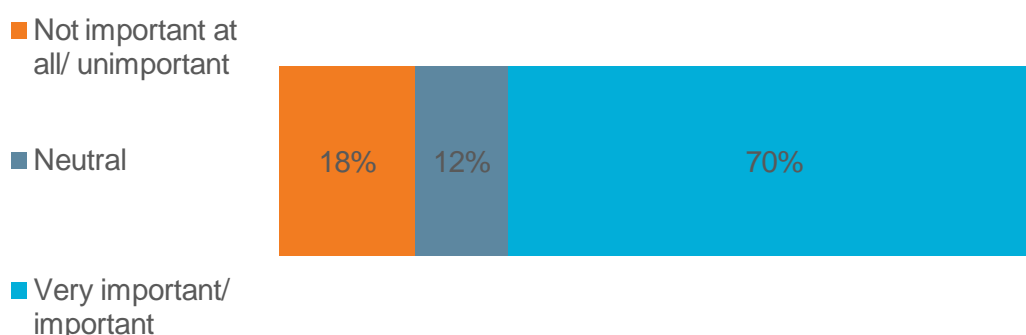
Source: Euromonitor International from trade interviews, 2011

### 3.5 CONSUMER PERCEPTION OF ENGLISH IN MOROCCO

#### Seven out of 10 Moroccans consider speaking English very important or important

Speaking English is highly valued by the majority of Moroccans, with 70% of individuals indicating that it is important or very important, while only 18% stated that speaking English is unimportant/not important at all. This is because strong English skills can help secure work in key positions in multinational companies. In addition to this, it also helps Moroccans migrate to countries such as Canada, which offers potential higher education and job opportunities.

Importance of Speaking English - %, 2011

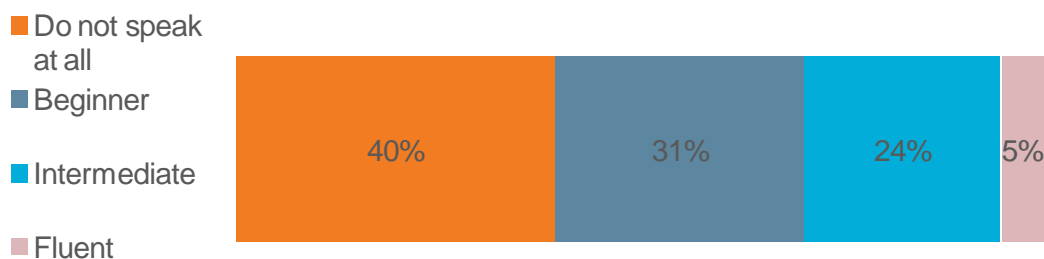


Source: Euromonitor International from consumer perception analysis, 2011

#### Forty per cent of individuals in Morocco do not speak English at all

When asked to rate their level of proficiency in English, just 5% of individuals in Morocco said they speak English fluently, while 24% rated their English skills as intermediate. The majority of individuals are either beginners (31%) or do not speak English at all (40%). This signifies that most of the English-speaking individuals in Morocco possessed intermediate skills while it was difficult to find many with fluent English skills. This is because the transition towards English awareness has just begun and it is likely to take time before the majority of Moroccans become fluent in English.

Fluency in English - %, 2011

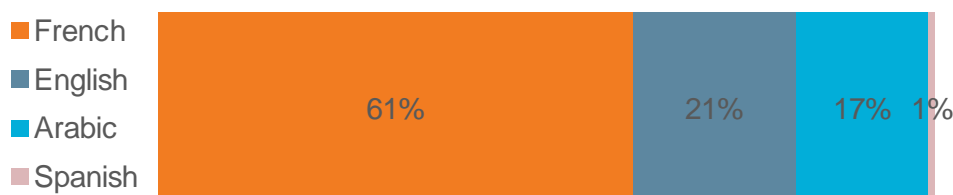


Source: Euromonitor International from consumer perception analysis, 2011

**Majority of Moroccans still consider French to be the most important language for international business in their country**

Some 21% of individuals chose English as the most important language for international business in Morocco, while 61% opted for French and 17% chose Arabic. The widespread use of French in Morocco’s education system and in its neighbouring countries, as well as Morocco’s strong relations with France, have resulted in this perception of French as being the most important language for business. Nevertheless, a considerable number of individuals considered English superior to French as a business communication medium. This highlights the growing awareness of the benefits of English language among the wider population.

English and International Business - %, 2011

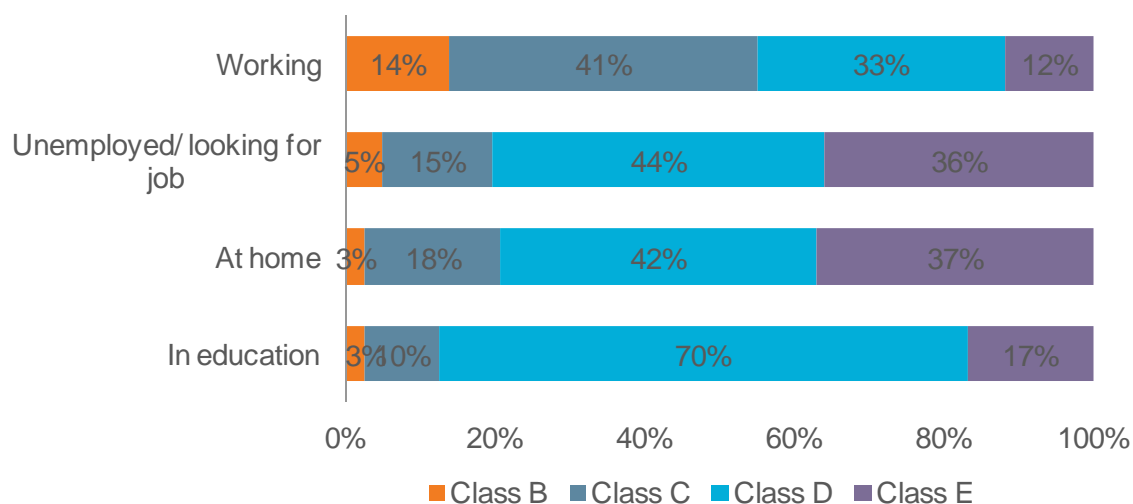


Source: Euromonitor International from consumer perception analysis, 2011

**Majority of unemployed individuals/looking for jobs belonged to class D or E**

As expected, there is a strong correlation between employment status and socioeconomic class, with working individuals earning a better income and belonging to higher socioeconomic classes compared to non-working individuals. Some 14% of employed individuals surveyed in Morocco belong to class B, while 41% belong to class C.

Relationship between Working Status and Socioeconomic Class - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

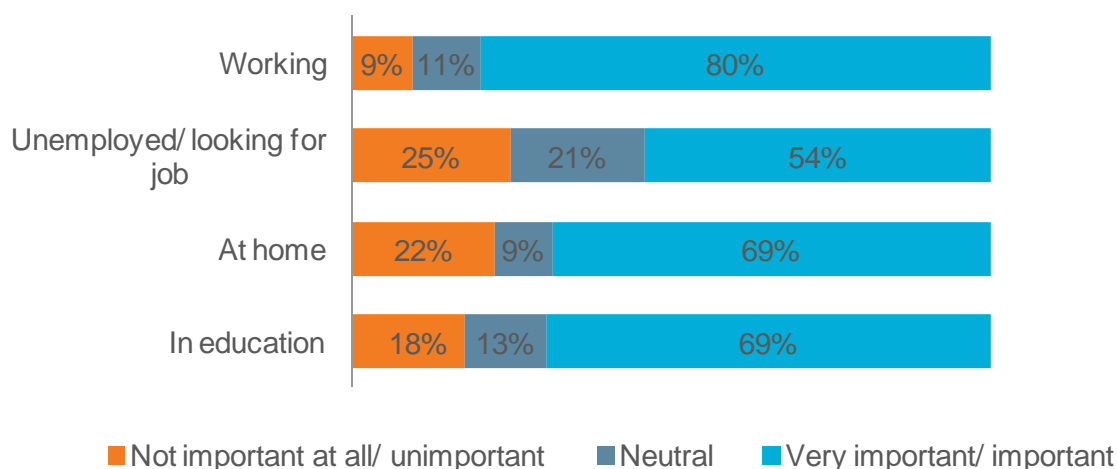
### Individuals' perception of the importance of speaking English and working status

This section focuses on understanding the relationship between the working status of individuals in Morocco and the importance of English overall. One key hypothesis is that prospects for employment increase with the level of English proficiency. This is particularly important given the unemployment rate of 9% in Morocco during 2010-2011, according to Euromonitor International.

### Speaking English considered more important by employed individuals than by the non-employed

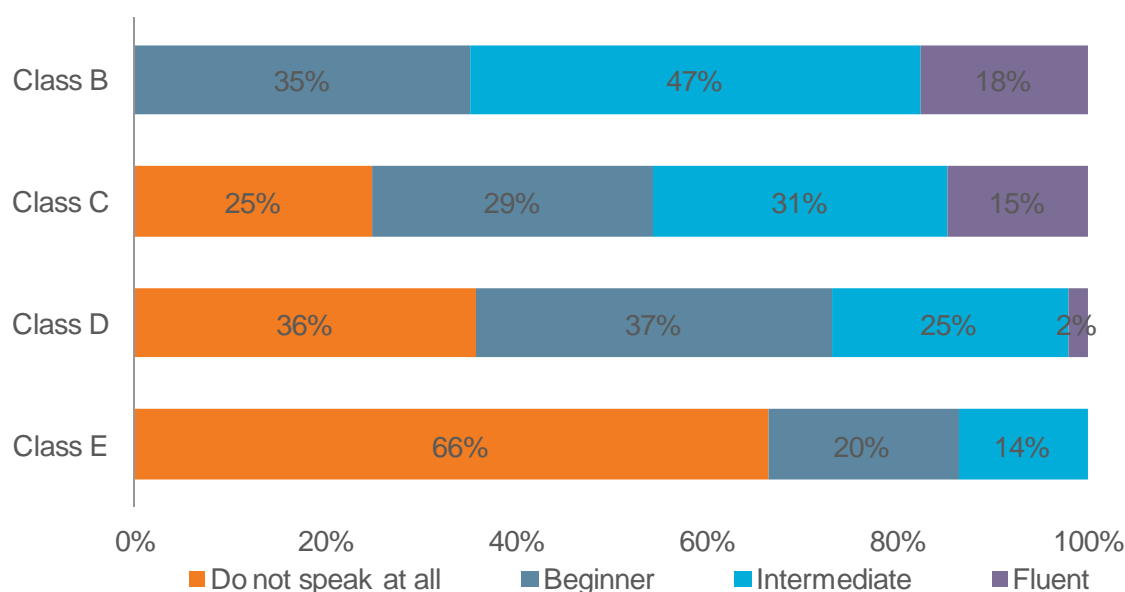
It is evident that working individuals in Morocco value speaking English more highly than non-working individuals do. Some 80% of individuals in employment believe that speaking English is important/very important, compared to 54% of individuals who are unemployed/looking for work and 69% of individuals who are in education. Only 9% of employed individuals considered speaking English to be unimportant/not important at all, compared to 25% of unemployed individuals. Working individuals, in order to be employed with upcoming industries such as IT, telecommunications, maritime and airfreight along with aeronautics tend to equip themselves with good English standards, mainly due to the high pay levels offered by these industries. This is further driven by foreign companies investing in Morocco, most of them requiring fluent English speakers.

Relationship between Importance of Speaking English and Working Status - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

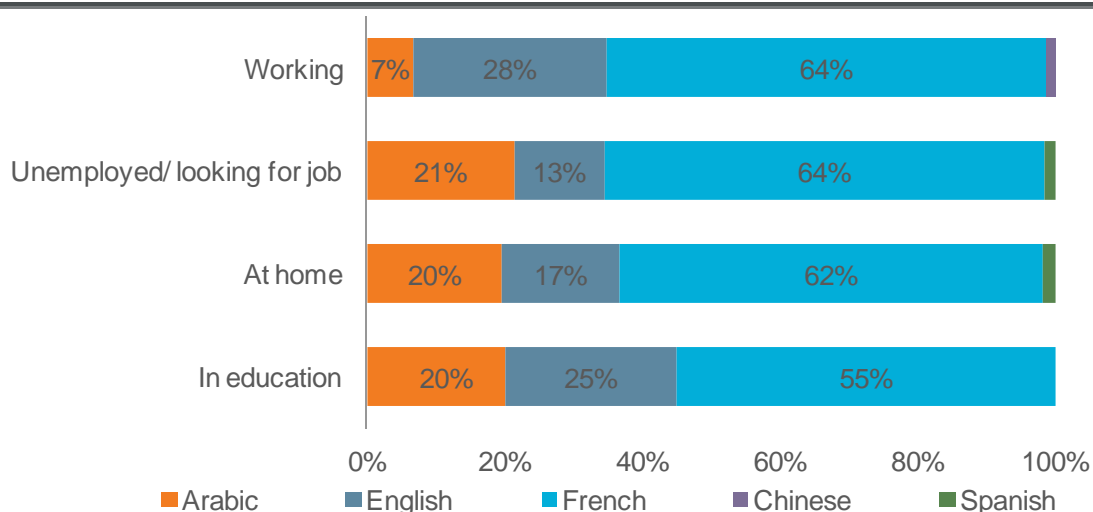
Relationship between Fluency in English and Socioeconomic Class - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

Exposure to quality teaching of foreign languages such as English is predominant in private education centres, which remain accessible only to the wealthier section of the total population. Around 40% of the households in Morocco cannot afford education in private education centres, which was evident in individuals belonging to class B (socioeconomic class B represents households with a gross income between 150% and 200% of an average gross income of all individuals aged 15+.) possessing slightly higher fluency levels in English compared to individuals falling under classes C, D and E.

Relationship between International Business, Languages and Working Status - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

French remains the dominant business language in Morocco compared to other languages such as Arabic and English. However, the importance of English is now being increasingly felt in areas of employment and education, specifically among the younger population, due to better career and higher educational prospects in countries such as Canada. This trend was further validated by employed individuals and students citing English as the next important language to French in the country.

The following section illustrates the reasons shared by Moroccan individuals on why they learn English.

Individuals were asked to state their level of agreement/disagreement on a scale of 1 to 5 (5: strongly agree and 1: strongly disagree) across eight statements on why people in Morocco learn how to speak English. For the purposes of analysis, these statements were classified under two broad categories: personal reasons and work reasons.

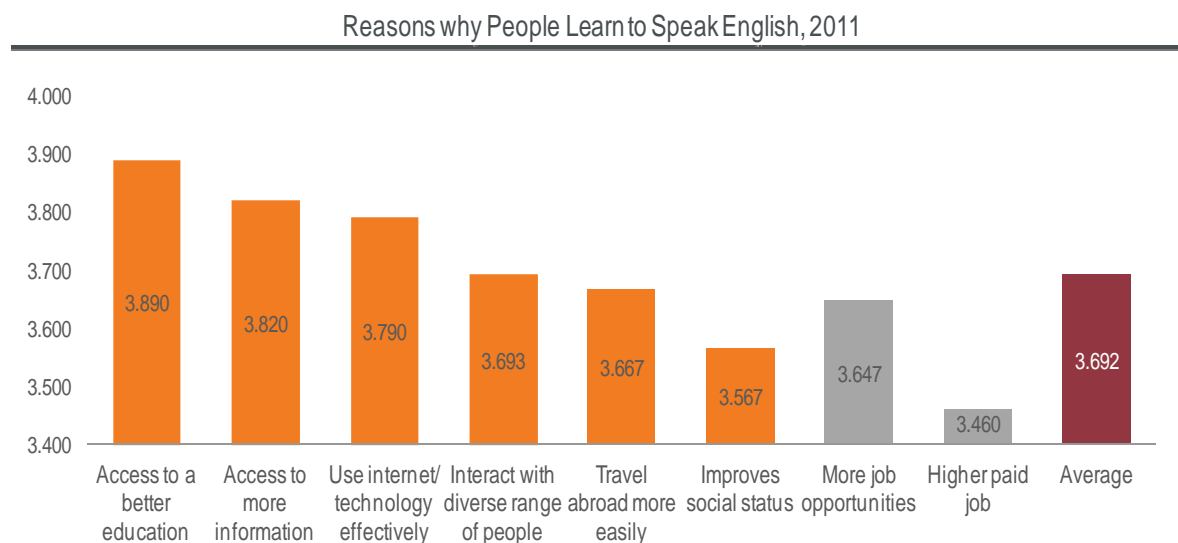
Category	Attitudinal Statements
<b>Personal:</b>	Use the internet and modern technology more effectively Access to a better education Interact with a more diverse range of people Improves their social status Travel abroad more easily
<b>Work:</b>	More job opportunities Get a higher paid job

Source: Euromonitor International from consumer perception analysis, 2011

Although the difference was not significant, individuals considered personal reasons slightly more important than work reasons. Personal reasons for learning English had an average score of 3.738 (out of 5), while work-related reasons had an average score of 3.554. Further investigation of the average ratings of the various statements showed that “access to a better education” and “access to more information” had the highest average scores.

All the suggested reasons for learning English in Morocco were considered important by individuals. Some 75% of individuals strongly agree/agree that learning English provides “access to a better

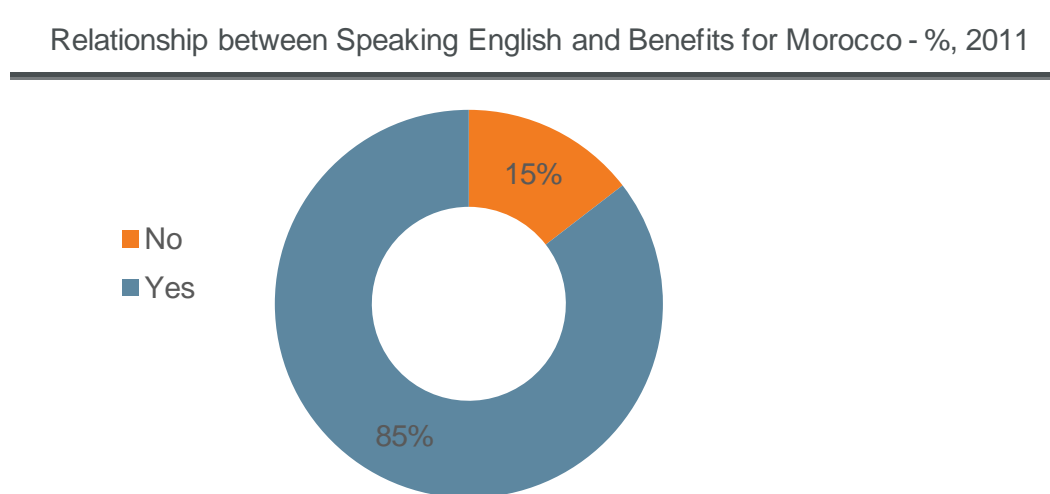
education”, while 72% agree that it gives “access to more information” and 70% agree that it enables the more effective use of internet/technology.



Source: Euromonitor International from consumer perception analysis, 2011

This section examines how beneficial individuals consider speaking English in Morocco

Individuals were asked to provide some qualitative insights in terms of how they think their country would benefit if more of its residents spoke English.



Source: Euromonitor International from consumer perception analysis, 2011

A significant proportion of individuals consider that speaking English as an additional skill would be beneficial for Morocco on a national level. More specifically, they believe that it would have a very positive effect on international business and trade, would facilitate communication and would give a boost to the wider development of the country. Several individuals mentioned the fact that English is growing in popularity in Morocco.

A potential positive effect on international business and trade seems to be the most important reason behind the usefulness of English, according to individuals. A large proportion of individuals considered English to be the language of international business and trade, and there is a widespread feeling that the country’s presence and performance in the international arena would improve with wider use of English.

Individuals felt that knowledge of English would also improve the quality of communication, at both country and individual levels. International dialogue with non-Arab countries would be facilitated, business transactions with foreign companies/customers would become more effective, while communication with tourists would also register an improvement.

A number of individuals also felt that because of the considerable foreign investment in Morocco, learning English would contribute to the development of the national economy. Some also mentioned that Morocco would be able to develop only through learning English.

Education is an additional area where individuals feel English is important. A significant number considered English to be the language of knowledge, while others referred to it as the language of technology. Overall, Moroccans believe that speaking English is beneficial for educational reasons.

Tables below illustrate the actual comments of individuals.

Category	Reasons Why English is Beneficial - Country
<b>Development:</b>	Speaking English helps in improving the economy Speaking English is important because we have a lot of foreign investment in our country Speaking English is important because we cannot develop our country except through English
<b>Trade:</b>	English is the language of international business and trade English is used in markets Learning English will be beneficial for business
<b>Communication:</b>	English is important in improving our relationships with other countries Speaking English helps in communicating with non-Arab countries Speaking English will help in communication with foreigners, and will be beneficial in business, for example, tourism

Source: Euromonitor International from consumer perception analysis, 2011

On an individual level, individuals felt that speaking English would have a very beneficial effect on their work status. It would be a vehicle for better job opportunities and would make them more effective employees. A number also felt that speaking English would improve their overall social status.

It is also worth noting that a significant proportion of individuals felt that speaking/learning English would have some kind of a positive effect on their lives, without being able to give a specific reason in support of their statement.

Category	Reasons Why English is Beneficial - Individuals
<b>Work:</b>	English increases our chances of finding better job opportunities English makes us more efficient at work English is important for improving our professional status
<b>Education:</b>	English is important for education



	English is the language of knowledge English is the language of technology
<b>Communication:</b>	If we learn English it would be easier to find information (news on the internet for example) English is important in communicating with foreigners Speaking English would be beneficial in communicating with customers and foreign companies English helps in communication with tourists and visitors
<b>General comments:</b>	English is an internationally used language English is the language of the era English has become popular in our country

Source: Euromonitor International from consumer perception analysis, 2011

## 3.6 CONCLUSION

### **Increase in demand for English generated due to growing industrial development**

With the Moroccan government keen to increase FDI, Morocco has seen the establishment of several large multinationals in industries such as information technology (IT), software development, aeronautics and many others. These developments are positively influencing the desire among the younger population to learn English. English is now increasingly considered the desired language of employment. Young adults living in urban areas want to learn foreign languages such as English to help facilitate travelling abroad for higher education and improving career prospects.

Morocco's economic situation is expected to strengthen, helped by the increasing efforts of the government to improve the education system. This will increase the number of English speakers in Morocco. Consumer perception analysis in Morocco revealed that around 70% of individuals indicated English to be important or very important, while only 18% stated that speaking English was not important. While private schools are considered to offer better English education than public schools in Morocco, they remain largely accessible only to wealthier and urban-dwelling students.

The government is particularly keen to initiate English education from early stages of primary education. With new companies specialising in IT, telecommunications, aeronautics, maritime and airfreight, finance and tourism being set up in greater numbers, demand for English language is likely to grow over the next 5-10 years in Morocco. Examples of companies expanding in Morocco, which aid such a demand for English, include Colgate-Palmolive, Nestlé and many others.

## 4. ALGERIA

### 4.1 MANAGEMENT SUMMARY ALGERIA

#### English awareness on the rise

Algeria has two official languages: Arabic, the principal language of government, and Tamazight, a Berber language. Arabic is the most commonly spoken language in Algeria, with close to 98% of the population speaking it according to the most recent trade sources.

French is the principal language of business in the country, and its status as a commercial *lingua franca* reflects the country's colonial past; France ruled Algeria under a variety of governmental systems between 1830 and 1962. However, English is growing in popularity among younger Algerians, driven by a perception that it improves career prospects, as well as the increasing exposure of young Algerians to social media like Facebook and Twitter, which predominantly use English as an international medium. English is seen as a requisite by young Algerians to gain employment with key oil and gas companies in Algeria, which typically offer better salaries as well as the opportunity to travel.

#### Government drives the demand for English education

Algeria has a relatively low penetration of English compared to other North African countries. As a result, there are growing concerns among the large multinational players in the oil and gas industry about finding sufficiently skilled local workers. The government has therefore recognised that improved employability, increased access to scientific research and the ability to retain and attract foreign direct investment (FDI) can be best achieved by the strong implementation of English education in the country. This has led it to introduce new curricula for primary and secondary education, the key purpose of which is to modernise the country's social and political structure.

#### Importance of English highly influenced by oil and gas companies

The oil and gas industry is one of the most important industries in Algeria, and one where proficiency in English is highly valued. As this industry is one of the key contributors to GDP, there is a strong economic imperative for improved English-speaking skills in the workforce. This drives demand for English education, and is a key motivation for many young Algerians to take up English education to improve their chances of employment with multinationals that offer better salary levels. The average gap between non-English speakers and English speakers is close to 10% in Algeria.

#### Few Algerians opt for higher education outside the country

Few Algerians can afford higher education outside the country. Increasing numbers of young Algerians aspire to the pursuit of higher education abroad; this is reflected in the growing number of students seeking to take up English courses in language centres. The percentage of students currently undertaking these courses is low; however, it is anticipated that it will grow in future, driven by economic imperatives, the most important of which is the sharpening of competitive edges in the country's labour market.

#### Consumer perception analysis suggests majority consider speaking English beneficial for the country

From the consumer perception analysis, it is evident that although many Algerians consider Arabic and French to be important for doing business, they all agree that speaking English would be beneficial for Algeria at a national level. This is because it improves the ability of the country to take part in international business and trade, as well as improving international dialogue with non-Arab countries.

## 4.2 ALGERIA - KEY FACTS AND PROFILE

### Key Facts

<b>Country name:</b>	People's Democratic Republic of Algeria
<b>Official language(s):</b>	Arabic and Berber. French is the business language
<b>Population:</b>	35,954,000 (2011)
<b>Capital:</b>	Algiers
<b>Key industries:</b>	Oil and gas; mining and quarrying; construction; public administration and wholesale and retail trade

### English Profile

<b>English speakers in 2010/2011:</b>	7% of the population
<b>Salary gap between someone who can speak English and someone who cannot:</b>	10%
<b>Ranking of benefits of English in the workforce (1= not beneficial at all and 5=very beneficial):</b>	3.2
<b>Level of English required for recruitment:</b>	5% (0.5/6) Fluent 25% (1.5/6) Good 36% (2.2/6) Intermediate 34% (2 /6) Basic
<b>Rival of English in the work environment:</b>	Arabic and French

### Research Methodology

<b>Multinational and local:</b>	Six companies were contacted
<b>Industries:</b>	Six leading industries: agriculture; wholesale and retail trade; manufacturing; mining and quarrying, oil extraction
<b>Jobs advertised in newspaper or online:</b>	Conducted a snapshot of the printed and online job advertisements requiring English (50)
<b>Education:</b>	Leading English language providers along with higher education institutions
<b>Recruitment agencies:</b>	Five recruitment agencies contacted

Source: Euromonitor International fromtrade interviews, 2011

Note: Percentage of English speakers indicated is at an intermediate level

## 4.3 THE IMPACT OF ENGLISH ON THE COUNTRY

### Transition towards English learning slowly gaining momentum in Algeria

Algeria has rich sources of petroleum and natural gas, as well as iron, phosphate, uranium, lead and zinc. Mining and quarrying, oil and gas, construction, and agriculture are therefore key industries contributing to the total GDP.

In the wake of the Arab Spring in the first half of 2011, the Algerian government came under significant pressure to improve governance. Widespread protests in January 2011, largely over food prices and unemployment, led the government to impose cuts to the price of basic foodstuffs, as well as repealing the 1992 state of emergency law. Unemployment is especially high among Algeria's youth and the government is therefore now putting plans in place to modernise the country's infrastructure in order to boost economic growth.

Economic development in other parts of the region has been helped by increasing levels of foreign direct investment (FDI). Currently, this represents a small share of the total investment in Algeria. The government recognises that increasing FDI is a key strategy, not only because of the direct effect on employment, infrastructure development and GDP growth, but also because it has a significant impact on the transfer of technology and improvements in innovation capabilities. English language skills are perceived as a key step in the development of FDI growth. This is because the internal operations of many multinational companies are in English, and technical knowledge is increasingly disseminated in this language.

Although there is not yet a clear policy to improve English proficiency countrywide, the government is keen to begin English education at primary school level. English, unlike French, is not taught at this level. Both the government and individual Algerians realise that there is an increasing need for improved English skills in the country; these needs are particularly evident in the academic, technology and economic sectors where business communication is increasingly conducted in English.

Algeria saw constant growth in GDP from US\$161,001 million in 2005 to US\$188,330 million in 2011. This was fuelled by the oil and gas industry, with rising commodity prices helping drive economic growth. Since foreign companies are facing issues in Algeria due to governmental regulations as part of its national policies, the government has started to realise the impact foreign companies exiting the country is having on the economy of Algeria.

This retrenchment by multinationals, specifically within the oil and gas industry, has fuelled the existing unemployment rate. In addition to these governmental regulations, oil and gas companies are also facing challenges in developing a workforce with sufficiently strong English skills. The importance of English in helping retain existing foreign companies as well as attracting new ones is gradually gaining momentum in Algeria.

### English still trails behind Arabic and French in terms of importance

Arabic is the key language in Algeria, and is understood by around 98% of the population. French is the second most widely used language in the country, a legacy of the colonial ties between the two countries, and the fact that it is the principal foreign language taught in Algerian schools. Arabic is commonly spoken within government departments in Algeria.

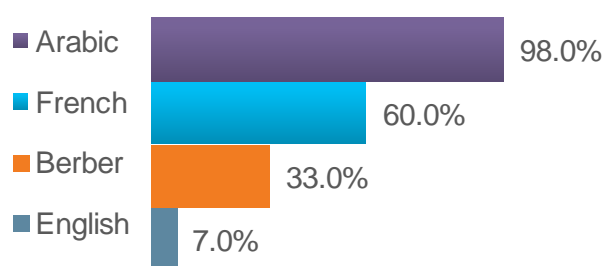
In addition to Arabic and French, a significant proportion of the population also speaks a Berber language, Tamazight. English is generally taught as the second foreign language after French. English education starts from grade 9 in public schools and remains compulsory from thereafter. English education starts early in private schools, typically two or three years earlier than the public schools.

The level of English is highest in the north of Algeria, especially in the capital city Algiers where most businesses are located and where the majority of the Algerian population lives. However, with the small population in the South, there is significant interest in learning English and reluctance towards

French is apparent. The popularity of English is rising for several reasons in Algeria in part due to investments made by English language institutions over the last 4-5 years.

An example of this was the establishment of the Linguaphone Group, one of the world's leading language training providers, with around 200 language centres spread across five continents. The Linguaphone Group entered the Algerian market in 2007, in partnership with IN-Tuition, which has been providing services to companies both at their offices and at its own facility, serving some 1,000 students.

Languages Spoken in Algeria by Percentage of Population - %, 2011



Source: Euromonitor International, 2012 from CIA World Factbook, 2011

Note: This is the number of English speakers to at least an intermediate level. Arabic mentioned here includes local Arabic spoken in Algeria.

### **Demand for English education driven by the government**

English is spoken to an intermediate level by 7% of the population, a relatively low level in comparison to speakers of French, Berber and Arabic.

Increasingly, the Algerian government recognised that improved employability, access to scientific research and ability to communicate in the workplace can be more effectively enhanced through the learning of English. In line with this, the government implemented a new improved curriculum for primary/secondary education in 2006, the key goal of which is to enable Algerian society to modernise, with languages used for sharing and exchanging ideas through cultural experiences.

Due to the importance of oil and gas companies to the Algerian economy and their difficulties in recruiting people with the required English language skills, the government is trying to improve standards of English in the Algerian education system. Deepening the skills of the workforce will increase the flow of multinational companies into Algeria.

The Algerian Ministry of Education has reached an agreement with The British Council to train school teachers and inspectors in English in a bid to raise the level of English language courses in the country. The government has also accepted help from the US under the programme "Direct American Support" to improve Algeria's education system. As a result of this programme, the Universities of Annaba and Ouargla are now hosting partnership programmes supporting doctoral programmes and career development centres. In accordance with this, English training is also provided for teachers through the Universities of Annaba and Ouargla.

According to the US State Department, the US Embassy also offers support for English language improvement through the private sector. The Embassy currently sponsors 13 English Access Microscholarship schools, which offer 2-year programmes focusing on the English language, American culture, computer science, and others for underprivileged Algerian students.

The Embassy also initiated Project Hope in Algeria, awarding free English language courses to selected participants. The US Embassy also trains teachers and inspectors.

In addition to this, foreign languages such as English are becoming popular among younger Algerians. Language skills offer improved chances of employment with key oil and gas companies within Algeria, as well as other companies outside the region. English is also used by the younger population on social networking websites such as Facebook and Twitter, a key trend that is boosting awareness of English. Consumer perception analysis showed that average ratings for “using internet/technology” and “access to a better education” received the highest average scores on a scale of 1 to 5, where 1 stood for strongly disagree and 5 stood for strongly agree.

Given that the greatest demand for English speakers is in the oil and gas companies, many of which have production facilities in the south of the country, English is becoming popular among Algerians living in the South, and the region is generating more demand compared to other parts of the country.

**Interview with a leading pharmaceutical group:**

While the demand for English is strong among oil and gas companies, other industries place less importance on the need for this skill. We really don't require English for most job positions, although our top management are typically fluent in English. This is also because 80% of our shares are held by the government, where Arabic is the key language spoken. For oil and gas companies, English is important, but for us, we will give it a ranking of 1 out of 5.

### 4.3.1 Investment and English in Algeria

#### Algeria's natural resources attract foreign companies

Large multinational oil and gas companies such as BP and Total S.A have historically been attracted to Algeria because of its rich natural resources. According to the 2011 BP Statistical Energy Survey, it had the 17<sup>th</sup> largest proven oil reserves and the 10<sup>th</sup> largest proven gas reserves in the world at the end of 2010, and its hydrocarbons sector generated 60% of its budget revenues and over 97% of its export earnings in 2010. According to the US State Department, it also has significant mineral reserves, notably iron ore, zinc and natural phosphates.

In addition to these energy companies, other multinational companies including Henkel, Divona, Siemens and Knauf are also active in the Algerian market. All of these companies are driving demand for English language skills in the country, as they primarily use English for business communication. English is mandatory for all management employees, but is desirable for employees at other levels as well.

French and Arabic are the most commonly used business languages in Algeria. However, with the growth in importance of foreign companies, as well as growing trends in the global marketplace, this is slowly changing and an understanding of the benefits of communicating in English is becoming more appreciated overall.

Although multinational companies, and in particular oil and gas companies, require English speakers, they struggle to find employees with the required language skills, and many are actively seeking a solution to this by providing general business English training to their employees through Centres of Intensive Training for Language (CIEL) and other external language providers.

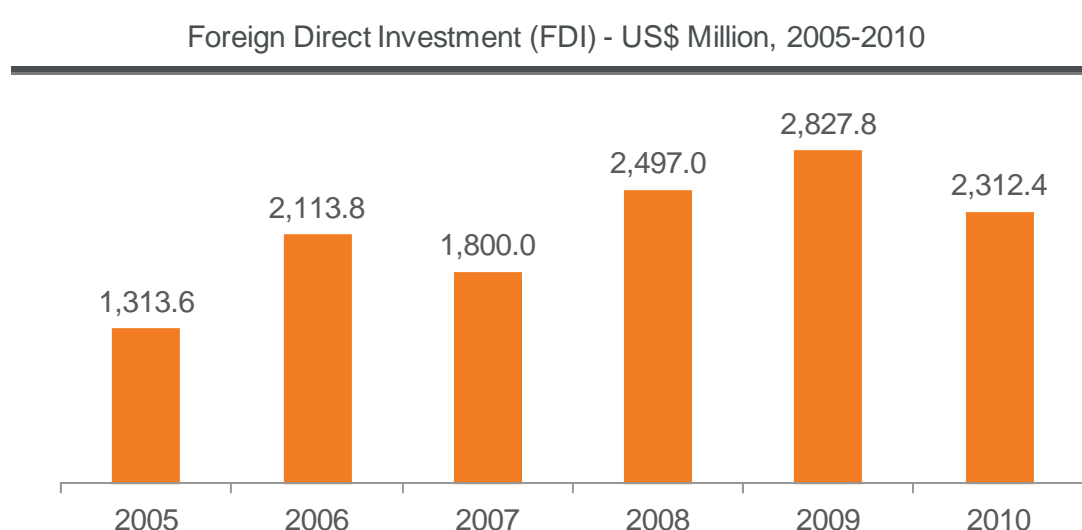
Since GDP in Algeria is dependent on the oil and gas industry, one of the key goals of the government is to reform its macroeconomic policies in order to both attract and retain foreign investment in the country. This is also vital in order to curb rising unemployment levels in the country. This is because Algeria is one of the North African countries where the English language is the least developed mainly due to the country having one of the least liberal economies in the region.

FDI in Algeria dipped slightly from US\$2,828 million in 2009 to US\$2,312million in 2010, influenced by political uncertainty in both Tunisia and Libya. France continues to be one of the most important sources of non-oil foreign investment and trading partners for Algeria. However, China is gradually becoming one of Algeria's leading importers.

The commercial relationship between the UK and Algeria is also gradually growing in importance; this is reflected in the rising number of British companies investing in Algeria. BP is one of the largest foreign investors in Algeria and several other UK companies have increased their presence in Algeria in a wide number of sectors including construction, education and energy.

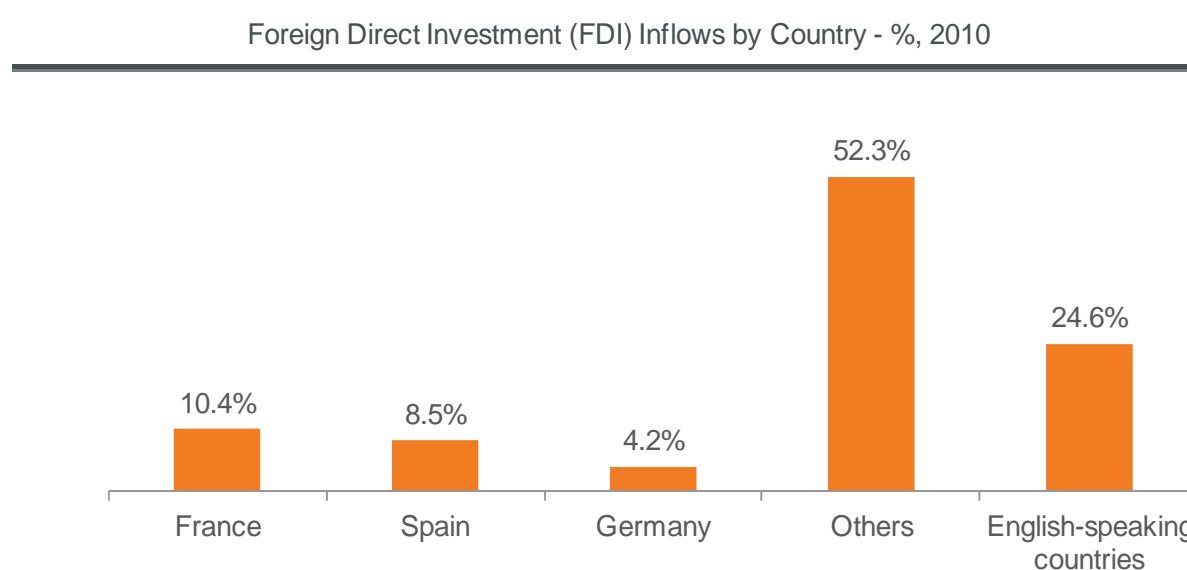
Of six multinational companies interviewed, almost all emphasised the benefits of having English-speaking employees, while for other non-oil and gas companies, English is not very important for doing business in Algeria.





Source: EuromonitorInternational, 2011

Research indicates that outside the multinational oil and gas companies, English is not considered as important. Most of this business is carried out either in Arabic or French, depending on whether it is a publicly-owned or privately-held company. Although there is no clear policy stated by the government on teaching English/foreign languages in Algeria, the sole purpose of teaching and learning foreign languages is to gain access to new technologies and scientific research, as stated by the Algerian Constitution.



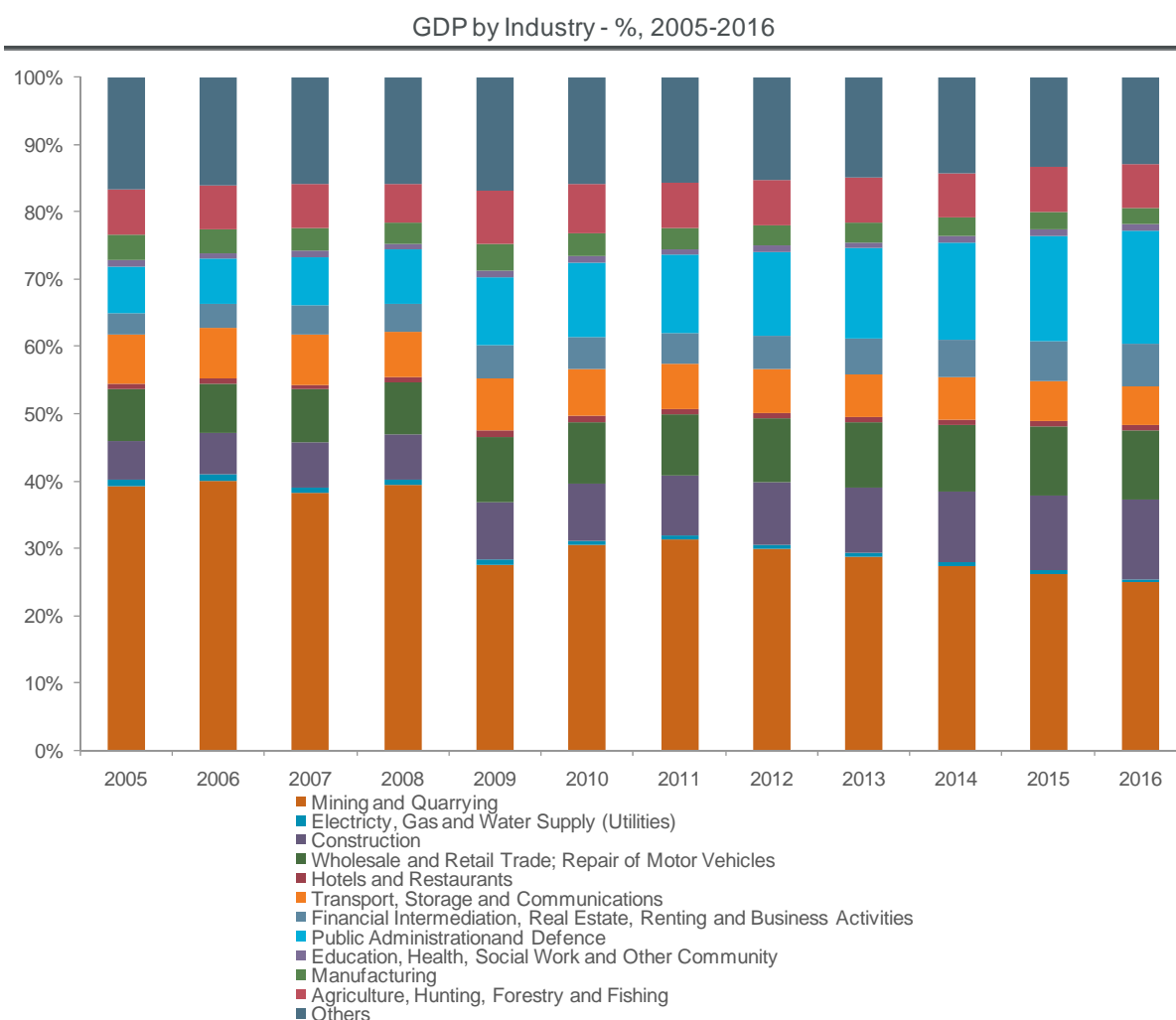
Source: Euromonitor International from OECD (Organisation for Economic Co-operation and Development), 2011  
 Note: "Others" is the combined share of all other countries that have any sort of investment in Algeria

### Oil and gas sector highly prominent in Algeria

According to Euromonitor International, Algeria's key industries are oil and gas, mining and quarrying, transport, storage and communications and construction, which generated a combined 43% of total GDP in Algeria in 2011.

In the short term, new advances in technology are most likely to motivate people to speak and understand more English in order to remain up to date. Algeria saw a growth in the number of

Information and Communications Technologies (ICT) users between 2005 and 2011, in parallel with growing capital investments in telecommunications. Algeria had 0.72 million ICT users in 2011, an increase from 0.64 million in 2010. Growth in the use of social media like Facebook, which in general use English for international communication, is helping drive this rise in numbers, especially among young Algerians, and is a key trend positively impacting English in the country.



Source: EuromonitorInternational, 2011

### Oil and gas companies are key drivers of English language

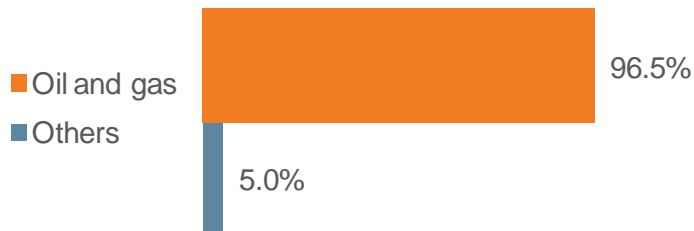
English proficiency is especially highly valued in the oil and gas sector, which has a large number of multinational companies operating in Algeria whose internal communication is in English. The sector is one of the key contributors to the country's economy, and as such, there is a strong economic imperative for the provision of improved English skills. No other industry requires such a large number of English speakers.

Although companies that deal in international trade, such as maritime and air freight companies, or in telecommunications, IT and software development, also consider English a desirable language for their workforce, the language requirement is not that stringent. Examples of key companies operating in Algeria include BP, Total and others. In addition to this, other multinational companies such as Nestlé and Unilever are also emphasising the value of having employees with intermediate English language skills.

According to the UK-based Englishcourse provider Language Solutions International, established in the two Algerian cities of Algiers and Hassi Messaoud for over a decade, the demand for English speakers from oil and gas companies is increasingly high. The institute provides services to Baker Hughes, Anadarko, BP, Burlington Resources, Halliburton, Schlumberger and Sonahess as well as government monopoly Sonatrach.

#### Industries that Demand the Most English Speakers - %, 2011

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Source: Euromonitor International from trade interviews, 2011  
Note: "Others" include sectors excluding oil and gas

### 4.3.2 The Influence of English

#### Concentration of key industries contributing to Algeria's GDP observed in the South

The oil and gas industry, the key contributor to the Algerian economy, is mainly concentrated in the Hassi R'mel region in the south of the country, where the largest natural gas fields have been discovered. Oil is extracted from the Hassi Messaoud fields, also in the south-eastern parts of Algeria.

The most densely populated cities in Algeria are in the north: Algiers, Oran, Setif, Djelfa, Tizi Ouzou and Blida. These cities have the highest number of manufacturing units for steel and textiles. Most of the key oil and gas extraction companies are concentrated in the South.

Indicator	North Coastal	Centre/Southeast	West	East
<b>Main cities and their population:</b>	Algiers, Oran, Bejaia, Annaba	Hassi Messaoud, Hassi R'mel	Tlemcen, Bechar, Constantine,	Batna
<b>Main industries:</b>	Manufacturing, refining, Agriculture	Oil & Gas extraction	Agriculture, manufacturing (iron & steel, textiles), minerals (iron ore)	Manufacturing (Textiles), Agriculture
<b>Largest MNCs:</b>	Sanofi Aventis, Arcelor Mittal	Sonatrach, Sonelgas, Maersk, Anadarko, Total S.A, Maersk		Sanofi Aventis, Arcelor Mittal
<b>Main local language:</b>	Arabic, French, Berber and English	Arabic, Berber	Arabic, French	Arabic, French, Berber
<b>Usage of English:</b>	Limited, but still the highest in the country	Limited to companies operating in the oil & gas industry	Extremely limited	Limited

Source: Euromonitor International from trade interviews, 2011

Industry	Location	Main Companies
<b>Banking and finance:</b>	Algiers	Société Générale, BNP Paribas, Citibank, AXA
<b>Energy and oil:</b>	Hassi R'mel, Hassi Messaoud	Sonatrach, Sonelgaz, Anadarko, Maersk Oil, Total S.A, BP
<b>Maritime and ports:</b>	Algiers, Oran, Annaba, Skikda	Autorité Portuaire d'Algerie
<b>IT and technology:</b>	Algiers, Constantine	Orascom Telecom, Vimpelcom, France Telecom, Watanya
<b>Services:</b>	Algiers	Sodhexo,
<b>Food and agriculture:</b>	Algiers	Nestlé, Unilever, Danone

Source: Euromonitor International from trade interviews, 2011

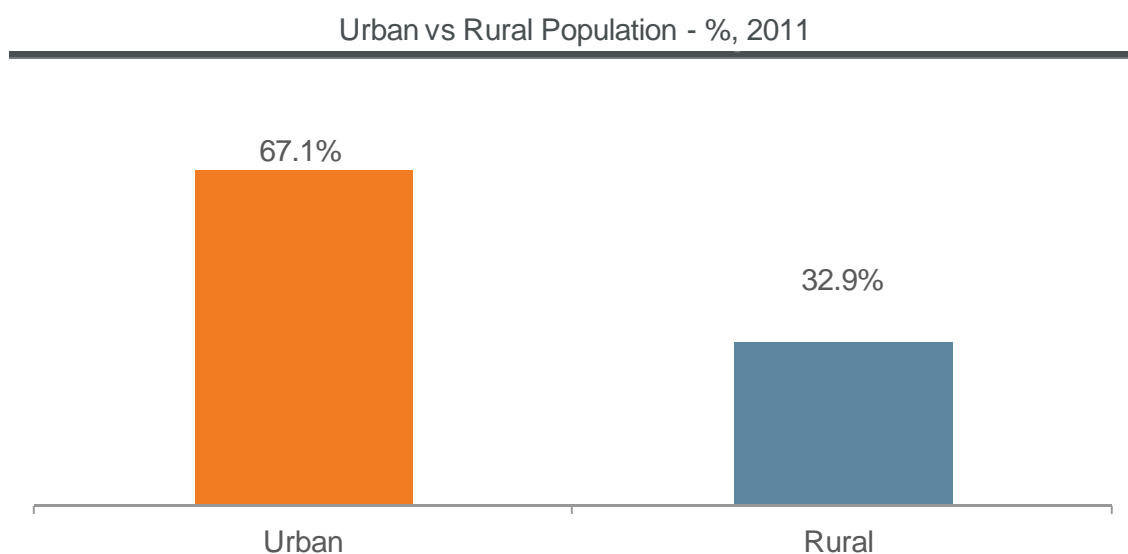
## Urbanisation proves to be the key driver for English in Algeria

Employment opportunity is a key influence on population density in Algeria, and the most populated areas in the country have the highest number of manufacturing plants. This includes cities like Algiers, Oran, Setif and Annaba. 67.1% of the total population lives in urban areas. The greater employment prospects and the chance of improving standards of living are the key factors driving growth in urbanisation.

The greatest numbers of Englishspeakers in Algeria are concentrated in the large cities, notably in Algiers itself as well as other cities in the urban strip that lines the Mediterranean Sea in the north. South of the urban conurbations of the coast, most people that speak English are employees of large oil and gas extraction companies, located in towns like Hassi R'mel and Hassi Messaoud. There is also growing interest in learning English from Algerians in the south, where reluctance to acquire French is also evident.

Owing to the difficulty in finding local employees with good English-speaking skills, these oil and gas companies tend to employ expatriates, especially in executive and middle management positions. This may change if these companies are able to recruit local workers with the desired level of English, which is expected to happen over the next 10 years.

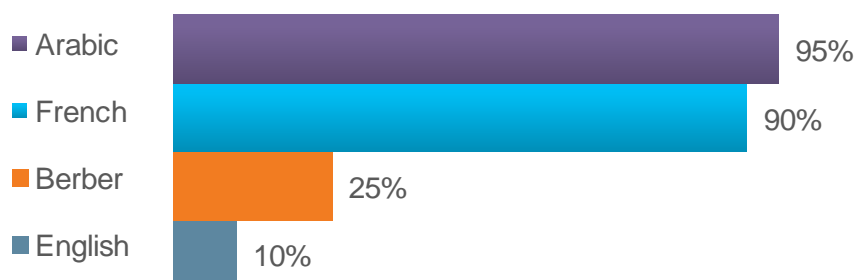
Algerians living in the cities have a far higher level of exposure to television and media, and are therefore more aware of the benefits of the English language, which they perceive as improving access to better standards of living via improved job prospects.



Source: Euromonitor International, 2011

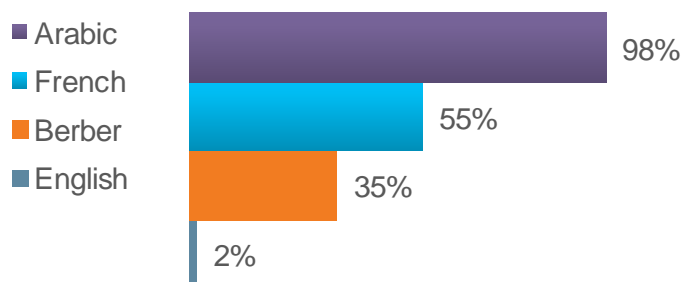
In addition to Arabic, an estimated one in three Algerians can speak the Tamazight language, a Berber language, which was recognised as a national language following constitutional amendment in 2002. Most native Tamazight speakers are found in the Kabyle and Chaoui regions in the country's northeast, where the largest cities are Setif, Tizi Ouzou, and Boumerdes. However, it is estimated that around 25% of Kabyle natives are settled in the capital Algiers.

Languages Spoken in Urban Areas - %, 2011



Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level

Languages Spoken in Rural Areas - %, 2011



Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level

**Interview with a multinational oil and gas company:**

The awareness of English is gradually increasing in Algeria mainly due to the interest shown by youngsters in the cities. Outside the cities and the oil and gas multinationals, there is practically no English spoken in the country. English can be considered almost non-existent in the rural parts of Algeria.

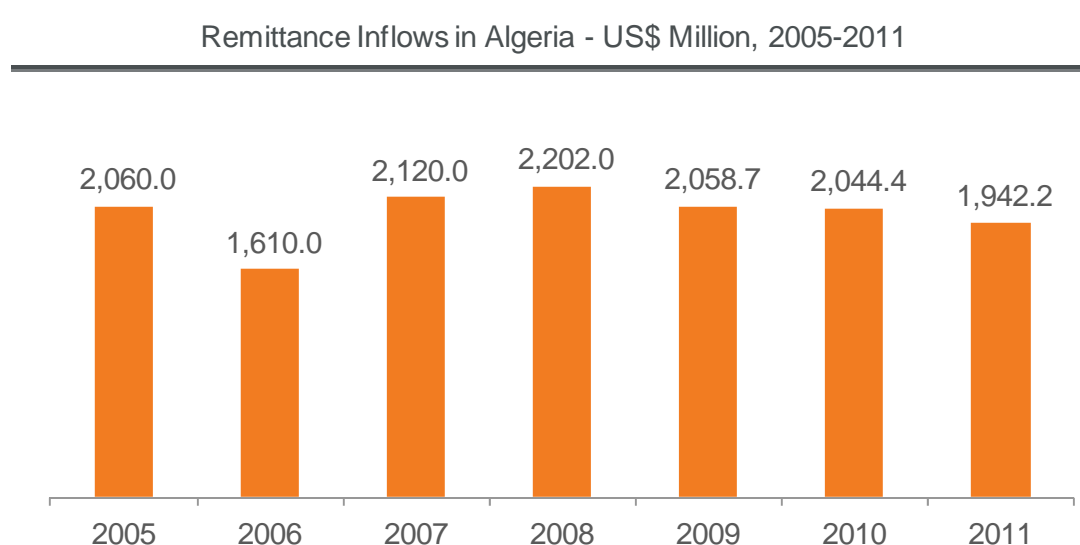
### 4.3.3 The Employment Market and English

#### Mixed employment trends witnessed among graduates

Owing to strict government policies related to privatisation in education, the number of private higher education institutions is lower than that of public institutions. Government bodies do not recognise diplomas/degrees/qualifications obtained from private educational institutes, and privately educated students cannot enter public universities. They are also unable to work for the government, with some areas of exception.

Most students still favour private institutions when pursuing higher education, although they are fully aware of the risk of not being able to secure jobs in the public sector. This is because the private sector is regarded as offering better employment prospects, higher pay and better working conditions. However, very few Algerians can afford to study in private institutions and only the most affluent are able to gain positions with the large multinational companies who place considerable emphasis on good English-speaking skills. Meanwhile, some sectors recruit only graduates of government-run universities. These include architecture, medicine, law and aviation.

In addition to this, higher education is influenced by students' desire to work for large multinational oil and gas companies, or in other countries that offer better employment opportunities and better standards of living. The trend for Algerians to work abroad is underlined by the size of the remittance flow into the country, although levels have been in decline in the latter part of the review period due to the global economic slowdown and political unrest. Furthermore, according to trade interviews, remittances are anticipated to rise over in the long term as the weak labour market in Algeria encourages greater numbers of Algerians to look for work outside the country.



Source: Euromonitor International, 2011

The oil and gas industry is the principal driver for English language skills as it contains the highest number of multinationals in the country. Irrespective of position, these companies prefer to recruit employees with solid language skills. In IT and pharmaceutical companies where research and development (R&D) plays a major role, English remains the undisputed global language given that the majority of academic and scientific research is published in English. Technical terms in many other fields are exclusively in English. Non-academic positions that demand English language skills are mainly in the tourism sector, which is not very important in Algeria. Generally, English is usually a prerequisite for employees in middle management and executive positions.

**Interview with one of the key recruitment agencies specialising in key industries in Algeria:**





in international trade, maritime and freight, telecommunications, IT and software development and service sectors. These industries are less prominent in Algeria, and demand for English speakers from them is lower than in the oil and gas companies.

Employees in senior and upper-management positions are required to know English in most large companies, because of their involvement in strategic decision making. Of the six non-oil and gas companies interviewed, none considered English crucial for growth, while only two companies considered English to be important for doing business. The other companies reported the importance of English as low, weak and none, respectively.

#### Interview with a recruitment agency:

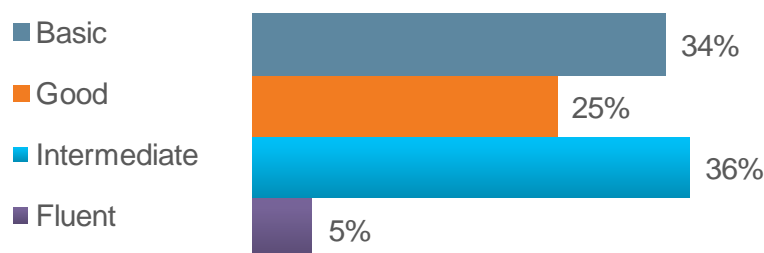
Over the last 5-10 years, we have seen very little increase in business done in English in Algeria. However, the situation is accelerating and the Algerian authorities seem ambitious to better integrate the local economy into the global system. Overall, the industry that tends to seek English speakers remains the oil and gas sector.

#### Salary Differentiation - English Skills vs No English Skills

Job Title	Professional Salaries with English Skills to at least Intermediate Level (Gross Salary/Month US\$)	Professional Salaries with no English Skills (Gross Salary/Month US\$)
Director:	13,000	11,700
Senior manager:	5,500	4,950
Manager:	4,000	3,600
Senior analyst:	4,000	3,600
Analyst:	3,250	2,925
Secretary:	1,850	1,700
Carpenter:	750	750
Electrician:	1,000	1,000
Plumber:	750	750
Receptionist:	1,000	800

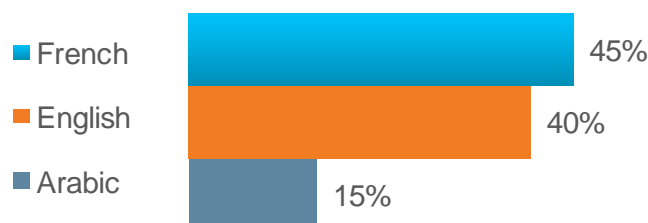
Source: Euromonitor International from trade interviews, 2011

What is the Level of English Required?- %, 2011



Source: Euromonitor International and trade interviews with companies and recruitment agencies, 2011

Is There a Second Language Required? - %, 2011



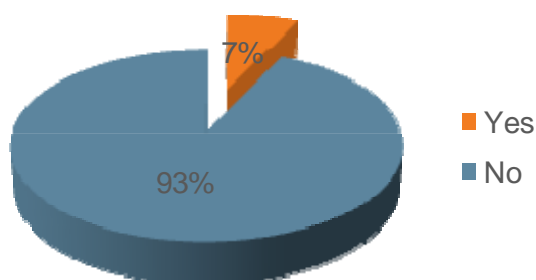
Source: Euromonitor International and trade interviews, 2011

### Oil and gas companies invest in training employees

Out of the companies interviewed, provision of English training is limited, with just 7% providing such training in 2011. Those that do are typically oil and gas companies, which employ higher numbers of English speakers.

Due to the challenges faced by oil and gas companies in recruiting employees with sufficient language skills, a number of them now provide business English training to their staff. There are language schools in the country that provide training for large multinational oil and gas companies. These external providers of business language may send their students to the UK for intensive training, especially employees in key positions. An example of this is the Centre of Intensive Training for Language (CIEL), which is considered a key player in the Algerian market.

### Is English Used for Training Purposes? - %, 2011



Source: Euromonitor International and trade interviews, 2011

#### **Interview with one of the leading recruitment agencies in Algeria:**

Most of our training is done in English. Communication with foreign offices and branches is also done in English. Only a third of our dealings in Algeria are done solely in English; this is mainly with foreign companies having units based here. Therefore, the importance of English language in Algeria is probably just over 3; but when dealing with international trade and financing, the importance is obviously 5.

#### **Oil and gas companies place higher importance on knowledge of English compared to others**

According to interviews with recruitment agencies, large multinational corporations play a major role in originating and boosting demand for English education in Algeria. This is both indirectly, where people seeking jobs will enrol on English courses to boost their chances, and directly, where oil and gas companies and other large corporations in the service and finance sectors send their employees on English training courses at language centres.

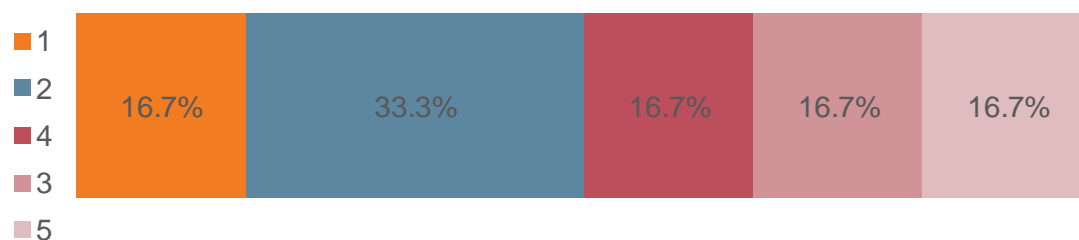
Interviewed companies were asked to grade how important it is for employees to have solid English skills in order to conduct and develop business. The average score was 3.2 on a scale of 1 to 5, with 5 being most important. These companies also agreed that the importance of English largely depended on the position employees held within their companies. English is least important for manual jobs, highly important for middle and higher management roles and of moderate to high importance to employees in marketing, sales and research departments in large corporations. Oil and gas companies rated English more importantly than other companies.

According to these sources, English is beneficial as it offers more opportunities to conduct international business. Algerian companies are expected to become more innovative in order to enter new markets. As English is a prerequisite when approaching potential clients in Asia, Eastern Europe and the US, there is anticipated to be an increase in the number of people seeking to improve their English language skills.

Most Algerians speak both French and Arabic and such individuals were considered assets to organisations during trade interviews. However, an increasing number of younger Algerians are showing an interest in other foreign languages like English due to their growing exposure to social media.

### How Does English Benefit Company Growth? - %, 2011

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Source: Euromonitor International from trade interviews, 2011

Note: 5=very important; 1=not important

## 4.4 THE IMPACT OF ENGLISH ON THE INDIVIDUAL

### English drives employment prospects

The government is becoming increasingly aware of the benefits of English language skills in retaining existing foreign companies, as well as attracting new investment. At the same time, younger Algerians' aspirations for better career prospects are also increasing demand and the number of language centres is expected to grow over the next 5 to 10 years. English language skills also play an important role in gaining employment in the oil and gas industry, one of the major contributors to the Algerian economy. This in turn is motivating the younger population to learn English.

The better the English skills people have developed, the better their chances of gaining promotion and being entrusted with additional responsibilities. Improved English skills combined with accumulated work experience also allow employees to move on to more promising job opportunities. Skills and experience will also stand people in good stead should they decide to start their own business.

#### Interview with a leading multinational oil and gas company:

Although English is very beneficial to the oil and gas sector, there is a lot of interest shown by the younger generation in learning foreign languages due to the internet and satellite TV channels. The level of English has probably grown overall in the country because of the younger generation, who consider knowledge of English gives them an opportunity to be socially active, gain employment with large multinational oil and gas companies and enjoy a better standard of living.

### Government interest in improving quality of English education

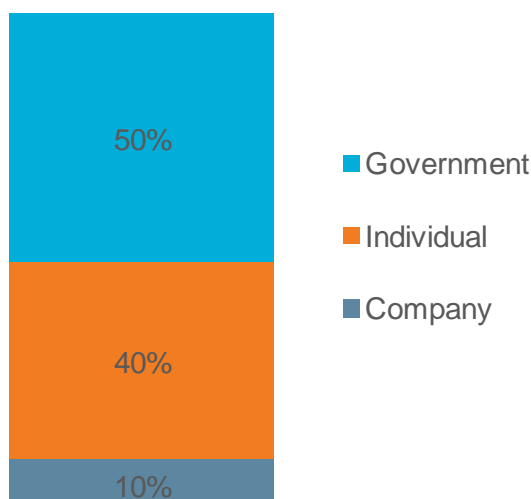
Demand for English language skills in Algeria is being driven equally by both the government and individuals. In an effort to tackle shortcomings in the education system, the government has embarked on several plans, the majority of which focus on making education more accessible to students. One of the recent initiatives by the Ministry of Education was to limit the classroom size to 25 by 2012 to reduce overcrowding in schools.

In order to meet this target, the Ministry plans to build 3,000 primary schools, 1,000 middle schools, 850 high schools and 2,000 boarding schools as part of its 5-year plan (initiated in 2010 through 2014). The government is also attempting to better align curricula with job market needs to curb the rise in unemployment. Increased use and a wider adoption of IT tools in the public education system should help Algeria reach this goal, with the government initiating the "e-Algérie plan" in 2006 with the aim of installing computers in each school by 2013.

Private schools were only recently permitted in Algeria following the presidential decree passed by parliament on 23 August 2005. Private universities were introduced in 2008, although none of them is allowed to provide medical schooling or veterinary studies, which remain exclusive to government-run universities. These decisions to allow private investors into the education sector should reduce the demographic pressure on the public sector, allowing the government to better target low-income students who are in genuine need of the free education that public schools provide.

With private schools now allowed in Algeria, demand for English is likely to grow over the next 5-10 years since private schools are more likely to expose students to foreign languages and culture than public schools. This will create additional demand for English, although it currently remains affordable only to affluent Algerians.

## Who is Creating Demand for English Education? - %, 2011



Source: Euromonitor International, 2011.

Note: Overall percentages score based on trade interviews. May sum to over 100% due to multiple answers per interview.

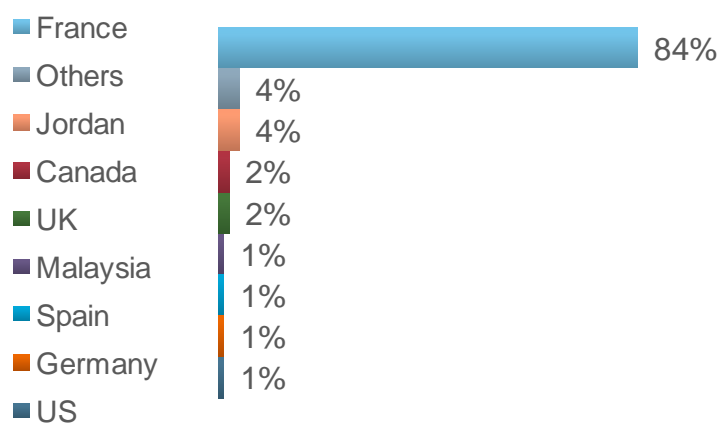
### Economic weaknesses restrict students' higher education aspirations

Economic weaknesses due to unemployment curb the number of students opting for higher education outside Algeria. However, a gradual shift in the aspirations of young Algerians towards pursuing higher education abroad is now evident in Algeria; this is reflected in the increasing number of students choosing to take up English courses at language centres. Although the percentage of students attempting this remains low, there is likely to be an increase in numbers in the long term because of the considerable interest shown by young Algerians in learning foreign languages. The perception is that enhanced language skills will help them follow their chosen career paths, as well as create opportunities to travel abroad for higher education.

According to Euromonitor research, Algerian students who can afford education abroad prefer to go to France and Canada, which are considered to have more flexible immigration rules than the UK. The number of students opting for higher education in the UK is low due to the high tuition fees at British universities compared to universities in France. Moreover, there is difficulty in obtaining visas for students to enter the UK, even for those sponsored by the Algerian government.

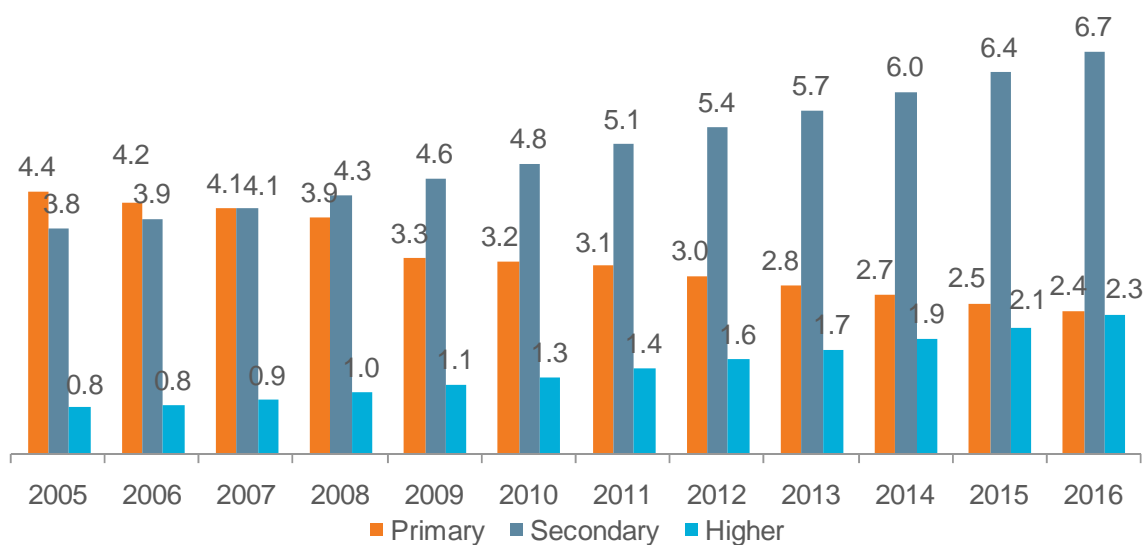
Despite the fact that few Algerians can afford to pursue higher education abroad (and those that do tend to choose French-speaking countries like France or Canada), demand for English language tuition remains solid. Although students who study abroad often find work with French companies or in Canada, there is a growing realisation that solid English language skills also open doors to better career prospects internationally. English language skills can also allow them to pursue higher education in the English speaking parts of Canada, as well as the US and the UK where visa requirements often stipulate language skills.

Most Popular Countries Amongst Students in Algeria - %, 2011



Source: Euromonitor International from The World Bank data and trade interviews, 2011

Total Algerian Student Population by Level of Study - Milion, 2005-2016



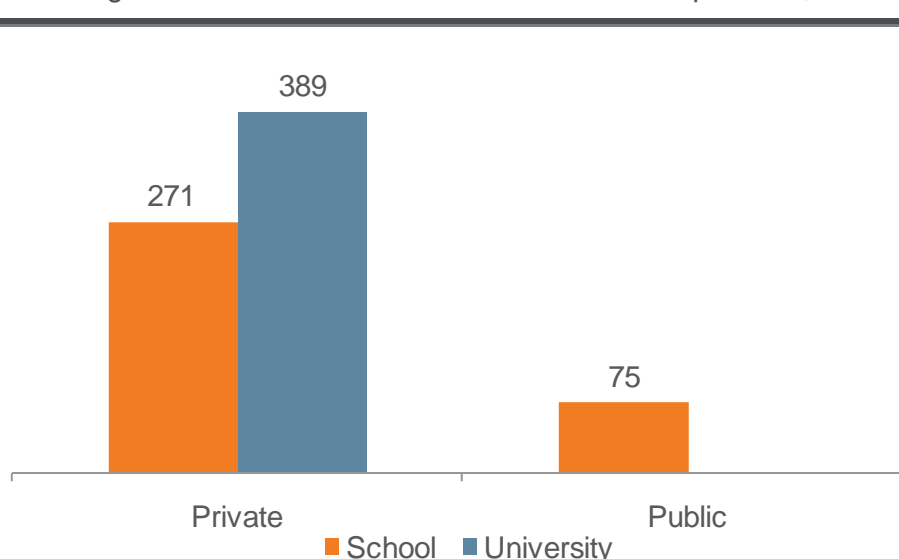
Source: Euromonitor International, 2011

### Difference in costs of major types of educational institutions - US\$, 2011

Institution Type	Average Cost per Student per Term	Source of Funding	Cost to the State
Average cost of public school (including universities)	Public education is free with a minimum fee of US\$75 for books, uniforms and other services	Parents	US\$75
Average cost of private school (including universities)	School: US\$ 135.6 – US\$ 271 including all services University: US\$ 271 – US\$ 389 including all services	Parents	None

Source: Euromonitor International, 2011

Going to School - How Much Does it Cost? - US\$/per term, 2011



Source: Euromonitor International (interviews with educational centres), 2011

Note: Public education is free in Algeria and semi-private institutions do not exist in Algeria.

#### Interview with the Ministry of Education:

Our expectations by the end of primary and secondary education are expressed in the new curriculum that was implemented five years ago. The key objective of drafting a new curriculum is to modernise Algerian society through the involvement of several languages that aid effective exchange of ideas and scientific research.

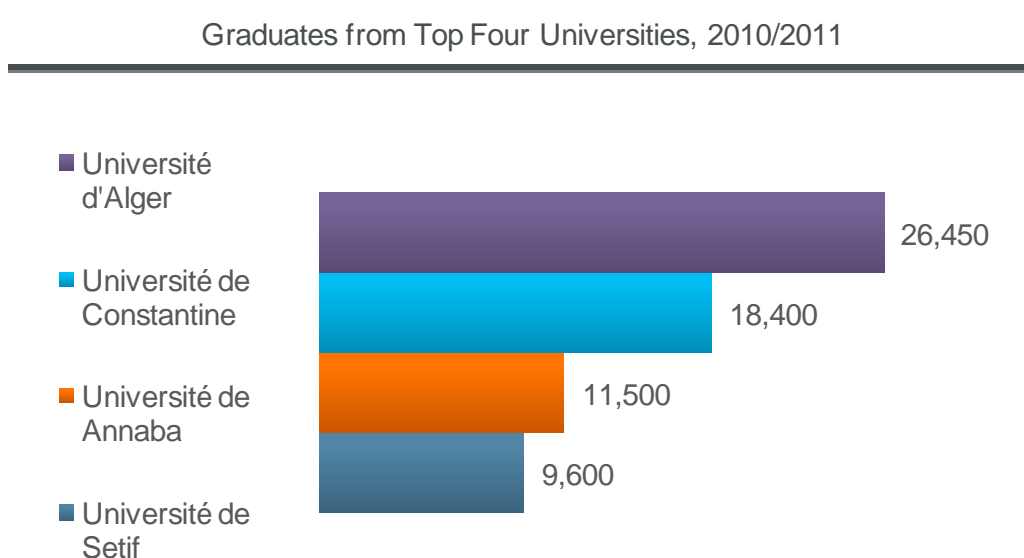
#### Private higher education institutions perceived to offer better qualifications than public

There are approximately 39 government-run universities in Algeria, as well as 24 specialised graduate education centres, including the École Polytechnique d'Architecture et d'Urbanisme, (architecture), the École Nationale Supérieure de Sciences Politiques (political sciences), and the École Nationale Supérieure des Mines et de la Métallurgie (mining and metallurgy). More than half of the country's higher education institutions are located in the capital city, Algiers. With the strict regulation of the private education sector in Algeria, it is estimated that there are around 80 private higher education institutions compared to 200 in Morocco.



Private higher education institutions in Algeria are regarded as providing better qualifications than public ones by Algerians. However, graduates of private schools are usually not accepted by government offices because the vast majority of their diploma qualifications remain unaccredited by the government. Students at publicly-run universities still greatly outnumber those in the private sector, partly because of the stringent requirements to achieve authorisation for private institutions from the Ministry of Higher Education and Scientific Research.

Students with sufficient financial resources prefer to seek education in France, as degrees obtained there are highly regarded in Algeria, including in government departments. Strict rules on establishing private institutions in Algeria are likely to impact the growth of English as the percentage of graduates from public universities will continue to surpass those from private ones, where exposure to English and other foreign languages is relatively limited.



Source: Euromonitor International from The World Bank data and trade interviews, 2011

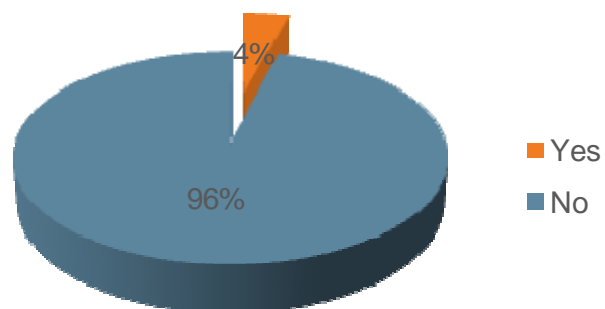
Algeria is one of the North African countries where English is least developed, partly because the economy is the least liberalised in the region. However, this trend is gradually changing with the government realising the importance of English in retaining existing foreign investment and attracting new investment from developed economies. This is further strengthened by the growing aspirations of young Algerians to learn English to gain employment with large multinational oil and gas companies as well as to remain socially active.

Although presently there are no major graduate programmes sponsored by the government or the private sector, government expenditure on education is gradually increasing in Algeria due to the efforts of the government to make education accessible. Government expenditure on education increased from US\$8,744 million in 2010 to US\$11,080 million in 2011.

With the government keen to increase foreign investment and retain existing investment, efforts are now being undertaken to commence English education from the early stages of primary education in public schools.

Do Universities have Graduate Programmes Sponsored by the Private Sector? - %, 2011

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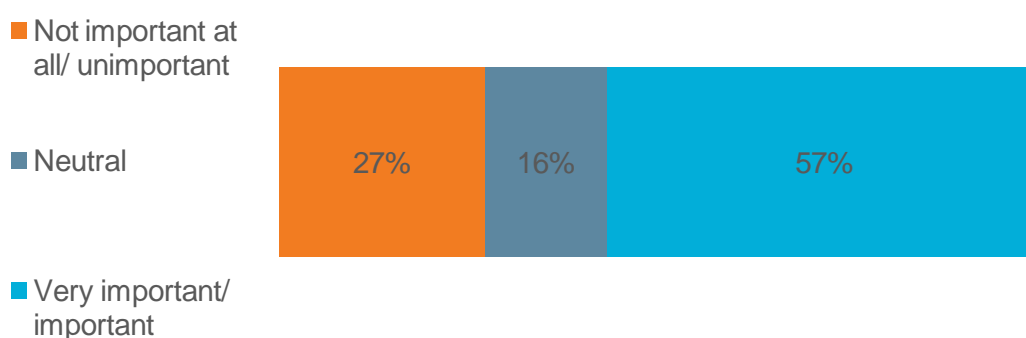
Source: *Euromonitor International from trade interviews, 2011*

## 4.5 CONSUMER PERCEPTION OF ENGLISH IN ALGERIA

### Three in five Algerians consider speaking English very important or important

Speaking English is highly valued by the majority of Algerians, with 57% of individuals indicating that it is important or very important, while 27% stated that speaking English is unimportant/not important at all. This is because strong English skills can help secure work in key positions in multinational companies. In addition to this, it also helps them migrate to countries such as Canada, which offers potential higher education and job opportunities.

Importance of Speaking English - %, 2011

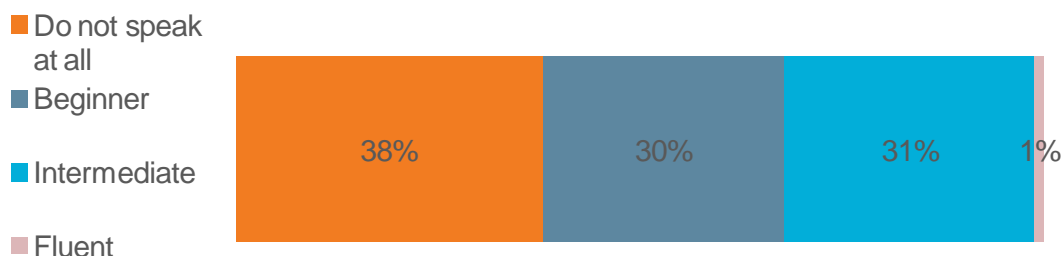


Source: Euromonitor International from consumer perception analysis, 2011

### Thirty-eight per cent of individuals do not speak English

Very few Algerians are fluent in English. Only 1% of individuals considered themselves fluent in English, with 31% possessing intermediate English skills. The majority of individuals are either beginners (30%) or do not speak English at all (38%).

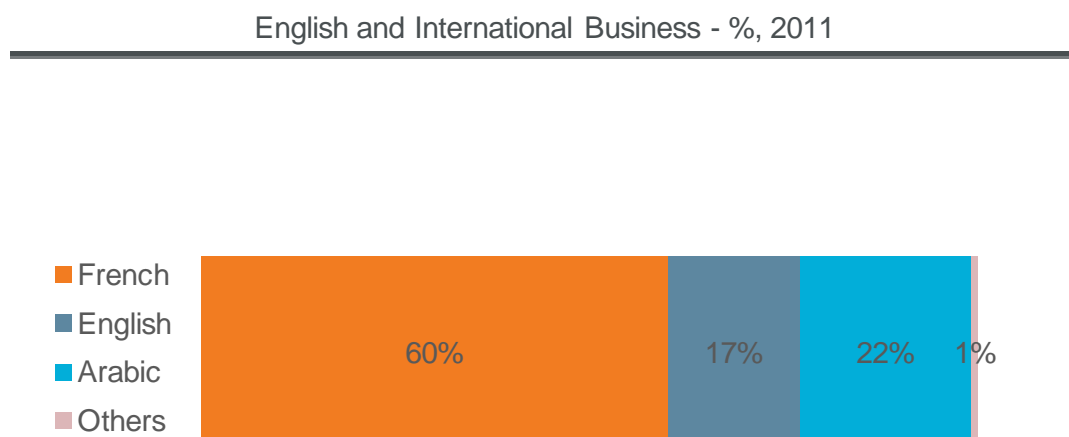
Fluency in English - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

### Algerians consider English important in doing international business

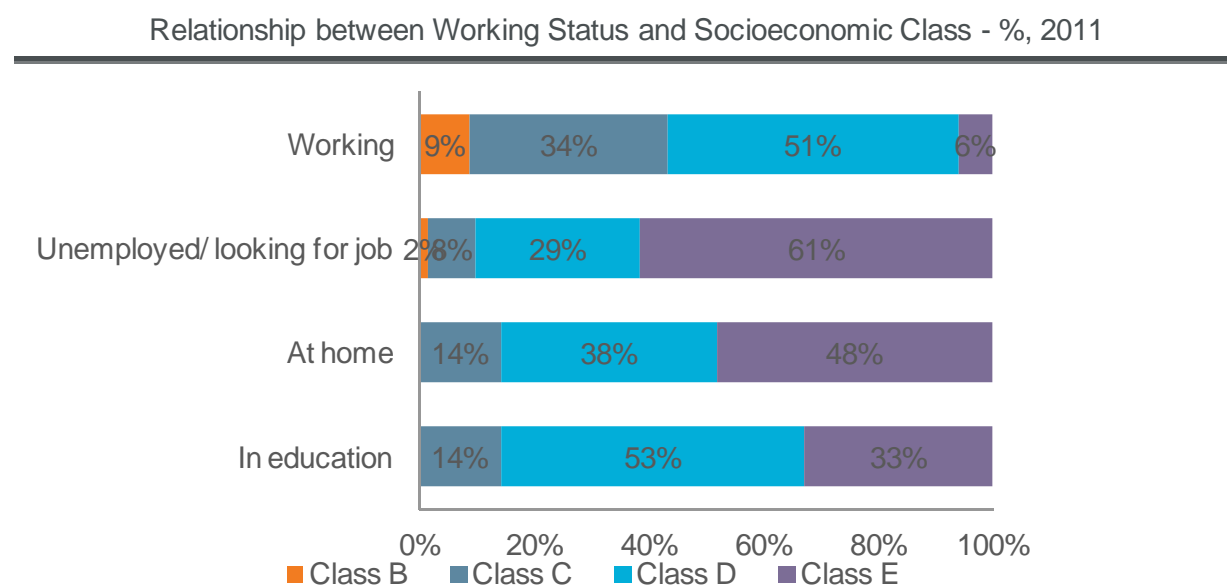
Although 60% of Algerians considered French to be the most important language for international business, 17% stated that English was vital for doing international business because of the establishment of multinationals in the country. "Others" (1%) includes Berber dialects, Chinese and Spanish.



Source: Euromonitor International from consumer perception analysis, 2011

### Working individuals earning higher incomes typically belong to higher socioeconomic classes in Algeria

There is a clear correlation between working status and socioeconomic class in Algeria, with working individuals earning a better income and belonging to higher socioeconomic classes compared to non-working individuals. Of the employed individuals surveyed, 9% belong to class B, while 34% belong to class C.



Source: Euromonitor International from consumer perception analysis, 2011

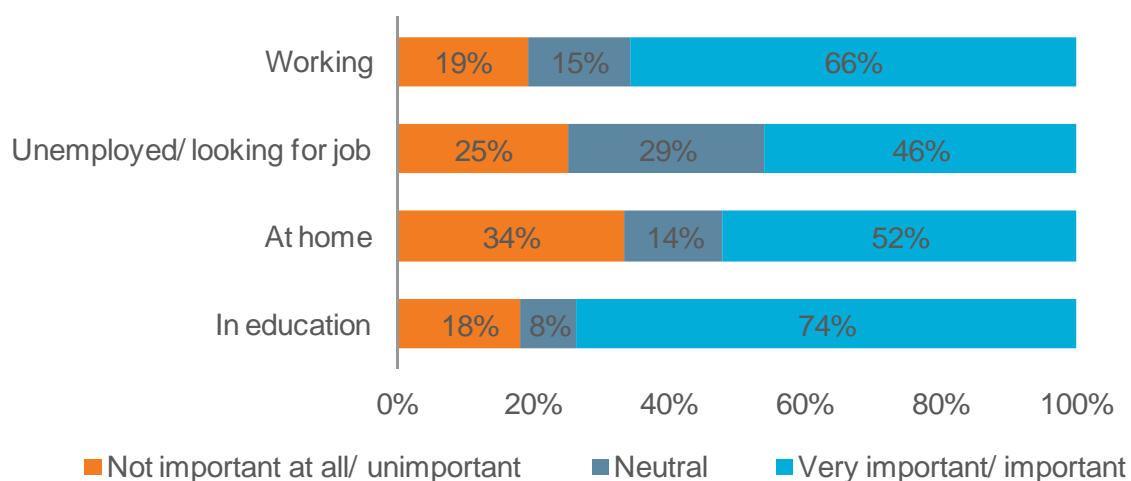
### Individuals' perception of the importance of speaking English and working status

This section focuses on understanding the relationship between the working status of individuals in Algeria and the importance of English overall. One key hypothesis is that prospects for employment increase with the level of English proficiency. This is particularly important given the high unemployment rate of 9.7% during 2010-2011, according to Euromonitor International.

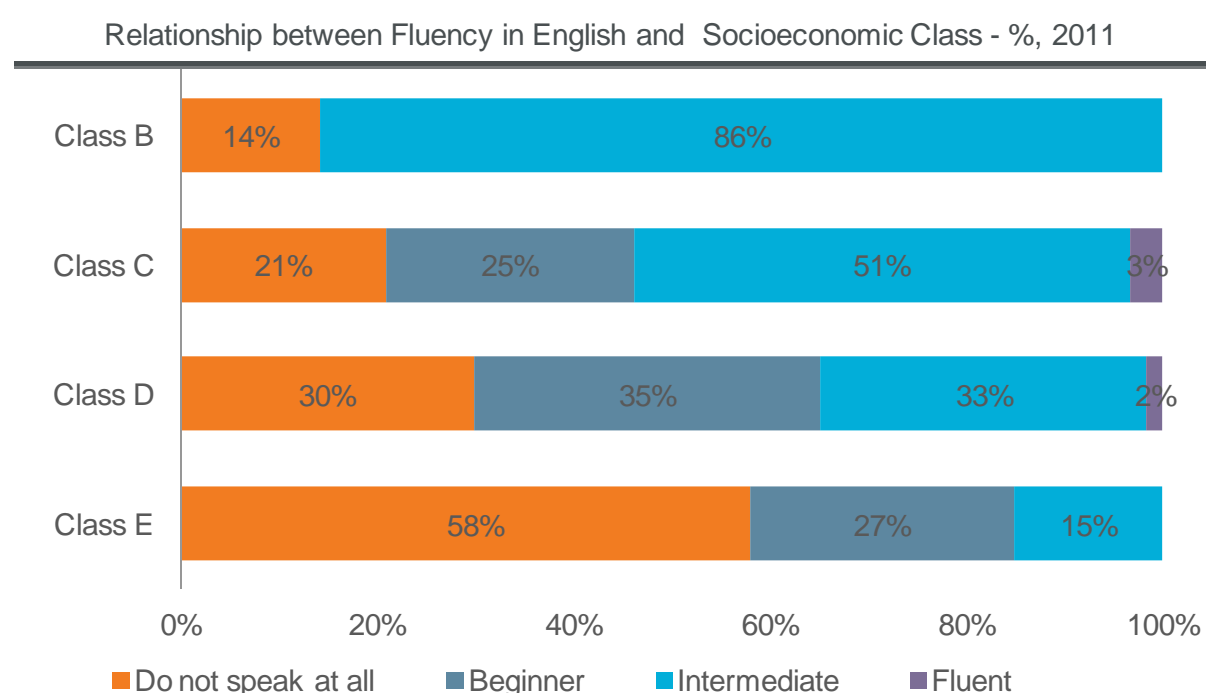
#### English is considered to be most important by individuals in education, followed by employed individuals

The importance of English is increasingly acknowledged in Algeria, with 74% of students (individuals in education) considering it to be important or very important. Furthermore, 66% of employed individuals consider English important or very important, compared to 46% of those who are unemployed/looking for a job. On the other hand, 19% of employed individuals considered English not important at all/unimportant. The establishment of multinationals in Algeria, offering better salary levels, is encouraging Algerians to learn English, which is reflected in the high importance placed by working individuals on English compared to the unemployed.

Importance of English on Working Status - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

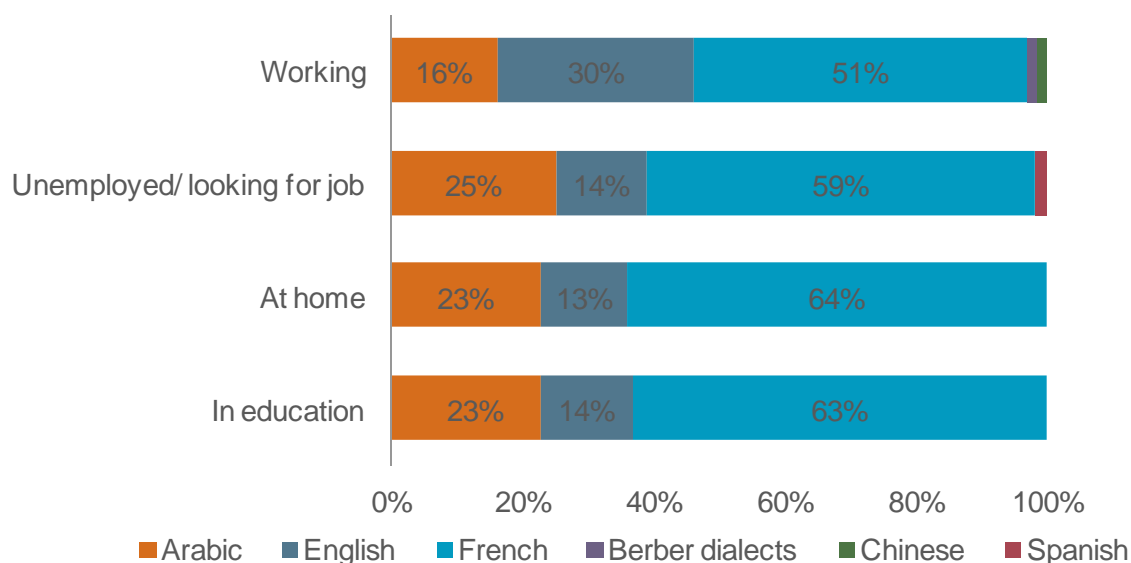


Source: Euromonitor International from consumer perception analysis, 2011

Exposure to quality foreign language education such as English is greatest in private educational centres, which remain accessible only to the more affluent section of the total population. These people usually fall into class B (socioeconomic class B represents households with a gross income between 150% and 200% of an average gross income of all individuals aged 15+.) The majority (86%) of individuals belonging to this class could speak English to an intermediate level compared to much lower shares for individuals falling under class C, D and E respectively.

Comparing individual opinions on the most important language for international business with their working status, it was found that English was considered less important than French by the majority of individuals across all categories. Nevertheless, employed individuals appreciated the importance of English as a global business medium more than individuals from non-working categories. Thirty per cent of working individuals consider English to be the most important language for international business, compared to 14% of those who are unemployed/looking for work.

Relationship between International Business, Languages and Working Status - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

French still remains the dominant business language in Algeria compared to other languages such as Arabic and English. However, the importance of English is increasingly evident in areas of employment and education, specifically among the younger population, driven by the perception that it leads to better career and higher education prospects in countries such as Canada. This trend was further supported by employed individuals and students citing English language as the next important language to French.

The following section illustrates the reasons shared by Algerian individuals as to why they learn English.

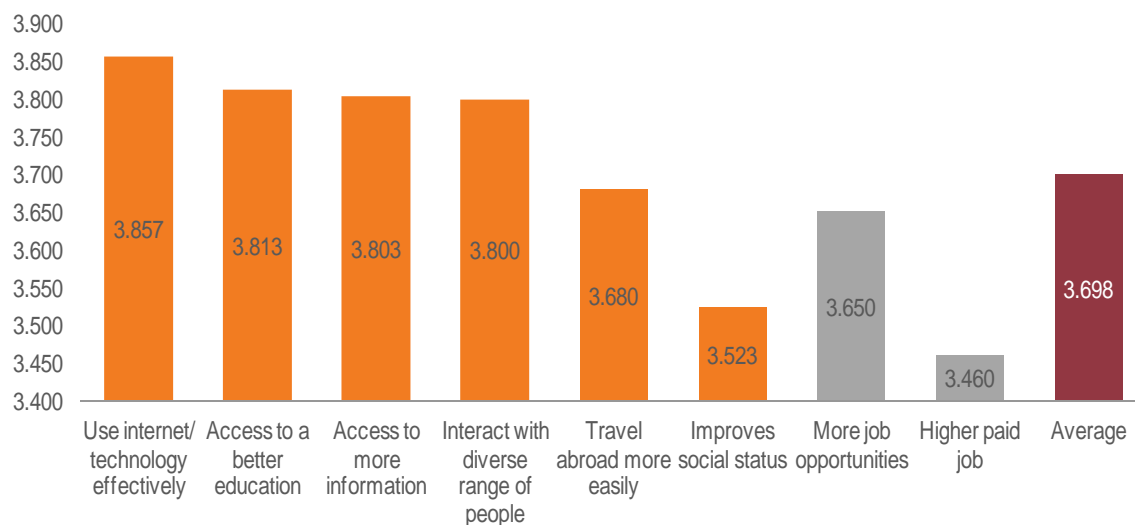
Individuals were asked to state their level of agreement/disagreement on a scale of 1 to 5 (5: strongly agree and 1: strongly disagree) across eight statements as to why people in Algeria tend to “learn how to speak English”. For the purposes of analysis, these statements were classified under two broad categories: personal reasons and work reasons.

Category	Attitudinal Statements
<b>Personal:</b>	Use the internet and modern technology more effectively Access to a better education Interact with a more diverse range of people Improves their social status Travel abroad more easily
<b>Work:</b>	More job opportunities Get a higher paid job

Source: Euromonitor International from consumer perception analysis, 2011

Learning English for personal reasons was deemed slightly more important by individuals than work-related reasons although the difference was marginal (personal reasons averaged 3.746 out of 5, while work-related reasons averaged 3.555). Therefore, it can be concluded that English is almost equally important for personal as for work reasons. Examining the scores of the various statements in greater depth, it was found that “using internet/technology” and “access to a better education” had the highest average scores.

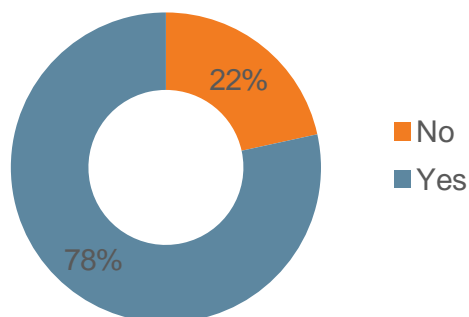
Reasons why People Learn to Speak English, 2011



Source: Euromonitor International from consumer perception analysis, 2011

Individuals were asked to provide some qualitative insights in terms of how they think their country would benefit if more of its residents spoke English.

Relationship between Speaking English and Benefits for Algeria- %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

A significant proportion of individuals felt that Algeria would benefit as a country if more people spoke English. More specifically, they believed that learning English would help the country's overall economic development, would give a strong boost to "international business and trade" and would improve Algeria's communication with other countries. International business and trade was considered the area that would benefit the most from more widespread knowledge of English. According to individuals, knowledge of English would facilitate access to international markets.

The vast majority of individuals also referred to communication, and believed that knowledge of English would help the country in its transactions with other nations and, on a personal level, would help Algerians communicate with foreign customers and tourists.

A smaller proportion of individuals, compared to other Middle Eastern countries, mentioned "education". A few mentioned that English is the language of "knowledge" and "education", while some felt that education is the only area in which English could prove useful.



Tables below illustrate the actual comments of individuals.

Category	Reasons Why English is Beneficial- Country
<b>Development:</b>	<ul style="list-style-type: none"> <li>We can develop our country when we use English</li> <li>English helps improve the economy</li> <li>English is the language of technology</li> </ul>
<b>Trade:</b>	<ul style="list-style-type: none"> <li>English is important for international business and trade</li> <li>English would make access to international markets easier</li> <li>Speaking English helps in business and personal life</li> </ul>
<b>Communication:</b>	<ul style="list-style-type: none"> <li>Speaking English would be useful in dealing with European countries</li> <li>Learning English would be beneficial to communicate with others all over the world</li> </ul>

Source: *Euromonitor International from consumer perception analysis, 2011*

On an individual level, work is the area where English knowledge could be most beneficial. The majority of individuals felt that English speakers have a better chance of developing and progressing in business. There is a strong feeling that employees who speak English are more efficient and therefore achieve better jobs, higher salaries and have more opportunities to work for multinational companies than those who do not speak English. Some also mentioned that speaking English is a prerequisite for someone who wishes to work for a multinational company and that overall, English speakers are given priority in both Algeria and international markets.

A significant proportion of Algerians had a positive attitude towards learning English, without however being able to provide further explanation. Most mentioned that learning English would be beneficial since it is an internationally used language. They also mentioned that more recently English has become more popular in Algeria. A significant number of individuals compared English with Arabic and French, for example, "Yes, but French is also beneficial for us" and "Maybe, it might be slightly beneficial. We mostly speak Arabic and French."

Category	Reasons Why English is Beneficial - Individuals
<b>Work:</b>	<ul style="list-style-type: none"> <li>There are better opportunities in business for English speakers</li> <li>English speakers are given priority at work and in international markets</li> <li>Most people speak English at work</li> <li>Multinational companies require English-speaking employees</li> <li>English makes us more efficient at work</li> <li>Speaking English increases our chances of finding better job opportunities</li> <li>English helps us get better salaries</li> </ul>
<b>Education:</b>	<ul style="list-style-type: none"> <li>English is the language of knowledge</li> <li>English is the language of education</li> <li>English is useful, but only in education and not in other sectors</li> </ul>
<b>Communication:</b>	<ul style="list-style-type: none"> <li>Speaking English will be beneficial for communicating with foreigners</li> </ul>

	Speaking English helps improve communication with tourists and visitors
<b>General comments:</b>	English is an internationally used language Learning English is useful but French is also beneficial for us English has become popular in our country Learning English would be useful Learning English might be slightly beneficial. We mostly speak Arabic and French

Source: *Euromonitor International from consumer perception analysis, 2011*

## 4.6 CONCLUSION

### Presence of multinationals drives demand for English

With the Algerian government keen to increase FDI and address the concerns of existing multinational oil and gas companies in finding skilled local workers, there is a growing awareness of the importance of improving English language skills in the country. Government and corporate efforts are mirrored by those of a growing number of young Algerians, who consider that English skills are increasingly key to employment and higher education prospects. This trend is strongest among young adults living in urban areas, and is clearly demonstrated by the growing enrolment rates in language centres.

Algeria's economic situation is forecast to strengthen, helped by the increasing efforts of the government to improve the country's education system and its efforts to build social and political stability.

Consumer perception analysis in Algeria revealed that around 57% of individuals indicated English to be important or very important, while only 27% stated that speaking English was not important. Private higher education institutions in Algeria are considered to provide better qualifications than public institutions, although their numbers remain low due to tight regulations imposed on the sector by the Ministry of Education.

Strict rules on establishing private institutions in Algeria will influence the growth of English, as graduates in public universities are less likely to be exposed to English and other foreign languages. Students with sufficient financial resources prefer to pursue education in France since degrees obtained from France are highly regarded in Algeria. However, this trend is gradually changing with the government keen to initiate English education in public schools from the early stages of primary education.

With its rich natural resources and the anticipated growth in the presence of multinational oil and gas companies, the demand for English language skills in Algeria is likely to strengthen over the next 5 to 10 years.



## 5. TUNISIA

### 5.1 MANAGEMENT SUMMARY TUNISIA

#### **French is the dominant foreign language, but English progressively gaining importance**

Arabic is the official language of Tunisia; the local dialect, known as Tunisian Arabic, or Darija, is the most common vernacular, spoken by almost the whole population. Tunisia is regarded as the most linguistically homogenous country within the North African countries, and although some Berber is spoken, its use is restricted to a minority in the south of the country.

The country was a Protectorate of France between 1881 and 1956, and as a result of this shared colonial history, French is the dominant foreign language. During the colonial era, French was imposed through state institutions, notably the education system, which became a strong vehicle for its dissemination.

According to 2010 data from the Organisation Internationale de la Francophonie, around 69% of the population speak French. However, English is the most dynamically evolving language in the country, especially among the young. Since independence, the importance of the French language has progressively declined, and its tuition is less prominent in education; the fact that it is spoken most fluently by the older part of the population underlines this.

French fluency was traditionally considered a sign of a better education; however, this is presently changing. Young, aspirational Tunisians view English as offering the best career opportunities, and understand that the language opens doors to a wider range of opportunities internationally.

#### **Political upheaval and the Arab Spring slow Tunisian economic growth**

Political instability in Tunisia that led to the overthrow of long-time President Zine El Abidine Ben Ali in January 2011, as well as civil war in neighbouring Libya, Tunisia's major trade partner, significantly slowed economic growth in the country in 2011. A decline in the manufacturing and service sectors led to zero GDP growth; more importantly, foreign direct investments (FDI) dried up, a trend that affected the progress of English in a particularly adverse way in 2011.

These events also led to shrinking tourist numbers, which also hit GDP and had a temporary negative effect on the dynamism of the English language. However, since the end of the Arab Spring protests, which led to Tunisian democratisation, free democratic elections, and a better consensus among business leaders, the Tunisian government has applied a set of economic reforms, and the political and economic situation in the country is expected to improve by 2013 (as stated by government officials).

#### **Changing dynamics of Tunisian trade relations**

Although French is the dominant language of business in Tunisia, English is growing in popularity due to ongoing urbanisation and the growth in demand for English speakers from business and industry. Tunisia has traditionally been well connected with France as a result of their shared colonial history until 1956, as well as with other Arabic countries, notably Libya which is its most important trade partner.

The Tunisian government is currently looking to overhaul its business partnerships, and increasingly reduce its trading dependency on French and Arabic speaking countries. The European Union (EU) in particular is regarded as offering the greatest potential for developing a larger client base for Tunisian exports, as well as the likeliest source of FDI. This is thanks largely to the geographic proximity of Tunisia to the EU. Political stability is likely to attract FDI from multinational companies seeking to exploit Tunisia's relatively cheap labour markets.

#### **Public education dominates, but the level of English teaching increases in public and private institutions overall**

Higher education in Tunisia is predominantly provided by public universities. This is gradually changing, with a growing number of private institutions emerging to offer competitive, high-quality education. Unfortunately, the comparatively high costs of private higher education put it beyond the means of most young Tunisians and their families.

Public universities, however, are proving to be effective providers of the increasing demand for English language teaching, and are attracting qualified English teachers. This has seen widespread enrichment of higher education language programmes and a greater variety of English courses including English for business, literature and international relations.

### **Consumer perception analysis shows emerging importance for English**

Despite the dominance of Arabic and French in Tunisia, there is growing recognition that English skills are of increasing importance in the business environment from an individual perspective. When asked to rate the importance of speaking English, 39% of individuals in Euromonitor International's consumer perception analysis stated that it is "very important" or "important", despite the fact that only 4% of individuals regard their English skills as fluent.

The government's desire to expand its trading relationships further beyond Arabic and French speaking countries, and the rising importance of English as the international language of business, in addition to the anticipated rise in FDI and new multinational companies choosing to commence operations in Tunisia, should see this trend strengthen over the forecast period. There is a 5-10% salary gap between someone who can speak English and someone who cannot, and this will help highlight the importance of learning English.

## 5.2 TUNISIA - KEY FACTS AND PROFILE

### Key Facts

<b>Country name:</b>	Tunisian Republic
<b>Official language(s):</b>	Arabic, French
<b>Population:</b>	10,527,600 (2011)
<b>Capital:</b>	Tunis
<b>Key industries:</b>	Agriculture; mining and quarrying; manufacturing; telecommunications; public administration; oil and gas; transport; retail; tourism

### English Profile

<b>English speakers in 2011:</b>	10-15% of the total population
<b>Salary gap between someone who can speak English and someone who cannot:</b>	5-10%
<b>Ranking of benefits of English in the workforce (1= not beneficial at all and 5=very beneficial):</b>	3.25
<b>Level of English required for recruitment:</b>	44% (7/16) Good 56% (9/16) Intermediate
<b>Rival of English in the work environment:</b>	French (up to 69% of the population speaks French). French is viewed as the business language.

### Research Methodology

<b>Multinational and local:</b>	Sixteen companies were contacted
<b>Industries:</b>	Nine leading industries represented in the survey: banking, IT, manufacturing, food and agriculture, tourism, oil and gas, services, construction and pharmaceutical
<b>Jobs advertised in newspaper or online:</b>	Conducted a snapshot of the printed and online job advertisements requiring English (50)
<b>Education:</b>	Private and public universities; Ministry of Education
<b>Recruitment agencies:</b>	Eight recruitment agencies contacted

Source: Euromonitor International from trade interviews, 2011

Note: Percentage of English speakers indicated is at an intermediate level

## 5.3 THE IMPACT OF ENGLISH ON THE COUNTRY

### **Tunisian government keen to recover economic stability by opening doors to international businesses**

Tunisia has a diverse, market-orientated economy, and agriculture, mining, tourism and manufacturing are its principal sectors contributing 37.2% of the GDP in 2011. Tunisia's GDP grew by 24.7% between 2005 and 2011 to reach US\$48,903 million. Ongoing economic diversification, away from traditional sectors such as agriculture, and increased government investment in public administration and infrastructure development drove growth over the review period.

The Tunisian economy therefore shows promise. However, the country faces an array of challenges in the wake of the transition to a more fully democratised government. In January 2011, President Zine El Abidine Ben Ali was ousted following an extensive campaign of civil resistance. Elections in October 2011 saw the victory of a coalition of the Islamist Ennahda Movement with the Congress for the Republic and the Ettakatol parties as junior partners.

There are concerns among the population as to what direction Ennahda will take, with the party attempting to reassure secularists that it will not impose a Muslim moral code. The new constitution has yet to be delivered; however, the consensus among business leaders is optimistic, with a decline in corruption, an improvement in economic performance, and falling unemployment among graduates in the wake of the revolution all indicated as pointers to Tunisian economic recovery. The common belief is that the economic recovery would mean quicker expansion- and a higher demand for English. Once political turbulence is over, the government will focus on maintaining economic stability, improving the business environment and attracting international businesses into the country.

The new government is focusing on improving the business environment through foreign joint ventures and attracting more FDI. It is also focusing on bringing the budget deficit under control, reinforcing the country's financial system, reducing unemployment and invigorating the economy of the weaker western part of the country.

In line with this, according to Reuters, "Tunisia's budget deficit should rise to 6% of gross domestic product in 2012 from an estimated 4.5% for 2011 as the government plans to hike spending to reinvigorate the economy". The government also expects the economy to create 75,000 jobs in 2012. The Tunisian government recognises the importance of reinforcing English education to support economic growth and open its doors to international business.

### **Arabic and French still dominant in Tunisia**

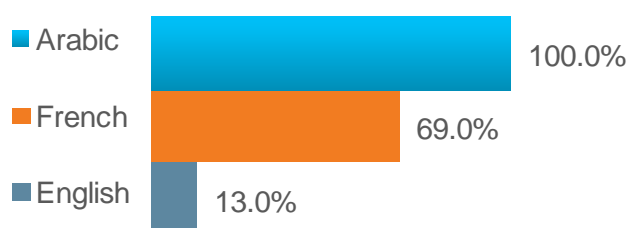
Formal or literary Arabic is the official language of Tunisia, with Tunisian Arabic (also called Darija) the most commonly used colloquial Arabic is universally spoken, while French is the most commonly used business language, and is spoken by around 69% of the population to an intermediate level. A good knowledge of the language remains an important social marker, and as a result, French is often used as the primary business and social language among upper-income Tunisians.

English has yet to penetrate strongly at a national level, and is spoken to at least an intermediate level by 13% of the country. In the interior of Tunisia, away from the coastal region, English is rarely spoken at all, and a lack of access to the internet and English-using social media such as Facebook, which have supported its growth in the cities, have restricted its growth here. Outside the coastal, more populated and tourist-attracting areas of Tunisia, the percentage of the population speaking English decreases dramatically.

However, English is becoming increasingly important in Tunisia, principally in urban areas. This is because in order to access the best possible employment opportunities in foreign companies in Tunisia, or in Gulf countries such as the United Arab Emirates, a solid set of English skills are a basic requirement. Within Tunisia's business community, there is broad acceptance among all private and public companies that English speakers offer a competitive edge to expanding businesses.



### Languages Spoken in Tunisia by Percentage of Population - %, 2011



Source: Euromonitor International, 2012 from CIA World Factbook, 2011

Note: This is the number of English speakers to at least an intermediate level

Demographic changes driven by urbanisation underpin the slow growth in the number of English speakers in Tunisia. English skills are viewed as an advantage in accessing the best employment and higher education opportunities in the country, and there is a broadly positive view of the language throughout the country. Internet usage has also helped drive the surge in the adoption of English, especially among younger, urban Tunisians who are most likely to use the internet; not only is much of the world's social media conducted in English, but international news sites, employment sites and new technology information are also more likely to use English.

#### Government keen to enforce quality English education

In a country of 10.5 million people with close historic links to France, English has historically had little relevance in Tunisia, and its use remains low in comparison to French and Arabic. However, the appetite for English language skills has never been higher in Tunisia, as a result of the growing internationalisation of the global marketplace, and there is a growing recognition among Tunisians that the government's education provision is failing to produce the required language skills for the population and the economy to thrive.

In order to address this, the new Tunisian government has begun to reform English language teaching, with higher education being particularly targeted, at the same time as redesigning the educational curriculum to suit the needs of potential employers. The government has also begun reviewing English teaching in the higher education sector, with specific reference to professional graduates.

The Ministry of Vocational Education and Employment is also evaluating options to help develop English language skills for around 10,000 unemployed graduates over a period of three years. The National Centre for Professional Education (Le Centre National de Formation Continue) hopes to pilot a distance-learning English language course for professionals across Tunisia, but this initiative has been temporarily put on hold due to lack of funding.

The Université Virtual de Tunis (UVT) in partnership with The British Council is piloting global online English products and programmes in an effort to provide students of professional subjects with relevant quality English language materials.

Euromonitor research suggests that the Tunisian government has had some success promoting English education in higher education, by providing more funds for English and IT courses at universities as well as establishing more technological institutes. Tunisia has an increasing number of qualified workers, in particular scientists and engineers. Multinational companies can benefit from skilled local employees rather than expatriate professionals, which was the case before.

On the back of this, the number of students in education has grown rapidly over the past two decades to reach almost 364,000 by 2011, a tenfold increase. A growing number of students choose to major in information technology (IT), communication (15.5%), science, and engineering (40.7%).

These specialities are seen as the most requested by international industrial companies recently establishing themselves in Tunisia, intended to attract more FDI and increase the demand for English speakers even further. All these efforts underline that English is now being considered an effective tool by the government in raising the economic standards of Tunisia and a medium to attract more foreign direct investment.

English language skills development has become more of an educational focus recently. In order to diversify the skills of its workers, the government has undertaken the following initiatives:

- Since 2008, integrating the English language into the LMD (Licence (Bachelor), Master and Doctorate (PhD)) as a compulsory subject studied all through the course duration
- Training a large number of Tunisian teachers to help students pass English international certification exams through professional training organisations such as The British Council
- Planning to create centres for soft skills (management, human resource skills) and language certification accredited by recognised international bodies who will be able to issue international certificates
- Working to strengthen university English departments by signing partnerships with foreign universities
- Planning for the introduction of distance-learning courses for English

At the same time, the Tunisian Agency for Technical Cooperation is involved in training corporate employees and helping them improve their English skills; this is because this is increasingly a key requirement for hiring in the Gulf countries, for example. This has led to the increased employability of Tunisians overseas, and the consequent reduction of unemployment in the country.

**Interview with a leading bio-pharmaceutical company in Tunisia:**  
Since many companies in Tunisia are now aiming at international development and want to establish partnerships with foreign companies, the English language has become essential to accomplish this.

### 5.3.1 Investment and English in Tunisia

#### English language considered catalyst for attracting foreign direct investment (FDI)

Ongoing micro- and macroeconomic changes have boosted demand for English in Tunisia. Government efforts to attract FDI have increased younger Tunisians' desire to improve their language skills in order to boost their employment opportunities. At the same time, aspirational parents seeking to improve their children's English education have also complemented youngsters' aspirations.

Improving and reinforcing English in Tunisia is also in line with the government's plan to reduce its dependency on investment from France and the Gulf countries. Euromonitor International's interviews with government ministries demonstrated the high level of understanding of the importance of having English-speaking employees in place to help implement this strategy.

In order to improve the quality of English education in Tunisia, the government is encouraging joint ventures with international universities, and is seeking to develop distance-learning programmes with cultural and commercial organisations. These organisations include The British Council, the Tunisian American Chamber of Commerce and AMIDEAST, an American non-profit organisation engaged in international education, training and development activities in the Middle East and North Africa.

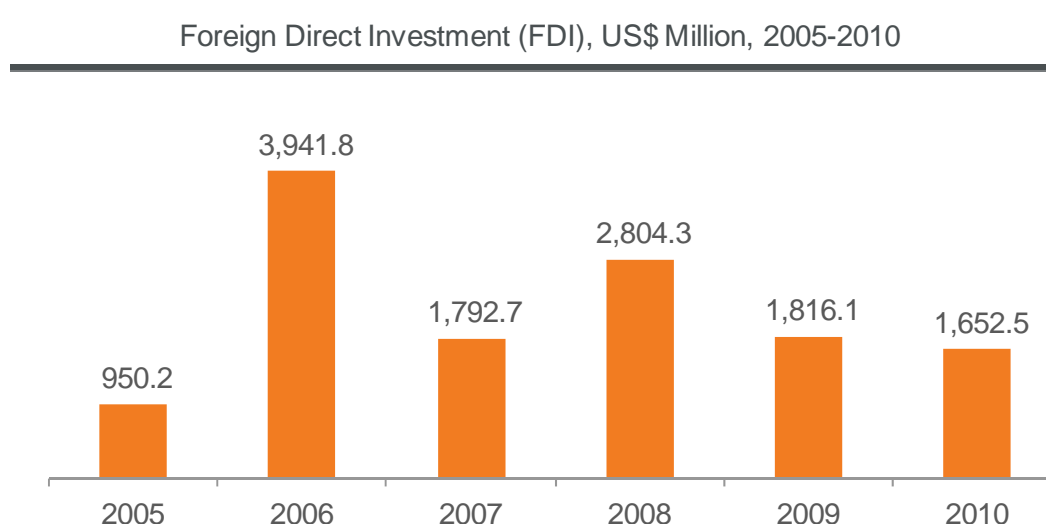
According to one government official, a limited amount of progress has been made so far, but there are a number of plans for programmes that are still being evaluated internally before being launched over the next couple of years. Understandably, the government's immediate priorities in the wake of the revolution and the creation of a new constitution may lie elsewhere in the short term.

Companies primarily using English alone for internal communication are still quite rare in Tunisia, although their numbers have increased significantly over the last 5-10 years. Examples of such companies include Ernst & Young, Citigroup and others. The political turmoil of 2011 slowed the growth in numbers of those companies, but the re-establishment of political stability will go a long way to increasing international interest in Tunisia.

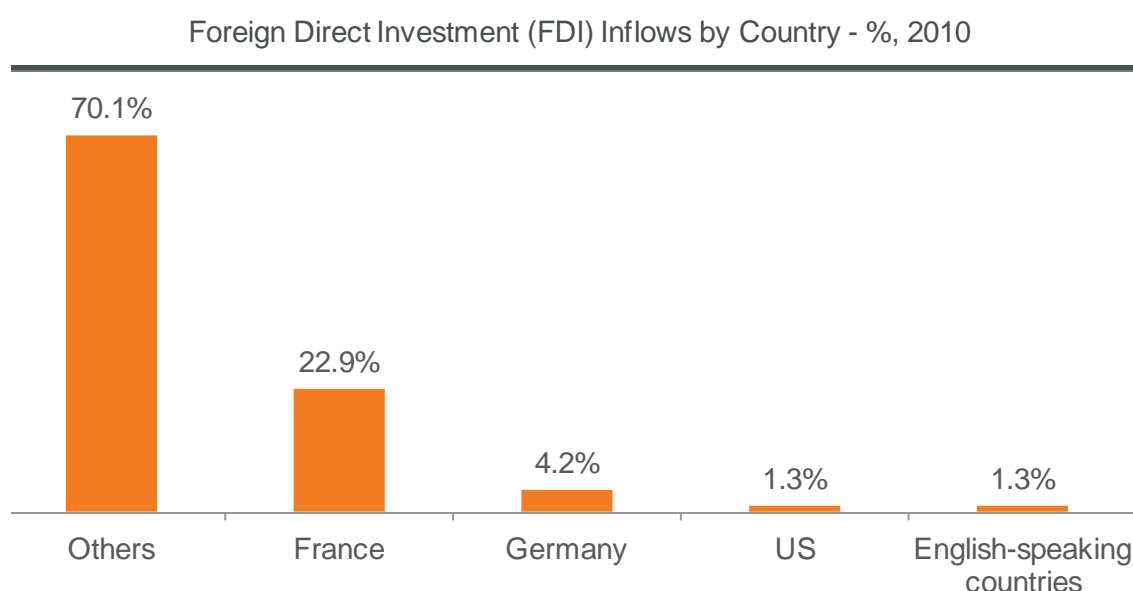
Tunisia's FDI inflow reached its peak in 2006 and 2008. However, it was affected by the global crisis and Tunisian internal factors of political instability ever since. The turmoil of 2011 caused it to decrease further, by 25.7% on the previous year. A total of 182 foreign companies ceased their business activities leading to a loss of 10,930 jobs during 2011. Among the sectors hardest hit were tourism, manufacturing and energy.

The government helped to offset this to an extent by steering through around 300 FDI projects in 2011, mainly in the energy and manufacturing industries, that it hoped would create 10,839 new jobs (as announced by TAP news agency in Tunisia). Government officials said in interview that it is too early to evaluate the success of these programmes, but they remain optimistic. The growing diversification of the economy, as well as entering of the free trade area with the EU in 2008, when Tunisia finalised the dismantling of the tariffs on industrial products, played a positive role in encouraging European investors to Tunisia.

France took the lead as the key investor in Tunisia with around 1,300 French companies operating in the market, followed by Italy and Germany. Growing support from the Ministry of International Cooperation and Foreign Investment Promotion Agency is helping European companies to invest and do business in Tunisia. These supporting measures involve removing protectionist tariffs and simplifying formalities for establishment of foreign businesses in the country.



Source: Euromonitor International, 2011



Source: Euromonitor International from OECD (Organisation for Economic Co-operation and Development), 2011  
 Note: "Others" is the combined share of all other countries that have any sort of investment in Tunisia

Demand for English language in Tunisia is driven by the employment market. Large multinational companies, of which there are only a few in the country at present, have indicated that they regard a good level of English as essential for their employees, and are ready to pay 10-20% higher salaries for it. However, the majority of local and smaller companies view English skills as a bonus, useful as proof of the good education of their employees, but currently unnecessary. These employers cannot afford to pay extra for this skill. The speed of English expansion is therefore dependent on the increasing number of foreign (ie non-French or Gulf) companies in Tunisia.

### English as a driving force to boost Tunisia's GDP

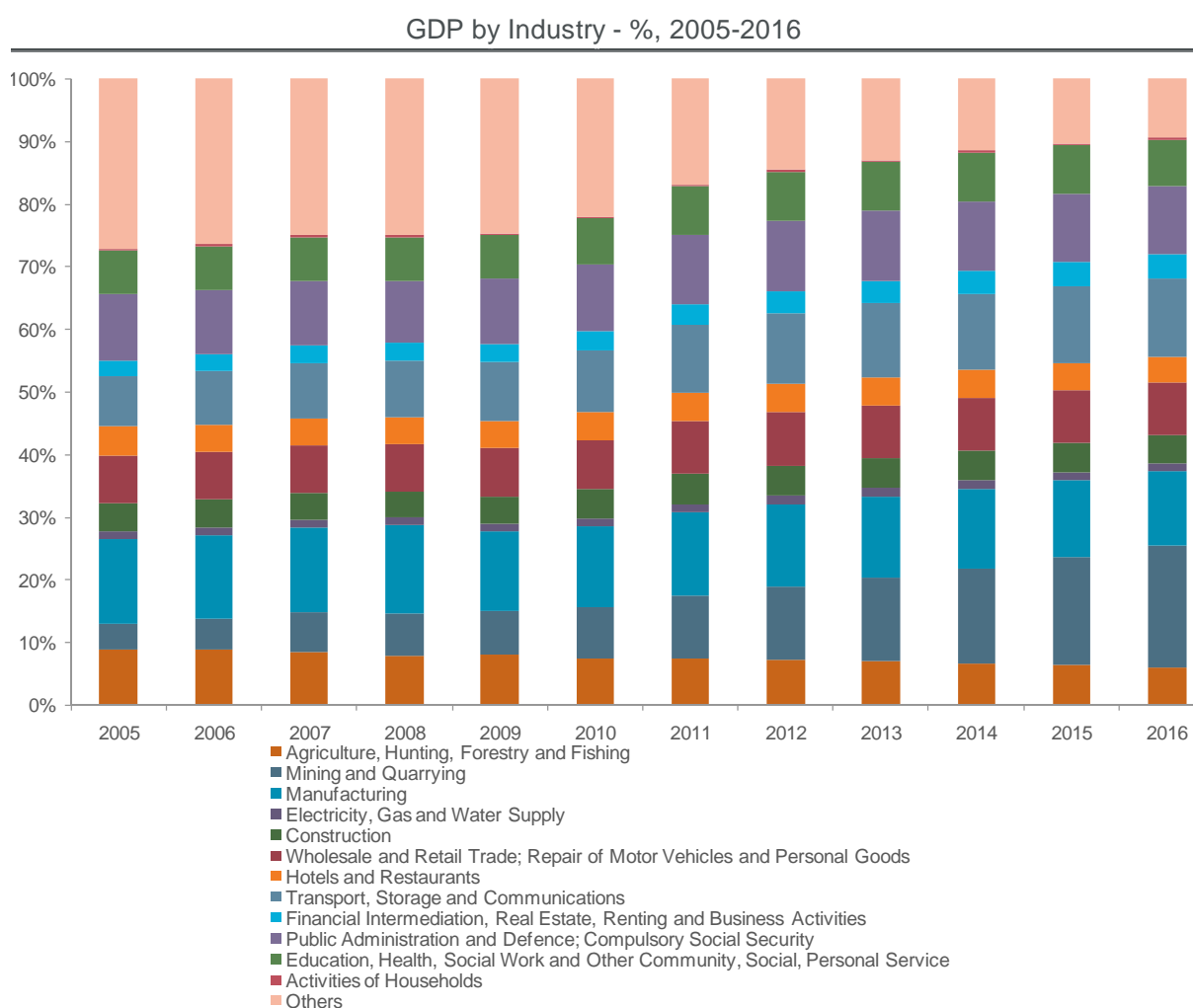
Manufacturing, public administration and agriculture followed by mining and quarrying and construction are the key industries contributing to the total GDP of Tunisia, according to Euromonitor International. These industries together contributed to 46.7% of total GDP in 2011. Tunisia is also

exploring new opportunities within the technological field, which has resulted in growing number of ICT users during 2005-2011 as well as with growing capital investments in telecommunications.

Tunisia had 1.2 million Information and Communications Technologies (ICT) in 2011 and invested around US\$279.3 million in information and communications technologies in 2011. Given the very high rates of mobile telephone usage in Tunisia, the American Embassy in Tunisia along with Edupartage (Tunisian educational centre for all age groups), created an application (app) providing access to free English language lessons in 2011.

English is seen as a means of boosting GDP, attracting FDI and reducing unemployment: there is a general understanding of this among the Ministries of the Tunisian government and the country's main industry players. However, the penetration of English varies significantly between industrial sectors. The engineering and electrical industries, as well as the oil and gas and IT sectors characteristically have the highest demand for English speakers.

Shell, Total and British Gas are global companies that use English for internal communications. There has also been growth in nearshoring, with Tunisian IT companies offering their services to overseas clients who benefit from lower costs, and a good service-quality ratio. These sectors were also the main generators of FDI, with the energy sector generating investment values of MTND1,063.4 million, or US\$700 million and the manufacturing industries MTND330.6 million, or US\$217.6 million during 2011.



Source: Euromonitor International, 2011

## Growing demand for English in key industries

Engineering and IT have been among the most dynamic of the professional services in Tunisia but both saw growth slow in 2010-2011, largely because of the fallout from the Libyan crisis and the overall weakening of the Tunisian economy. The country's exports slumped, as did the output of the energy and agricultural sectors. Further development of English in Tunisia depends on the encouragement of FDI and making market entry as easy as possible for multinational companies in Tunisia. Multinational companies from consumer goods industries, including food products, textiles and domestic appliances (Nestlé, Lee Cooper, Valeo, Danone, among others), will boost the demand for English speakers as they use English for training and internal communication.

Increasingly, multinational companies for professional services such as Evol Technologies, Ernst & Young and Citigroup use English as the main language of communication between Tunisian operations and head office. In the majority of multinational companies with branches in Tunisia, English proficiency is essential for the company's middle- and high-level management.

Its importance decreases for blue-collar workers or smaller companies with a predominantly Tunisian presence. Medium-sized technology, professional services and pharmaceutical companies all admitted the desirability of having highly-skilled English-speaking employees, but stated that they would expect to have to pay a 5% higher salary to English speakers on average.

English skills play an important role in the country's efforts to attract more international tourists. This is especially the case in premium tourism categories such as health and wellness resorts, where the majority of visitors will expect personnel to speak English. According to the Foreign Investment Promotion Agency, Tunisia is famous for the thalasso therapy (medicaltherapeutic use of seawater for health-improving purposes). It is expected to remain a popular destination despite a 60% decline in the medical tourism sector in 2011.

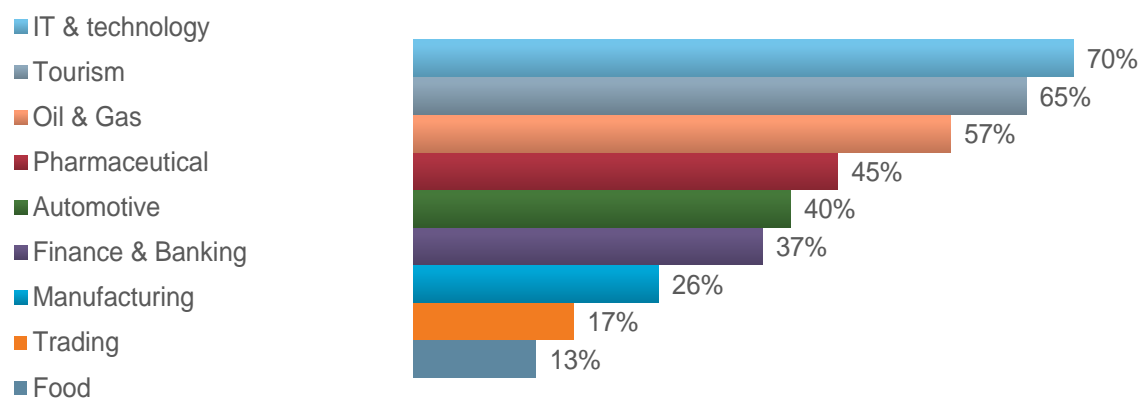
Since 1994, Tunisia has made a strong effort to develop its therapeutic tourism sector, by establishing luxury hotels and state-of-the-art clinics that attract around 150,000 international and 10,000 local tourists per annum.

Companies will often support the development of their employees' English language skills, either by internal training courses or by paying for training sessions from providers such as The British Council and AMIDEAST for employees who want to improve their English.

Exports accounted for 40.6% of GDP in 2010, with sales to the EU generating 74.1% of total exports according to Euromonitor International. Within the EU, France has traditionally been the biggest market for Tunisian exports. However, France is increasingly looking to China for low cost consumer goods, and Tunisia's status as a key trade partner has been eroded. This in turn has encouraged Tunisia to develop trading relationships with other EU countries, and English is as an essential tool to facilitate this development.

Industries that Demand the Most English Speakers - %, 2011

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Source: Euromonitor International from trade interviews, 2011

### 5.3.2 The Influence of English

#### Headquarters located in northern cities. Industry activities spread all across the country

Most business operations are in the north of Tunisia, in large cities such as Tunis, Bizerte, and Beja. These are predominantly in the financial, retail, administrative and service sectors. Although some effort has been made by the Tunisian government to relocate companies to rural areas with the offer of tax reductions, most prefer to be based in larger cities, benefiting from better service and transport infrastructures as well as the proximity to their clients and customers.

The east of the country, especially the coast, has a large number of hotels and restaurants and other tourist-related service companies, including retail businesses. The southeast and southwest is the base of Tunisia's oil and gas industries, as well as its mining industries, although the companies typically have their administrative headquarters in the large northern cities. The agriculture industry is spread across the country, with each region manufacturing specific produce.

Indicator	North	Southwest	East
<b>Main cities:</b>	Tunis, Bizerte, Nabeul, Beja, Zaghouan	Gafsa, Tozeur, Sidi Bouzid	Sousse, Mahdia, Sfax, Gabes, Medenine
<b>Main industries:</b>	Banking and finance, IT services, public administration, retail, agriculture	Agriculture, tourism, hotels and restaurants, retail and wholesale	Agriculture, mining, oil and gas
<b>Largest MNCs:</b>	Airbus, STIR, Club Med, ENI, BNP Paribas, Société Générale, Citibank, EVOL, Valeo, Danone, Nestlé, Total, Shell	Compagnie de phosphates de Gafsa (CPG), Yazaki	British Gas, Leoni
<b>Main local language:</b>	Arabic, French, English	Arabic	Arabic, French, English (to somewhat lower extent than in administrative north)
<b>Usage of English:</b>	Largest number of English speakers	Some English speakers but French prevails	Lowest number of English speakers

Source: Euromonitor International from trade interviews, 2011.

Industry	Location	Main Companies
<b>Banking and finance:</b>	Tunis	Citibank, BNP Paribas, Société Générale
<b>Energy and oil:</b>	Tunis, Bizerte, Sfax	STIR (national oil refiner) based in Bizerte, Shell (Tunis), Total (Tunis), British Gas (Sfax)
<b>Maritime and ports:</b>	Tunis, Sousse, Bizerte, Zaghouan	Airbus, Lear, Valeo, Leoni (Sousse) EVOL, Autoliv (Zaghouan)
<b>IT and technology:</b>	Tunis	Tunisiana, Tunisie Telecom, Orange, Microsoft, IBM, Sungard, HP, Siemens



**Pharmaceutical and consumer goods:**

Tunis

Pfizer, Sanofi-Aventis, Pierre Fabre, Merck, Lee Cooper (Bizerte)

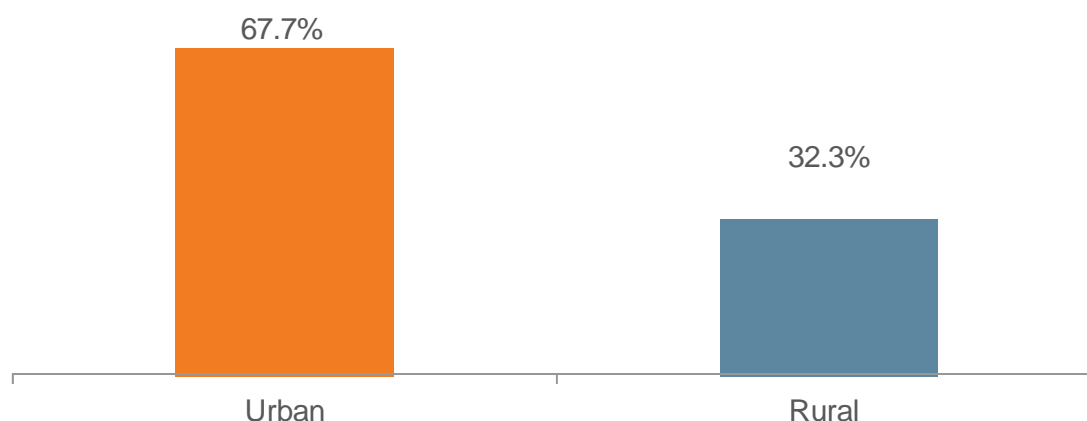
Source: Euromonitor International from trade interviews, 2011.

There are no dedicated English-speaking areas in Tunisia. The east of Tunisia, with its large tourist industry, has a higher percentage of people fluent in French and with a basic level of English. The East and North are also wealthier than the predominantly rural western regions, and are known for the higher quality of education there, including language skills.

Demand for English tuition is greater in the East due to the need to supply English speakers to the region's tourist industry; besides this, more people in the East can afford private education. The East also has a higher population density than the west of the country; eastern and northern areas are better developed, more urbanised, have a better-educated workforce, more foreign investment and better infrastructures.

The country has seen high levels of urbanisation since independence in 1956, and continues to do so as rural Tunisians move to the cities in search of better jobs, and better educational opportunities to help them achieve this. Tunisia has seen growth in its quality of infrastructure, income levels, GDP, foreign investments and the expansion of the tourism, energy and manufacturing sectors over this period, factors that will continue to underpin urbanisation trends.

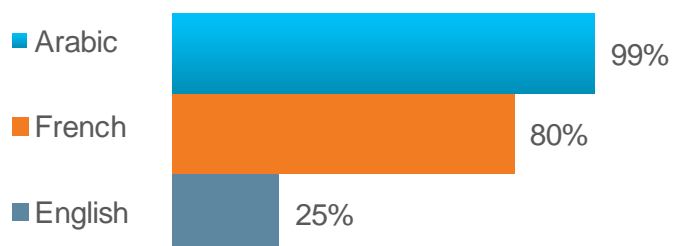
Urban vs Rural Population - %, 2011



Source: Euromonitor International, 2011

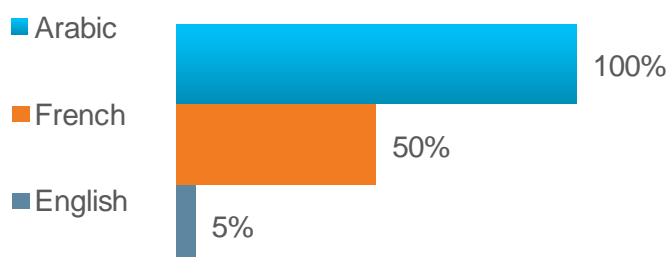
According to Euromonitor International, the percentage split of urban versus rural population in Tunisia was 67.7% to 32.3% in 2011. The consensus of interviewees is that the urban population is more likely to study English than the rural population, although there are no precise data available on this. A number of factors contribute to this: the urban population is wealthier as it benefits from higher average salaries it has easier access to better-quality education and is quicker to respond to demand for English language skills in the job market. At the same time, the urban population is far more likely to have a need for English skills in the workplace than the rural population.

Languages Spoken in Urban Areas - %, 2011



Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level

Languages Spoken in Rural Areas - %, 2011



Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level.

**Interview with a leading international bank in Tunisia:**

Our company is a company which hires people with a potential for growth, therefore a high level of English remains a must for middle management positions and senior ones as well.

### 5.3.3 The Employment Market and English

#### English language increasingly becoming desirable for employment

French-speaking countries such as Tunisia have now started to recognise the importance of English in facilitating access to newer markets and creating working relationships with foreign companies. Multinational companies are one of the key drivers of English language in the country. In a number of multinational companies with offices in Tunisia, including Citigroup and Ernst & Young, English is the primary language of communication. Approximately 90% of the Tunisian workforces speak fluent English.

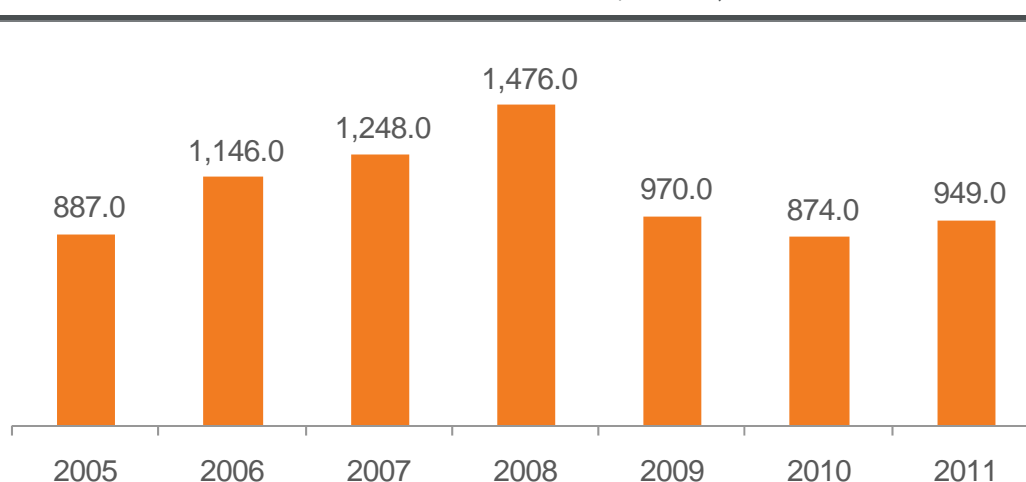
Although several French companies such as Medex Petroleum continue to use French as their primary language, 60-70% of their employees have intermediary English language skills. Spanish and French tourism and hospitality companies such as RIU Hotels agree that English-speaking employees are assets to their companies and have now started trying to build trilingual workforces, typically seeking proficiency in Arabic, French or Spanish and English.

In addition, large French-speaking companies such as Total use English as their main language in the workplace and for all communications. The level of English language required for these companies depends on the employee's position within the company. Intermediate or fluent English speakers hold most middle, senior and upper management positions in most industries.

Over the past five years, Tunisia has seen an increase in business deals in English, which is expected to grow over the next five years due to the growth in the foreign companies operating in Tunisia. These include Kromberg & Schubert, Yazaki, Yura Corporation (ex Sewon), Ramada Plaza and Mövenpick, among others.

At the same time, the inflow of remittances into Tunisia indicates the need for English education among expatriate workers. A growing number of Tunisians work outside the country in neighbouring markets such as the United Arab Emirates, where a good working knowledge of English is a key requirement for employment. Employment opportunities in wealthy international business environments like this are encouraging young Tunisians to study English in order to gain the greatest possible competitive edge in these labour markets. Remittance inflows fell between 2008 and 2010; however, they have picked up since the beginning of 2011, and are likely to continue growing as more Tunisians seek to work abroad.

Remittance Inflows in Tunisia - US\$ Million, 2005-2011



Source: Euromonitor International, 2011

English is regarded as an essential tool by companies for widening their client base and improving business efficiency. According to trade interviews with multinational companies and recruitment agencies, around 40-55% of jobs advertised require English as a second language. Although most specify French and Arabic as a first language, English is compulsory for large multinational and IT companies.

**Interview with a leading international consultancy firm in Tunisia:**

Since our firm belongs to an international network, communication with other member firms is extremely important and needs to be done in English. Our internal materials and tools are also in English. It is a must that all our staff speak and understand English very well. However, the level varies with respect to hierarchy. Partners, mid and senior-level executives need to have high standards of English as they attend international meetings overseas.

**Job Positions**

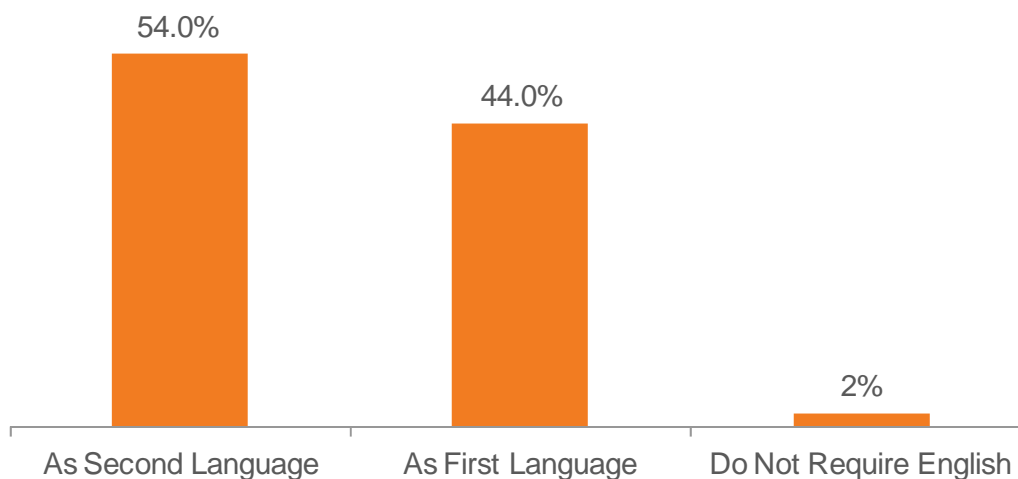
**Search Channels**

<b>Manual labour worker<sup>1</sup>:</b>	Employment office and newspapers
<b>Middle positions<sup>2</sup>:</b>	Newspapers and recruitment agencies
<b>Senior positions<sup>3</sup>:</b>	Internet, newspapers and recruitment agencies

Source: Euromonitor International from interviews with recruitment agencies and printed publications such as newspapers

Notes: <sup>1</sup> includes all vocational trades such as carpentry, painting, electrical, etc.; <sup>2</sup> includes any job requiring up to five years' experience; <sup>3</sup> includes any job requiring five years' experience

Jobs Advertised Online and in Newspapers that Require English - %, 2011



Source: Euromonitor International from trade interviews, 2011

Most jobs advertised online and in newspapers specified knowing English only as a second language, while only some of them required English to be the native or first language. Most Tunisians are bilingual (Arabic and French). As a result, companies consider trilingual employees (English, French and Arabic) as assets, especially in middle and senior positions. This ratio is gradually changing with the younger generation being more proficient in English and less so in French. English is increasingly seen as an educational investment.

**Requirement of English dependent on position and nature of business**

During the research, Euromonitor International took a more in-depth look at jobs advertised in key mediums such as online employment sites and newspapers in Tunisia. Euromonitor International also took a snapshot of print and online jobs advertised in the country. Of the 50 job advertisements, 27 required English only as a second language, while 22 required English as the first language; only one did not require any English language skills.

The requirement for English depends mostly on the position and nature of the business in Tunisia. English is a key requirement for most positions in multinational companies. This is especially the case in industries such as oil and gas and IT. However, the level of importance varies slightly in local French and Arabic companies. In these companies, the first language required is either French or Arabic, although employees in senior and management positions are required to have at least an intermediate knowledge of English.

Overall, multinational companies are the biggest employers of English speakers in the country, irrespective of the industry type. Younger Tunisians are now increasingly motivated to take up English education to increase their chances of employment in key positions within multinational companies. This is closely related to the educational dynamics in the country: the highly educated older generation is more likely to be proficient in French, with the younger generation increasingly choosing to study English, and viewing it as an essential tool for a successful career.

IT and telecommunications are key emerging sectors in Tunisia, where good English skills have become increasingly important. This is because software development and coding in IT is usually carried out in English. At the same time, most companies in this industry have diversified business operations in different parts of the world, and employees working in these industries need to know English to liaise internally with other divisions.

Similarly, import and export companies, along with companies from the maritime and freight, service, tourism and aeronautics sectors reported significant demand for English-speaking employees, especially within the higher managerial levels. This is because their businesses involve the exchange of goods between different countries, and English is increasingly the language of the global marketplace.

IT, oil and gas as well as multinational consumer packaged goods companies are driving demand for English in Tunisia. IT and telecommunications companies offer attractive service outsourcing opportunities for a number of foreign businesses, for example the operation of call centres or payroll offices.

Companies operating in the oil and gas or mining sectors, as well as large consumer goods multinationals are highly centralised when it comes to management communications and decisions; the same is true of internal divisions in marketing, sales or in technical domains. The key decisions are taken at their headquarters, therefore a sufficient level of understanding and communicating in English is essential for employees in these positions locally.

#### **Interview with a leading international finance advisory in Tunisia:**

English is not only beneficial, but also essential. It is very important for us given that we are an offshore investment bank, focusing a lot on the MENA region and other international markets. We require high level or proficient English speakers since we use English a lot in our daily work. Any employee with a low level of English cannot perform well in our bank.

English speakers advance faster in the organisation as they attend and represent the company in international markets. Besides, bilingual employees get a number of advantages such as cognitive benefits, cultural benefits, employment benefits, communication benefits and tolerance of other languages and cultures.

#### **Salary Differentiation - English Skills vs No English Skills**

<b>Job Title</b>	<b>Professional Salaries with English Skills to at least Intermediate Level</b>	<b>Professional Salaries with no English Skills</b>
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	(Gross Salary/Month US\$)	(Gross Salary/Month US\$)
Director:	8,000	5,000
Senior manager:	5,500	5,000
Manager:	4,500	3,800
Senior analyst:	2,000	1,200
Analyst:	900	800
Secretary:	900	800
Carpenter:	500	450
Electrician:	500	450
Plumber:	500	450
Receptionist:	500	450

Source: Euromonitor International from trade interviews, 2011

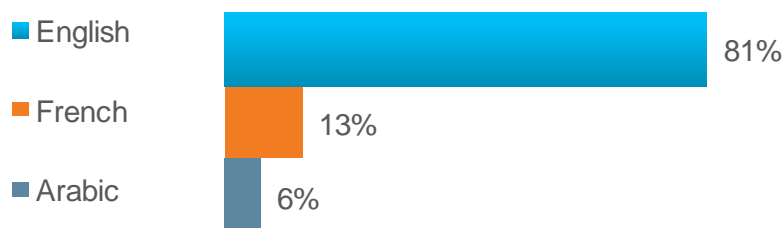
Note: The comparison is made between professionals employed in multinational versus those employed in national companies. Multinational companies tend to pay higher salaries overall and demand higher qualification levels - English proficiency among others.

What is the Level of English Required?- %, 2011



Source: Euromonitor International from trade interviews, 2011

Is There a Second Language Required? - %, 2011



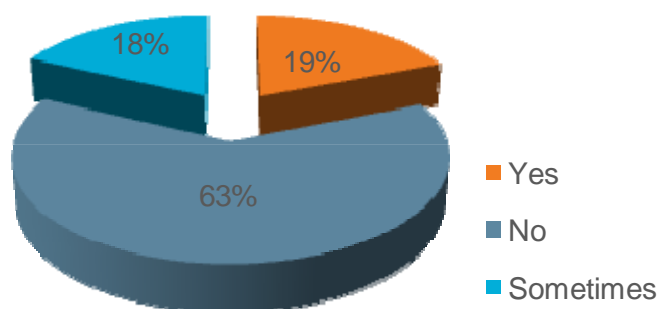
Source: Euromonitor International from trade interviews, 2011

### Companies keen to improve English language skills of employees

Several companies in Tunisia including Attijari Bank, Ernst & Young and Citigroup are investing in training their employees in English language skills at professional training centres in the country. Companies in Tunisia are not currently in any partnerships with the government to improve the English language skills of their workforces. However, some companies have agreements with the Tunisian American Chamber of Commerce (TACC) and provide advanced business English writing, communication and presentation training to their employees.

The interviewed companies stated that their English-speaking employees have better access to various industries' best practices, training being a part of this. Training is often given by a specifically appointed person responsible for knowledge management within the company based at the company headquarters outside Tunisia. Attijari bank, Sartorius Stedim, Lee Cooper and others explained that technical training is necessary due to the large number of specialised English terms, which have no Arabic equivalent. In the oil and gas industry manuals are written only in English.

Is English Used for Training Purposes? - %, 2011



Source: Euromonitor International from trade interviews, 2011

Note: "Sometimes" refers to the cases when English is used for specific technical training.

### Interview with a leading international consultancy firm in Tunisia:

English training is usually given to employees to equip them to international standards since we are a multinational company. We want our employees to constantly improve their English language skills in order to best represent the company in global markets.

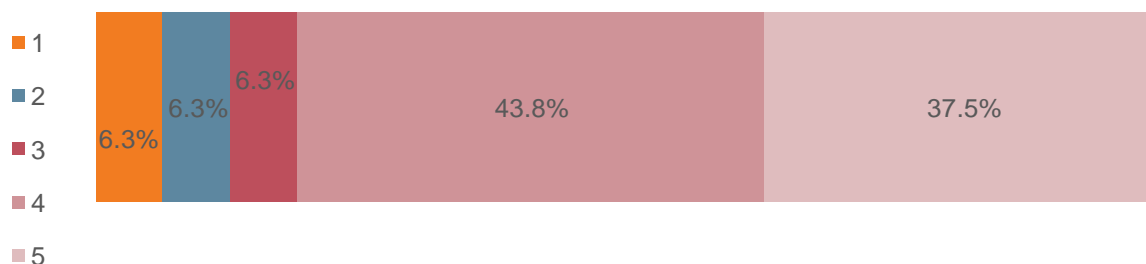
Overall, private companies place a higher importance on knowing English than government-run institutions. The consensus of private employers is that a candidate who is English-speaking will have a better level of education.

During trade interviews carried out by Euromonitor International, when asked to evaluate on a scale of 1 to 5 the importance of English language, HR managers attached a higher importance to English as being beneficial for the company's growth rather than delivering immediate career benefits for employees. This suggests that English is more of a desirable extra than an absolute necessity for a company. English was of the most immediate importance for those companies with headquarters outside Tunisia (except for those in French or Arabic speaking countries), Domestic companies, such as Attijari Bank, do not see the immediate need for their employees to speak languages other than French and Arabic.

Another factor influencing the demand for English is the level of management: middle and senior managers are more likely to speak English than manual workers. However, this factor is of secondary importance compared to the sector of activity in which the company operates; mid-level managers working for an international company are typically far better Englishspeakers than the top managers working for a domestic organisation.

How Does English Benefit Company Growth? - %, 2011

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Source: Euromonitor International from trade interviews, 2011

Note: 5=very important; 1=not important



## 5.4 THE IMPACT OF ENGLISH ON THE INDIVIDUAL

### A matter of age, profession and region

The number of Tunisians with a good command of English is still low, and is estimated by Euromonitor International to be between 10% to 15% of the population. Where possible, young Tunisians are likely to have studied at a number of different private language training centres to improve their English language skills, and improve their career and higher education prospects. In rural areas, there are almost no English courses available. Access to the internet, and therefore English in social media or via distance-learning courses, is very low in these areas.

There are forthcoming reforms in higher education in Tunisia that will mean students cannot graduate from higher education without passing English tests. Since 2008 English is taught through all years of Licence (part of the LMD educational cycle) and is compulsory to pass as an exam in order to progress to the next year level.

**Interview with a major international supplier for automotive business in Tunisia:**  
English is so important to maintain a global connection. It can help managers to empower and improve the performance of their companies; as a matter of the fact English opens new opportunity areas and client bases around the world and more easily facilitates the transition of experiences.

### Noticeable efforts taken by the government to improve English education

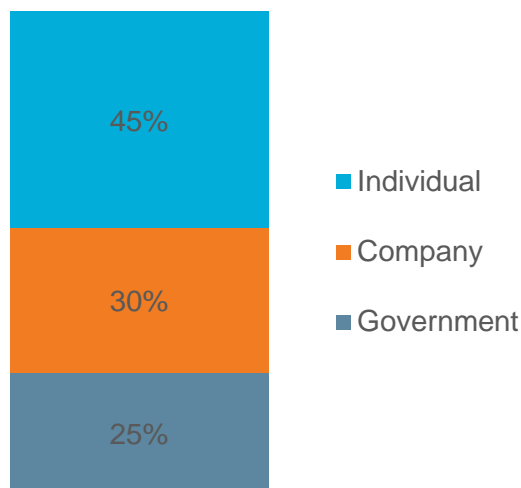
Education is compulsory and free for the first nine years. Classes are mainly taught in Arabic in primary and lower secondary schools and French is used as the medium of instruction in upper secondary schools (15-19 years). English is compulsory and classes start in the last year at primary school. At universities, English is a compulsory subject for the studied professional fields such as economics, IT, engineering or medicine. The Tunisian State by constitution guarantees the right to education to every school-aged child.

At present, English is taught starting from the sixth year of primary school; this is a new measure introduced in 2007-2008, as before then it was not taught at all in many schools.

The Ministry of Employment and Professional Training, an institution providing permits for training centres, has significantly simplified the procedures for obtaining permits, making it easier for language centres to obtain them and therefore encouraging English education, as almost every training centre offers English among the languages taught.

Among organisations teaching English to all ages, The British Council and AMIDEAST face almost no competition. They are considered as having the best teachers, native English speakers, and good quality curricula. Between the two, from trade interviews, The British Council is considered the better option, because their staffs comprise professional teachers combined with having Teacher Quality Assurance Schemes.

Who is Creating Demand for English Education?, 2011



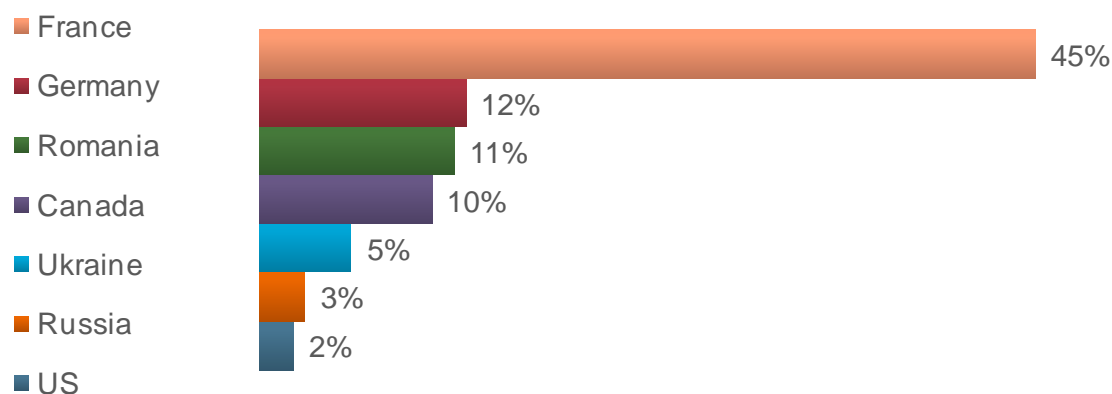
Source: Euromonitor International, 2011

Note: Overall percentages score based on trade interviews. May sum to over 100% due to multiple answers per interview

Students travelling for education and life experience

Tunisian students have always travelled abroad for higher education, although their reasons for this have changed over the last decade. Originally, students sought to study overseas as a number of subjects and specialities were unavailable at Tunisian universities. Nowadays most majors are available to Tunisian students, and a foreign education is undertaken for personal and professional development as much as for gaining a degree. There is a broadly held perception that studying abroad strengthens the student’s personality and is a life and cultural experience. According to Euromonitor International, during the 2010-2011 academic year 3% of total students in education travelled abroad to complete their degree.

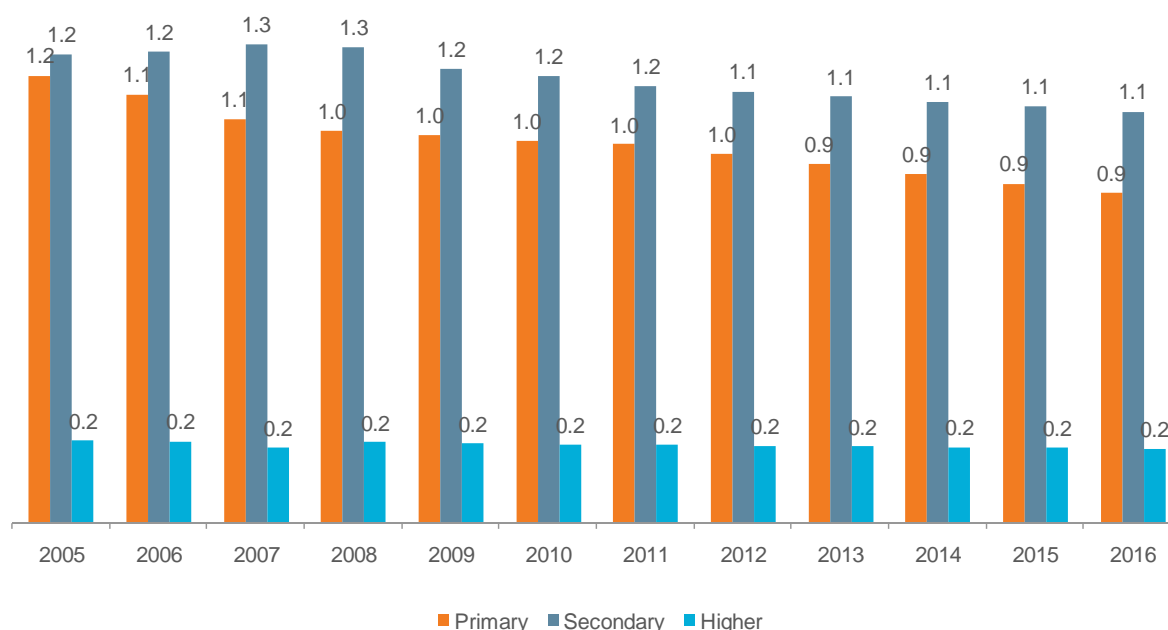
Most Popular Countries Amongst Students in Tunisia - %, 2011



Source: Euromonitor International from The World Bank data and trade interviews, 2011

France remains the most popular destination— 45% of all Tunisian students travelling for education abroad choose France as their destination –reflecting the shared cultural history and language. The existence of a significant Tunisian community in France, and the generally good awareness about French educational infrastructures make it a straightforward choice of destination for Tunisian students. Canada and the US are regarded as offering the best future work opportunities, and there is growing recognition that Russia and Ukraine offer a good price/quality of education ratio.

Total Tunisian Student Population by Level of Study - Million, 2005-2016



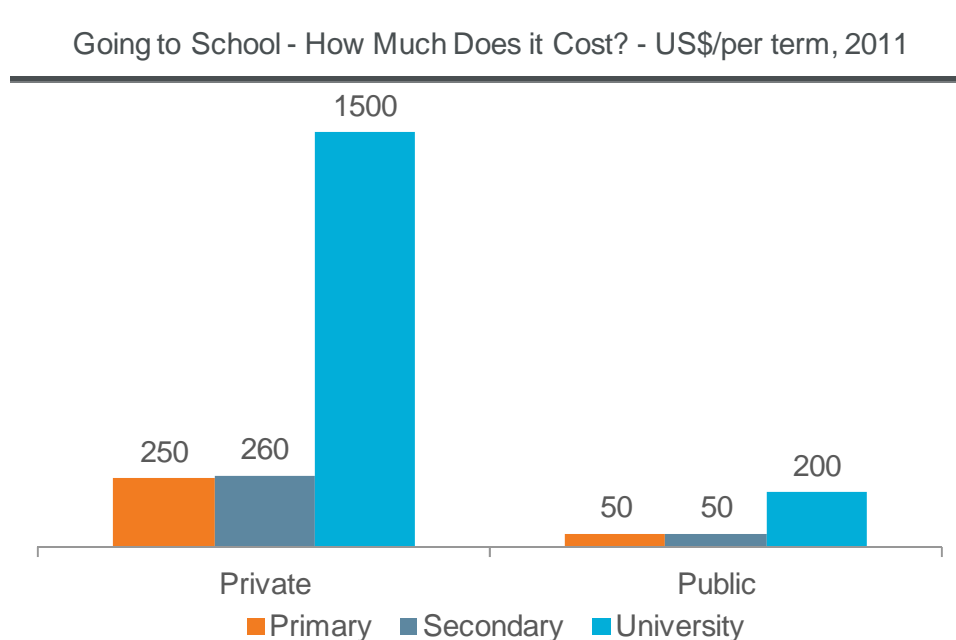
Source: Euromonitor International, 2011

Although the absolute majority (99%) of Tunisian youth goes to primary and secondary school, this dramatically drops when it comes to higher education. Access to universities is restricted by the high levels of competition for public institutions and high costs for private ones.

**Difference in costs of major types of educational institutions - US\$, 2011**

Institution Type	Average Cost per Student per Term	Source of Funding	Cost to the State
<b>Average cost of public school (including universities):</b>	US\$50 for primary and secondary schools US\$200 for universities	State	US\$133 for primary education US\$267 for secondary education US\$1,000 for university education
<b>Average cost of private school (including universities):</b>	US\$250 for primary education US\$260 for secondary education US\$1,500 for universities	Parents	None

Source: Euromonitor International, 2011



Source: Euromonitor International from trade interviews, 2011

Note: Public education is free in Tunisia and semi-private institutions do not exist in Tunisia

#### Interview with the governmental organisation in Tunisia:

English education has a positive effect on FDI in the country, as it attracts foreign investment from developed companies who need to communicate with Tunisians to enter our market and invest in different projects. They need also to hire staff in order to manage their business in Tunisia. If the country does not offer a higher level of English-educated people, this might discourage developed countries from investing in Tunisia.

Public higher education is the dominant sector, and is free. The ratio of students studying in public schools and universities versus those studying in private ones is estimated by the Tunisian Ministry of Education at 84% versus 16%. Traditionally private education has suffered from an image of being low quality: those students who failed their exams in public institutions turn to private ones and have to compensate with money for what they did not manage to obtain by their knowledge levels. However, private schools and universities are beginning to overcome this stigma.

This is particularly true for private primary schools, which are perceived as being better than public primary schools. The image of private institutions in higher education has improved over the past five to 10 years, although the majority of the population prefers public secondary and higher education institutions. Research by Euromonitor International also revealed that large companies prefer graduates from public universities to those from private ones thanks to the better reputation of the former.

The educational programmes of public universities have not been modernised for many decades and this is due to a lack of funding. One example quoted during trade interviews with educational organisations suggested that each student costs approximately US\$4,000 annually to the State. Multiplying this amount by 500,000, the approximate number of students in education, gives US\$2 billion annually, a considerable government spend at the country level.

Private universities progressively cover this gap, offering modernised studying facilities and constantly updated curricula. However, many private universities are still regarded by many individuals with concern, referred as “prioritising commercial objectives over educational purposes” – not maintaining educational standards highly enough.

## Increasing number of university students boosts demand for English

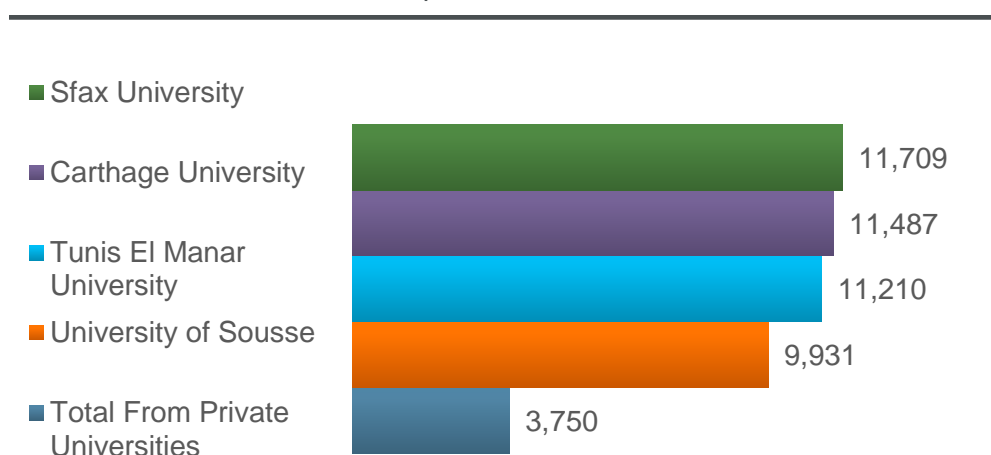
Tunisia has 193 institutions of higher education and research, of which 13 are universities and 24 are Higher Institutes of Technological Studies (ISET). Starting from the academic year 2002/2003, Tunisian students are able to enrol for the majority of universities online, which demonstrates the advancement in internet technology in the country, with more and more Tunisians obtaining internet access.

According to the Ministry of Higher Education and Scientific Research (MHESR), around 163 institutions come under its supervision while the remaining 30 are under the co-supervision of the MHESR and other Ministries such as Health; Communication Technologies; Agriculture and Hydraulic Resources; or Social Affairs, Solidarity and Tunisians Abroad. In addition to these public higher education institutes, Tunisia has 31 private institutions and five private Higher Institutes of Nursing Sciences.

The number of Tunisian students has increased significantly over the last decade, with the majority (around 61%) being female. In 2010/2011 the largest public universities in the county were Sfax University (11,709 graduates), Carthage University (11,487 graduates), and Tunis El Manar University (11,210 graduates). In terms of private universities, ULT, Université Centrale, Time and Esprit were the largest institution by number of graduates.

While public universities are wholly funded by the government, private universities are supported by a government contribution worth 25% of the investment given the fact that a number of criteria are met. These criteria concern standards for university organisation, qualification of its personnel, educational program content etc.; English, as a part of the educational curriculum, is one of the criteria points.

Graduates from Top Four Universities, 2010/2011



Source: Euromonitor International from The World Bank data and trade interviews, 2011

## Expanding international cooperation in education

In recent years, the Tunisian government has expanded its international cooperation strategy in the fields of higher education and scientific research (a Scientific and Technological cooperation agreement between the EU and Tunisia came into force in 2004, other bilateral agreements have been signed with India, Indonesia in 2012, among others). This has enabled more Tunisian students and postgraduates to study abroad.

Partnerships, cooperation agreements and activity programmes have been signed with institutions in the Maghreb and European regions. Efforts have also been put into developing relationships with

partners in North American and Asian countries. (University of Waterloo (Canada), University of Maryland (US), Alba (US), Azad University (Iran), Aden University (Yemen), Sherbrook University (Canada) are among the partners.)

As a result, Tunisian students have access to a variety of exchange programmes at university level, courses and scholarships at foreign universities and research institutions. Examples include a partnership MBA program with the Paris-based CNAM (Conservatoire National des Arts et Métiers) taught in English, and MSB (Mediterranean School of Business), which has number of partners among the US university counterparts. The most popular countries for overseas studies include the US, Canada and France. Students from private universities commonly finance their stay abroad themselves. Discounts and students benefits sometimes apply, however this is rare (estimated to be less than 1% of all graduate exchange programmes), and does not allow to evoke the phenomenon of financing from private universities.

A key motivation for students to be studying foreign languages in Tunisia (English and French in particular) is the possibility of continuing their studies abroad. However, the high cost of foreign study without the help of scholarships is a major obstacle for most Tunisians.

As for external support, to date there is no funding for English education in Tunisia other than a limited amount of funding from the US State Department. This is earmarked for vocational training for teachers, to improve the quality of English teaching.

Public universities have benefited from government grants to improve English tuition, including funding for English teachers to study overseas or with a variety of exchange programmes between Tunisian and international universities. Several public universities send their students to English-speaking countries for homestays in order to enable them to improve their English.

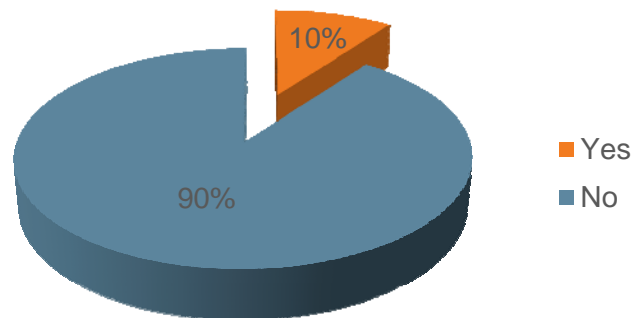
However, because of the high cost of this practice for Tunisian state, it has been progressively replaced by the so-called 'village de langue – the students' summer holiday agglomerations, where Tunisian students have the opportunity to meet their international counterparts and communicate with them in English. Private sponsorship for students remains quite limited compare to the public share. The companies send their employees for additional qualifications, which is usually a post-graduate or a highly specialised degree.

The education format in this case is most usually evening classes hosted by private universities and paid by private companies. Indirectly the government also participates in financing by offering the tax rebate known as the rebate on TST (ristourne sur le tax sur la formation professionnelle). Considering the fact that the public education in Tunisia is free and the graduate programmes are almost entirely financed by the government the share of private sponsorships was estimated to be up to 10%.

Private companies offer graduate placements, but students are looking for those on their own initiative; without any financial participation from universities.

Do Universities have Graduate Programmes Sponsored by the Private Sector? - %, 2011

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Source: *Euromonitor International from trade interviews, 2011*

Distance learning is a potentially new niche to emerge in the near future. With the rapidly growing numbers of internet users, and understanding of the benefits and convenience of the internet for communication and access to various fields of information, distance learning will inevitably become a viable option for studying English.

However, in the next 2-3 years the development of this learning method will be restricted by the lack of secure payment infrastructures and the lack of recognition among potential employers. Consumers as well as the potential providers of this type of service both need to improve their trust, the former, and develop their know-how, the latter, in order to make distance learning a fully viable alternative method of education.

## 5.5 CONSUMER PERCEPTION OF ENGLISH IN TUNISIA

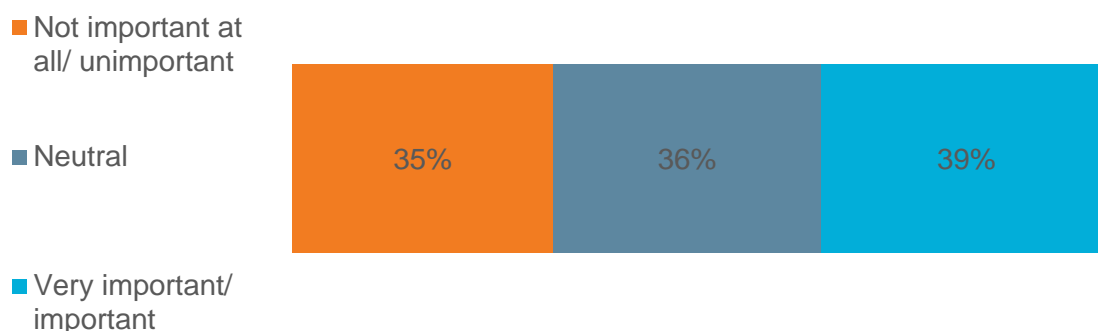
### Two out of five Tunisians value speaking English as very important or important

When asked to rate the importance of speaking English in Tunisia, 39% of individuals stated that it is very important or important, compared to 35% who stated that it is unimportant/not important at all.

Among those who said it was important, not all actually spoke English or were making an effort to learn it, despite recognising its importance.

Importance of Speaking English - %, 2011

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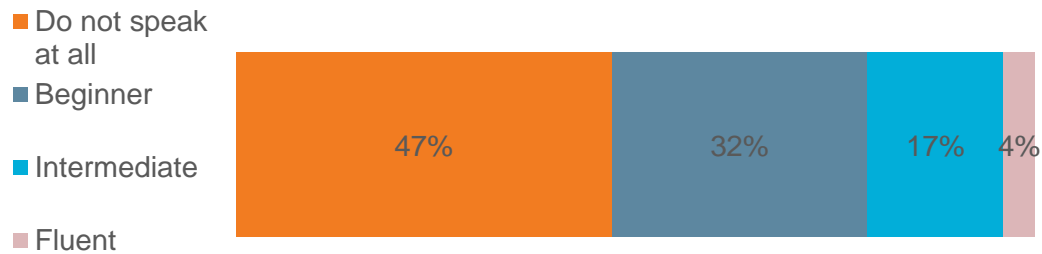
Source: Euromonitor International from consumer perception analysis, 2011

### Forty-seven per cent of individuals do not speak English at all

The fact that English is not widely spoken in Tunisia is confirmed by looking into individuals' level of English proficiency at work. Nearly half of individuals stated that they do not speak English at all, while only 4% consider themselves fluent in English. The proportion of individuals placing themselves at intermediate level stood at 17%, while 32% are beginners.



Fluency in English - %, 2011



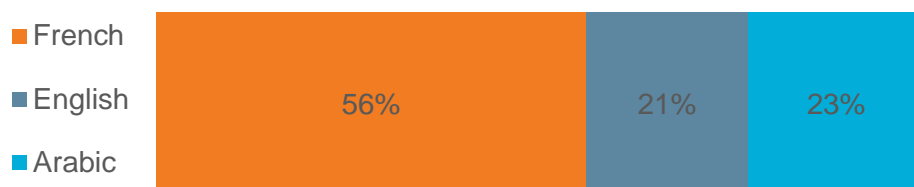
Source: Euromonitor International from consumer perception analysis, 2011

**English comes second to French when it is comes to international business**

The majority of Tunisians believe that French is the most important language for business, rather than English. Fifty-six per cent of individuals chose French as the most important language for business in Tunisia and 23% chose Arabic, while English came last with 21%. This is because Libya and France, whose main languages are Arabic and French, respectively, have historically been Tunisia’s principal trade partners.

However, civil war and regime change in Libya, as well as the stated aim of the Tunisian government to enlarge its presence as a trading partner within the EU and diversify its trading relationships internationally mean that this is likely to change, and that English will grow in importance in future.

English and International Business - %, 2011

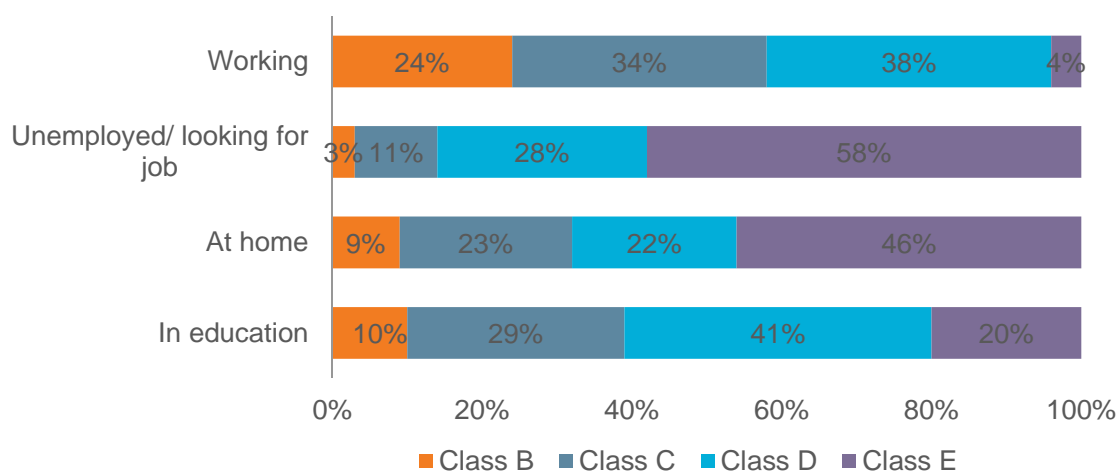


Source: Euromonitor International from consumer perception analysis, 2011

## Unemployed Tunisians mostly belong to lower socioeconomic class

There is a clear correlation between working status and socioeconomic class in Tunisia, with the highest proportion of class B among working individuals. On the other hand, the highest proportion of the lowest income group (class E) is found among unemployed individuals. Improving socioeconomic status and encouraging social mobility will require the creation of more work opportunities, or larger investment in education.

Relationship between Working Status and Socioeconomic Class - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

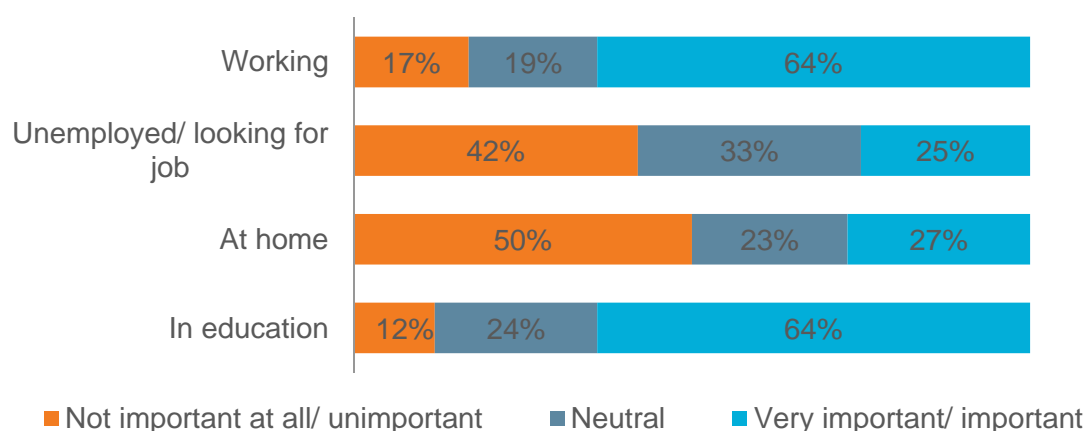
## Working status often determines individual perception of the importance of speaking English

This section focuses on understanding the relationship between working status of individuals in Tunisia and the importance of English overall. One key hypothesis is that prospects for employment increase with the level of English proficiency. This is particularly important given the high unemployment rate of 18.3% in 2011, according to Euromonitor International.

### English is considered to be more important by working individuals compared to the non-employed

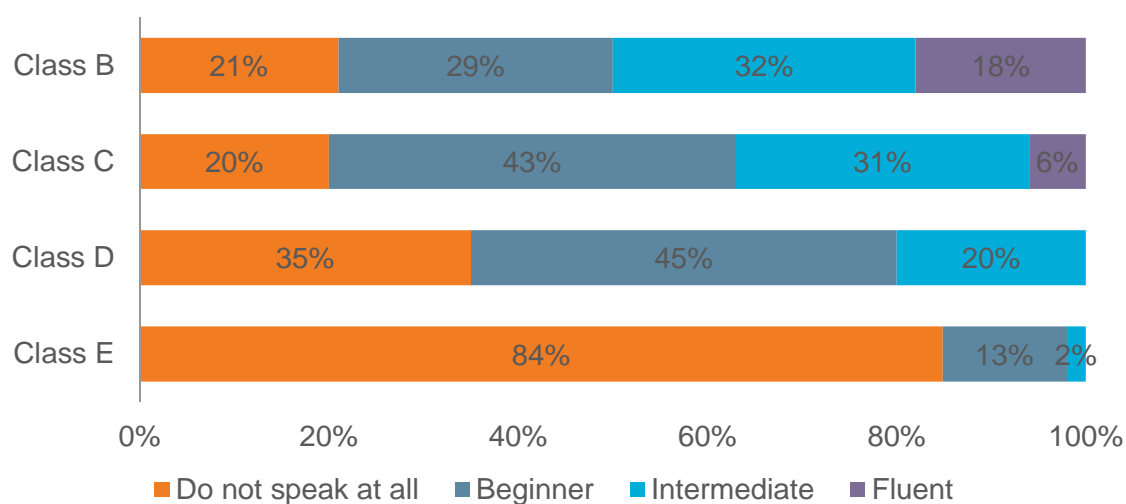
The importance of English is increasingly acknowledged in Tunisia, with over 64% of students (individuals in education) and employed individuals considering it to be "important" or "very important". Only 25% of individuals who are unemployed or looking for a job do not consider it important. Increasing foreign investment in Tunisia coupled with the growing aspirations of younger Tunisians to learn English underlines the high importance placed by both of them on English. The fact that employed professionals better recognise the importance of English has been also confirmed by trade interviews with companies whose employees can see the full scope of opportunities opened for English speakers.

Relationship between Importance of Speaking English and Working Status - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

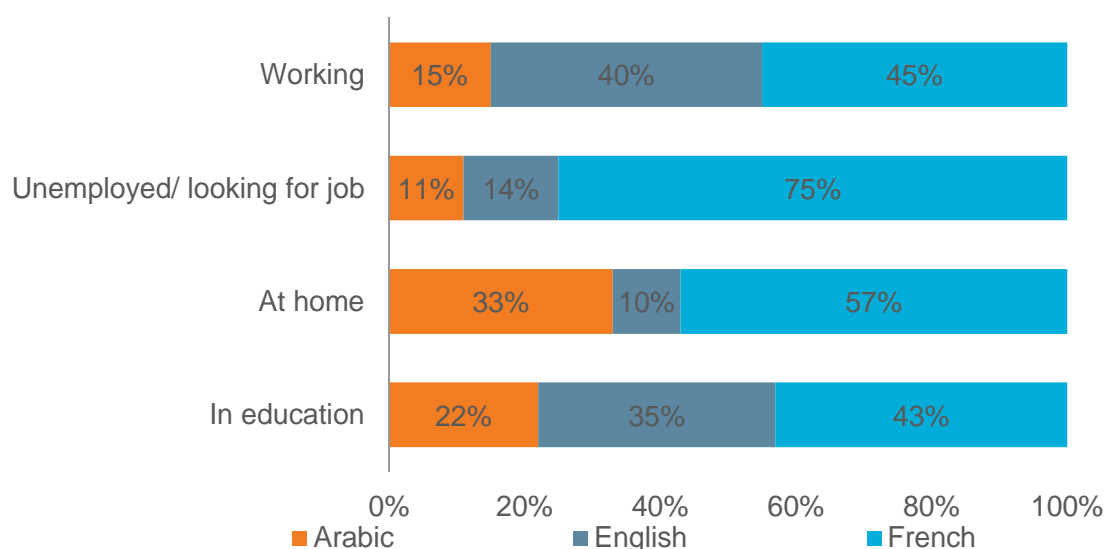
Relationship between Fluency in English and Socioeconomic Class - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

Tunisians who belong to higher socioeconomic classes possess better English language skills than those who are in lower classes. In class B, 18% of individuals speak English fluently, while 32% possess intermediate English skills, compared to 6% of individuals in class C who are fluent and 31% with intermediate skills.

Relationship between International Business, Languages and Working Status - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

Forty per cent of working individuals consider English to be the most important language for international business, compared to 14% of individuals who are unemployed/looking for work. French is the strongest rival of English in all categories of population, but less so among employed/working people, where the split between English- and French-speaking individuals is almost equal, respectively 40% and 45%. Unemployed Tunisians are more likely to speak French than English.

The following section illustrates the reasons shared by Tunisian individuals on why they learn English.

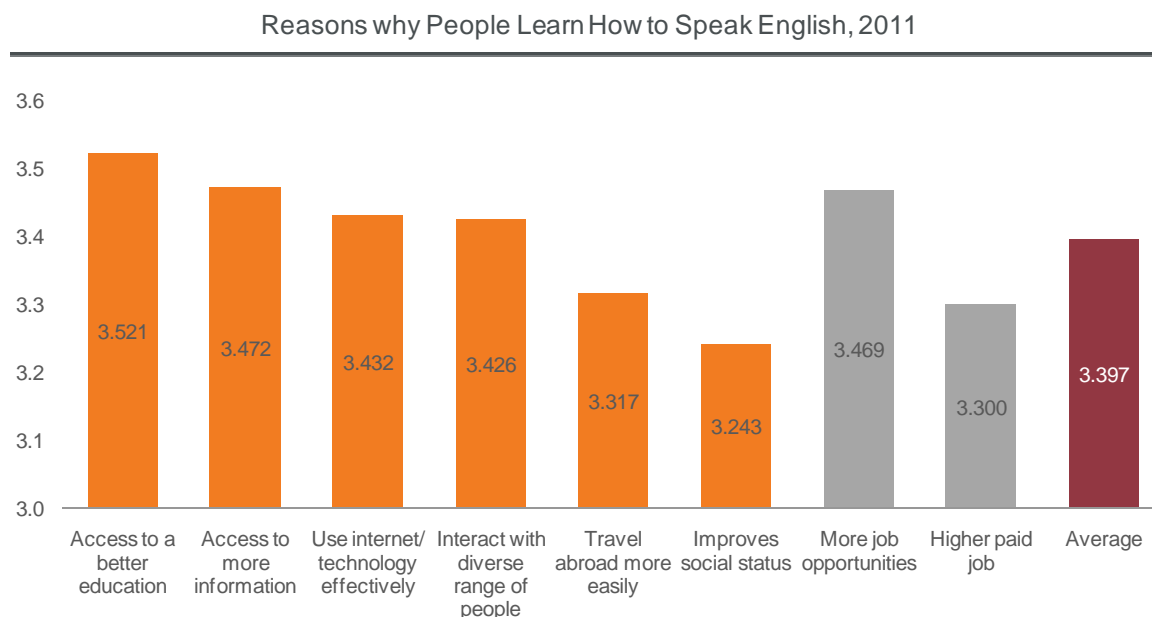
Individuals were asked to state their level of agreement/disagreement on a scale of 1 to 5 (5: strongly agree and 1: strongly disagree) across eight statements on why people in Tunisia tend to “learn how to speak English”. For the purposes of analysis, these statements were classified under two broad categories: personal reasons and work reasons.

Category	Attitudinal Statements
<b>Personal:</b>	Access to a better education Access to more information Use the internet and modern technology effectively Interact with a more diverse range of people Travel abroad more easily Improves their social status
<b>Work:</b>	More job opportunities Get a higher paid job

Source: Euromonitor International from consumer perception analysis, 2011

Both categories were found to be almost equally important reasons to learn English (personal reasons had a slightly higher average score, but the difference was negligible).

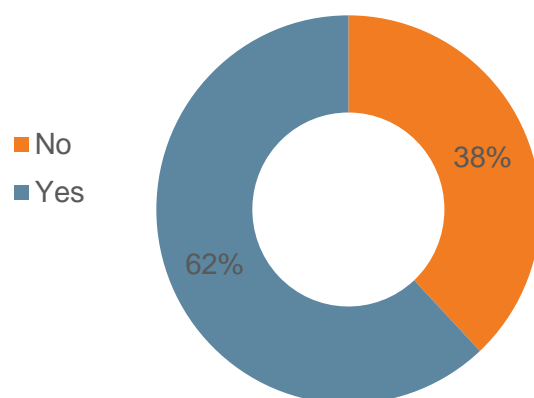
Individuals considered “access to a better education” a key reason to learn English; followed by “access to more information” (both statements are classified as personal reasons). The third most important reason to learn English was using the internet technology more efficiently. On the other hand, the least important reason to learn English was “improves social status”.



Source: Euromonitor International from consumer perception analysis, 2011

This section examines how beneficial individuals consider speaking English in Tunisia. Individuals were asked to provide some qualitative insights in terms of how they think their country would benefit if more of its residents spoke English.

### Relationship between Speaking English and Benefits for Tunisia - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

Over 60% of Tunisians thought that the country would benefit if its residents could speak English. Of the 38% that disagreed, the key argument was that French (and Arabic) is the language of business and trade in Tunisia.

A high proportion of individuals believe that learning English would be beneficial for the country. Specifically, qualitative insights suggested three areas where the country might benefit: “international business and trade”, “development of the country” and “communication”.

Qualitative insights clearly show that individuals strongly believe that the knowledge of English would contribute to the wider development of the country and the enhancement of the national economy. Some also feel that the use of English is connected to how developed a country is.

Business and trade is another area individuals feel would benefit from wider use of English. These individuals believe that English is widely used in all business aspects and in all markets on a global level. Thus, its knowledge would enhance the country's position in international markets and would facilitate international deals and business transactions.

Communication also seems to represent an area that individuals feel would improve with wider use of English. Individuals mentioned that it would help them cultivate relationships with other non-Arabspeaking countries, such as EU countries. Furthermore, they feel that it would be particularly beneficial for tourism as it would allow them to communicate more easily with foreign visitors.

Education was an area that was mentioned by a few, but did not seem to be as important overall. An area in which individuals felt they would personally benefit if they spoke English is work. There is a strong feeling that English-speaking employees are offered better job opportunities especially when it comes to multinational companies.

In the case of Tunisia it is also worth noting that quite a high proportion of individuals had a very positive attitude towards learning English, but were not able to elaborate on the reasons. The vast majority mentioned that it would be beneficial because English is an internationally used language.

Category	Reasons Why English is Beneficial-Country
<b>Development:</b>	English contributes to the development of the country English is used in developed countries
<b>Trade:</b>	English is the language of international business and trade English is very beneficial for dealing with international companies English is prevalent in business and trade English is used in most aspects of business All business transactions occur in English
<b>Communication:</b>	English would be beneficial in cultivating relationships with European countries English helps in dealing with non-Arab speaking countries

Source: Euromonitor International from consumer perception analysis, 2011

On a personal level, work seems to represent by far the strongest motivation for learning English. Tunisians feel that the knowledge of English is an important asset in the professional field since it would give them better job opportunities, higher salaries and would improve their professional development.

The table below illustrates the actual comments of individuals.

Category	Reasons Why English is Beneficial - Individuals
<b>Work:</b>	There are more and better job opportunities for English speakers International companies prefer English speakers Multinational companies require English-speaking employees English is an internationally used language and most companies use it English is important for working in various sectors
<b>Education:</b>	Science and technology are taught in English

<b>Communication:</b>	English enables us to communicate with others English helps in communicating with tourists and visitors English helps in communicating with non-Arab speakers
<b>General comments:</b>	English is an internationally used language Learning English would be fruitful English is the language of the era English is necessary in this era

Source: *Euromonitor International from consumer perception analysis, 2011*

## 5.6 CONCLUSION

### **The progress of English is closely related to the country's increasing openness to foreign trade, the evolving educational system and young ambitious individuals**

The re-establishment of political stability in Tunisia in 2011 following the Arab Spring protests should see the ongoing opening of the Tunisian economy to the world market, with greater access for producers, investors, lenders and retailers to the country. Access opportunities are increasing in Tunisia: joint ventures, mergers, partnerships, foreign direct investment, portfolio investment and franchising are all anticipated to rise in the immediate wake of the democratisation of the country.

This increase in the openness to trade is underlined by the signature of a number of international agreements, the most important of which is GATT (General Agreement on Tariffs and Trade), which Tunisia signed in 1994 to become a free exchange zone with Europe, thus facilitating export and import with Europe.

There are number of other bilateral agreements with Morocco, Jordan, Egypt and others signed progressively from 1998 to 2001. The Tunisian government has also created tax incentives to attract foreign investment, a strategy that has seen the number of multinationals looking to invest in Tunisia increase, both before and after the overthrow of President Zine El Abidine Ben Ali in January 2011. The increasing openness of Tunisia for foreign relations and its expanding political and trade relationship base will further boost the progress of English in the country.

Demand for English language education has grown significantly during the last 10 years, as the importance of English in the global market, as a means of communication between countries, has risen. At the same time, French is beginning to lose its central importance as the dominant foreign language in Tunisia, although fluency in French remains widespread and is a significant social marker.

There is a growing separation in the Tunisian population, with older Tunisians less likely to speak English, as English was not compulsory at school when they were educated (it became compulsory from 1965). In contrast, English is more commonly used by younger Tunisians, for whom English education is compulsory, and who are more likely to use social media and other online tools, as well as new technologies where English is the main operating language.

Government, individuals and companies are therefore all driving demand for English language education in Tunisia. Companies increasingly prefer English-speaking candidates for recruitment to management and other key company positions. The government recognises that improving English education can help support GDP growth by attracting FDI and reducing unemployment. Individuals realise that the best career opportunities are inaccessible to applicants without a good level of English. Their demand for English is primarily thanks to individuals' perception that a good level of English provides better job prospects.



## 6. EGYPT

### 6.1 MANAGEMENT SUMMARY EGYPT

#### High unemployment rates drive Egyptians to travel abroad and study English

Egypt is by some distance the largest nation in the Arab World, with a population of over 80 million, more than twice the size of the next largest, Algeria, with its population of 36 million. Literary Arabic is the official language, with Egyptian Arabic the vernacular.

The country is a regional powerhouse, and in January 2011 underwent massive social change following a series of mass popular protests that led to the overthrow of Egyptian President Hosni Mubarak. Demands for political, economic and legal reforms have yet to be fully met, and the Supreme Council of the Armed Forces (SCAF), led by Field Marshal Mohammed Hussein Tantawi, currently controls the country.

There is still a climate of political instability in Egypt, although the council has pledged to return it to civilian rule and set out a timetable for the transition. Presidential elections are scheduled for mid-2012, following the emergence of Islamist parties as the victors of parliamentary elections in January 2012. Political and economic uncertainty saw GDP growth slow in 2011, and a rise in unemployment. Lack of career opportunities are the main drivers of Egyptians seeking to travel abroad for work, and one of the key drivers for the demand for English education.

At the same time, there is a growing belief that English skills can sharpen a candidate's competitive edge in what has become a tough employment market. Euromonitor International's consumer perception analysis reveals that 67% of Egyptian employees believe English was the most important language for doing international business. Moreover, the average salary gap between non-English speakers and English speakers is around 70-80% in Egypt.

#### Graduates of private schools and universities are more proficient in English than graduates from public schools and universities

English is a compulsory subject for students in both private and public schools. However, in most of the international schools (schools following international curricula and catering mostly to foreign students living in Egypt) and language schools (schools that teach both the government curriculum as well as international curricula such as IGCSE), the medium of instruction is English with French, German or Spanish sometimes taught as the second language.

The Ministry of Education recently amended the teaching of English in public schools, with classes now starting at the primary stage rather than at the preparatory stage. Furthermore, the Ministry of Education has recently begun to change the structure of the English examination from the traditional "rote" method of repetition and memorisation to a more engaging and critical thinking-based approach. This is testimony to the government's ongoing efforts to raise the standards of English education in Egypt.

#### Multinationals attract English speakers

The demand for stronger English skills from corporate employers who offer the best career opportunities has encouraged graduates and the unemployed to take English courses from private language schools, the numbers of which are growing rapidly in Egypt. The estimated total number of higher education institutions including private and public universities along with private technical and professional training centres in 2011 was 97.

The operations of multinational companies in Egypt, as well as local companies seeking to improve their international competitiveness and expand their businesses to other parts of the world, have also encouraged the demand for English language provision.

## 6.2 EGYPT - KEY FACTS AND PROFILE

### Key Facts

<b>Country name:</b>	The Arab Republic of Egypt
<b>Official language(s):</b>	Arabic, English, French
<b>Population:</b>	80,289,500 (2011)
<b>Capital:</b>	Cairo
<b>Key industries:</b>	Agriculture; mining and quarrying; manufacturing; financial services; wholesale and retail trade

### English Profile

<b>English speakers in 2010/2011:</b>	35% of the population
<b>Salary gap between someone who can speak English and someone who cannot:</b>	70-80%
<b>Ranking of benefits of English in the workforce(1= not beneficial at all and 5=very beneficial):</b>	2.5
<b>Level of English required for recruitment:</b>	6.6% (1/15) Basic 6.6% (1/15) Good 20% (3/15) Fluent 67% (10/15) Intermediate
<b>Rival of English in the work environment:</b>	Arabic (99% of the population speaks Arabic)

### Research Methodology

<b>Multinational and local:</b>	Fifteen companies were contacted
<b>Industries:</b>	Eight leading industries including: agriculture; telecommunication; pharmaceutical; hotel and restaurants; banking; IT and technology; energy and oil; construction
<b>Jobs advertised in newspaper or online:</b>	Conducted a snapshot of the printed and online job advertisements requiring English (50)
<b>Education:</b>	Universities, private and public; Ministry of Education and Ministry of Higher Education
<b>Recruitment agencies:</b>	Five recruitment agencies contacted

Source: Euromonitor International from trade interviews, 2011

Note: Percentage of English speakers indicated is at an intermediate level

## 6.3 THE IMPACT OF ENGLISH ON THE COUNTRY

### Egypt on the road to stabilising economy and curbing unemployment

Egypt is the most populous country within the Middle East and North Africa (MENA) region and as a result has always played a central role in Middle Eastern politics and economic development in modern times. Agriculture, manufacturing, tourism and construction are the key industries in the generation of GDP.

In the wake of the Tunisian revolution, where a campaign of civil resistance beginning in December 2010 ultimately led to the removal of President Zine El Abidine Ben Ali in January 2011, Egypt underwent its own revolution, with protests against corruption, unemployment and other social issues leading to the removal of President Hosni Mubarak in February 2011. This revolution sparked a period of political instability in Egypt, impacting the economy, the inflow of foreign direct investment (FDI) and tourism. GDP growth dropped from 5.1% in 2010 to 1.6% in 2011.

The Egyptian government (now controlled by the Supreme Council of the Armed Forces, which claims to be acting merely in a transitory role) is now keen to restore economic prosperity to the country, and is seeking to rebuild growth through the implementation of macroeconomic policies designed to attract FDI, the reformation of taxation, trade liberalisation and monetary policies.

The economic programme and policies developed by the Egyptian authorities were discussed in January 2012 with the Director of International Monetary Fund (IMF) to ensure overall political support, and to improve the political and economic stability of Egypt. Reducing unemployment is a key issue for the Egyptian government, as the unemployed are among the most dissatisfied with the condition of the economy following the removal of President Mubarak.

### Arabic is the official language of Egypt

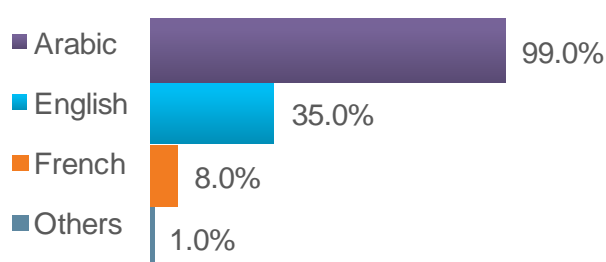
Arabic is the official language of Egypt, and many educated Egyptians also speak English and French. However, the bilingualism that characterises other North African countries such as Morocco, where most people speak fluent French and Arabic, is largely absent from Egypt. The majority of the country's 80 million people are concentrated in the vast conurbations in and around Cairo and Alexandria. There are some other minority languages such as Greek and Armenian spoken in urban areas like Alexandria. The percentage of the total population possessing intermediate English skills is only around 35%. Outside the cities such as Cairo and Alexandria, English speakers are not so common and can be considered almost non-existent.

However, although Arabic is the language most commonly used by government authorities in Egypt, there is an emerging trend for the use of English even in some government authorities.

French is most commonly spoken by the well-educated, elite social group in Egypt that makes up less than 5% of the total population. Like French, English is also most widely spoken within the business environment and among well-educated circles in Egypt. Internet access is high in Cairo and Alexandria, where most English speakers are likely to be found, while accessibility is extremely limited in rural areas of the country.

Social networking is becoming increasingly popular among youngsters in the cities with websites such as Facebook, QNet and many others attracting a large number of users. The primary language of operation and communication on many of these sites is English, and this is encouraging young Egyptians to become more familiar with the English language.

### Languages Spoken in Egypt by Percentage of Population - %, 2011



Source: Euromonitor International, 2011

Note: This is the number of English speakers to at least an intermediate level. Arabic mentioned here refers to the local Arabic spoken in Egypt

#### English education encouraged by schools

English language education is compulsory for all students in Egypt, irrespective of the curriculum they follow. Students start English education from the age of four, and continue studying it through to higher education. This applies to private and public schools following the government-decreed curriculum, as well as international schools where the medium of instruction is English due to the system they follow such as SAT, IGCSE and others. English and French are taught as second languages in most public schools.

Although the government does not have specific policies in place to promote English education, it has developed several strategies to improve the quality of higher education overall in Egypt. One of these key reforming principles focuses on improving the skill set of graduates, to better fit the needs of the labour market in Egypt.

There is a lack of effectively-taught language skills at Egyptian public universities. Egyptian businesses are looking to expand their international operations, and pushing into markets in Asia Pacific and the US, as well as other markets within the MENA region such as the United Arab Emirates; in order to do this, they need graduates with good degrees, as well as solid English language levels to communicate with investors and do business in international markets.

Individual students in Egypt are keen to learn English as a second language, as they understand that proficiency in the language will help open up more opportunities within higher education, and improve job prospects both within Egypt and within dynamic regional economies such as the United Arab Emirates. Most Egyptian graduates now consider it very important to possess intermediate or fluent English skills, as most jobs advertised in the country demand at least basic English language skills.

#### Interview with Ministry of Education:

English is becoming very popular and this has increased over the past five years, because of the increased awareness of its importance and benefits.

### 6.3.1 Investment and English in Egypt

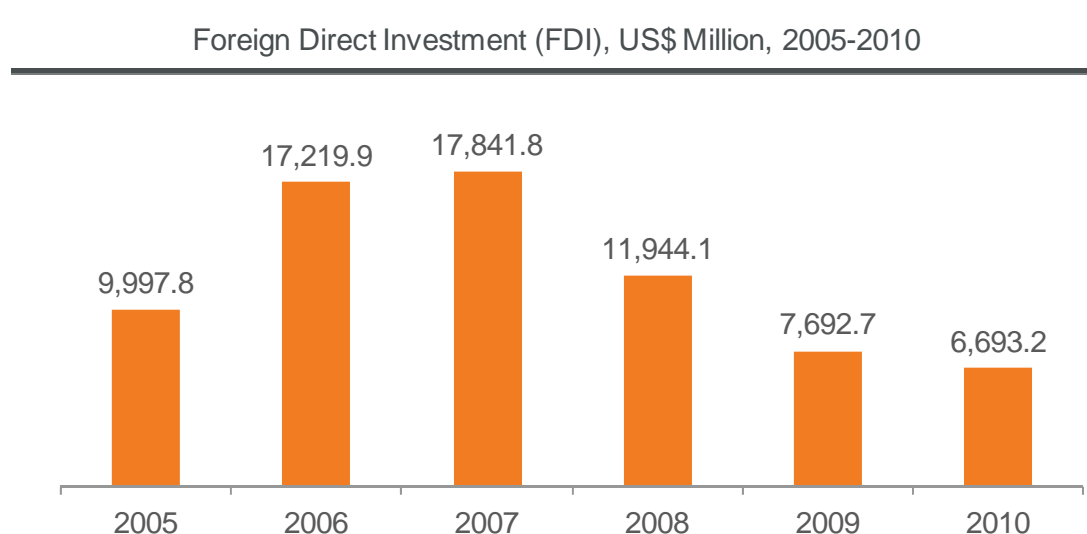
#### English encourages foreign investment in Egypt

Egypt has one of the most diversified economies in MENA, and the scale of its consumer base has meant it has historically been successful in the establishment of many multinational companies. These include BP, BG Group, GlaxoSmithKline, Cadbury (now owned by Kraft Foods), HSBC, Barclays, Vodafone, Unilever and Nestlé. The Egyptian government is seeking to improve the standards of higher education and English language skills among its own employees (especially among recent graduates) in order to attract more multinational companies.

This is because large companies are frequently headquartered abroad, but operate a network of global operations, within which the language of internal communication is usually English. The more fully the Egyptian workforce can be equipped with the necessary communication skills for these companies, the more attractive the idea of investment in the Egyptian market is to multinationals.

The government also views the education of the Egyptian workforce as a useful means of tackling growing unemployment issues in the country. In 2011, unemployment stood at over 11%, and there is significant underemployment in rural areas. This part of the population is one of the most likely sources of ongoing social unrest, and the government is looking to maintain calm in the country, especially during the current period of political transition.

Stability also affects levels of FDI; the UK and the US, for example, have always been leading investors in Egypt, but in the wake of the present political instability, overall FDI inflows declined from US\$7,692.7 million in 2009 to US\$6,693.2 million in 2010.

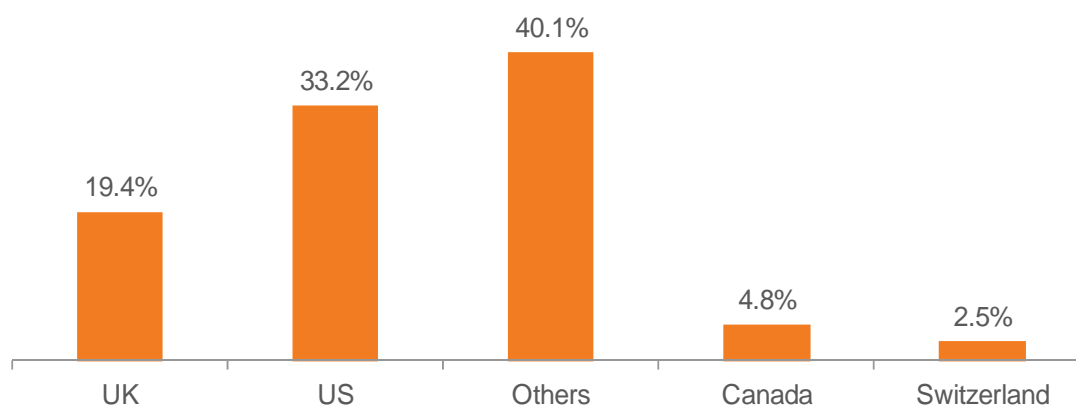


Source: Euromonitor International, 2011

According to trade interviews, with the growing demand for English language skills from individuals and multinational companies, as well as governmental reforms, the opportunities for English language providers will grow over the next five years in Egypt.

There are multinationals operating in a wide variety of different sectors in Egypt, but the most important one is the energy sector. Around 33% of FDI in this sector came from the US in 2010. Several UK companies also invested in Egypt in 2010, attracted by low operating costs and capital growth.

Foreign Direct Investment (FDI) Inflows by Country - %, 2010



Source: Euromonitor International from OECD (Organisation for Economic Co-operation and Development), 2011  
Note: "Others" is the combined share of all other countries that have any sort of investment in Egypt

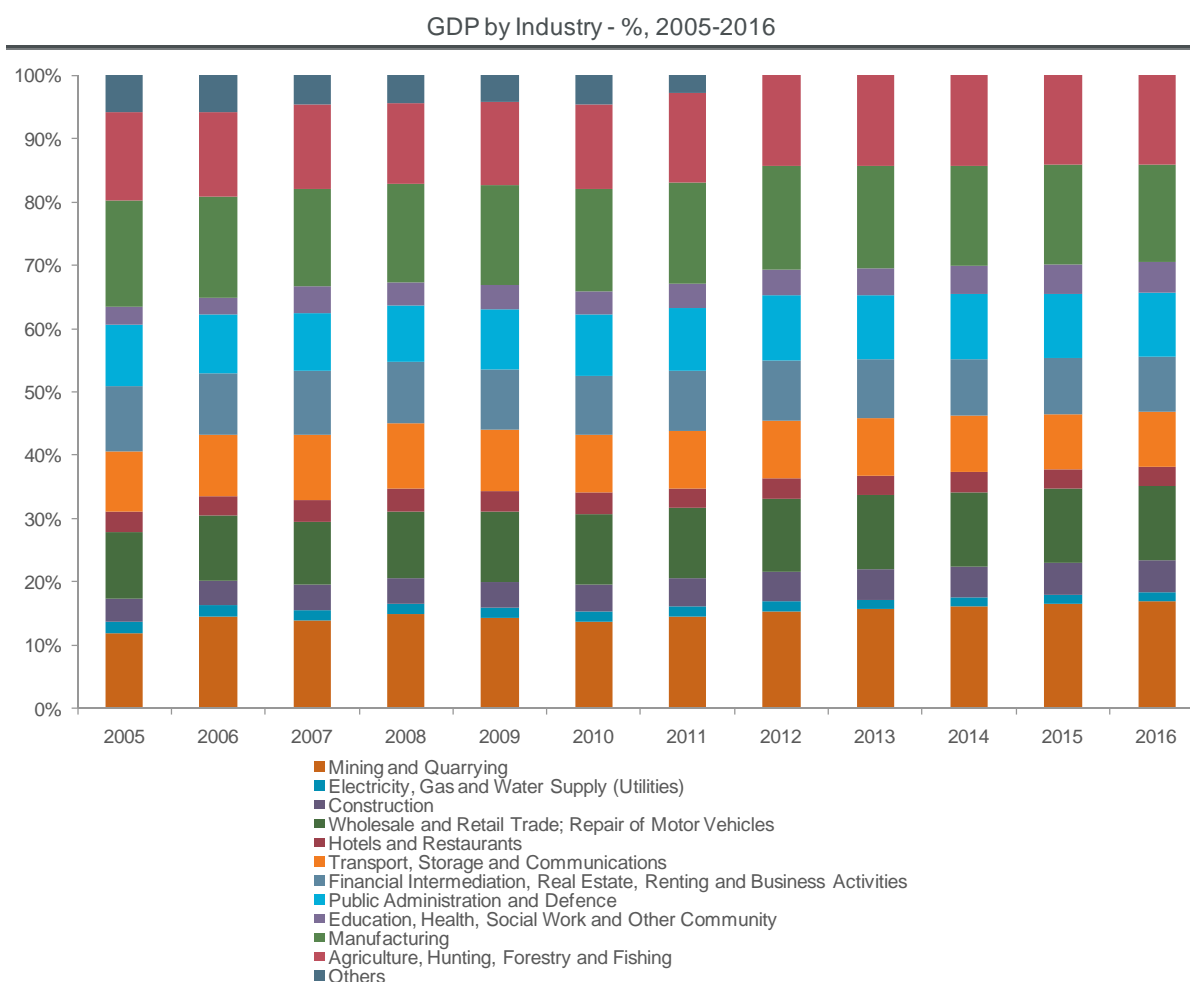
### Most industries now require employees with high English levels

Manufacturing, mining and quarrying, agriculture, hunting, forestry and fishing, wholesale and retail trade and financial service are the key industries contributing to the total GDP of Egypt, according to Euromonitor International. Construction and tourism are the other important industries employing significant numbers of people in the country.

According to Euromonitor International research, Egypt is seeking to develop new opportunities within higher technology industries, evidenced by the growing number of Information and Communications Technology (ICT) users during 2005-2011. This growth has been underpinned by an increase in capital investment in telecommunications by the government as well as foreign investors.

Egypt had 3.8 million Information and Communications Technologies (ICT) users in 2011 and the government and private sector invested a combined US\$4,327 million in telecommunications in the same year. In line with forecast technological advances, there is likely to be an increase in the number of information and technology companies in Egypt; within these industries, English speakers are in high demand, as operating systems and the international IT business community typically use English to communicate.

Telecommunications is another booming industry that is also seeking large numbers of English speakers. International telecommunications companies such as Etisalat and Du have opened a number of call centres in Egypt in the past five years to manage overseas customers. Employees working in these companies require high levels of English to handle these customers effectively.



Source: Euromonitor International, 2011

### Growing technological advances aiding English language

ICT is a key industry in Egypt, with the greatest level of demand for English speakers. This is because of the dynamic growth of the industry in Egypt in the past five years. The growth in internet users and online access was a primary factor in the rapid development of the 2011 revolution period, with the widespread use of social media as a communication and organisational tool underpinning the importance of the internet to Egyptian society.

Egypt's large youthful demographic is the main engine behind the rapid evolution of online use in Egypt. Telecommunications companies including Etisalat and Du have opened call centres to manage overseas customers and clients. This in turn requires hiring employees with high/proficient English language skills to effectively understand client and customer needs.

The service sector is one the largest sectors in the country. The expansion of service industries such as banking and finance into international markets has also contributed to the growth of English in Egypt. Food and agriculture, wholesale and retail, banking, and oil and gas are among the sectors that include huge multinationals such as Nestlé, Kraft and HSBC. These companies also prioritise hiring English speakers, thanks the international nature of their businesses and operations, and the use of English for internal communication.

Industries that Demand the Most English Speakers - %, 2011

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Source: Euromonitor International from trade interviews, 2011



## 6.3.2 The Influence of English

### Most industries concentrated in the capital city of Egypt

Industrial development is closely linked to urbanisation in Egypt, which is the reason that most of the multinational companies and industries are concentrated in Cairo and its surrounding areas. Cairo's status as the capital of Egypt means it is the principal destination for different nationalities, including Arab and non-Arab as well as rural Egyptians seeking better jobs. Cairo's status as a business hub has seen the development of hotels, shopping malls and other facilities by multinational investors and supporting industries in Cairo.

Indicator	North	South/Southeast	East
<b>Main cities:</b>	Cairo, Alexandria, Port Said, Ismailia	Luxor, Aswan, Menya, Sohag	Sharm el Sheikh, Hurghada, Suez
<b>Main industries:</b>	Maritime and ports, IT and telecommunications, food and agriculture	Hotels and restaurants, tourism, cement, chemicals	Food and agriculture, chemicals, tourism, petroleum
<b>Largest MNCs:</b>	The Egyptian Marine Supply & Contracting Company (CONSUP), Kraft, PepsiCo, Coca-Cola, Nestlé	Hilton Luxor Resort & Spa, Sheraton Hotel, Crystal Asfour, Abu Hashima Steel	Egypt Foods, Oil Tec For Oils And Detergents dba Oil Tec, Menofia For Fertilizers & Chemicals, Egyptian Petroleum Company (EPC), Suez Oil Petroleum Company
<b>Main local language:</b>	Arabic and English	Arabic	Arabic and English
<b>Usage of English:</b>	Dominant in large cities such as Cairo and Alexandria	Medium number of English speakers	Medium to strong English speakers

Source: Euromonitor International from trade interviews, 2011

Industry	Location	Main Companies
<b>Banking and finance:</b>	Cairo	HSBC, Barclays, Crédit Agricole, BLOM Bank
<b>Energy and oil:</b>	Cairo	Halliburton, Apache, Egyptian Drilling Company (EDC), Burullus Gas Company
<b>Maritime and ports:</b>	Alexandria and Cairo	The Egyptian Marine Supply & Contracting Company (CONSUP) – Alexandria Egyptian Company for Maritime Transport (MARTRANS) - Cairo
<b>IT and technology:</b>	Cairo	Raya Holding for Technology and Communications, Orascom Technologies, IST Networks, Siemens
<b>Services:</b>	Cairo	FedEx, Aramex, DHL

<b>Food and agriculture:</b>	Cairo	Nestlé, Unilever, Cadbury, Juhayna
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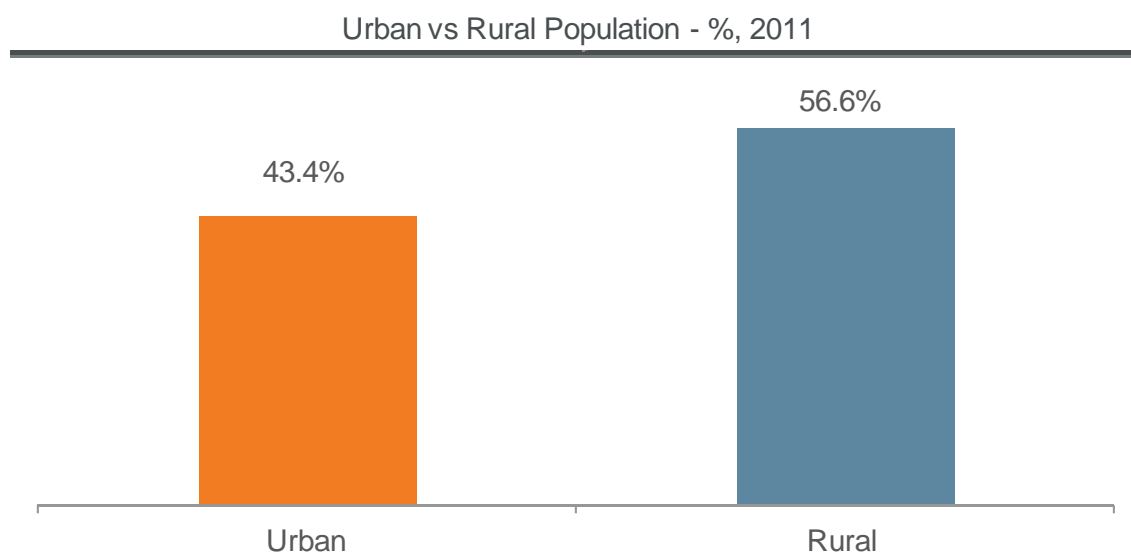
Source: Euromonitor International from trade interviews, 2011

### Increasing globalisation trend drives urbanisation in Egypt

As most of the country's industry is based in Cairo, Alexandria, rural Egyptians are increasingly seeking work in the cities. An estimated 43.4% of the total population lives in cities. Better employment prospects and the pursuit of higher living standards are the key factors driving urbanisation. There is greater access to schools and higher education institutions in cities; at the same time, dropout rates for schools are higher in rural areas where higher or secondary education is less of a priority, and the provision and ease of access to schools much weaker.

Exposure to television and media is also higher in urban areas, and as a result urban Egyptians are far more likely to be exposed to English via social media and other mass communication technology. This supports aspirational trends among the young, and urban Egyptians are more aware of the benefits of strong English skills. The perception is that English will improve access to better standards of living via improved job prospects, and ultimately allow them to provide a better education for their own children.

Increased urban infrastructural development has also driven urbanisation. This has attracted people to the cities, at the same time as reducing the agricultural workforce. Cairo has therefore made its position as a regional economic hub even stronger, and as Egypt is now seeking to take a greater role in the global economy, multinational companies and potential FDI sources are seeking to invest in Cairo, which will in turn lead to more growth in English language skills among Egyptians.



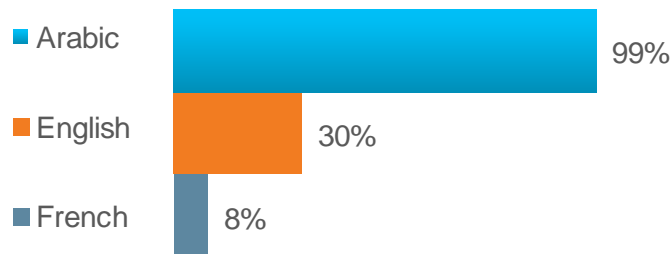
Source: Euromonitor International, 2011

Young adults living in urban areas are now learning English in order to remain socially active through websites such as Facebook and Twitter. At the same time, English proficiency can improve the prospects of employment with international companies, and is also a tool that will help them access employment opportunities in countries such as the United Arab Emirates where standards of living are higher than Egypt.

Moreover, well-known private higher education institutions that foster quality English education such as The American University of Cairo are usually located in urban areas. Such education remains largely affordable only to the affluent class.

Languages Spoken in Urban Areas - %, 2011

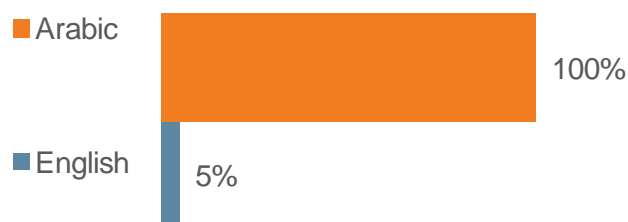
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Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level

Languages Spoken in Rural Areas - %, 2011

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Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level

**Interview with a leading telecommunications company:**

The English language is very beneficial to the growth of companies. Since we are a multinational company, English is widely spoken across the company and is highly desired. With a greater number of English speakers, it is relatively easy for multinational companies to set up operations in Egypt since they would not face difficulties in finding the right talent.

### 6.3.3 The Employment Market and English

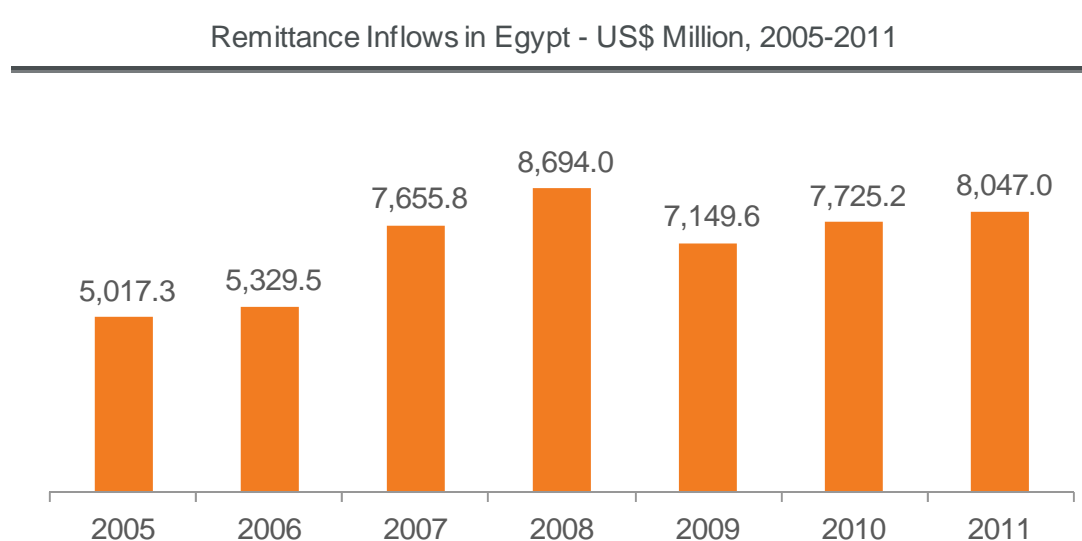
#### Choice of jobs highly influenced by unemployment

Due to rising unemployment in Egypt, many graduates work in jobs for which they are overqualified. The education system in Egypt is blamed for producing unqualified graduates who lack the necessary skills that allow them to function in the current work environment. On the other hand, university degrees continue to be viewed as an essential step to a good job.

University degrees, in particular medicine, engineering and pharmacy, are perceived as a marker of high social status. This means the supply of graduates in these fields is greater than labour market demand, and competition for jobs in these fields is extremely strong. The unemployment rate in Egypt was 11.7%, according to Euromonitor International.

Most Egyptian graduates aspire to work abroad, especially in Gulf countries such as UAE, Saudi Arabia and others where job opportunities and salaries are greater. The growth in this trend is evident from remittance inflows into Egypt, which have grown over the review period from US\$5,017.3 million in 2005 to US\$8,047.0 million in 2011, despite a dip in 2009 and 2010 in the wake of the global financial crisis.

Most highly-proficient English-speaking candidates are graduates from private universities, who study in English, unlike public universities where all subjects are studied in Arabic. However, because 82% of Egyptians go to public universities, English speakers are a minority, in comparison to Arabic speakers. English is regarded as an essential requirement for most professional positions.



Source: Euromonitor International, 2011

#### Interview with a leading recruitment agency in Egypt:

In Egypt, most advertising is done through the newspaper and on the internet. We are a company that uses Facebook as an advertising medium since it is becoming increasingly popular in Egypt.

#### Job Positions

#### Search Channels

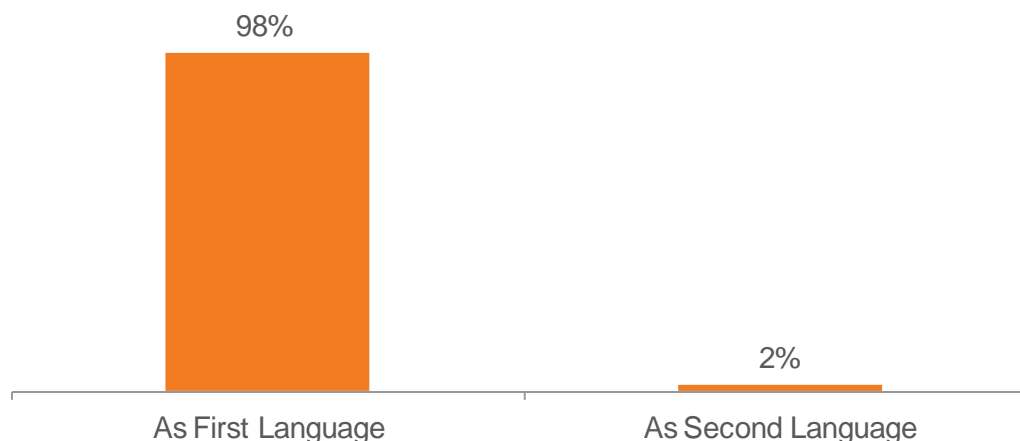
<b>Manual labour worker<sup>1</sup>:</b>	Referrals and local newspapers
<b>Middle positions<sup>2</sup>:</b>	Newspapers, job fairs, company websites, recruitment agencies

**Senior positions<sup>3</sup>:** Job fairs, company websites and recruitment agencies

Source: Euromonitor International (interviews with recruitment agencies and printed publications), 2011

Notes: <sup>1</sup> includes all vocational trades such as carpentry, painting and electrical; <sup>2</sup> includes any job requiring up to five years' experience; <sup>3</sup> includes any job requiring over five years' experience

## Jobs Advertised Online and in Newspapers that Require English - %, 2011



Source: Euromonitor International from trade interviews, 2011

**English given top priority by most companies**

During the research, Euromonitor International took a snapshot of jobs advertised online and in newspapers in Egypt. Of 50 job advertisements, only one required English as a second language, while the remaining 49 all required English as a first language.

It was evident from both trade interviews and job advertisements that medium and senior positions in marketing, sales, IT, administration, HR, research and consulting were the most likely to require English speakers. These jobs are spread across sectors including IT, telecommunications, pharmaceuticals, tourism, banking, food and agriculture, and energy and oil.

Corporate operations in these sectors are more likely to have dealings with international clients or divisions of the company based outside Egypt, for whom English is the primary language of communication. English proficiency is therefore a primary requirement when hiring their staff, as they seek to improve their communications both internally and externally and grow their business.

Multinationals in Egypt including Nestlé, Pfizer, Unilever and Siemens are examples of multinationals with strong demand for fluent English speakers, and Pfizer, for example, conducts English assessment tests before hiring.

The increasing corporate demand for English speakers across different business sectors in Egypt has rendered non-English speakers almost redundant, and there has been a major shift in language requirements in the work environment. There is also an emerging trend for English speakers from government entities who have traditionally been content with Arabic speakers. This underlines a shift in focus in Egypt towards the global market.

**Interview with a leading multinational pharmaceutical company:**

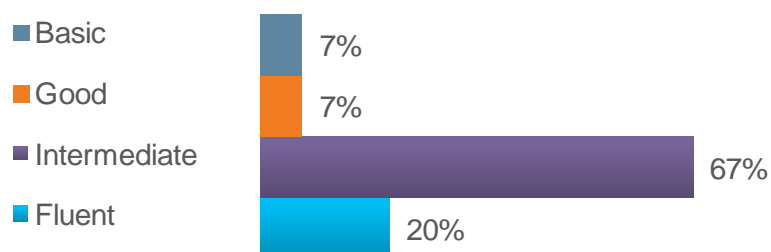
Yes, I see that our perception of the language and skills are different from one year to the other. English is becoming very important and as evidence, we have a very strong English test for new employees because English is the first language required by our company, as we are a multinational company.

### Salary Differentiation - English Skills vs No English Skills

Job Title	Professional Salaries with English Skills to at least Intermediate Level (Gross Salary/Month US\$)	Professional Salaries with no English Skills (Gross Salary/Month US\$)
Director:	6,840	3,800
Senior manager:	3,240	1,800
Manager:	1,440	800
Senior analyst:	700	400
Analyst:	350	200
Secretary:	306	180
Carpenter:	100	100
Electrician:	100	100
Plumber:	120	120
Receptionist:	289	170

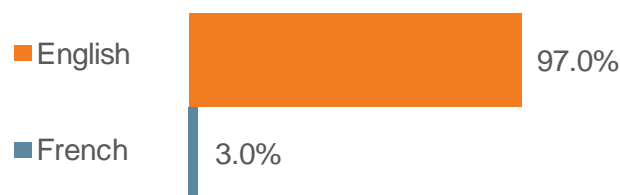
Source: Euromonitor International from trade interviews, 2011

What is the Level of English Required? - %, 2011



Source: Euromonitor International from trade interviews, 2011

## Is There a Second Language Required? - %, 2011



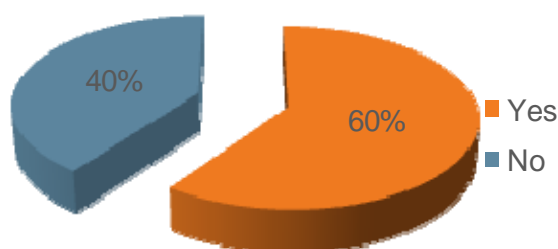
Source: Euromonitor International from trade interviews, 2011

### Training in English common among Egyptian corporates

English language training courses for employees are not commonly provided by companies in Egypt. Individuals instead enroll themselves at private language schools that offer English courses. Large multinational companies often hire only very fluent English speakers who rarely require English training.

However, 60% of the companies interviewed stated that their training is conducted in English as it is considered the basic medium of communication. Companies are keen to encourage advancement in the English proficiency of their staff, which acts as a motivation for graduates to become enrolled in private language training centres. However, the high cost of the courses available at such training centres acts as a constraint to graduates who often find this unaffordable.

## Is English Used for Training Purposes? - %, 2011



Source: Euromonitor International from trade interviews, 2011

#### Interview with a leading oil and gas company:

*After new employees complete around six months, they get training sessions abroad in the US, but it is technical training, not English soft skills, as all engineers should have perfect English. We give soft skills training to managers after seven years: managerial skills, team leader skills, English soft skills.*

### Government entities witness growth for English speakers

Interview with recruitment agencies stated that growth in the number of multinationals in Egypt is expected to drive up demand for English speakers over the next five years. Nearshore call centres where English proficiency is needed to service overseas customers are noticeably growing in Egypt,

especially those servicing telecommunications companies. During the research, 60% of companies interviewed ranked English 4 out of 5 in terms of its importance to their growth. Growth of English in governmental entities is also evident.

Egypt's location, its large population and educated workforce, the low cost of operations, low wages and business support have all helped drive the numbers of multinationals investing in the country. The government is thus seeking to enhance these aspects to attract more investment and boost economic growth.

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### How Does English Benefit Company Growth? - %, 2011

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Source: Euromonitor International from trade interviews, 2011

Note: 5=very important; 1=not important



## 6.4 THE IMPACT OF ENGLISH ON THE INDIVIDUAL

### Demand for English by corporates pushes demand for English courses

Faced with a high unemployment rate, many Egyptians look to sharpen their skill sets to increase their chances of employment with multinational companies. Graduates with sound technical knowledge and work experience typically lose out to less technically qualified candidates with stronger English skills, according to Euromonitor International.

One of the large domestic companies such as Juhayna in Egypt are now aiming to compete against multinational rivals in Egypt, and regard this as extremely difficult without the recruitment of English speakers. This trend for domestic companies recruiting English speakers in order to expand their businesses has created strong demand for private language training centres in Egypt, although most Egyptians cannot afford their high costs.

#### **Interview with a premium business process outsource (BPO) service provider specialising in customer relationship management:**

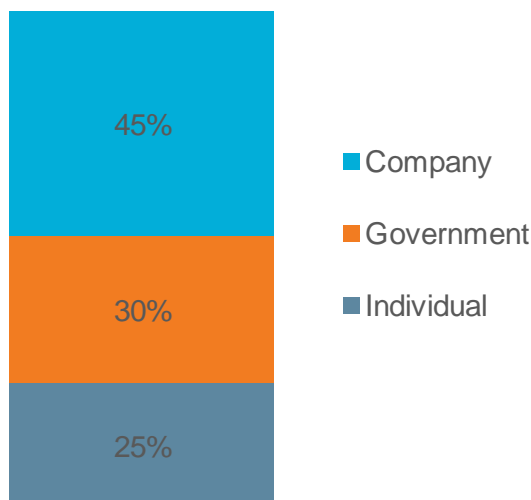
Almost all sectors require a very good command of English as the majority of people now are learning more English as the multinationals expand over here. It is required to have good English, especially in the IT, HR, finance and engineering sectors. This trend will increase for sure over the next five years, because of the candidates applying for English vacancies and multinational companies growing all over Egypt.

### Education made affordable to improve literacy rates in the country

Education in Egypt through public schools and universities is very accessible and affordable to almost everyone. Arabic is the primary language of education in public schools and universities; however, private schools and universities pay more attention to foreign languages, especially English. Although a number of criticisms have been aimed at the education system from the public and corporate sectors in terms of the lack of graduate suitability for the modern labour market, Egypt is home to some of the oldest universities in the Arab world, including Cairo University and Al Azhar University, both of which are recognised as offering high-quality education.

The growing presence of multinationals in Egypt and the growth of large national companies have both created increased demand for English speakers in the workforce. According to trade interviews, companies in Egypt are the main drivers of English. In addition to this, the government is determined to boost the economy and attract investments, and has realised that a better-educated workforce is required for this. All these factors positively influence the demand for English language in the country.

## Who is Creating Demand for English Education? - %, 2011



Source: Euromonitor International, 2011

Note: Overall percentages score based on trade interviews. May sum to over 100% due to multiple answers per interview

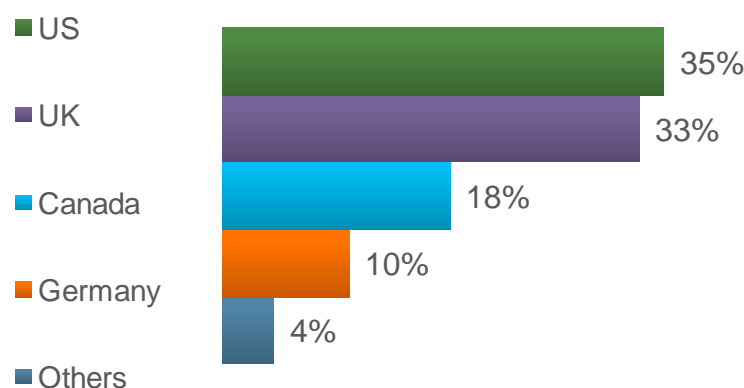
### Few Egyptians can afford to pursue higher education abroad

Many Egyptians aspire to travel abroad in order to pursue careers and job opportunities which are less readily available in Egypt. Egypt is an exporter of white-collar workers to countries in the Middle East and in particular the Gulf economies. This underlines the high quality of education Egyptians receive, and the difficulty of using their qualifications at home due to the high unemployment rates.

Travelling abroad to pursue education is seen as highly desirable by most Egyptians; however, few can afford to do so. The US is the most desirable destination for overseas education, as many Egyptians believe that they will be able to access job opportunities there after completing their education. The UK is also highly popular among Egyptian students, as the country is associated with strong universities that offer the highest education levels.

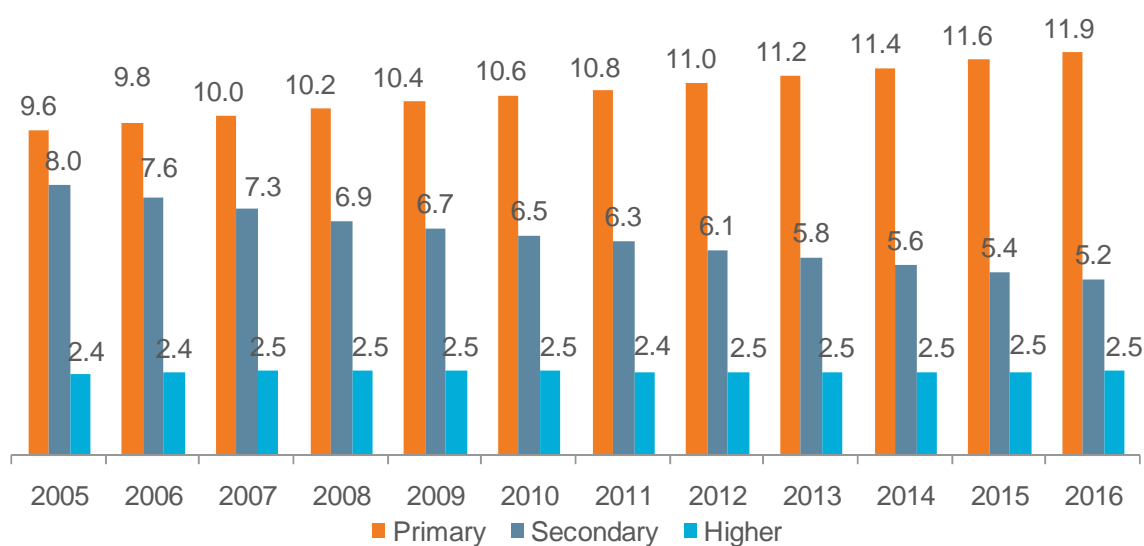
Canada's more relaxed immigration rules are also attractive for potential students. Germany has become increasingly popular since the establishment of the German University of Cairo almost 18 years ago, and many senior students in this university travel to Germany before graduating. It is important for students to possess higher levels of English when applying for higher education in Canada and other English-speaking countries, which is acting as a motivating factor for them to learn English.

Most Popular Countries Amongst Students in Egypt - %, 2011



Source: Euromonitor International, 2011

Total Egyptian Student Population by Level of Study - Million, 2005-2016



Source: Euromonitor International, 2011

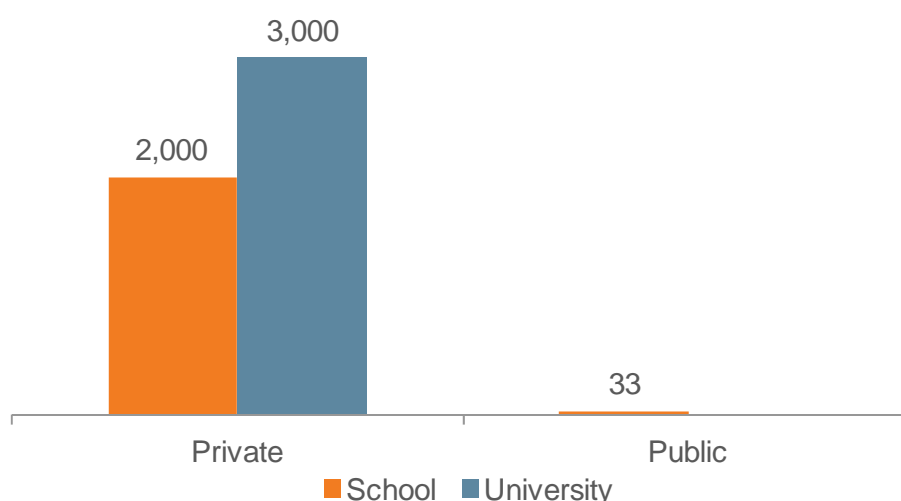
Difference in costs of major types of educational institutions - US\$, 2011

Institution Type	Average Cost per Student per Term	Source of Funding	Cost to the State
Average cost of public school (including universities)	Public education is free in Egypt with a minimum expenditure of around US\$33 involved for books and other school materials per term	Parents	US\$165

<b>Average cost of private school (including universities)</b>	Private school: US\$1,500 – 2,000 per term	Parents	None
	Private university: US\$3,000 per term		

Source: Euromonitor International, 2011

Going to School - How Much Does it Cost? - US\$/per term, 2011



Source: Euromonitor International, 2011

**Interview with Ministry of Education:**

Financial resources control travelling abroad, but overall there has been a rise in the number of students travelling abroad in order to obtain scholarships as well as for faculty members to gain Master's degrees and PhDs.

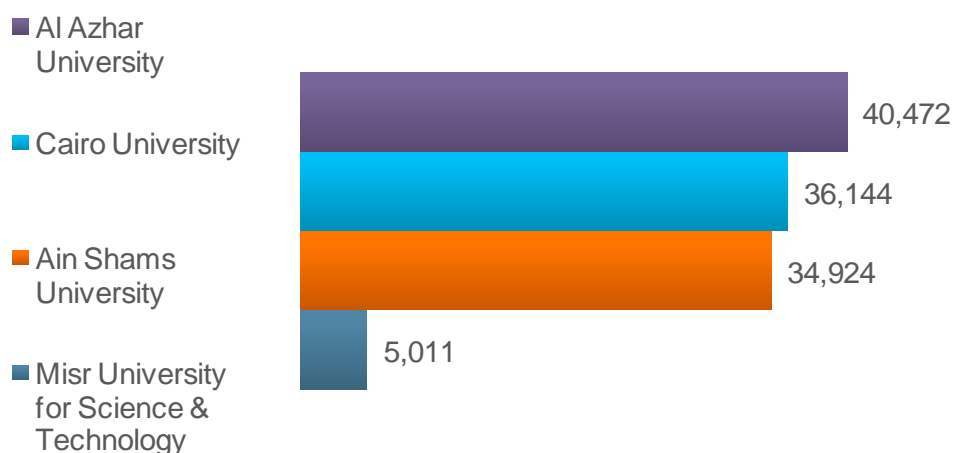
**Public universities in Egypt recognised regionally and worldwide**

As of 2011, there are around 24 private universities and around 20 public universities in Egypt. Most of the private universities are situated in the capital city, Cairo, such as the American University of Cairo and the German University of Cairo, which are known for their excellent reputation among employers as institutions that produce skilled, English-proficient graduates suitable for the modern labour market. However, fees at these universities are beyond the means of all except a small minority.

While both public and private schools currently teach English from the primary stage, private school students acquire higher proficiency in English due to having more proficient English teachers. However, the government is introducing training programmes for English teachers in public schools. Egypt also has international schools mostly catering to international students, which follow the curricula of other English-speaking countries such as the UK (IGCSE), and the US (SAT).

Public schools, on the other hand, generally follow a weak and out-dated curriculum and are more likely to use out-dated teaching methods and examination systems. Public schools have fewer facilities and fewer fully-trained educators, as well as a larger number of students in their classes. Public universities face a similar situation, although universities such as Cairo University, Ain Shams University and Al Azhar University are some of the oldest universities in Egypt, renowned for their qualifications in engineering, medicine and others.

Graduates from Top Four Universities, 2010/2011



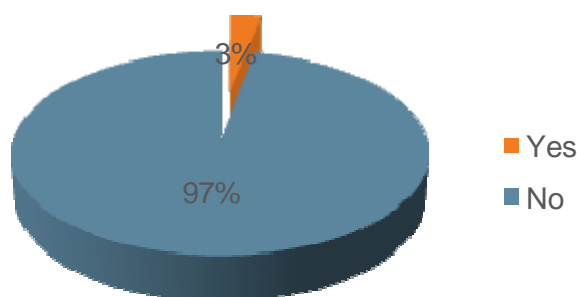
Source: Euromonitor International from statistics office, 2011

The popularity of English as a study language is increasing, mainly because it provides Egyptian graduates with better job prospects and can open doors to working in an English-speaking environment. Furthermore, it also helps them migrate to neighbouring Arab countries such as the United Arab Emirates for prospective career growth.

Although presently there are not many graduate programmes sponsored by the private sector, government expenditure on education is gradually increasing in Egypt due to the latter's efforts to make education accessible to the majority of students. Government expenditure on education increased from US\$2,989 million in 2010 to US\$3,321 million in 2011.

BG Egypt and The Cairo University launched the University Linkages Program in 2010 with The British Council in order to enhance the university's Petroleum Geosciences students' skills and capabilities. This program is intended to offer students' training in English language as well as professional skills in order to brighten up their employment opportunities. The program is funded by BG Egypt and implemented by The British Council.

Do Universities have Graduate Programmes Sponsored by the Private Sector? - %, 2011



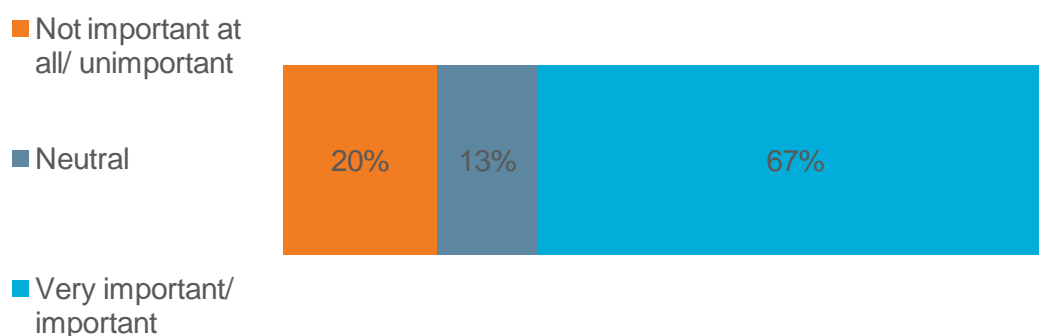
Source: Euromonitor International from trade interviews, 2011

## 6.5 CONSUMER PERCEPTION OF ENGLISH IN EGYPT

### Two thirds of Egyptians consider speaking English very important or important

The majority of Egyptians (67% of individuals) consider English-speaking skills as very important/important, while 20% stated that speaking English is not important at all/unimportant. This is because strong English skills can help secure work in key positions in multinational companies and also open doors to employment opportunities in neighbouring Arab countries such as the United Arab Emirates.

Importance of Speaking English - %, 2011

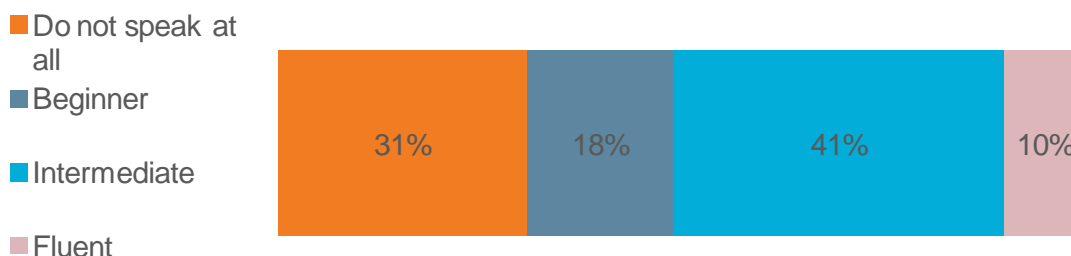


Source: Euromonitor International from consumer perception analysis, 2011

### Almost one in three individuals in Egypt do not speak English at all

More than half of the individuals interviewed spoke either fluent or intermediate English in Egypt. Some 10% of individuals considered themselves fluent in English, with 41% possessing intermediate English skills. The remaining individuals are either beginners (18%) or do not speak English at all (31%).

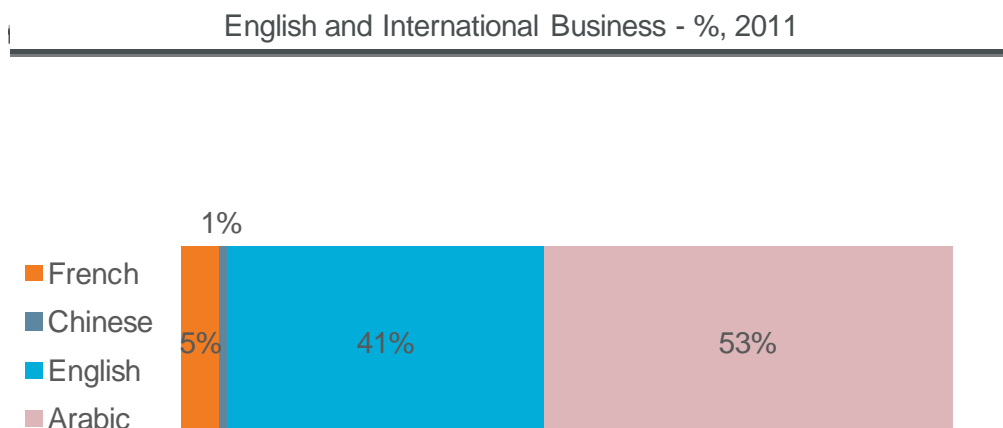
Fluency in English - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

### English is seen as the second most important language for international business in Egypt, after Arabic

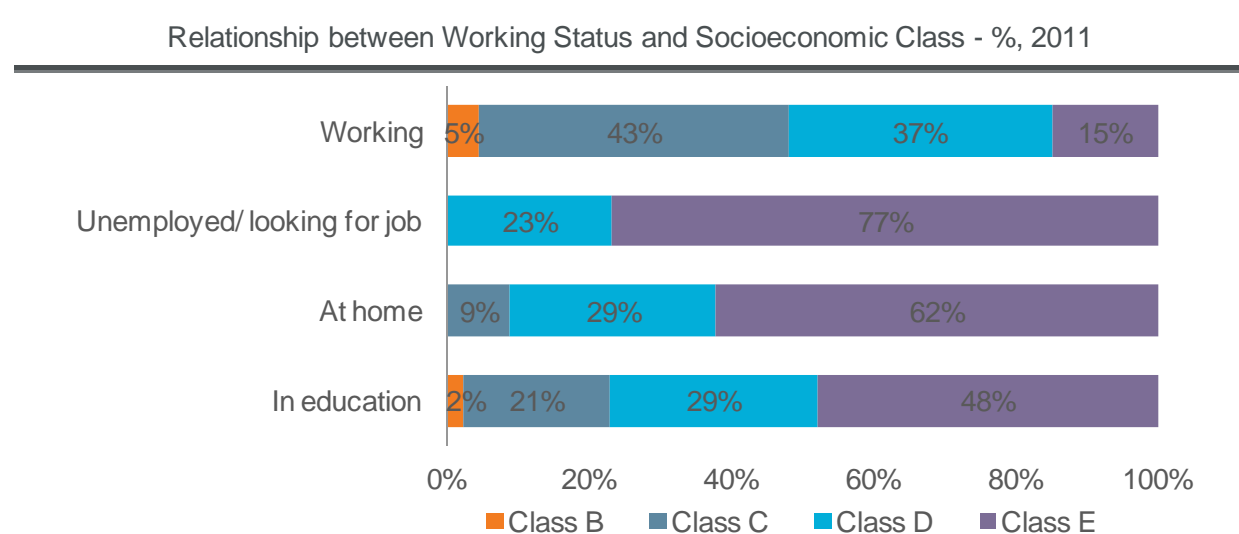
When asked to choose the most important language for international business, 41% of Egyptians considered this to be English, compared to 53% who chose Arabic. French came third, with only 5% of individuals considering it to be the most important language for international business, while the remaining 1% chose Chinese. People belonging to the elite, upper-income class in Egypt, who represent less than 10% of the total population, usually speak French.



Source: Euromonitor International from consumer perception analysis, 2011

### Working individuals in Egypt usually belong to higher socioeconomic class

It is evident that there is a correlation between working status and socioeconomic class. Working individuals earn a better income and belong to higher socioeconomic classes compared to non-working individuals. Just 5% of employed individuals surveyed belong to class B, while 43% belong to class C. All unemployed individuals belong to either class D or E.



Source: Euromonitor International from consumer perception analysis, 2011

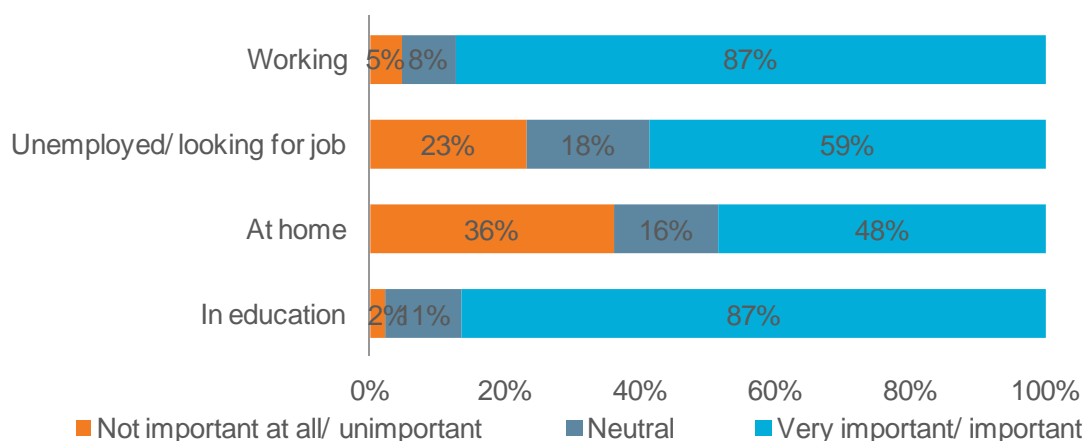
## Individuals' perception of the importance of speaking English and working status

This section focuses on understanding the relationship between the working status of individuals in Egypt and the importance of English overall. One key hypothesis is that prospects for employment increase with the level of English proficiency. This is particularly important given the unemployment rate of 11.7% in Egypt during 2010-2011, according to Euromonitor International.

### Speaking English considered more important by employed individuals and students

The vast majority of working individuals and students in Egypt considers English important. Around 87% of employed individuals as well as students (those individuals in education) consider English important or very important, compared to 59% of those who are unemployed/looking for a job. Only 5% of employed individuals consider English not important at all/unimportant. While English was rated the most important language for international business by the majority of Egyptians who are employed or in education, Arabic was considered more important by the majority of individuals who are unemployed/looking for a job or who are at home. The importance of English in international business is widely acknowledged among the business community in Egypt.

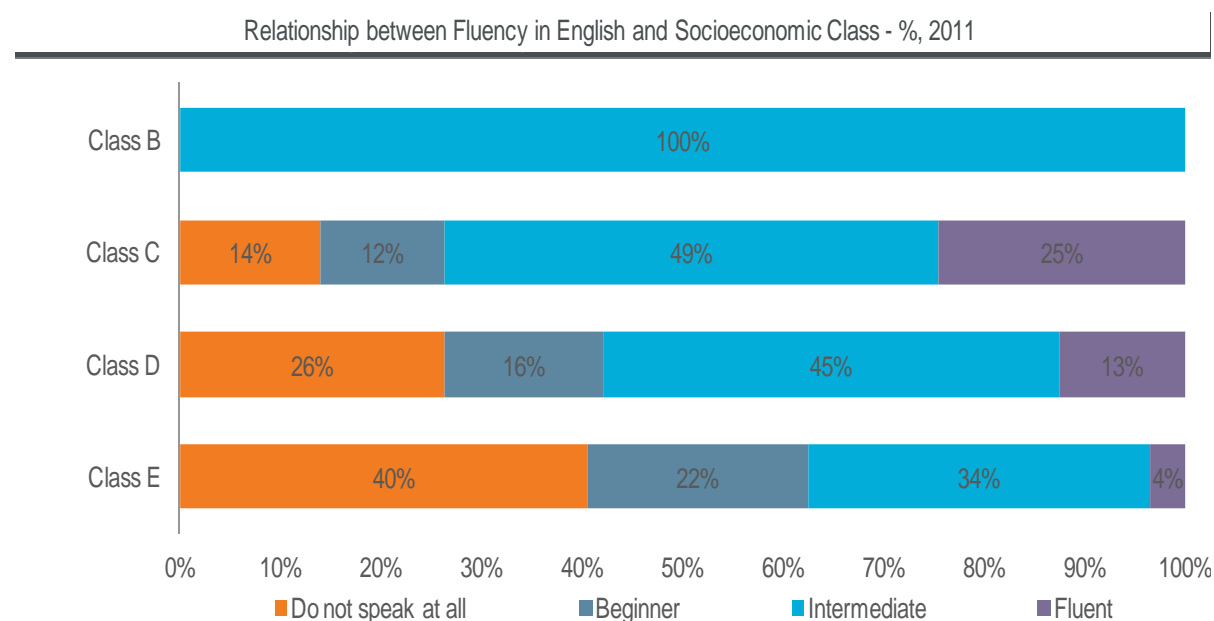
Relationship between Importance of Speaking English and Working Status - %, 2011



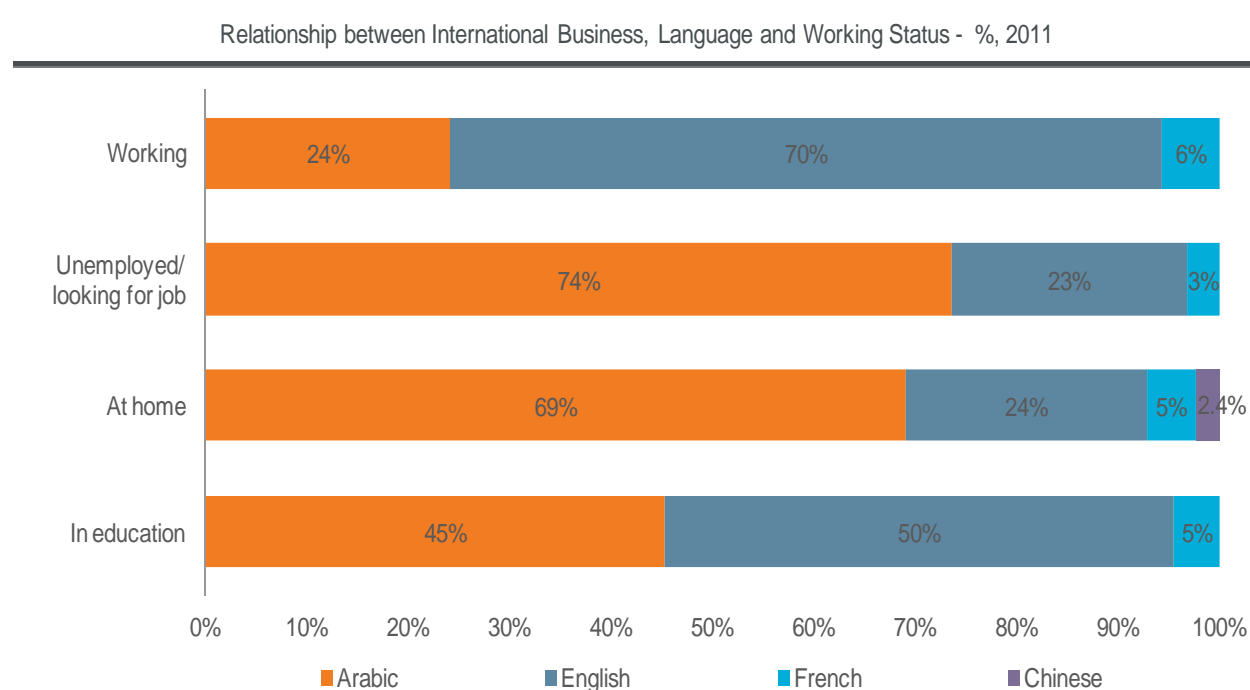
Source: Euromonitor International from consumer perception analysis, 2011

Linking individuals' socioeconomic class with their level of English proficiency shows that individuals belonging to higher socioeconomic classes possess better English skills than those in lower classes. All individuals (100%) belonging to class B stated that they possess intermediate English skills, compared to 49% of individuals in class C and 45% in class D. Class B makes up to 8% of Egyptian population according to Euromonitor International data. Being more at ease moneywise, these individuals are reported to have access to better education.





Source: Euromonitor International from consumer perception analysis, 2011



Source: Euromonitor International from consumer perception analysis, 2011

English predominantly remains the key international language for doing business in Egypt, especially among working professionals and students. Importance of English among unemployed people is slightly lower, which is evident in them choosing Arabic as the key language for doing business in the country.

The following section illustrates the reasons shared by Egyptian individuals on why they learn English.

Individuals were asked to state their level of agreement/disagreement on a scale of 1 to 5 (5: strongly agree and 1: strongly disagree) across eight statements on why people in Egypt tend to “learn how to speak English”. For the purposes of analysis, these statements were classified under two broad categories: personal reasons and work reasons.

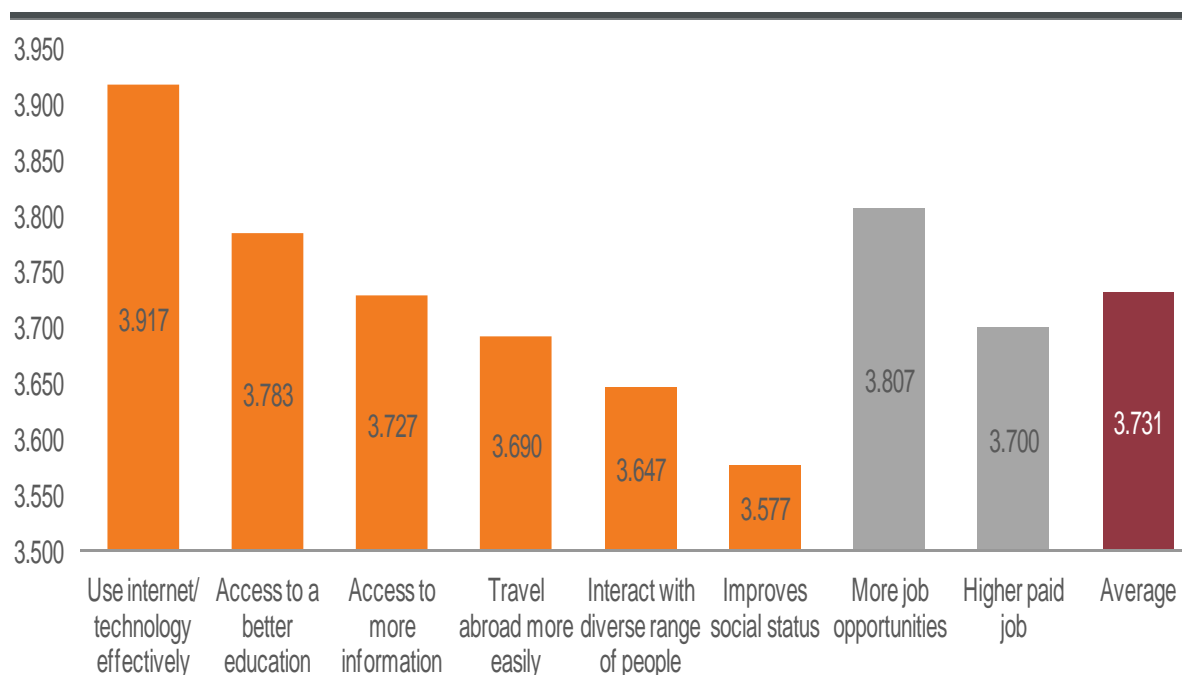
Category	Attitudinal Statements
<b>Personal:</b>	Use the internet and modern technology more effectively Access to a better education Access to more information Travel abroad more easily Interact with a more diverse range of people Improves their social status
<b>Work:</b>	More job opportunities Get a higher paid job

Source: Euromonitor International from consumer perception analysis, 2011

It was found that individuals considered work-related reasons marginally more important than personal reasons. The difference was, however, negligible (work-related reasons averaged 3.754 out of 5, while personal reasons averaged 3.724). English is thus considered to be almost equally important for personal as for work reasons.

Further analysis of the average ratings of the various statements showed that “using internet/technology effectively” and “more job opportunities” had the highest scores. The statement with the lowest average score was “improves social status”, which may indicate that English is used less on a social level in Egypt.

Reasons why People Learn to Speak English, 2011

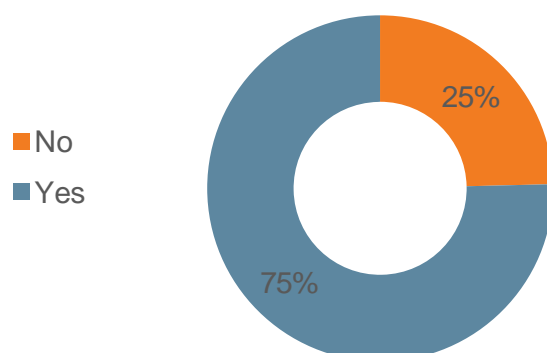


Source: Euromonitor International from consumer perception analysis, 2011

This section examines how beneficial individuals consider speaking English in Egypt.

Individuals were asked to provide some qualitative insights in terms of how they think their country will benefit if more of its residents spoke English.

Relationship between Speaking English and Benefits for Egypt - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

Around 25% of individuals thought that there would be no benefit for Egypt if its residents spoke more English. Those individuals believed that there is no benefit from using English because Arabic is Egypt's official language. However, a significant proportion of individuals expressed the opinion that Egypt would benefit as a country if more people learned how to speak English. In fact, they felt that English would contribute to the country's overall development, would benefit from international trade and business and would facilitate communication between Egypt and other countries worldwide. The level/quality of education in Egypt was also an area mentioned.

Egyptians consider international business and trade to represent the area that would register the strongest improvement if more people in the country spoke English. According to responses, English is the most prevalent language in international business. This means that the country's international business affairs would see further development with more extensive use of English by Egyptians.

In terms of communication, individuals felt that since English is an internationally used language, if more Egyptians learned how to speak it, it would have a beneficial impact on tourism as it would attract more tourists/visitors to the country. Communication was also mentioned in relation to business; individuals believe that the proficient use of English would make communication with foreign companies much easier/more effective.

It is also apparent there is a strong link between English and what is considered to be a good education in Egypt. A high proportion of individuals considered English to be the language of higher education, while others referred to it as the language of knowledge or the language of science and technology. There is a widespread belief that because it is taught all over the world, English would have a beneficial impact on education in Egypt.

Tables below illustrate the actual comments of individuals.

Category	Reasons Why English is Beneficial - Country
<b>Development:</b>	English is important for developing our country English helps in improving the economy Usually business is conducted in English It is important to learn English so that we can achieve our goals English is the language of development
<b>Trade:</b>	English is important for international business and trade Business on the international level is in English

**Communication:**

If our citizens speak English proficiently, tourists will be attracted to our country, which will be very beneficial  
English is beneficial for international affairs

Source: Euromonitor International from consumer perception analysis, 2011

On an individual level, it was considered that English is most beneficial in the area of work. Among other reasons, it was mentioned that English is necessary for business people, it increases Egyptians' chances of finding better job opportunities, and overall, individuals believe that English speakers have better chances in business. It was also mentioned that English would help them do their job better and that it is a very important language for career development.

Category	Reasons Why English is Beneficial - Individuals
<b>Work:</b>	<p>There are good job opportunities for those who speak English</p> <p>There are better chances in business for English speakers</p> <p>English is necessary for businessmen</p> <p>English helps us at work</p> <p>English is important for career development</p>
<b>Education:</b>	<p>English is important for educational purposes</p> <p>English is a language taught all over the world</p> <p>English is the language of knowledge</p> <p>English is an internationally used language, but in our country, it is mostly used at an academic level</p> <p>Sciences and technology are taught in English</p> <p>English is very important for higher education</p>
<b>Communication:</b>	<p>We can use English to communicate with foreigners and this would be beneficial for us</p> <p>Learning English would help us to communicate with tourists and visitors</p>
<b>General comments:</b>	<p>English is used worldwide</p> <p>English is an internationally used language</p> <p>English is the language of the era</p> <p>Learning English would be fruitful</p>

Source: Euromonitor International from consumer perception analysis, 2011

## 6.6 CONCLUSION

### Relationship between English proficiency and high standard of living

A variety of industries in Egypt have helped create economic growth, making the country attractive to foreign investors. This has led to the entry of numbers of multinational companies into Egypt, which has created high levels of competition for large domestic players. The response from these Egyptian companies has been to compete with the multinationals and aim to globalise their own businesses.

These companies recognise the most important tool for developing a presence in the global market is to build a pool of competent human resources. The key role played by the internet and social networking websites in the recent revolution, dubbed by some the “Facebook revolution”, has underlined the enormous awareness among Egyptians of the importance of communication.

This is reflected in growing demand for English speakers in business across Egypt, and it is clearly the most commonly demanded language skill in the majority of private sector companies. Government entities, which until recently were content with Arabic speakers, have also witnessed an increasing shift towards demand for English speakers in their departments.

It is important to note that around 80% of Egyptians study in public universities where the cost of education is minimal and levels of English teaching not particularly strong. The remainder study in private universities where the cost of education and quality of English education is much higher than at public universities.

As a result of these trends, the majority of graduates in Egypt have weak English proficiency skills. The government has recognised this issue, among other challenges to the education system, and has started to address it, most recently by shifting the commencement of English tuition from the preparatory stage to the primary stage.

The main driver behind improving individual career opportunities is the population’s aspirations. Most Egyptians seek to gain a higher standard of living, and are aware that the relationship between English proficiency and employment prospects is strengthening.

## 7. JORDAN

### 7.1 MANAGEMENT SUMMARY JORDAN

#### **Arabic is the domestic language and English is the language of business communication**

Arabic is Jordan's official language, and a local version known as Jordanian Arabic is the everyday language spoken across the country. English, however, is the principal business language. English is most widely used in urban areas and continues to grow in popularity nationwide. It is especially popular among the younger generation, who view English as an essential stepping stone to better career prospects in the private sector. These Jordanians are also more widely exposed to English thanks to their greater use of technology, particularly computers and the internet where international social media such as Facebook are more likely to use English.

On average, English speakers earn 27% more income than their peers who cannot speak the language. English has become a primary requirement in recruitment for white-collar jobs. Demand has been met by improved English language studies in schools, as well as higher education institutions using more English in university instruction.

#### **Level of English proficiency reflects on the national image**

The Jordanian government is keen to attract greater levels of foreign direct investment (FDI) alongside multinational companies in order to drive economic growth and create employment. The government recognises that strong levels of English proficiency are crucial to create the best possible international business environment and attract FDI. This is evident in its efforts to promote English language education in schools and universities; this allows it to promote the Jordanian workforce to potential investors as well educated and bilingual.

#### **Demand for English is rising but educational system has yet to accommodate this demand**

English continues to grow in importance as Jordan's business language, in particular in the private sector. Although the language has been in widespread use for many years, in part reflecting the country's history as the British mandate of Transjordan between 1922 and 1946, its penetration is expected to rise thanks to the increasing number of jobs that require English language skills, a high rate of urbanisation, the spread of new technology and the increasing recognition of the positive economic and social benefit of the language by individual Jordanians.

Private schools in Jordan are broadly agreed to offer better quality education than public schools, but the majority of Jordanians cannot afford private education. Besides offering better learning environments, private schools are preferred by those Jordanians that can afford them because they equip their students with better English skills. Numerous private schools offer foreign educational systems such as IGCSE, GCE, International Baccalaureate (IB) and SAT. These systems are highly regarded by Jordanians for the English language skills they develop, and also for their instruction methods.

#### **Survey suggests four in five Jordanians can speak English**

A survey conducted on 300 Jordanians suggests that 81% of them are able to speak English at varying levels of proficiency. 43% of the individuals consider English as the most important language for international business, while 83% said that Jordan would benefit if people spoke English.

## 7.2 JORDAN - KEY FACTS AND PROFILE

### Key Facts

<b>Country name:</b>	Hashemite Kingdom of Jordan
<b>Official language(s):</b>	Arabic
<b>Population:</b>	6,598,600 (2011)
<b>Capital:</b>	Amman
<b>Key industries:</b>	Financial intermediation; real estate; public administration and defence; manufacturing

### English Profile

<b>English speakers in 2011:</b>	45% of the total population
<b>Salary gap between someone who can speak English and someone who cannot:</b>	27%
<b>Ranking of benefits of English in the workforce (1= not beneficial at all and 5=very beneficial):</b>	3.9
<b>Level of English required for recruitment:</b>	9% (2/23) Fluent 30% (7/23) Good 61% (14/23) Intermediate 0% (0/23) Basic
<b>Rival of English in the work environment:</b>	Arabic. No rival foreign languages

### Research Methodology

<b>Multinational and local:</b>	Twenty three companies were contacted
<b>Industries:</b>	Top ten leading industries including: energy; oil and gas; pharmaceutical; tourism; maritime; information and technology; professional services
<b>Jobs advertised in newspaper or online:</b>	Conducted a snapshot of the printed and online job advertisements requiring English (70)
<b>Education:</b>	Leading English language providers along with higher educational universities and Ministry of Education
<b>Recruitment agencies:</b>	Six recruitment agencies contacted

Source: Euromonitor International from trade interviews, 2011

Note: Percentage of English speakers indicated is at an intermediate level

## 7.3 THE IMPACT OF ENGLISH ON THE COUNTRY

### Political stability drives economic development

Although Jordan is situated in the heart of the Middle East and North Africa, it lacks many of the natural resources that characterise other regional economies, notably oil and gas. The country's political stability and well-educated, competitive labour force has played a vital role in expanding GDP from US\$20.5 billion in 2005 to US\$28.4 billion in 2011 and helped to position Jordan as a business hub in the Levant. Public administration, manufacturing, banking, real estate and communications are the key sectors contributing to the economy.

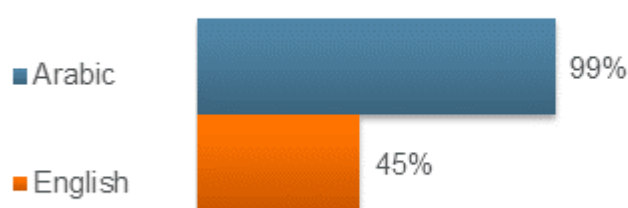
### Arabic is the official language

The official language in Jordan is Arabic, which is used for all official communication. English is also widely used and is viewed as Jordan's second language. It is most widely spoken in urban areas such as the capital Amman, which accommodated 37.8% of Jordan's population in 2011. Deeper inside the country, apart from the cities and tourist regions such as Aqaba, the Dead Sea and Petra, English is less widely used.

There are a number of other minority languages spoken, mainly in urban areas. These include Circassian and Armenian, both spoken by an estimated 1% of the population, as well as Chechen, which is spoken by an even smaller minority. However, Chechen is also spoken in a very small number of isolated rural areas. The minorities that speak these languages have been present in Jordan for over 100 years, and identify themselves as Jordanians. They all speak Arabic but may speak Circassian, Chechen or Armenian within their communities. However, use of these "legacy" languages is declining among the younger generations of these minorities.

Domestic workers from Southeast Asia are common in Jordan but they do not constitute a significant proportion of overall residents. These expatriates typically communicate with members of the households in which they work in either Arabic or English, with varying levels of skill.

Languages Spoken in Jordan by Percentage of Population - %, 2011



Source: Euromonitor International from CIA World Factbook, 2011

Note: This is the number of English speakers to at least an intermediate level

### Individuals are aware of the importance of English

Individuals in Jordan are well aware that English is the most commonly used international language and is frequently a requirement for the best paid work in the private sector. Individual proficiency in English is therefore on the rise in Jordan, and has been helped by the growth in computer and internet use, with English frequently used in international social networks, other websites and as a programming language.



Individual demand for improved language skills crops up in almost every level of Jordanian society. The Jordanian Armed Forces is a major employer in Jordan and has been a major contributor to UN peacekeeping forces. Jordanian soldiers enjoy significantly higher incomes when they participate in UN peacekeeping missions, and as English is a requirement for participation in these missions, even individuals in a government-run institution can feel the tangible benefits of knowing English.

Official data on the number of English speakers in Jordan is unavailable, but Euromonitor International's interviews with companies, governmental and educational institutions indicate that 45% of the population can speak English at an intermediate level. Jordan's British colonial history has also played a vital role in promoting English as the country's second language over the past century.

The late King Hussein capitalised on the importance of education from the earliest years of his rule. English has been taught in schools for many years, and as a result Jordan has the highest percentage of English speakers among the countries researched in this study.

### **The popularity of English has dramatically increased over the last five years and continues to grow**

A high level of proficiency in English has become an essential skill in the Jordanian labour market. The desire of companies to increase their international exposure and improve communication in the global marketplace is the main driving force behind this, with the spread of new technology that uses English as a medium another key factor.

Despite the rapid growth in Arabic content online, English content continues to dominate the internet, as well as being the main language used in programming and the dissemination of new technology. In 2010, less than 1% of all web content was in Arabic, and the consensus in interviews was that Jordanians continue to use English to navigate computers and the internet. In 2010, 55.7% of Jordanians used computers, up from 47.9% in 2007. The gap between computer usage in urban and rural areas shrunk significantly from 11.3% in 2007 to 2% in 2010.

Computer use is highest among the youngest age groups in Jordan: in 2010, 83.5% of children between 4-10 years used computers. This falls to 81.7% in the 15-19 age group, 65.1% in the 20-24 age group, and 54.5% in Jordanians aged between 25 and 29. Household access to the internet increased from 14.8% in 2007 to 27.8% in 2010.

There is a widely shared perception that English is the language of the educated and well cultured, and fluency remains a significant social marker. This status factor is a major contributor to the popularity of English; English speakers are perceived as more intelligent, better educated, and more professional, with greater potential for learning and advancement.

#### **Interview with Ministry of Education:**

**Jordanians consider English a difficult subject, but they are well aware that it is important for good career prospects.**

The government has made significant strides in education while contending with difficult financial circumstances, and the demographic challenge of having a large youth population: 37.3% of the population is below the age of 15 and 70% is below the age of 30. The large proportion of young people has placed pressure on the economy over the review period, as this part of the population needs financial and educational support from the government.

Education has been a stated priority of the government for a number of years. Government expenditure on education comprised 12.5% of the national budget in 2011. Jordan boasts a high literacy rate of 93% as a result of the widespread access to primary and secondary schools.

#### **Interview with Ministry of Education:**

**English is very important - without it one cannot work. Nothing poses a threat to its development.**

Prior to 2001, English was a mandatory subject in primary education from the fourth grade. In 2001, the government changed this, and English education now begins at first grade in all public, private and UNRWA (United Nations Relief and Works Agency for Palestine Refugees in the Near East)

schools. According to the Ministry of Education (MOE), this change followed the realisation that fluency in English is an essential skill for the job market in Jordan.

The National Education Strategy (2006-2016) has clearly identified English as a necessary skill for a knowledge-based economy. Jordan's lack of significant hydrocarbon reserves, unlike many of its regional neighbours, has led the government to try to lead the economy in this direction. Its educational strategy aims to develop all school curricula to better match the skills required by the Jordanian labour market and the evolution of a knowledge-led economy; English language proficiency is a key strand in this.

Other smaller scale efforts are the government's commitment to equipping its workers with job-specific fluency in English. Many ministries, for example, have sent their employees to learn English at different language centres around Amman. The Ministry of Information and Communications Technology, the Ministry of Justice, the Ministry of Interior, the Royal Hashemite Court, the Ministry of Finance, and the Audit Bureau are among the government agencies that have been enrolling their employees in English language education courses.

### 7.3.1 Investment and English in Jordan

#### Jordan's economy relies on foreign investment

Jordan's economy depends to a large extent on trade with other countries. The domestic market remains small, and in order to drive GDP growth and generate jobs, an important part of the economy depends on attracting foreign investors. In 2010, Jordan's share of FDI in the region was 12.1%. Egypt, the region's largest consumer market, is Jordan's principal regional competitor for FDI. Investment development is crucial to the economy, as Jordan has scant natural resources in comparison to the other countries in the Gulf region.

**Excerpt taken from Jordan: A Country Study (Area Handbook Series) by Federal Research Division Library of Congress (US):**

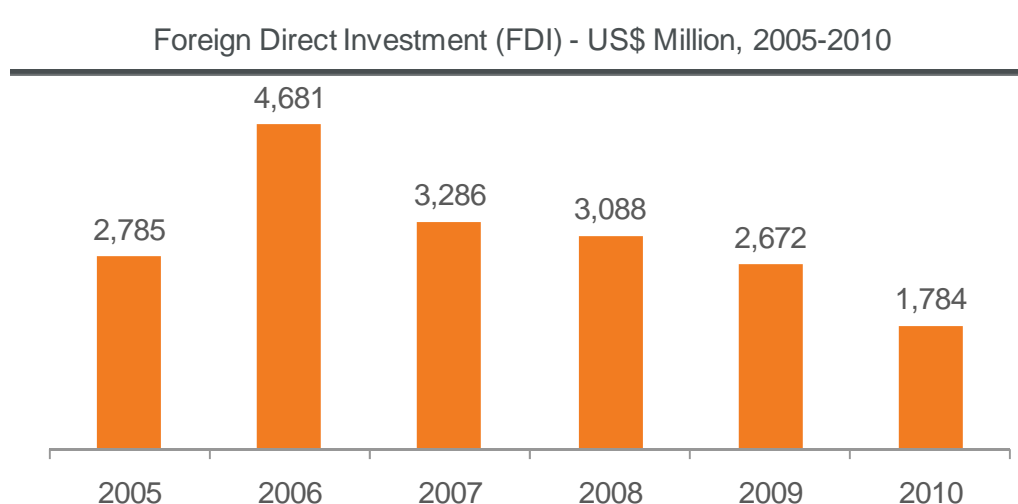
Jordan also capitalised on its strategic geographic location, its educated workforce, and its free enterprise economy to become a regional entrepôt and transit point for exports and imports between Western Europe and the Middle East. Because of these factors, it also became a magnet for foreign direct investment, and a purveyor of banking, insurance, and consulting services to foreign clients.

Because the economy depended so heavily on the professional service sector and remittance income from expatriates, the government sometimes called Jordan's manpower the nation's most valuable resource.

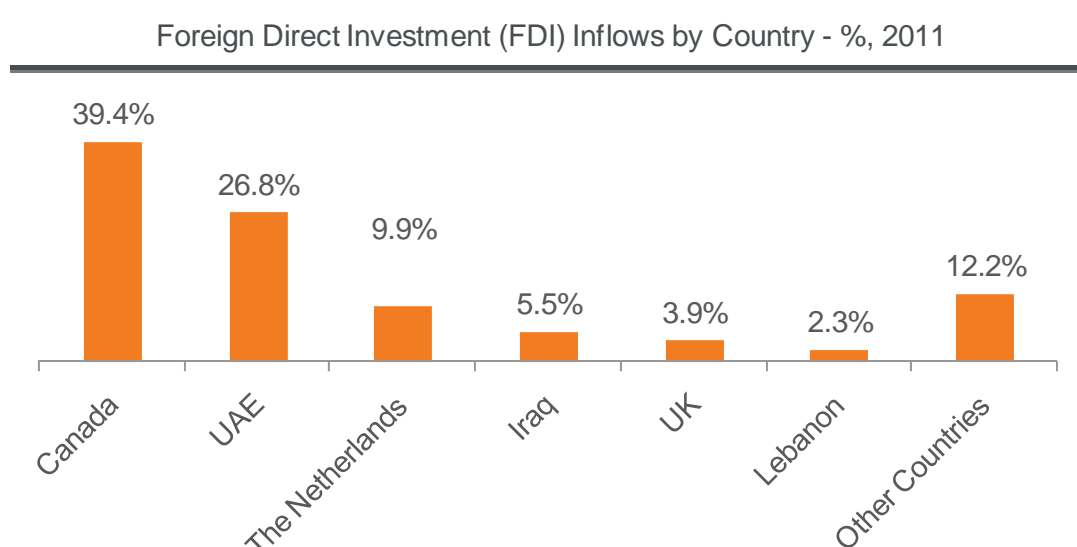
Jordan ranked 96 out of 183 on The World Bank's ease of doing business ratings in 2012. To attract FDI, Jordan has positioned its business environment as friendly and diverse. The country offers expedited registration and licensing procedures for investments along with tax exemptions, customs exemptions and other incentives. The government aims to create an image of its workforce as talented and bilingual in order to attract multinational companies.

Jordan's FDI inflows were US\$1.8 billion in 2010, down from a peak of US\$4.7 billion in 2006; this decline is in line with trends in the wake of the global economic slowdown. In 2009, around 49% of shares in corporations listed on the Amman Stock Exchange were owned by non-Jordanians.

Aqaba is also a case of magnified economic prosperity; its special law, investment incentives, strategic location, and being Jordan's only gateway to international waters have stimulated rapid growth and attraction of major FDIs. Three of 23 interviewed companies were based in Aqaba with the remainder being based in Amman.



Source: UNCTAD, 2011



Source: Jordan Investment Board, 2012

Note: Data represent industrial foreign investments registered by the Jordan Investment Board which excludes investment in services and investment in capital markets

The level of English language knowledge in Jordan is considered an advantage for attracting FDIs. According to an interview with Jordan Investment Board (JIB), it is expected that GDP would grow if more Jordanians spoke English, as the well-educated Jordanian workforce is a major reason for foreign direct investment.

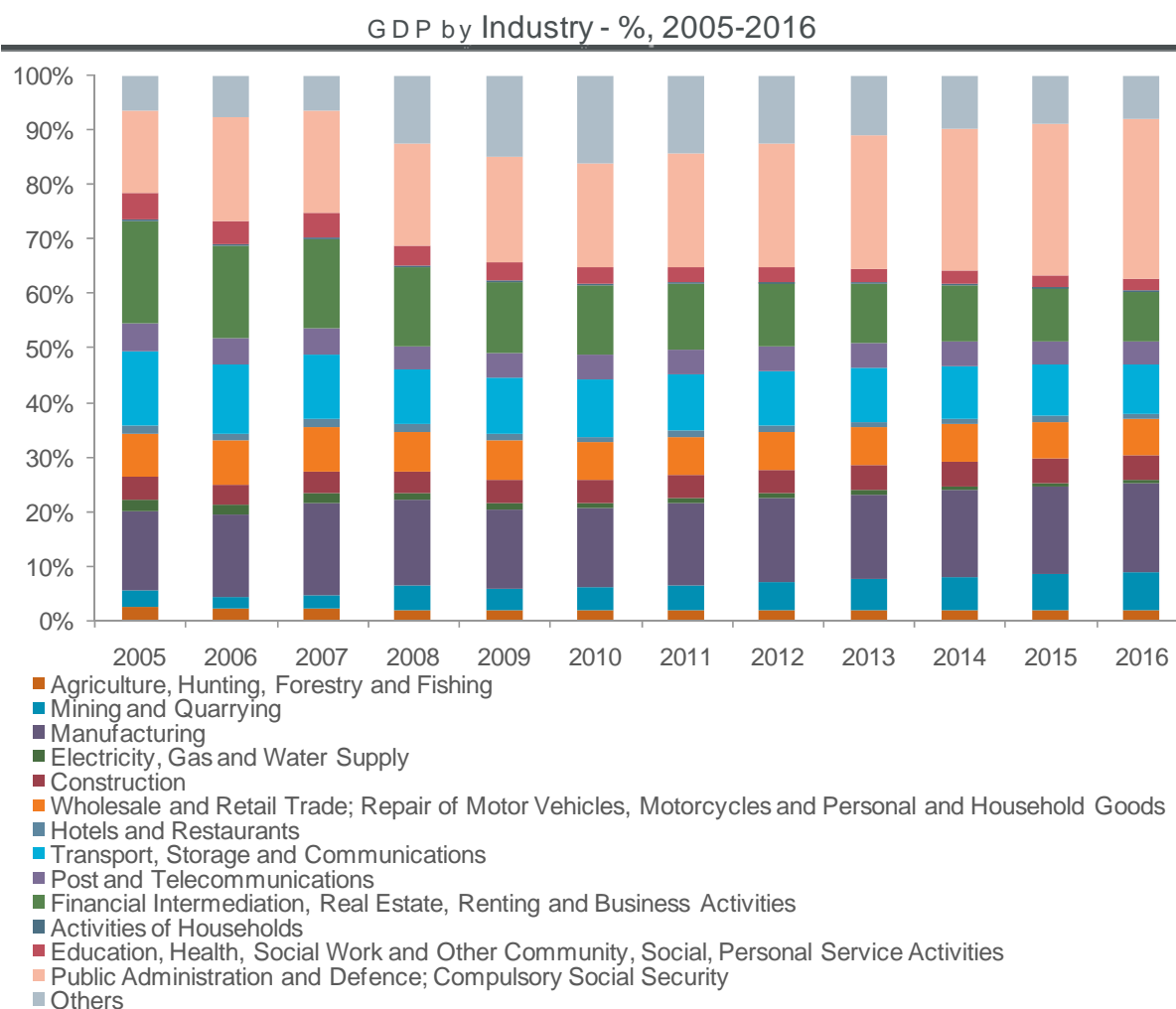
### Services sector dominates GDP and shows highest demand for English language

Public administration and defence formed the largest part of Jordan's GDP in 2010, generating 19.3% in total. This was followed by manufacturing with 14.4%. The services sector employed 85.7% of employed Jordanians in 2010. Some 47% of employed Jordanians worked in trade, tourism, financial services, healthcare and education in 2010.

The current demand for English skills in all sectors does not solely depend on ties with English-speaking countries, as Jordan's trade with European and Asian countries uses English as the common medium for communication.

The companies and government institutions interviewed for this research stated that the country's skilled and educated workforce, with its strong command of English, has encouraged heavy investment in the different service sectors. The major companies in this sector have significant international ties, and use English as a key language in business both internally and externally.

Foreign investment is strongest across the different industries of the services sector. Banking and finance, telecommunications, IT and related technology, tourism and hospitality are among the industries that are dominated by foreign investors, and which have the highest demand for English speakers.



### Demand for English is horizontal, cuts across sectors

The services sector has the highest demand for English speakers. According to a trade interview with the Jordan Investment Board, three industries, tourism, IT, and banking, generate more than a quarter of GDP and have a high demand for English.

Banking, for example, had less need of English 10 years ago; however, according to trade interviews in 2012, English is now the *de facto* language of the industry, which has wholly switched to English in the past five years as a result of more activity with foreign businesses. However, trade interviews also indicated that demand for English is not sector-bound.

In Jordan, the demand for English shows a horizontal trend that cuts across sectors and is dictated by the requirements of specific jobs within each industry. According to trade interviews, all jobs that deal with external parties have a primary requirement for English. This includes work in marketing, public relations, accounting, human resources, communications and customer services, as well as all management positions.

Management positions are typically the highest paying jobs in any industry, and almost always require strong English language proficiency. As a result of the importance of the language to higher paid employment, the average income of English speakers is higher by 18% than non-English speakers.

The government sector uses Arabic; however, all communications departments within the government require English, in addition to parts of the government that deal with parties outside Jordan, such as donors, investors, governments and embassies. Demand for English speakers is most prominent in

the Royal Hashemite Court, the Ministry of Planning, the Ministry of Foreign Affairs and the Ministry of Tourism.

### Effective use of technology requires English

The use of English in business is no longer limited to external communication. Thanks to the growing use of new computer technology in most sectors, as operating systems operate in English, the language has become more essential for individuals than ever before. Trade interviews confirmed that English is now viewed as more practical than Arabic for doing business.

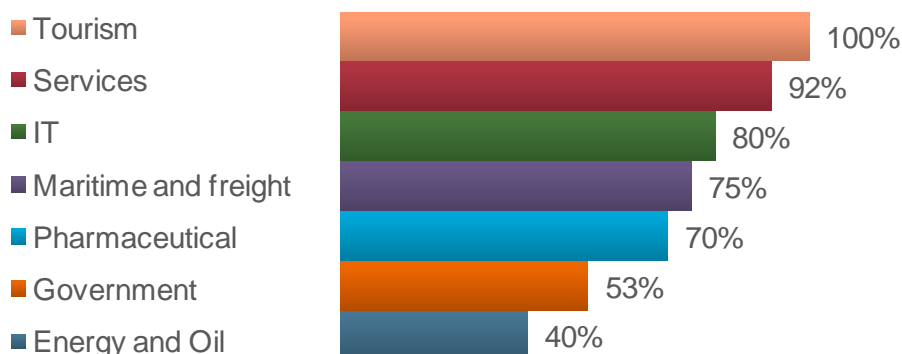
#### Interview with governmental institution:

What you can express in 4-5 words in a presentation in English, you would need a page to communicate with the same precision in Arabic.

Of the 25 interviewed companies, 83% said they use English to communicate with internal parties and 100% use English to communicate with external parties as well as for marketing. Some 96% had aspects of work that required the use of English. English is more succinct and it is faster to convey information in English than in Arabic. Technical writing is easier to do in English than in Arabic, and most international technical publications are also in English. This shows how common English has become in business.

Externally, companies in Jordan use English to communicate with head offices, clients, agents, and other business associates in other countries. Increasingly, English is also used to communicate with other entities inside Jordan, reflecting the benefits the language offers for communication.

Industries that Demand the Most English Speakers - %, 2011



Source: Euromonitor International from trade interviews, 2011

## 7.3.2 The Influence of English

### Private sector dominates the economy and the demand for English

Demand for English in the private sector is much higher than the public sector, but is growing in both. The majority of private sector jobs are based in the three major cities, Amman, Zarqa, and Irbid. These three cities were home to over 71% of Jordan's population in 2011 and contain 79% of active businesses. The capital is therefore home to the overwhelming majority of companies in the country.

Outside the three major cities, large private sector establishments are scarce, and employment in the government and armed forces is more common. Jordan is broken down administratively into three regions: north, central, and south. The central region (geographically, the west of Jordan) where Amman is located, is the most densely populated, while the southern region is the least populated.

Indicator	North	Central	South
<b>Main cities and their population:</b>	Irbid (1.11 million)	Amman (2.42 million) Zarqa (0.93 million)	Karak (0.24 million) Aqaba (0.14 million)
<b>Main industries:</b>	State, textiles, education	IT and communication, banking and finance, construction, services	Mining and quarrying, ports and maritime, tourism
<b>Largest MNCs:</b>	Al Hassan Industrial Estate (QIZ)	Orange Jordan, Arab Bank, Talal Abu Ghazaleh Group, Nuqul Group, Arabtech Dubai	Jordan Phosphate Mines Co, Aqaba Ports Corporation
<b>Main local language:</b>	Arabic	Arabic	Arabic
<b>Usage of English:</b>	Second place	Highest (up to 60%)	Lowest

Source: Euromonitor International from trade interviews, 2011

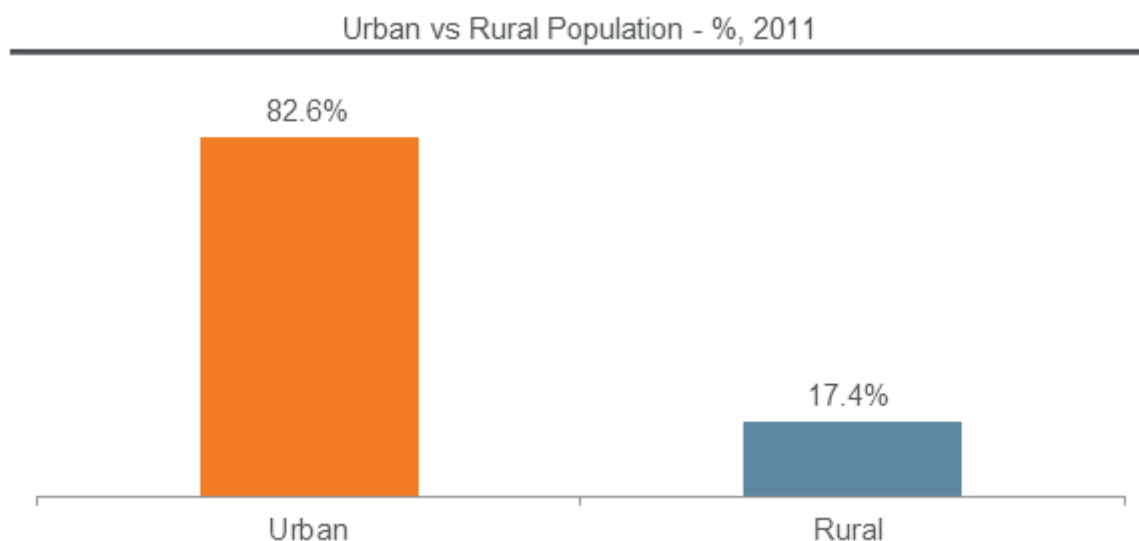
Industry	Location	Main Companies
<b>Banking and finance:</b>	Amman	Ernst & Young, Arab Bank, Housing Bank, Talal Abu Ghazaleh International Group
<b>Government:</b>	Amman	State administration
<b>ICT:</b>	Amman	Orange Jordan, Estarta, Zain Telecom
<b>Pharmaceutical:</b>	Amman	Dar Al-Dawa, Al-Hikma
<b>Services:</b>	Amman	Kawar Group, Aramex
<b>Tourism:</b>	Amman	ATICO, Romero Group, Jordan Intercontinental Group, Royal Jordanian Airlines
<b>Ports and maritime:</b>	Aqaba	Aqaba Ports Marine Services, Aqaba Container Terminal
<b>Mining and quarrying:</b>	Karak	Jordan Phosphate Mines Co, Arab Potash Company
<b>Textiles</b>	Irbid	Al-Hassan Industrial Estate

Source: Euromonitor International from trade interviews, 2011

### Jordanians move to urban areas for better opportunities, services

In 2011, 82.6% of the population lived in urban areas. This ratio has risen rapidly from 40% in 1952. Urbanisation was driven by a variety of factors, principally greater economic opportunities in cities, and better access to education and other social services. In order to take advantage of these opportunities, Jordanians have sought to sharpen their competitive edge to the greatest possible degree in the labour market, and acquiring proficiency in English is part of this.

The largest number of university graduates is from state universities in Amman, Irbid, and Zarqa.



Source: Euromonitor International, 2011

The situation in Amman compared with the rest of the country underlines the economic disparity between urban and rural areas in Jordan. Amman is Jordan's political and economic centre. Companies prefer it to other areas primarily because of the availability of services, its international business environment and the strength of its qualified workforce.

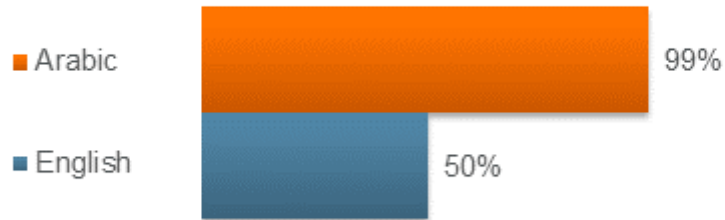
The overwhelming majority of large companies, multinational companies, and foreign investors are found in Amman, thanks to this superior infrastructure. Economic prosperity in the city has had an effect on the overall level of services; in Amman there is higher level of infrastructure services overall as well as government services, a better standard of education provision and greater access to employment opportunities in the private sector.

All of these factors have contributed to urbanisation, and also to the large numbers of migrants and refugees choosing Amman. Consequently, demand for English proficiency in Amman is higher, and so is supply. Residents have better access to English education as more English language centres are located in the city.



Languages Spoken in Urban Areas - %, 2011

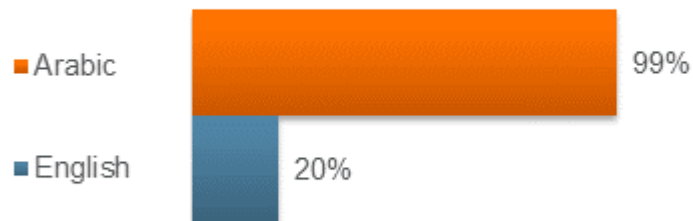
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Source: Euromonitor International from trade interviews 2011  
Note: These are languages spoken at an intermediate level

Languages Spoken in Rural Areas - %, 2011

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Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level

### 7.3.3 The Employment Market and English

#### Public education has higher opinion quotes among employers

HR personnel interviewed in companies, government departments, and recruitment agencies all agreed that individuals lacking English language skills have limited opportunities to find a salaried, professional job in the private sector. English clearly boosts career prospects for individuals, and all interviewees asserted that English speakers are more likely to advance more quickly than non-English speakers.

English speakers are seen as more professional and better educated, as well as more intelligent and better equipped to learn. High levels of proficiency in English are considered an important social marker. Bilingual speakers of Arabic and English are considered an asset in most companies, and proficient speakers are believed to be more effective workers.

Although Jordanians perceive the quality of education in private schools to be better than public schools, the opposite holds true for universities. Jordanians perceive public universities to provide better education than private universities. Eight out of the 23 interviewed companies clearly stated that they preferred publicly-educated candidates when hiring because they would have a stronger knowledge base and had proven themselves to be more competent. Some of the interviewees stated that their companies only hire publicly-educated candidates. The remaining 15 interviewees said their company sees no difference and focuses more on expertise and personality when hiring.

#### Interview with leading investment bank:

Knowing English is very important when hiring new employees. Entry level employees need to know at least basic English; they should be able to introduce themselves, carry on a phone conversation, and talk about basic information. The bank cannot hire someone who does not speak any English; he or she will not be able to grasp much information.

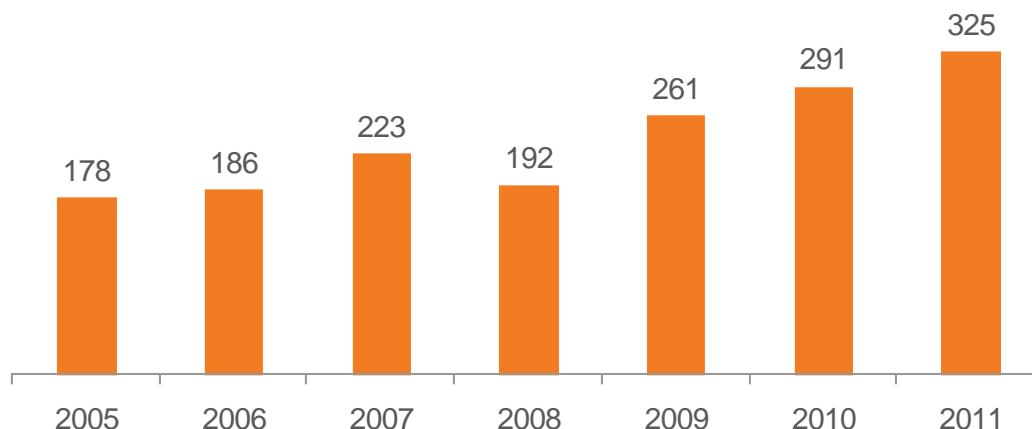
Daily newspapers are the most popular medium for advertising jobs at all levels. Indeed, the overwhelming majority of jobs are advertised in Al-Rai daily. In addition to the daily newspapers, jobs are advertised on company websites (over 50% of interviewed companies). Medium and senior positions are also advertised on recruitment websites: bayt.com and akhtaboot.com were the most popular.

#### Interview with leading accounting firm:

Public university graduates score higher on the company's placement tests than privately-educated students. The company has found that publicly-educated students are more competent and are better at their work.

Remittances play an important part in the country's GDP, most of which come from the Cooperation Council for the Arab States of the Gulf (GCC) The GCC is a very attractive destination for Jordan's educated and skilled professionals as it offers significantly higher salaries and other benefits than companies in Jordan. The GCC economies have a high demand for engineers, doctors, teachers, and other professionals, and approximately one fifth of employed Jordanians work abroad. There are over 40 recruitment agencies in Jordan; all but one are located in Amman. The overwhelming majority of recruitment agencies focus on recruitment for positions in the GCC.

Remittance Inflows in Jordan - US\$ Million, 2005-2011



Source: Euromonitor International, 2011

English has become a primary requirement for hiring in most white-collar jobs. It was an important requirement in hiring at all of the interviewed companies: one third required English as a first language and two thirds as a second language. Companies and recruitment agencies said it is almost impossible for a professional without any knowledge of English to find a job. Middle and high level positions require at least an intermediate level of English to meet work requirements; reporting and communication through technological mediums, accounting, communication, marketing and public relations are all done in English in most large companies and other organisations that deal with entities abroad. Demand for English-speaking Jordanian expatriate workers in the GCC is high, especially for jobs in healthcare, engineering and teaching.

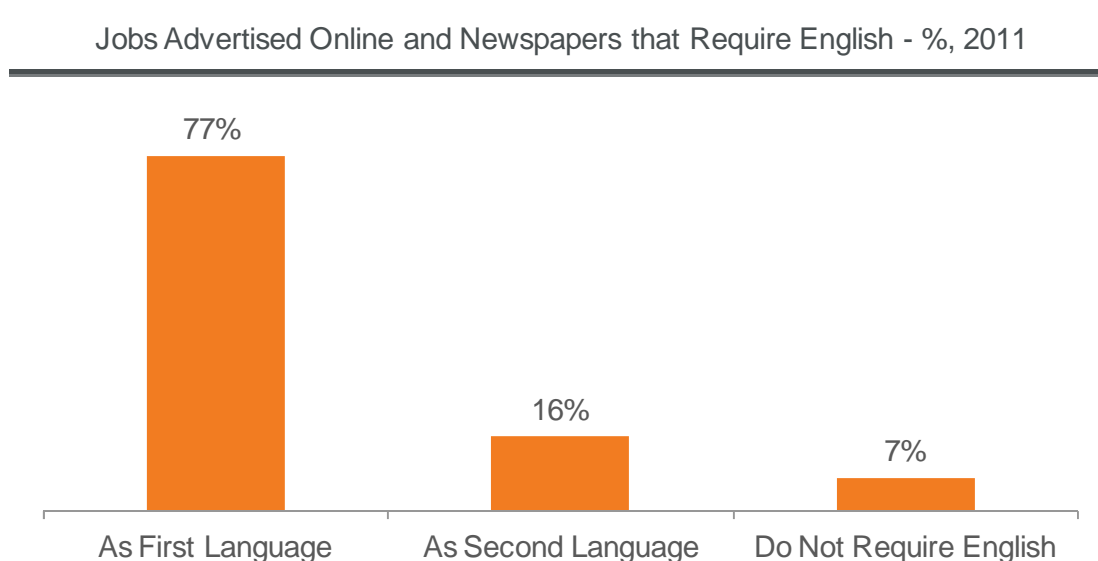
**Job Positions**

**Search Channels**

<b>Manual labour worker<sup>1</sup>:</b>	Daily newspapers, company websites
<b>Middle positions<sup>2</sup>:</b>	Daily newspapers, recruitment websites, company websites
<b>Senior positions<sup>3</sup>:</b>	Daily newspapers, recruitment agencies, internal advertisements

Source: Euromonitor International from interviews conducted with recruitment agencies and printed publications such as newspapers, 2011

Notes: <sup>1</sup> includes all vocational trades such as carpentry, painting, electrical, etc.; <sup>2</sup> includes any job requiring up to five years' experience; <sup>3</sup> includes any job requiring five years' experience



Source: Euromonitor International from trade interviews, 2011

**Interview with leading recruitment agency:**

All advertised positions require a good level of English and the agency succeeds in filling all advertised positions. However, not all applicants - even when they are university graduates - pass the English language requirement.

The agency finds it hard to find applicants who meet this requirement: one in every five applicants turns out to have an acceptable level of English language; out of one hundred interviewed for a position in large accounting firms, four would pass academic and language requirements. The problem here is that having a good level of English is acquired from primary school and not university.

**English becoming primary requirement for white-collar jobs**

In trade interviews, English was a primary requirement in hiring at 100% of the companies interviewed: 31% of companies required English as a first language and 69% required English as a second language.

Recruitment advertisements in newspapers and on two recruitment websites required English as a first language in 77% of all advertised white-collar jobs, and 16% required English as a second language. According to interviews with companies and recruitment agencies, it is almost impossible for an individual without any knowledge of English to find a job.

While employees at lower positions can get by with a beginner's level of English, middle and high level positions require at least an intermediate level. In the pharmaceuticals industry, for example, factory jobs require workers to be familiar with scientific terms and technical terms in English, in addition to the ability to be able to read machinery instructions. White-collar employees in the pharmaceuticals industry also correspond internally and externally in English, and also write reports and communicate externally in English. A high level of English is therefore required for these positions.

**Salary Differentiation - English Skills vs No English Skills**

Job Title	Professional Salaries with English Skills to at least Intermediate Level (Gross Salary/Month US\$)	Professional Salaries with no English Skills (Gross Salary/Month US\$)

<b>Director:</b>	4,500	n/a (cannot work without English)
<b>Senior manager:</b>	3,000	n/a (cannot work without English)
<b>Manager:</b>	2,000	n/a (cannot work without English)
<b>Senior analyst:</b>	1,500	1,200
<b>Analyst:</b>	1,100	850
<b>Secretary:</b>	500	355
<b>Carpenter:</b>	600	600
<b>Electrician:</b>	560	480
<b>Plumber:</b>	650	650
<b>Receptionist:</b>	420	320

Source: Euromonitor International from trade interviews, 2011

### Tourism, finance, IT and accounting show strongest demand for English speakers

There was a widespread belief shared by the interviewed personnel at companies and government agencies that using English in business helps their operations run more smoothly and professionally.

All interviewees asserted that there are no clear industry-related trends in regard to English language demand and use. Using English for business has become a common practice in all large companies, if not entirely, at least partially.

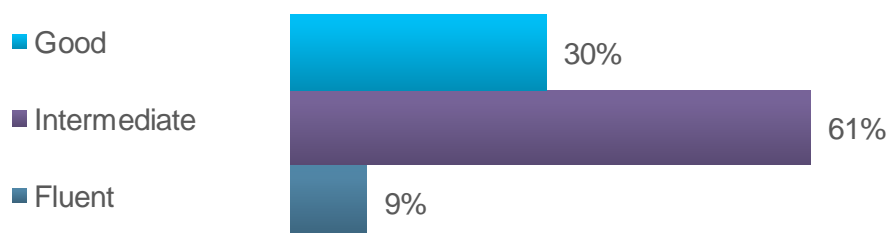
According to interviews with recruitment agencies, English use for business was dictated by company policy rather than industry trends. However, the following industries use English as the primary language for business:

- Tourism and hospitality: This sector deals almost entirely directly with foreigners
- Banking and finance: This sector does business on a daily basis with international markets; using English is crucial for daily operations
- IT and telecoms: English is the language of technical work, because the technology industry has been developed largely in the English language. These companies also deal on a daily basis with non-Arabic speaking clients and with branches overseas
- Accounting: Accountants all use English technical terms, which makes the ability to communicate in English a prerequisite for employees

#### Interview with tourism company:

Our company does not pay different salaries for English speakers and non-English speakers. The company would not hire a person that does not speak English. It is possible there is this differentiation in Jordan because English is very important for work. Frankly I expect that no company hires non-English speakers these days.

## What is the Level of English Required? - %, 2011



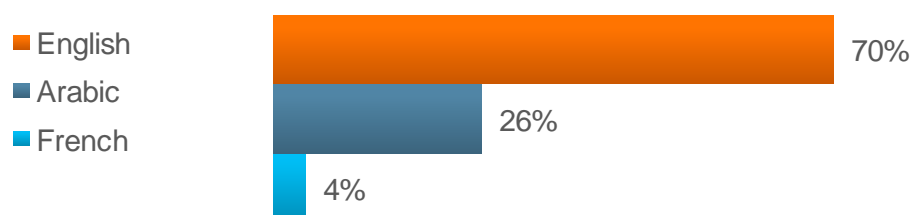
Source: Euromonitor International from trade interviews, 2011

When asked about the level of English they realistically require for work, three of the interviewed companies stated that their employees should be absolutely fluent in English. For the majority, (13 of the interviewed companies), an intermediate level was enough. Seven companies rated a “good” level as sufficient for them.

All of the companies unanimously stated that English speakers progress more quickly than non-English speakers. English speakers are considered more effective and better educated than non-English speakers.

Eight out of the 23 companies stated that 70% or more of their employees speak English. Two said all of their employees speak English, while five companies stated that less than 50% of their employees could speak English. In all companies, English is vital for all senior and management positions. Moreover, English is used as a gauge when hiring at almost all interviewed companies. Four of the companies stated that they conduct job interviews entirely in English to test the level of English an applicant has.

## Is There a Second Language Required? - %, 2011



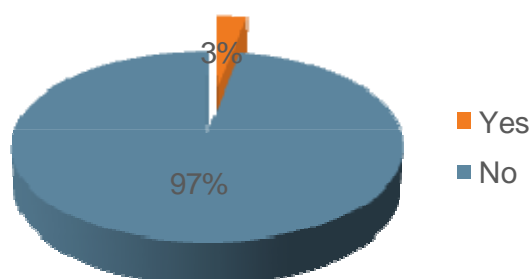
Source: Euromonitor International from trade interviews, 2011

The answer to the question “what is the second language required?” depended on where the interviewed company’s principal international business was done. One company selected French, as it was helpful dealing with its trade partners in Algeria, Morocco, Lebanon, Egypt and Tunisia. The absolute majority (16) of the companies selected English as a second language, and for six companies, speaking English was even more important than speaking Arabic; this made Arabic the required second language.

English was used in all or most training courses at half of the companies. The other half used it less frequently or not in a uniform manner (if a trainer did not speak Arabic, or the trainees had English

speakers among them). English was most commonly used in training in jobs that use English such as accounting and auditing departments, human resources, marketing and public relations, and in management departments. Other jobs that use English for training include doctors in hospitals, quality assurance, quality monitoring and sales in pharmaceuticals. The main reason the second group of companies use English is because the terminology of these professions is globally standardised in English, and many words do not have an equivalent in Arabic. This means in many cases that using English is not an option but a requirement.

Is English Used for Training Purposes? - %, 2011



Source: Euromonitor International from trade interviews, 2011

### Increase in private sector employment increases demand for English

The private sector in Jordan continues to grow, and is Jordan's largest employer. According to the country's Employment & Unemployment Survey in 2010, 38% of employed Jordanians worked in the public sector and 62% in the private sector. While university-educated Jordanians prefer to work in the public sector because of its reasonable wages, higher job security, social security and benefits, and shorter working hours, there are more jobs in the private sector.

In 2010, the public sector employed 30% more Bachelor's degree holders than the private sector. However; in the same year, the private sector created the majority of jobs in Jordan, with 70.1% of all jobs created, equivalent to 44,043 jobs. The private sector is growing in importance as the major employer in Jordan, and is becoming increasingly competitive with the public sector in terms of what it offers employees, with improved benefits such as social security and health insurance and higher average wages.

Female participation in the employment market is also increasing, up by 41% between 2006 and 2010. This trend has been helped by a number of programmes run by the government and international agencies that aim to increase employability and employment in the private sector for Jordanian youth and women.

Demand for English in the private sector is much higher than in the public sector, but is increasing in both sectors. The majority of private sector jobs are available in Amman, Zarqa, and Irbid. In the current business environment, English has no competition from other foreign languages or indeed from Arabic. English use is expected to grow in the long term, and the fact that other foreign languages have never been widely used is another marker in its favour. As a result of its colonial past, English has historically been considered Jordan's second language after Arabic.

Only one of the 23 companies required a third language in addition to English and Arabic; this was Orange Jordan, which has its headquarters in France. Use of French is confined to 5% of its employees, however, most of whom are non-Jordanians in senior positions.

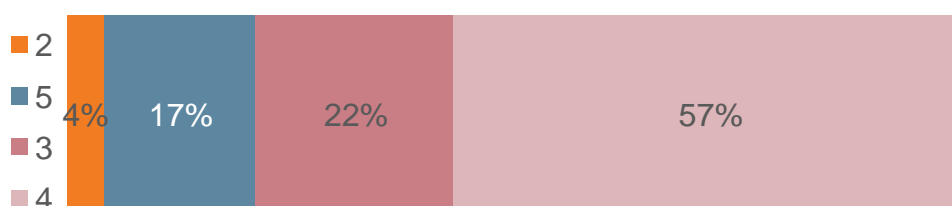
Companies do not have any partnerships with the government to promote the level of English in the country. Five of the interviewed companies offer internships to university students. Many companies are keen on improving the level of English in their companies: 13 of the 23 companies provide English language courses to improve their employees' English skills, and some assess their employees' language proficiency for this purpose.

### English boosts growth perspectives for companies as well as for the country's economy

English is viewed as being highly beneficial for growth by the interviewed companies. English increases efficiency, professionalism, and helps work run more smoothly. It also helps companies expand their services to a broader client base, both abroad and to non-Arabic speakers within Jordan. At government level, English helps develop international trade partnerships, as well as attract investments.

Finally, the ability to read and understand English provides companies and employees with access to more knowledge. Most technical information is available in English, while Arabic content online remains relatively small.

How Does English Benefit Company Growth? - %, 2011



Source: Euromonitor International from trade interviews, 2011

Note: 5=very important; 1=not important

All but one of the companies agreed that good English skills play an important role in their performance and growth. Interviewees rated the importance of English to company growth with a 3.9 average on a scale of 1 to 5 with 5 being very important. English is expected to play a prominent role in growth in future. All of the interviewed companies felt that demand for English will increase, as more companies will conduct their business in English, and that as a result the number and skill level of English speakers in Jordan will increase.

### Business with the Gulf region

According to trade interviews, the GCC's business climate is highly internationalised, with many companies, shareholders, and workers coming from all over the world to access its high paying employment opportunities. English is therefore heavily used in the GCC as a language for business.

Jordanians employed outside the country constitute a significant segment of the labour force. Jordanian government figures suggest a total of around 300,000 such workers abroad, mostly based in the GCC.



## 7.4 THE IMPACT OF ENGLISH ON THE INDIVIDUAL

### Non-English speakers cannot compete for the same jobs

In Jordan, English language skills are important for the career prospects of salaried professionals, with 77% of the 70 job advertisements examined for this report asking for English as a first language, and 16% as a second language.

Salaries are determined by skills and experience. Few companies give bonuses to employees who pass an English proficiency test, although one company gives a US\$70-150 premium to its employees depending on their TOEFL scores. Seven out of the 23 companies said that English speakers are paid a higher salary in Jordan (but not at their companies) because they can take on more work and execute it faster than a non-English speaker; the salary difference estimates ranged from 20% to 50% more for English speakers.

**Interview with recruitment agency:**  
One cannot land a job without knowing English.

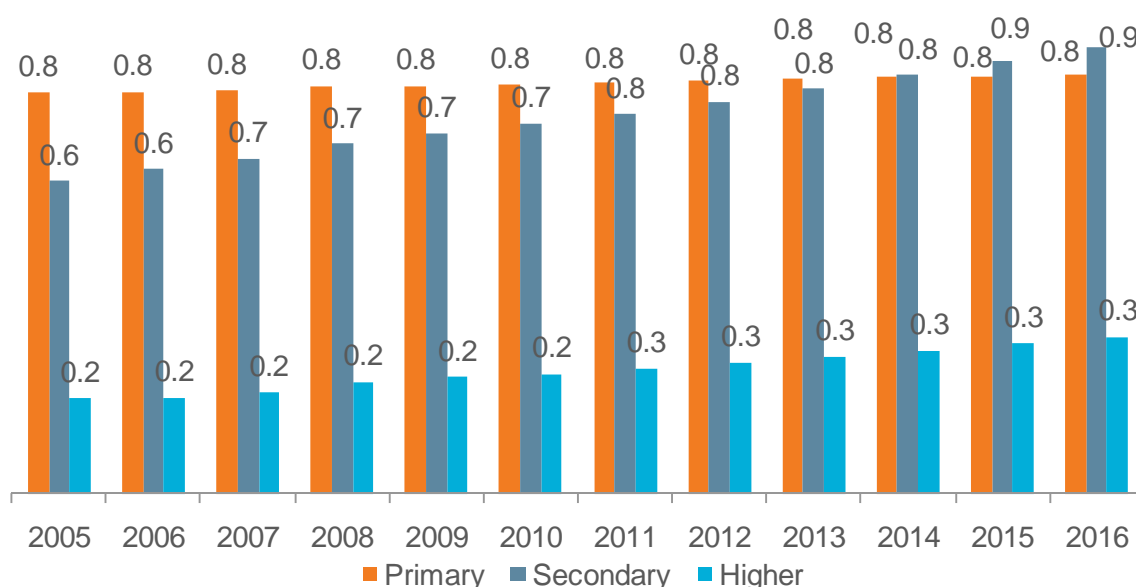
Some companies that were interviewed stated that there cannot be a difference in salary because non-English speakers cannot even compete for the same jobs. Trade interviews with companies revealed that the demand for English in the workplace has grown in the past few years, mainly due to the increased globalisation of Jordanian business. The increased use of technology in the workplace, especially the increased use of the internet and other media, has also encouraged the use of English as a more practical language than Arabic for professional communication.

### Education is widely accessible to all Jordanians

Primary and secondary educational institutions are widely available to all Jordanians. Primary education is mandatory in Jordan (grades 1-10) and secondary education is widely pursued. Jordan boasts an illiteracy rate that is among the lowest in the region, at 7%. The majority of illiterate individuals are in the older age groups: only 0.8% of individuals in the 15-19 age bracket, 1.3% of 20-24 year-olds and 2.2% of 25-29 year-olds were illiterate in 2010. Literacy rates and English language skills are strongly correlated since all students in Jordan take English starting from the first grade.

**Interview with Ministry of Education:**  
Any population cluster with 10 or more students has to have a school.

Total Jordanian Student Population by Level of Study - Million, 2005-2016



Source: Euromonitor International, 2011

In 2011, government expenditure on education accounted for 12.5% of total government expenditure. Public primary education is free in Jordan. In secondary school, students pay a fee equivalent to US\$8.5 per school year and pay separately for textbooks. For the past two years, a donation by the king has exempted secondary school students in public schools from the US\$8.5 fee. The inexpensive tuition in public secondary schools has encouraged Jordanians to take secondary education and thus develop their English skills further.

The demand for English language education is primarily driven by the needs of the Jordanian labour market. Interviewees stated that individuals are more driven to learn English and improve their proficiency level to compete for better jobs. HR managers' assessment of the roles that companies play in driving the importance of English gave a 3.6 point average on a scale of 1 to 5. The second most important driver for learning English in Jordan was individuals wishing to study abroad. The third was migration to English-speaking countries such as Canada, the US, or Australia.

Jordan has a culture that encourages and values education, and increasingly a good knowledge of English. A well-educated individual gains social status for their ability to pursue good employment opportunities.

#### Excerpt taken from International Youth Foundation report in 2010:

Overall, young participants saw the social value of education as gaining respect from community members and having a higher social status. Thus having a secondary or Tawjihi certificate or higher education degree will guarantee them more respect and higher social status than those without; and that not having a secondary education would be grounds for community members to view such young people in low regard and risk labelling them as failures.

English use is likely to grow, and skill levels are likely to improve, as demand for English in employment rises. Underpinned by a proactive government education policy and individual ambition, interviewees from government and educational institutions are already seeing an increase in interest and fluency in English of their students and employees. The major English language centres in the country have noted an increase in the number of school and university students enrolling in language courses in attempts to improve personal language skills and boost their prospects for employment.

#### English education is more robust in private schools than in public schools

Private schools are found mostly in the major cities, and Amman alone hosts half of Jordan's private schools. Amman, Zarqa, and Irbid together are home to 80% of the country's private schools. The fee structure at these schools varies greatly.

Elite school fees are high, at between US\$5,000 and US\$15,000 per school year, with a few rising to around US\$25,000 per school year. Such high tuition fees are unaffordable for most Jordanians, although there is a widespread perception that private schools offer a better quality education, teach better English, and hence improve employment prospects. The majority of Jordan's private schools are simpler, and fees are around US\$500 to US\$700 per school year, but may rise to US\$5,000.

Some private schools may offer the opportunity for students to study a foreign system with teaching conducted in English. Tuition and examination fees that use these alternative systems are notably higher. Currently, there are 32 schools in Jordan that are accredited to teach IGCSE and GCE, while eight schools teach IB, and 18 schools teach SAT.

The decision to join one of these schools depends on a family's culture, its financial resources, and the academic abilities of the students. Social position plays a large part in choosing a foreign programme, as the ability to afford them indicates a higher social status for the family. Students with strong English choose these programmes because they are considered a better academic choice and easier than Tawjihi, the local secondary level examination.

#### Difference in costs of major types of educational institutions - US\$, 2011

Institution Type	Average Cost per Student per Term	Source of Funding	Cost to the State
Public schools	0	State	US\$27.00
"Elite" private schools	US\$5,000 on average for A-levels	Parents	None
Other private schools	US\$600 (tuition)	Parents	None

Source: Euromonitor International, 2011

#### Interview with Ministry of Education:

The ministry makes serious efforts to develop teachers while private schools seldom do. The quality of education is sometimes questionable at private schools but still these are preferred on the basis of smaller classroom sizes and a safer environment than public schools.

English is a mandatory study subject from the beginning of primary school until the end of secondary education. In 2001, the grade for starting English education was changed from fourth grade to first grade in all public schools. Private schools taught English from first grade long before the government. Lowering the age at which English education starts is a clear statement that the government has recognised the importance of English fluency and is addressing the issue. The high accessibility to primary and secondary education means that all Jordanians have access to some English language education.

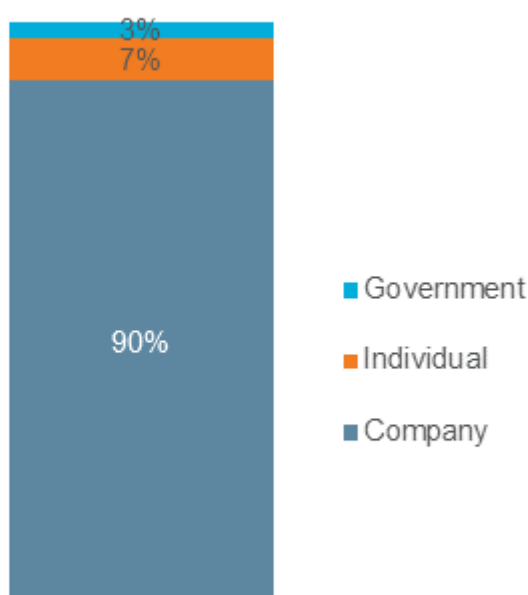
The government's efforts to improve English education in the public school system include the following measures:

- Reducing mandatory instruction age of English from nine (grade four) to six (grade one) is considered the most important action the government has taken to improve the level of English in the country.

- Recent efforts in starting to teach English at pre-primary level in some public pre-schools. This has not been launched across all pre-schools in Jordan, but is currently limited to a small number. Pre-primary education is picking up pace in the country. In 2010-2011, 36.9% of children aged 4-5 years were enrolled in a public sector pre-school programme, the highest being in the southern region, ranging between 47% and 52%. Some government pre-schools started teaching English at the pre-school level; this however has not yet become standard in all government pre-schools.
- In line with the National Education Strategy 2006-2016, there has been continuous development to modernise the curriculum and teacher skills. The government is keen to continuously develop curricula and improve teachers' capabilities in the public school system to meet the needs of a knowledge-driven economy. English language education in particular has been given significant attention.

The majority of interviewed companies stated that the key driving force behind the demand for improved English education is the needs of companies in Jordan, and individuals trying to improve their chances to get a better job within these businesses.

Who is Creating Demand for English Education?, 2011



Source: Euromonitor International, 2011

Note: Overall percentages score based on trade interviews. May sum to over 100% due to multiple answers per interview

### Universities shift towards more English education

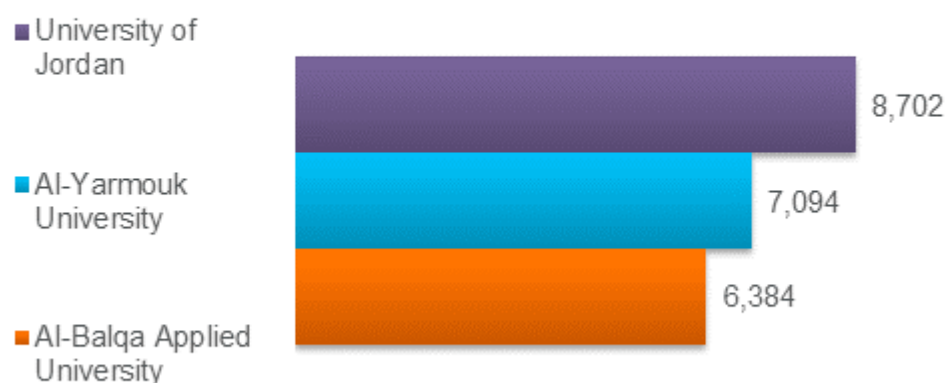
There are 73 institutions for tertiary education in Jordan:

- 10 public universities
- 20 private universities
- 43 public and private community colleges

The language of instruction at Jordanian universities differs by university and by programme. For example, at the University of Jordan, all BSc programmes and some subjects in the Faculty of Business are taught in English. The total number of students enrolled in these specialisms at the University of Jordan was 19,057 students or 58% of the student body. All programmes at the German Jordanian University (GJU) are taught in English. Students at all Jordanian universities are required to pass two English courses to graduate.

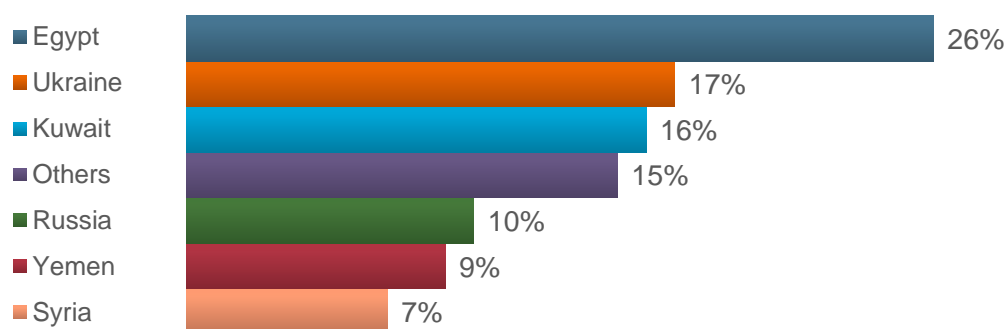
From 2010, admissions into postgraduate programmes were required to pass a TOEFL exam (or an equivalent). MA applicants are required to score a minimum of 450 and MSc students 500 on the TOEFL ITP to be considered for admission.

Graduates from Top Three Universities, 2010/2011



Source: Euromonitor International from Ministry of Education of Jordan, 2011

Most Popular Countries Amongst Students in Jordan - %, 2011



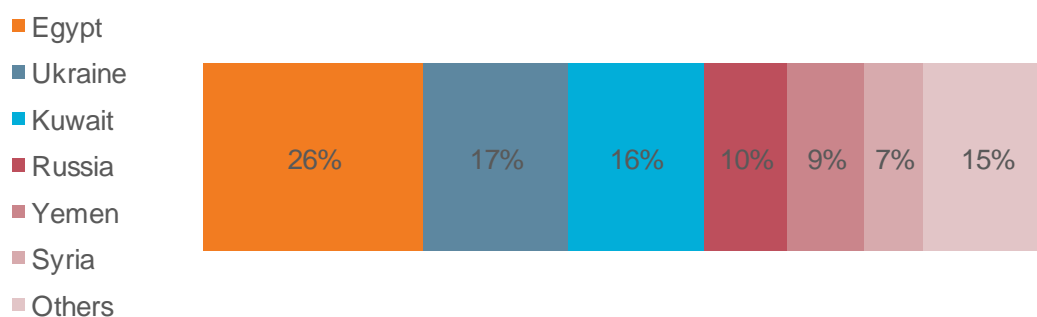
Source: Euromonitor International from trade interviews, 2011

The number of students seeking higher education abroad has been fairly consistent between 2002 and 2011. According to interviews with educational institutes, Jordanian students studying abroad are typically privately educated and from affluent families; these families have always been the most likely to send their children to study abroad. According to the Ministry of Higher Education's data for 2010/2011, there were 14,613 students studying outside Jordan, equivalent to 9.1% of all university students.

Egypt was the most popular destination for students because of its more lenient admissions structure, its geographic proximity and relatively low expense. Ukraine is also popular among Jordanian students as it is more affordable in comparison to other Western countries, and also offers many scholarships for Jordanians.

There are two main reasons why students choose to study abroad: a perceived better quality of education and easier enrolment. Typically, English-speaking countries are perceived to have better higher education provision, particularly the US and the UK. However, the number of students studying in these countries is limited due to the expensive tuition and high living expenses in these countries. The second reason students choose to study abroad is that acceptance criteria for certain majors are very strict in Jordan due to fierce competition for places. For example, while the stated minimum Tawjihi score required for acceptance into an engineering programme at a public university is 80%, the actual minimum score of those accepted at the University of Jordan in 2011 was 97.1%. Studying abroad offers students the option to study the major of their choice with more lenient acceptance measures.

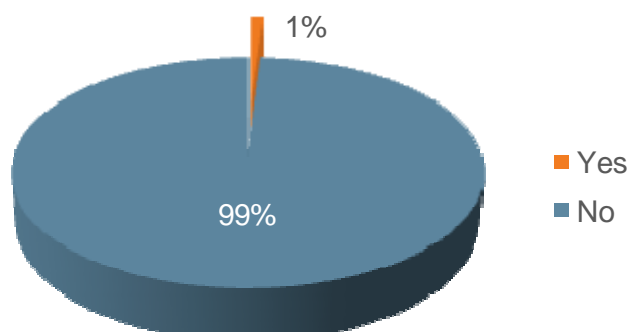
What are the Preferred Educational Destinations of Jordanian Students? - %, 2011



Source: Euromonitor International from Ministry of Education, 2011

Higher education institutions in Jordan receive minimal funding from the government and sponsorships from the private sector are uncommon. The German Jordanian University (GJU) offers an MBA programme that is sponsored by the Talal Abu-Ghazaleh International Group.

Do Universities have Graduate Programmes Sponsored by the Private Sector? - 2011

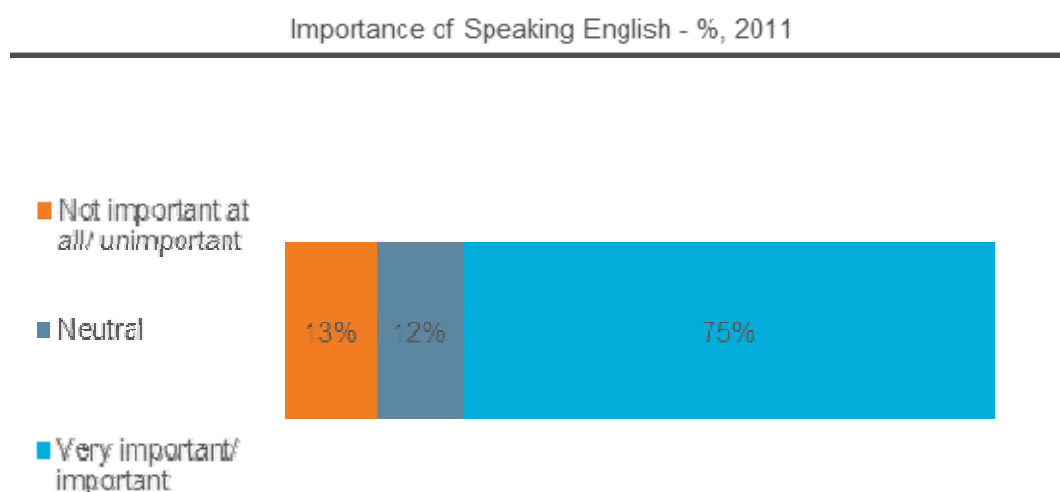


Source: Euromonitor International from trade interviews, 2011

## 7.5 CONSUMER PERCEPTION OF ENGLISH IN JORDAN

### Three in four Jordanians consider speaking English very important or important

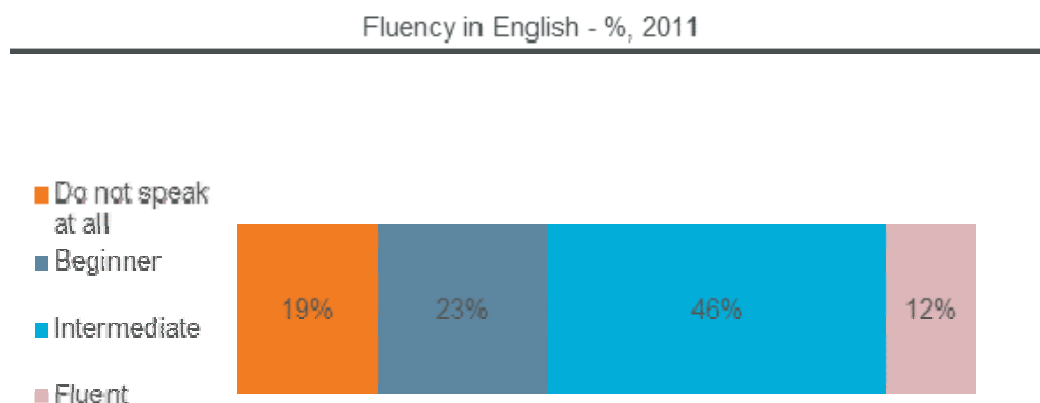
Three quarters of individuals stated that it is important or very important to speak English, which is a direct outcome of the numerous reasons that encourage people to learn English such as better education and more job opportunities.



Source: Euromonitor International from consumer perception analysis, 2011

### Nineteen per cent of individuals in Jordan do not speak English

When Jordanians were asked to state their level of English proficiency, 19% stated that they do not speak English at all. Forty-six per cent speak at an intermediate level, 23% are beginners and the remaining 12% are fluent. These figures suggest that Jordan has the largest proportion of English speakers when compared to the other countries in the region in which the survey was conducted. The absence of a rival foreign language to English and high literacy rates are key factors behind these figures.

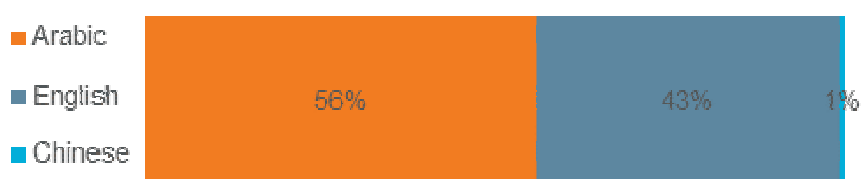


Source: Euromonitor International from consumer perception analysis, 2011

### English mildly lower than Arabic as the language for international business

When individuals were asked to state which language they consider as the most important for international business, 56% of individuals selected Arabic, while 43% chose English. Jordan's strong business ties with neighbouring Arab countries play an important role in Arabic being the leading language of choice for conducting international business. However, English is close to taking the leading position due to the government's continued efforts to promote Jordan as an international business hub in the Levant.

English and International Business - %, 2011

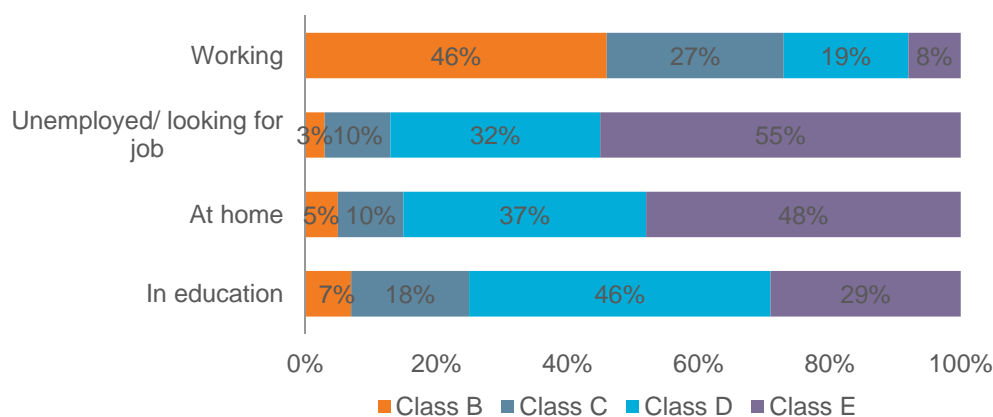


Source: Euromonitor International from consumer perception analysis, 2011

### Working status correlates with socioeconomic class

When looking into the correlation between working status and socioeconomic class in Jordan, it is evident that the working group displays the highest proportion of class B and the lowest proportion of class E individuals. Employment and prosperity are clearly linked and the creation of more employment opportunities is therefore paramount for overall economic development. The unemployment rate in Jordan was 12.5% in 2011.

Relationship between Working Status and Socioeconomic Class - %, 2011

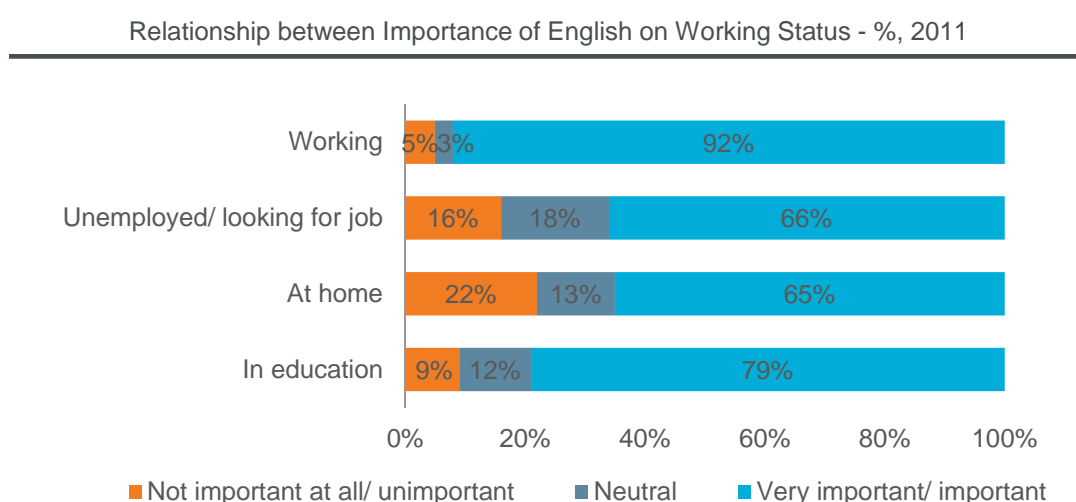


Source: Euromonitor International from consumer perception analysis, 2011

### Employed individuals place more importance on speaking English than the non-employed

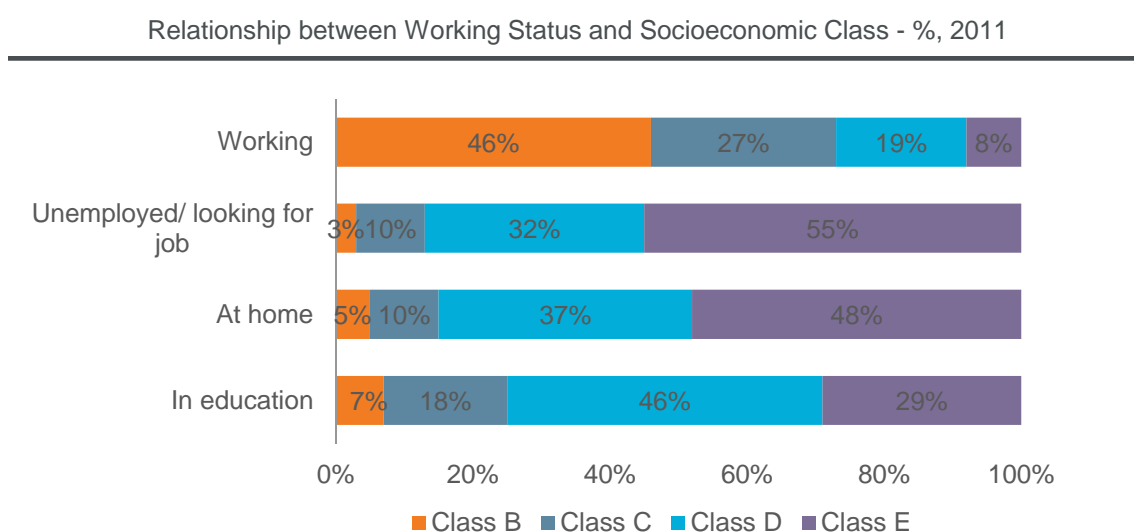


Specifically, 92% of individuals who are employed consider it important or very important for Jordanians to speak English, compared to 66% of individuals who are unemployed/looking for a job, signifying that employed individuals are more aware of the importance of speaking English in the workplace.



Source: Euromonitor International from consumer perception analysis, 2011

When looking at the relationship between socioeconomic class and proficiency in English, it can be concluded that individuals belonging to higher socioeconomic classes possess a higher level of English compared to individuals belonging to lower socioeconomic classes.

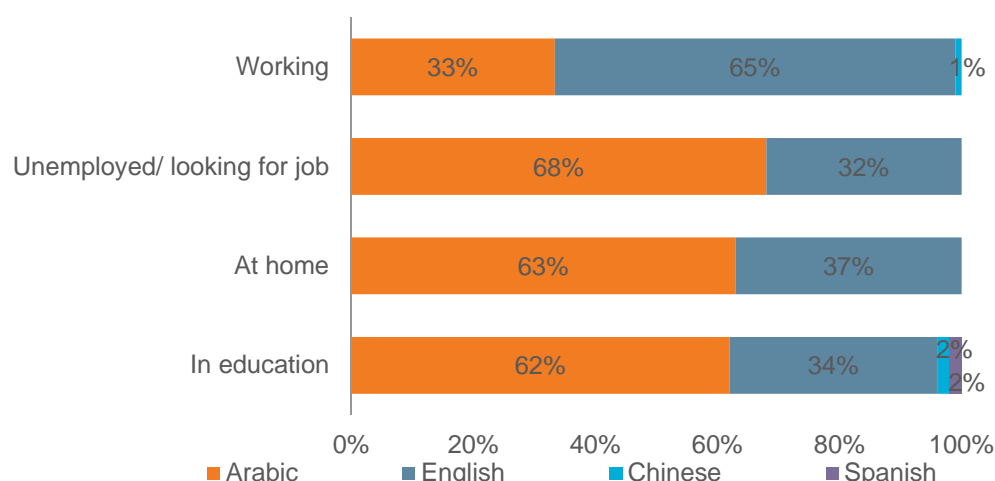


Source: Euromonitor International from consumer perception analysis, 2011

English is considered the most important language for international business by a larger proportion of working individuals compared to non-working individuals.

Sixty-five per cent of working individuals perceive English to be the most important language for international business, compared to 32% of individuals who are unemployed/looking for a job.

Relationship between International Business, Languages and Working Status - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

The following section illustrates the reasons shared by Jordanian individuals on why they learn English.

Individuals were asked to state their level of agreement/disagreement on a scale of 1 to 5 (5: strongly agree and 1: strongly disagree) across eight statements on why people in Jordan tend to “learn how to speak English”. For the purposes of analysis, these statements are classified under two broad categories: personal reasons and work reasons.

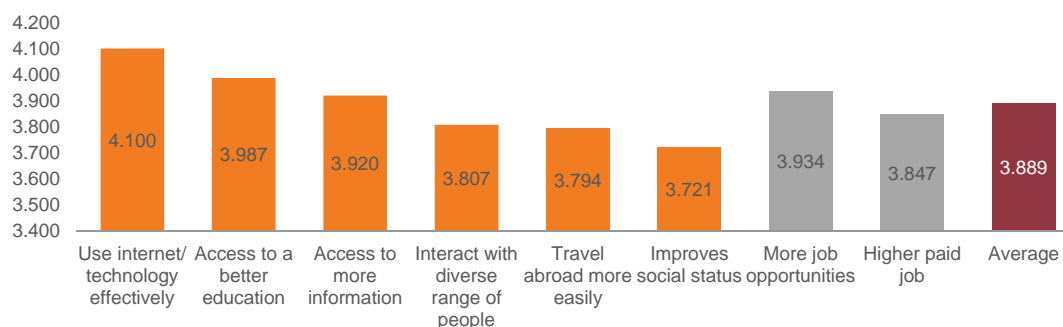
Category	Attitudinal Statements
<b>Personal:</b>	Use the internet and modern technology more effectively Access to a better education Interact with a more diverse range of people Improves their social status Travel abroad more easily Access to more information
<b>Work:</b>	More job opportunities Get a higher paid job

Source: Euromonitor International from consumer perception analysis, 2011

When comparing responses across the two categories, it was found that individuals believe that Jordanians consider English to be almost equally important for personal as well as work reasons.

Exploring the importance of the various personal and work reasons further, the top three reasons were found to be: “use internet/technology effectively” (average: 4.100 - personal), “access to a better education” (average: 3.987 - personal) and “more job opportunities” (average: 3.934 - work). The least important reason was “improves social status” (average: 3.721 - personal).

Reasons why People Learn to Speak English, 2011

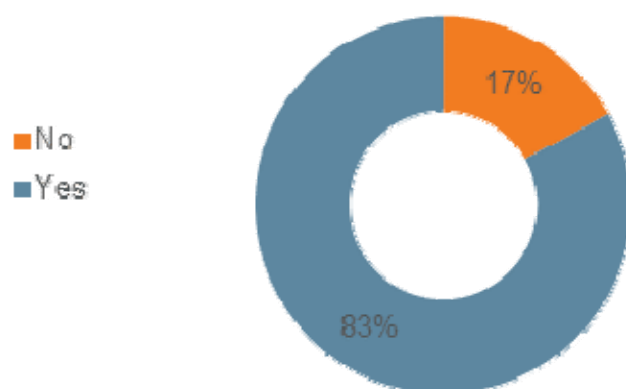


Source: Euromonitor International from consumer perception analysis, 2011

This section examines how beneficial individuals consider speaking English in Jordan.

Individuals were asked to provide some qualitative insights in terms of how they think their country would benefit if its residents spoke English. To analyse the qualitative insights, content analysis was applied that aimed to classify insights into themes.

Relationship between Speaking English and Benefits for Jordan - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

Individuals who thought that there would be no benefit for Jordan argued that Arabic is their native language and that therefore there is no need for residents to speak English. Some reasons given were: it is not necessary to speak English “because we use Arabic in education and business”, “we use Arabic in all fields”, and “our language is Arabic”.

Interesting new insights emerged from the content analysis. A significant number of individuals made a reference to the benefit for the country if its residents spoke English. Specifically, qualitative insights depicted three categories in terms of country benefits: “development” of the country, “international trade” and facilitation of “communication”. It is important to note that all three categories are associated with each other and by no means should be seen as mutually exclusive.

Individuals consider international trade to be a key area where knowledge of English is important. According to the individuals’ feedback, English is considered to be the language of international trade; thus, speaking English will help the country in its commercial dealings with other countries.

Jordanians feel that knowledge of English is a vehicle for better/easier communication. It facilitates international trade transactions (foreign customers, companies, etc); it is beneficial for tourism; and overall, being an international language, its knowledge allows people from different nationalities to communicate with each other. An interesting comment was: “English connects people from different social levels in Jordan and they use it for communication”.

Jordanians perceive that speaking English is correlated with the development of the country in terms of improvement of the overall economy. Specifically, some individuals felt that English is an internationally recognised language that can bring development to Jordan. Although most of the comments linked to the development issue were general, it is worth noting the following: “English has many benefits, especially in increasing foreign investment in Jordan”.

The table below illustrates the actual comments of individuals.

Category	Reasons Why English is Beneficial-Country
<b>Development:</b>	English is a major language used worldwide. It would help in developing our country Using English has many benefits, especially in increasing foreign investment in Jordan English improves the economy English is beneficial for business communication
<b>Trade:</b>	English is very important in international trade English is used in markets everywhere. It helps in dealing with non-Arab countries Most people in this country speak English. It helps in tourism, professionally and in trade Jordan has open markets and English helps to avoid problems in this regard and in professional life
<b>Communication:</b>	English is important for communication at an international level and would be beneficial for our country English is an internationally used language, and our country will benefit if everyone speaks English English is important for tourism English connects people from different social levels in Jordan and they use it for communication Communication will become easier English is important for communication with foreigners English is an internationally used language and it is used by most companies

Source: *Euromonitor International from consumer perception analysis, 2011*

On a personal level, work appears to represent by far the strongest motivation for learning English. Jordanians feel that knowledge of English is an important asset in the professional field since it would give them better job opportunities, higher salaries and would increase their professional development. A few comments indicate that English is associated with a higher work status, for example, “English is necessary for businessmen”, or “Most professionals in our country are proficient in English”, which validates the quantitative findings of this survey.

The knowledge of English for educational reasons also seems to be important; proficiency in English would give students better learning opportunities since many university majors are taught in English. Some individuals also consider English to be the international language for technology, science and engineering. There were a few individuals who stated that English is a language purely used in the academic field, for example, “Learning English would be very fruitful, but only in academia and not in other fields”.

The table below illustrates the actual comments of individuals.

Category	Reasons Why English is Beneficial - Individuals
<b>Work:</b>	English increases our chances of getting jobs English is necessary for business men If somebody speaks English, he/she will be prioritised over others in different fields It is very important to learn English to have better jobs Most professionals in this country are proficient in English English is necessary in companies including employees from different nationalities People will benefit from working in international companies, and hence increase their salaries
<b>Education:</b>	English is used for higher education Technology and sciences are taught in English Students will get better learning opportunities, locally and abroad English is beneficial in the education field Engineering is taught in English English is a language taught in most countries
<b>General comments:</b>	English will help us achieve our goals English is very important in this technological era English is important for development English is the language of the future

Source: Euromonitor International from consumer perception analysis, 2011

## 7.6 CONCLUSION

### **A strong educational system yields a large number of English speakers**

The large number of English speakers in Jordan is no coincidence; public and private school students are exposed to 12 years of English language education in the absence of a true rival language. Jordan's increasing exposure to international business has created demand for fluent English speakers in the job market. This can be seen from the increasing popularity of schools that teach foreign systems such as IGCSE, SAT and the International Baccalaureate.

Companies interviewed unanimously agree that private primary and secondary education offers better opportunities for learning English than public education. However, candidates who want to improve their English language skills can enrol in the many English language centres in order to better match the requirements of the job market.

The increasing demand for more fluent English speakers and the ability of the educational system, including English language centres, to accommodate this demand has created a self-sustaining cycle of an ever-improving quality of English speakers in Jordan.

### **Companies in Jordan's private sector are the major demand drivers for English language skills**

The services sector dominates the economy in terms of GDP generation and employee numbers, and continues to attract large levels of FDI. The main reason for this is the economy's strong ties with international markets, as well as its political stability and status as a regional economic hub. English is a core requirement for companies working in these areas.

English is Jordan's second language and is a mandatory study subject at primary, secondary, and tertiary levels, without any competition from other languages. Nevertheless, further reforms to the education sector need to be made to improve the quality of English instruction, particularly in public schools.

Banking, finance, ICT, construction, and pharmaceuticals, all of which have a high level of demand for English speakers, are among the industries that continue to grow as a result of the Jordanian government's activity in attracting FDI. There is therefore a strong economic imperative in Jordan to develop the English skills of its workforce, and the government is developing educational strategies to positively influence the interest in learning English among Jordanians.

### **Individuals are aware of the tangible and intangible benefits of English**

There is wide and growing recognition in Jordan that English is very beneficial to the economic prosperity of both individuals and the country; this recognition is expected to grow significantly in the long term. It is almost impossible for a skilled professional without English language skills to find a well-paying job in Jordan, and this trend is likely to strengthen in the future.

Due to the economy's strong ties with international markets, English is a key requirement for employment at all the interviewed companies. Given its noted practicality in the workplace, English is used for doing business internally as well as with other companies in Jordan and abroad. English speakers are likely to advance faster and earn more than non-English speakers. Moreover, English skills have social significance, partially because English speakers are more likely to get placed in key positions in the public, private, and military sectors but also because they are viewed as better educated, better cultured, and more knowledgeable than non-English speakers.



## 8. LEBANON

### 8.1 MANAGEMENT SUMMARY LEBANON

#### Arabic, English and French are languages used on daily basis

According to Euromonitor International's estimates, based on trade interviews and surveys, 40% of the population currently speaks English to an intermediate level in Lebanon. Even though Arabic is the official language in Lebanon, English and French are commonly spoken and taught in most schools. Arabic, along with either French or English, is used throughout government institutions. Most government publications are in Arabic and French. However, English is emerging as the primary foreign language used by the younger Lebanese, reflecting its status as the language of social media across the world.

#### GDP and financial crisis

Dominated by service sectors including finance, tourism, trade and banking, the Lebanese economy saw growth in GDP of 1.5% from 2010 to 2011, to reach US\$41,470 million which is a considerable slowdown compared to the annual average 8.2% over 2007-2010, and is anticipated to see average annual growth of 4% over 2011-2016. During the financial crisis of 2008/2009, the Lebanese economy proved resilient and saw a slight growth due to capital flows into Lebanon from expatriates and Gulf Cooperation Council (GCC) nationals.

Foreign investors in Lebanon during the same period also helped boost economic growth, and foreign direct investment (FDI) inflows grew by 17% between 2005 and 2010 to reach US\$5,223.3 million. High levels of proficiency in English also played a role in this growth as it helped to attract more international companies to invest in Lebanon.

#### English - the language of opportunities

As part of the Middle East, fluency in Arabic for the Lebanese population is a necessity; however in order to be part of the global marketplace, English is also essential. According to the Lebanese, it is considered the language of opportunity and trade. In Lebanon, most English speakers are located in Beirut, the capital city, where most top schools, universities and companies are located.

Both Lebanese individuals and companies have shown a growing interest in learning and speaking English. Individual demand is driven by awareness that strong English language skills are key to attaining better employment. The average salary gap between non-English speakers and English speakers is estimated at between 10% to 30% in Lebanon.

Furthermore, multinationals in the country are seeking to recruit employees with strong levels of English. The government is aware of this and is improving the quality of English education in the country, which it believes will enhance the investment climate.

#### Relationship between multinationals and English

Foreign companies are seeking to invest in Lebanon and in particular to open offices in Beirut. This is because of the city's status as a regional financial hub, as well as the availability of well-educated workforce. This development is encouraging individuals to improve their English skills in order to gain the sharpest possible competitive edge in the Lebanese job market. Multinationals are considered more attractive places to work than domestic companies, as they offer better salaries and also broader work experience, with the possibility of international travel. Strong written and verbal skills in English are primary recruitment criteria for these companies.

#### Private and public both teach English

Both private and public schools teach English, French and Arabic. However, English is used as the teaching medium in private universities. In these universities, students are offered a variety of



language courses, with English one of the most popular options. Those Lebanese who aspire to the fastest career progression or the pursuit of higher education abroad are generally educated in private schools and universities. According to Euromonitor International's research, private universities hire better teachers, provide better facilities, and use the latest multimedia resources as part of their education strategies. However, not all Lebanese can afford private education.

## 8.2 LEBANON - KEY FACTS AND PROFILE

### Key Facts

<b>Country name:</b>	The Republic of Lebanon
<b>Official language(s):</b>	Arabic is the official language. French and English is also spoken in Lebanon, with a minority of people speaking Armenian and Greek as well
<b>Population:</b>	4,265,600 (2010/2011)
<b>Capital:</b>	Beirut
<b>Key industries:</b>	Banking; services; food and agriculture; energy and oil; telecommunications; manufacturing; healthcare; maritime and ports; real estate; construction

### English Profile

<b>English speakers in 2011:</b>	40%
<b>Salary gap between someone who can speak English and someone who cannot:</b>	10-30%
<b>Ranking of benefits of English in the workforce (1= not beneficial at all and 5=very beneficial):</b>	3.5
<b>Level of English required for recruitment:</b>	13% (1/8) Basic level 63% (5/8) Intermediate level 13% (1/8) Good level 13% (1/8) Fluent level
<b>Rival of English in the work environment:</b>	French (Arabic is already a requirement)

### Research Methodology

<b>Multinational and local:</b>	Ten companies were contacted
<b>Industries:</b>	Ten leading industries: banking; services; food and agriculture; energy and oil; telecommunications; manufacturing; pharmaceuticals; maritime and ports; real estate; construction
<b>Jobs advertised in newspaper or online:</b>	Conducted a snapshot of the printed and online job advertisements requiring English (50)
<b>Education:</b>	American University of Beirut, International College
<b>Recruitment agencies:</b>	Five recruitment agencies contacted

Source: Euromonitor International from trade interviews, 2011

Note: Percentage of English speakers indicated is at an intermediate level

## 8.3 THE IMPACT OF ENGLISH ON THE COUNTRY

### Economic stability in the Lebanese economy

Lebanon is more open to the world than many other countries in the Middle East, and has been a key historical trading hub in the region. The country's economy is dominated by the private sector, and is considered to have one of the most fully liberalised economies in the Middle East. As a result, the Lebanese economy has seen growth in a variety of sectors including finance, tourism, trade and banking; these are the key sectors generating GDP in the country.

The Lebanese economy has faced an array of challenges in recent years as a result of political turbulence, high corruption levels, assassinations and the withdrawal of an important block of ministers from the government between 2005 and 2008. However, the government is now keen on boosting the country's economy by reconstructing its infrastructure, revising business laws and regulations and improving the household and business environments.

The Lebanese economy (GDP) saw growth of 38% between 2005 and 2010 to reach to US\$40,857 million. While most global economies suffered during the global financial crisis of 2008-2009, Lebanon's economy remained stable, growing by 9.3% in 2008 and by 8.5% in 2009, largely as a result of capital flows from Lebanese expatriates living outside the country. The banking sector played a key role in increasing the wealth of the nation in 2008 because of solid economic fundamentals such as high liquidity, and a long-standing tradition of strict and stringent regulation laid out by the Central Bank.

GDP growth in 2011 wavered to 1.5% to reach US\$41,470 million because of the regional economic and political turmoil of the Arab Spring along with the country's high corruption levels. At the same time, part of the country's economic growth over the review period (2005-2011) can be attributed to its relatively high level of English speakers, which has allowed Lebanon to open itself to international business, notably in the banking sector.

The Ministry of Education in Lebanon has developed a number of reforming policies for the promotion of English in the country, one of which includes commissioning language testing for more than 4,000 teachers. The programme also aims to improve the quality of teaching in public schools and universities across the country. The Education Development Centre Inc. (EDC) (an international non-profit organisation working on building educational research, policies and practices) announced its expansion of work into Lebanon in 2010 in areas connected to educational improvements.

The US Agency for International Development (USAID) awarded EDC US\$75 million for a 5-year programme called D-Rasati; "my studies" in Arabic. Through this programme, EDC aims to improve children's learning environments by enhancing the skill sets of public school teachers. EDC is doing this through in-service training, as well as organising extracurricular activities for Lebanese students in both English and Arabic.

### English spoken by a significant share of the population

Lebanese culture is highly westernised, and English is spoken fluently in Lebanon, especially in comparison to other Middle Eastern countries.

In spite of Arabic remaining the official language, upper class Lebanese still commonly prefer to converse in French. Lebanon was a French Mandate between 1918 and 1943, and fluent French is still viewed as the language of sophistication in the country and is a significant social marker. Most government publications are in both Arabic and French. Some 5% of Lebanese people are of Armenian or Greek descent, and speak fluent Armenian or Greek, in particular in the towns of Bourj Hammoud and Anjar. However, those Lebanese that speak both English and French fluently are typically among the elite educated part of society in Lebanon.

From trade interviews and according to research from Euromonitor International, 40% of people in Lebanon speak English to an intermediate level, and these people are most likely to be found in the

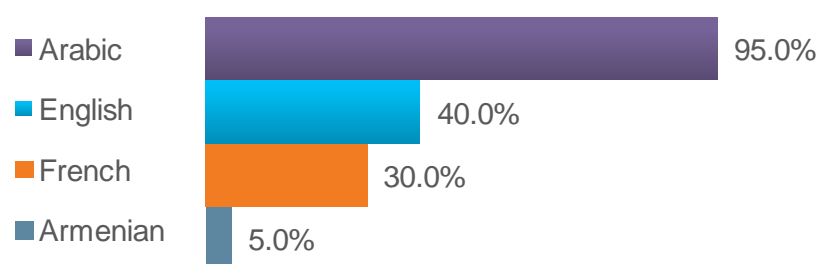
cities. This is largely because work that requires English, as well as exposure to the languages such as French, is most likely to be found there. .

The presence of English is also supported by the presence of several key private English universities and schools, such as The American University of Beirut, Lebanese American University, American Community School and International College. The distribution of languages varies within the capital city itself by district; for example, residents of Achrafieh are more likely to speak fluent French, while those of Ras Beirut typically communicate in English and Arabic.

The urban population in Lebanon has more access to higher education, better civic infrastructure and more exposure to foreign languages than the population in rural areas. As a result, the adult literacy rate (measured among those aged 15 years and above) is highest in Beirut, where only 6.1% of the total population cannot read and write. By comparison, in the southern and eastern regions of Lebanon, illiteracy rates run as high as 16.8%.

There is a direct correlation between poverty and illiteracy. According to the Ministry of Social Affairs (MOSA), around 87% of the population lives in urban areas, and estimated total population growth rate is at 1.8%. This growth rate is negative in rural areas and is positive and strengthening in urban areas. According to Euromonitor International, the rate of urbanisation in Lebanon was 87.2%, one of the highest in the Middle East and North Africa (MENA) region, and is expected to reach 88.1% by 2016. Access to the internet and other technologies is relatively high in urban areas, again underpinning the presence of higher numbers of English speakers living there.

Languages Spoken in Lebanon by Percentage of Population - %, 2011



Source: Euromonitor International, 2012 and CIA World Factbook, 2011

Note: This is the number of English speakers to at least an intermediate level. Arabic mentioned here refers to the local Arabic spoken in Lebanon

### Sophistication and opportunities define the English language

English is considered the language of opportunity in Lebanon, and the key to both personal advancement and opening the country to more international business. Although Lebanon was a French Mandate, which led to the integration of French language and culture into the education system and daily life, English is slowly replacing it. Schools in Lebanon teach three different languages: Arabic (the official language), English and French. Students start learning English from the age of six in English stream schools, and start learning French from the age of 11. Some KG schools offer English education earlier than the English stream schools. There is a growing trend for students to switch from schools where French is taught, to English ones after the age of 14 or 15. Maths and Science are usually taught through English or French in most of the schools.

At the same time, English has become an important requirement for Lebanese seeking positions in multinational companies. Those Lebanese who have been educated at French schools are increasingly having to work on their English skills by either studying at English-speaking universities or by attending English language courses in private professional training centres; this has become a

requirement for those seeking to either pursue higher education outside Lebanon or for those looking for better job opportunities.

In some multinational companies within the banking sector, English and Arabic are equally important depending on the markets that the company deals with. An example of this is the HSBC and Standard Chartered banks, which require both languages in order to operate effectively in all areas of Lebanon. The growing use of social media has also triggered the popularity of English among the younger population of the country. At the same time, the key languages for instruction in international schools and universities are English and French, with English slowly gaining greater dominance than Arabic over the last decade.

The best English-speaking institutions in Lebanon are privately-operated universities, schools and language centres, which are typically found in cities such as Beirut, Tripoli and Saida. According to a trade interview with one of the leading private universities in Lebanon, the budget deficit, which has risen due to high debt levels, is not encouraging the government to increase spending on higher education, and public education expenditure is insignificant due to inefficient budget distribution and large number of teachers.

Consumer interest in learning English is largely driven by individuals, and less directly by the growing service sectors in the country. Key motivating factors for individuals are better career and higher education prospects, active social networking and an improved ability to communicate and raise their social standing. Most Lebanese also consider that knowing English is important for working in dynamic economies such as the United Arab Emirates, which offer better job opportunities than Lebanon.

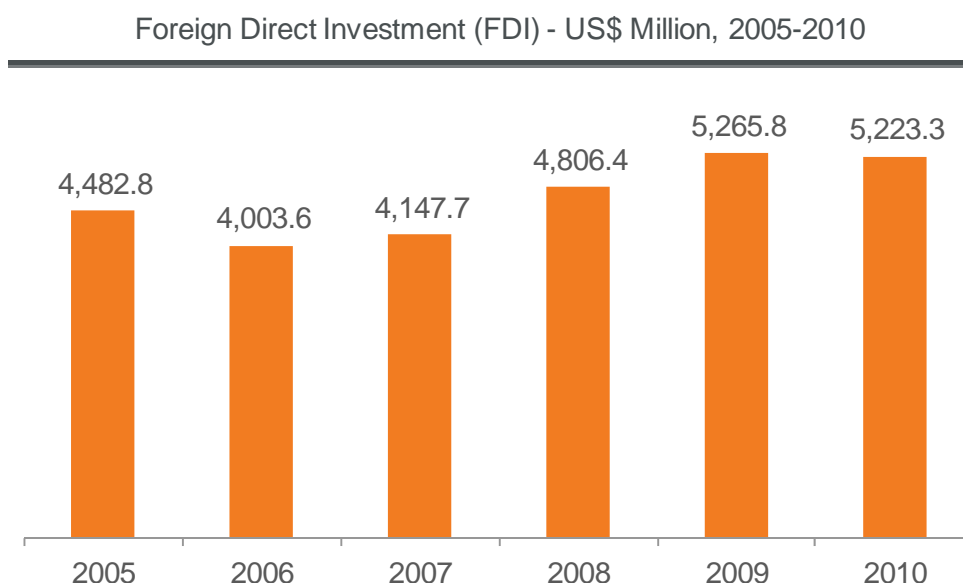
### 8.3.1 Investment and English in Lebanon

#### English language considered catalyst for attracting foreign direct investment (FDI)

Lebanon has historically attracted many foreign companies and continues to be a focus for FDI. This increased from US\$4,482.8 million in 2005 to US\$5,223.3 million in 2010 due to market liberalisation in part, including the removal of barriers imposed by government, the privatisation of government-owned entities, especially in the telecommunication sector, and relatively low tax rates on corporate earnings.

As English and French are widely spoken in Lebanon in addition to Arabic, the country is increasingly attracting a number of multinational companies from across the globe. The increase in depth of English proficiency has helped open up Lebanon to more international businesses and increased employment among the country's skilled workforce.

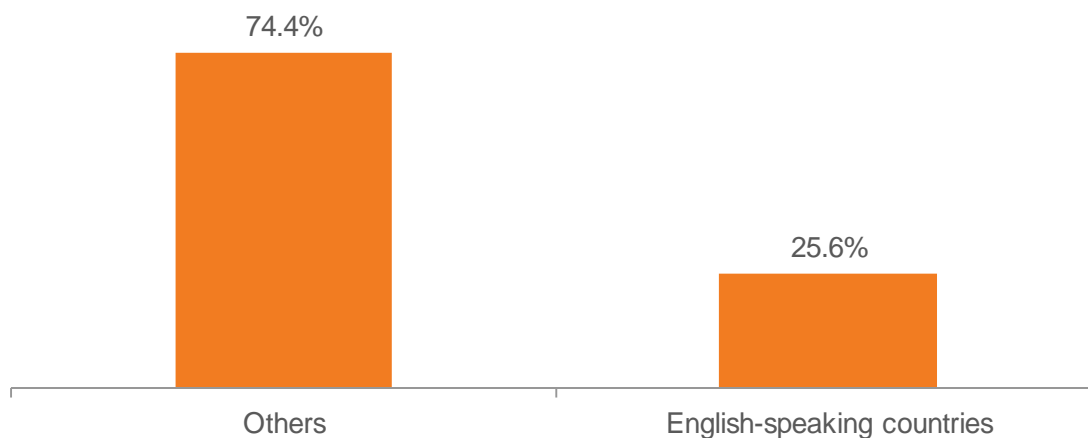
According to the Investment Development Authority of Lebanon, 81 companies across the globe were established in Lebanon in 2010, out of which 25.6% originated from English-speaking countries. Companies such as Microsoft, Cisco, French Connection, Hewitt and many others were all attracted to Lebanon in 2010.



Source: Euromonitor International, 2011

Since both local and multinational companies now demand English speakers, the government has committed itself to improving the quality of English education by encouraging more schools and universities to teach in English. This has not been effectively felt since public schools still witness decreased enrolment rates due to relative weakness in imparting quality foreign language education compared to the private sector.

Foreign Direct Investment (FDI) Inflows by Country - %, 2010



Source: Euromonitor International from Investment Development Authority of Lebanon, 2011

Note: "Others" is the combined share of all other countries that have any sort of investment in Lebanon

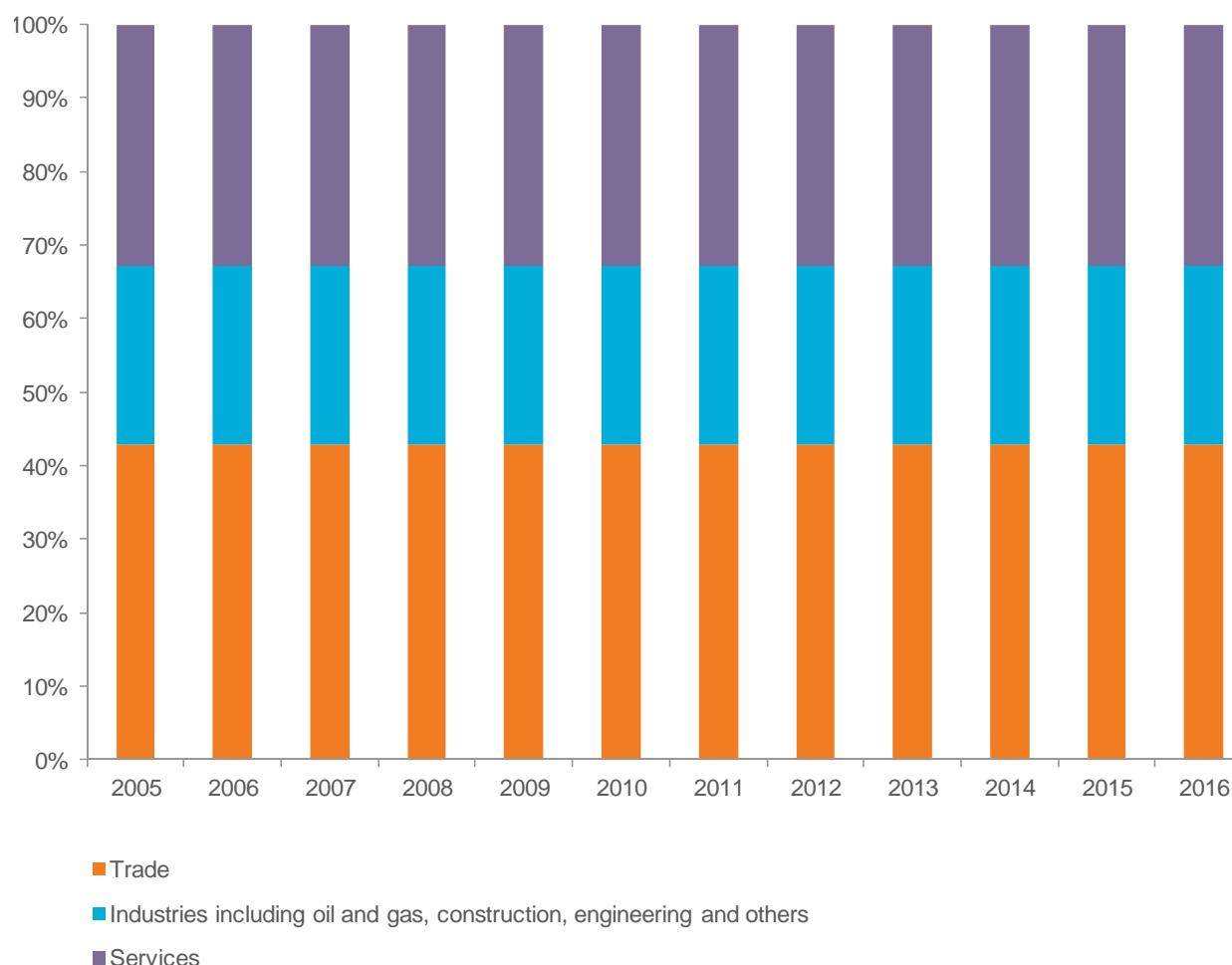
There is an increase in the number of students taking up English education in Lebanon. The key motivating factors are better career options, involvement with social media, pursuing higher education abroad, securing jobs in businesses and multinationals, and to be able to communicate with others.

### English boosts technological advancements

Banking, tourism, construction and trade are the key industries in the generation of Lebanon's GDP. According to Euromonitor International research, Lebanon is seeking to exploit new opportunities within new technology industries, evidenced by the growing number of Information and Communications Technologies (ICT) users during 2005-2011, as well as growing capital investments in telecommunications. Lebanon had 0.65 million ICT users in 2011. Around 98% of websites function in English.

These trends directly boost demand for English education in Lebanon, in particular among the younger part of the population. Interviews with recruitment agencies and the top universities in Lebanon underlined the fact that English is the key language of social media and the internet. This trend is most clearly observed in cities such as Beirut, which has the highest number of reputable higher education institutions.

GDP by Industry - %, 2005-2016



Source: Euromonitor International, 2011

### Demand for English speakers widely witnessed in the service sectors

The industries that demand the highest number of English speakers are service-orientated, in particular those whose businesses span different countries. The prime examples of this type of industry are found in banking and other financial services, as well as tourism/hospitality. The higher salaries paid in these industries are a clear motivation for students to study English, in order to obtain employment in them. Multinational companies operating in these sectors view English fluency as an asset, as it helps communication with global clients and supports the professional image of the company.

Therefore, English has become a necessity for most employees in Lebanon. According to trade interviews conducted with key recruitment agencies in Lebanon, over 70% of jobs require English language skills. Some 40% of jobs in tourism and hospitality require people with high levels of proficiency in English. Banking and finance, the sector where salary opportunities are potentially highest, is the most likely to have the high levels of English expected for prospective employees, with 60% of jobs expecting a high degree of proficiency.



### Industries that Demand the Most English Speakers - %, 2011

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Source: Euromonitor International from trade interviews, 2011

### 8.3.2 The Influence of English

#### High presence of industries in the coastal cities of Lebanon

With a strong historical reputation as trading hubs, and their strategic position on the Mediterranean coast, Lebanon's densely urbanised coastal cities like Beirut, Jounieh and Tyre house most of the country's largest employers. Businesses in financial services, food and agriculture, banking, pharmaceuticals and telecommunications are predominantly located in these cities.

Indicator	North	Centre	South/Southeast	West
<b>Main cities:</b>	Tripoli, Byblos, Jounieh	Beirut	Sidon, Tyre	Mount Lebanon
<b>Main industries:</b>	Manufacturing, food and agriculture, trade	Service industries such as travel and tourism, publishing, advertising, banking and others	Food and agriculture, furniture making, leather and textile industries	Food and agriculture, manufacturing
<b>Largest MNCs:</b>	Industrial Kingdom, Indevco - Industrial Development Company	Citibank, HSBC, Standard Chartered, Four Seasons, Le Gray	Aramex International Courier	PepsiCo, Nestlé-Sohat
<b>Main local language:</b>	Arabic, English and traces of French	Arabic, English and French	Arabic	Arabic - traces of French and English
<b>Usage of English:</b>	In trade, corporations, banking sector	High in most of these sectors	In trade, corporations, banking sector	In trade, corporations, banking sector - business dealings with other companies

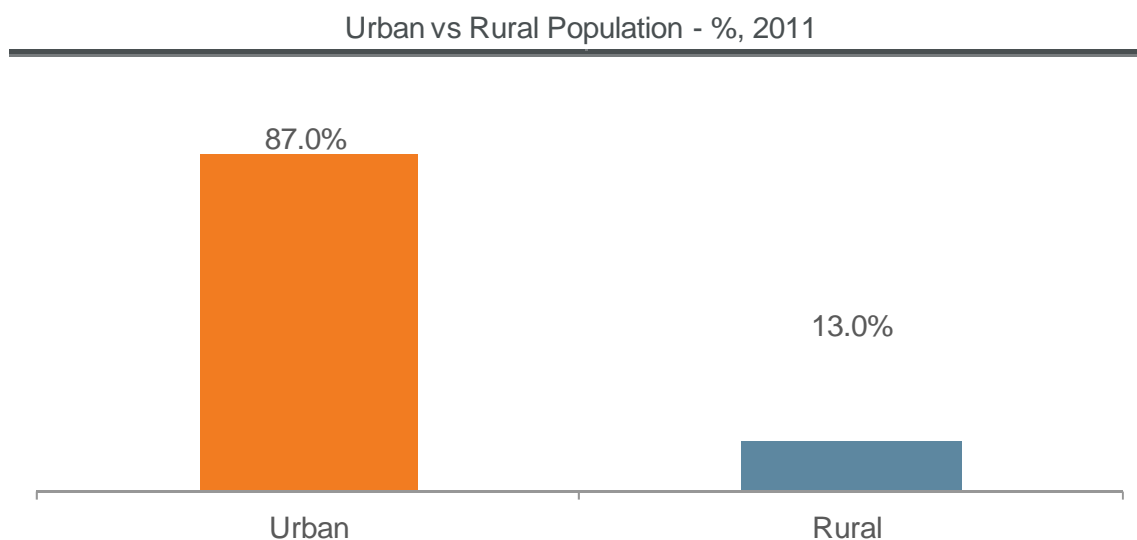
Source: Euromonitor International from trade interviews 2011

Industry	Location	Main Companies
<b>Banking and finance:</b>	Beirut	HSBC, Standard Chartered Bank, Arab Bank, Société Générale de Banque au Liban, Citibank
<b>Energy and oil:</b>	Beirut	Total S.A., Medco
<b>Maritime and ports:</b>	Beirut	Mediterranean Shipping Company (MSC) Lebanon
<b>Pharmaceutical:</b>	Beirut	Sanofi-Aventis, ClinServ International Group
<b>IT and technology:</b>	Beirut	IMC Telecom (part of the Debbane Group)
<b>Services:</b>	Beirut	Metlife Alico Lebanon, Deloitte, KPMG
<b>Manufacturing</b>	Beirut	P&G, SABIC
<b>Food and agriculture:</b>	Beirut and Hazmieh	Coca-Cola (Transmed), PepsiCo

Source: Euromonitor International from trade interviews, 2011

### Lebanon considered one of the most highly urbanised economies within the MENA region

Some 87% of the total population lives in urban areas. Rapid urban expansion has taken place along the coast, which stretches for 200km, and especially around the major cities where most industrial and commercial centres are located. According to the National Physical Master Plan for the Lebanese Territory, urban spread increases by 10km<sup>2</sup> every year in Lebanon. Most of the population aged 15-24 years lives in urban areas, especially in Beirut and its suburbs, Mount Lebanon and Tripoli in the North. Better educational provision, opportunities for employment in a wide number of industries and service sectors are all key factors driving urbanisation trends.

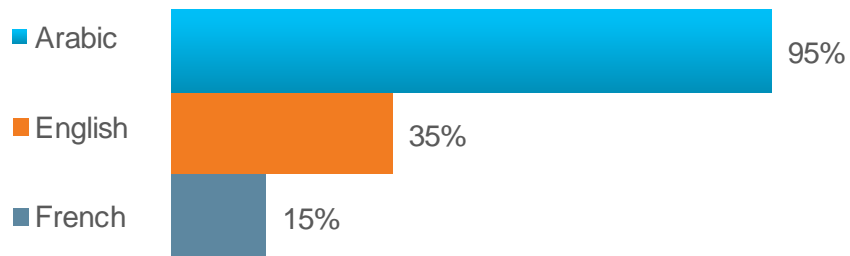


Source: Euromonitor International from trade interviews, 2011

The urban economy is largely driven by the service sector, with Beirut at its centre. The significance of English in the urban economy is shown by the fact that this is where the highest numbers of English speakers are found. Interviews conducted with multinational companies and recruitment agencies strongly demonstrate that English is the language most commonly used for business in these industries.

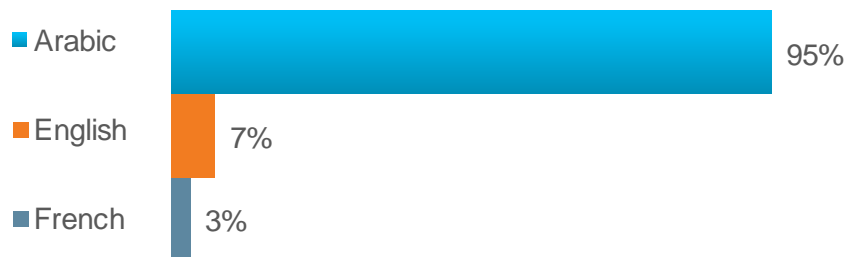
Cities such as Beirut also contain key private universities and schools such as The American University of Beirut, Lebanese American University, American Community School and International College, and this supports the relatively higher number of English speakers in these areas compared to rural areas. In the northern parts of Lebanon, English is less popular with only 7% of the population speaking it. A similar trend is observed in the eastern and southern parts of Beirut.

Languages Spoken in Urban Areas - %, 2011



Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level

Languages Spoken in Rural Areas - %, 2011



Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level

**Interview with a management consultancy company:**  
English is very important, and without it is difficult to conduct business. Since we are aiming at widening our international clientele database, it is critical for our employees to know English.

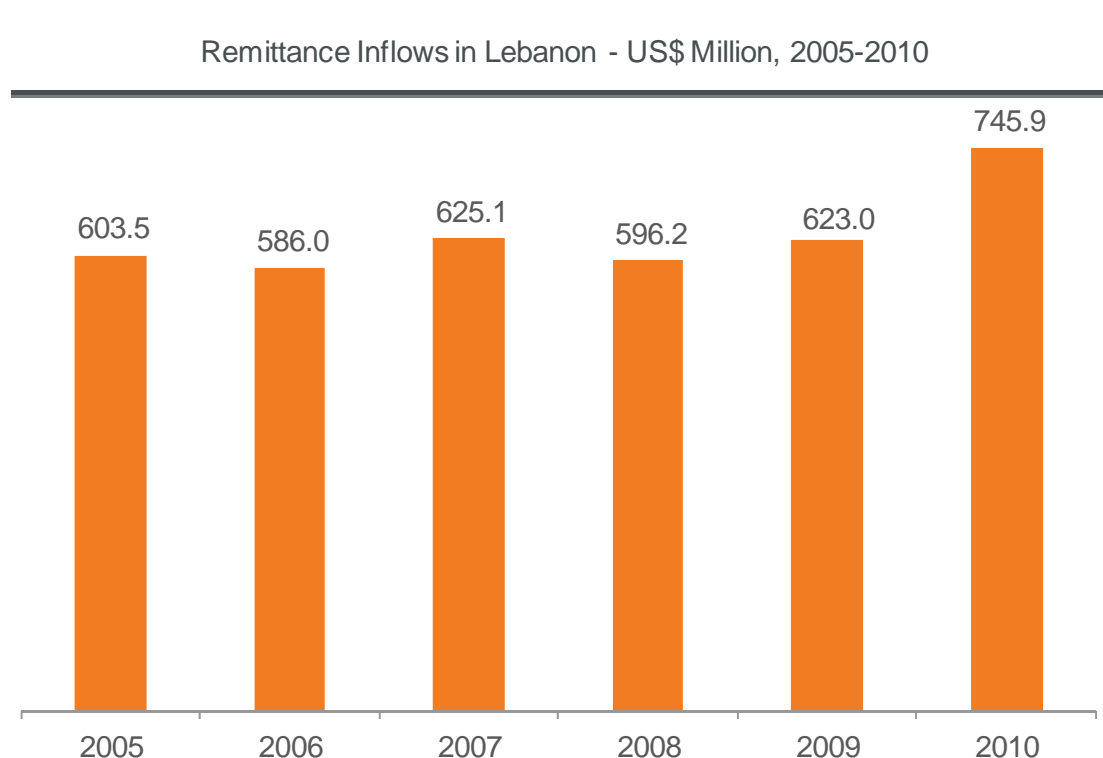
### 8.3.3 The Employment Market and English

#### English widely spoken across most of the key service sectors in Lebanon

English-speaking graduates are not a necessity in government institutions. Privately-educated graduates usually prefer working for private companies due to higher salary levels. Consequently, the educational background a graduate is recruited from depends significantly on the position they are applying for. For positions that demand strong communication skills, graduates from private education institutes are preferred. For engineering and law-related jobs, publicly-educated graduates are usually preferred.

As the service sector is one of the key sectors contributing to the GDP of Lebanon, multinational companies operating in this sector prefer to recruit graduates who are speak more than one language(English and Arabic). Trade interviews with SABIC emphasised the benefits of having bilingual employees who can take care of the company's operations both inside and outside Lebanon, in countries in Europe as well as neighbouring Arab countries.

In addition, well-educated Lebanese with a good command of English are also seeking more employment opportunities outside Lebanon, in countries such as the United Arab Emirates which can offer a higher standard of living. The large amounts of remittances from Lebanese workers overseas underlines this trend, and helps explain the high levels of importance placed by Lebanese on learning foreign languages such as English and French in order to seek employment in countries such as the United Arab Emirates or the US. Remittance inflows in to Lebanon increased from US\$ 603.5 million in 2005 to US\$ 745.9 million in 2010.



Source: Euromonitor International, 2011

English and Arabic are both necessary for communicating with other parts of the MENA region. Although employees are required to speak Arabic when dealing with local markets, English has now become vital as the key language for doing business on a wider scale. In this context, Lebanese speaking more than one language are in great demand in the employment market. On the other hand, corporations dealing with the Francophone markets of North Africa, such as Algeria and Morocco, prefer to hire employees who are fluent in French.

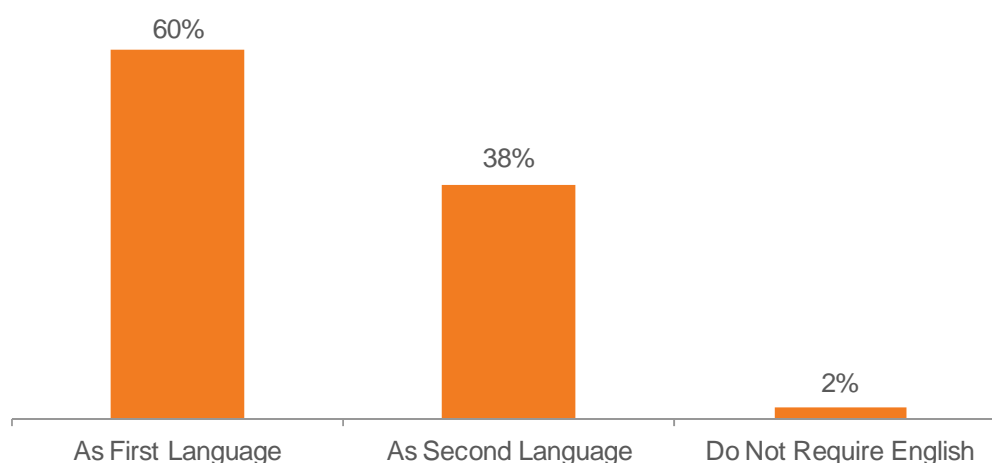
Multinational companies generally use English for internal office communication and correspondence. For example, the leading pharmaceutical company Sanofi-Aventis places great importance on its employees' knowledge of English, as their work involves meeting doctors and selling them the company's products. Even French companies such as Total S.A., who carry out most of their business in French, admitted that knowing English helps their business growth since it makes it easier to communicate with colleagues from other Total S.A. offices around the world.

Job Positions	Search Channels
Manual labour worker <sup>1</sup> :	Local newspapers
Middle positions <sup>2</sup> :	Internet, universities and recruitment agencies
Senior positions <sup>3</sup> :	Executive and business magazines, internet and recruitment agencies

Source: Euromonitor International from interviews with recruitment agencies and printed publications such as newspapers

Notes: <sup>1</sup> includes all vocational trades such as carpentry, painting, electrical, etc.; <sup>2</sup> includes any job requiring up to five years' experience; <sup>3</sup> includes any job requiring five years' experience

Jobs Advertised Online and in Newspapers that Require English - %, 2011



Source: Euromonitor International from trade interviews, 2011

Online sources are key advertising media in Lebanon. These include websites such as bayt.com, careerslb.com, as well as websites for recruitment agencies and companies, and social media. Low-level positions are advertised in local newspapers whereas high-level managerial positions are advertised in executive and business magazines and online through recruitment websites. Some companies such as SABIC advertise directly through universities.

Debbane Group, a group that owns a number of multinational companies, also uses social media such as Facebook to advertise on its HR page. Other companies and agencies also advertise through Facebook, on a page called Job Opportunities in Lebanon. These trends create additional interest among young Lebanese to improve their English skills in order to increase their competitiveness in the country's job market.

### English as the first language is desired

During the research, Euromonitor International took a more in-depth look at the kind of jobs advertised in key mediasuch as online sites and newspapers in Lebanon. Euromonitor International

also took a snapshot of print and online jobs advertised in the country. Of the 50 job advertisements, 30 required English as the first language, while 19 specified having English as the second language.

Jobs that require English as a first language include marketing managers, sales representatives and executives, and brand managers. It was also evident from trade interviews that those industries that most frequently demand English speakers are the ones that require the highest contact with clients abroad, the ones where communication in all mediums is essential, and those in the most dynamic and internationally widespread areas.

### **Interview with a recruitment agency specialising in managerial positions across most of the key industries in Lebanon and the Gulf:**

English is a key requirement when it comes to hiring for managerial positions. English is the main language that is in demand and because of that, it will continue to increase.

### **Salary Differentiation - English Skills vs No English Skills**

<b>Job Title</b>	<b>Professional Salaries with English Skills to at least Intermediate Level (Gross Salary/Month US\$)</b>	<b>Professional Salaries with no English Skills (Gross Salary/Month US\$)</b>
<b>Director:</b>	2,250	2,050
<b>Senior manager:</b>	980	820
<b>Manager:</b>	620	520
<b>Senior analyst:</b>	415	330
<b>Analyst:</b>	310	220
<b>Secretary:</b>	296	190
<b>Carpenter:</b>	210	200
<b>Electrician:</b>	215	210
<b>Plumber:</b>	225	220
<b>Receptionist:</b>	210	110

Source: Euromonitor International from trade interviews, 2011

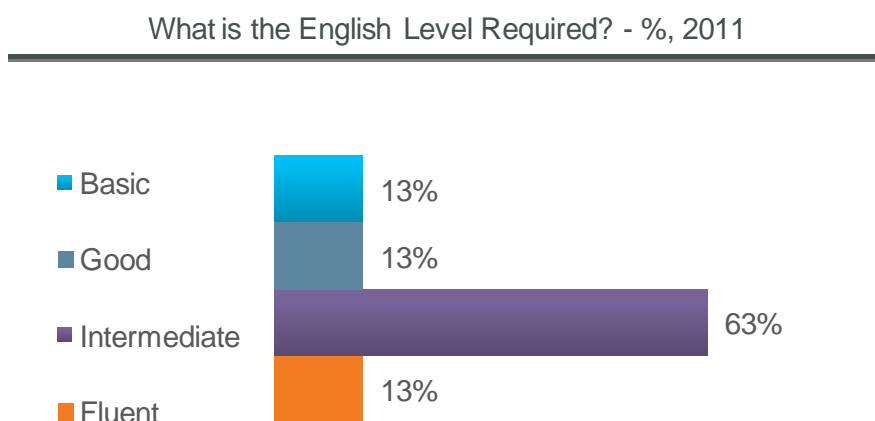
### **Multinationals encourage English in Lebanon**

Corporations play a major indirect role in the advancement of English education in Lebanon. Good written and verbal English skills are required by almost all multinational companies in Lebanon, which drives demand for English education among Lebanese seeking employment opportunities with higher salaries. At the same time, several banking, hospitality and telecommunication companies provide English courses for their employees, either within the organisation itself or via language centres. Deloitte, for example, operates its own training system that offers English courses to its employees.

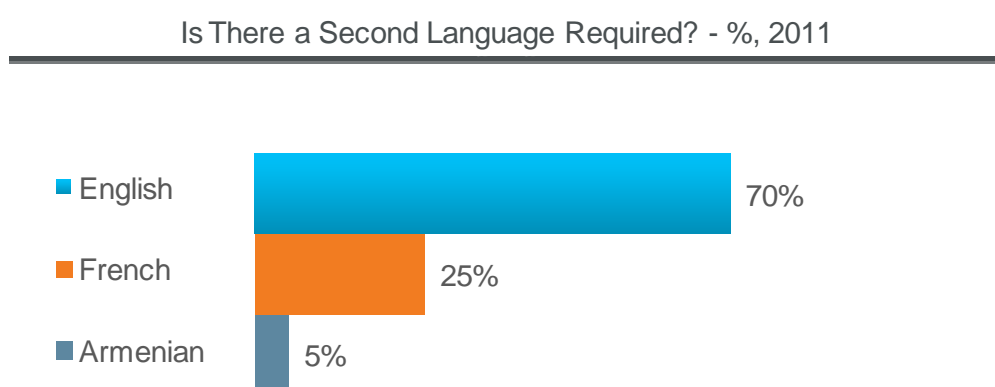
### **Multinational companies invest in English training and workshops**

During trade interviews, Euromonitor International found that most companies' workshops and technical training courses provided for employees are carried out in English. In addition to this, companies also train their employees on presentation and communication skills. Industries that provide courses such as these include the Mediterranean Shipping Company, a maritime and ports company whose leadership, customer service, teamwork and time management training courses in English are aimed at helping employees perform better for the company. Sanofi-Aventis trains its

sales and marketing employees in English to increase their competency levels in dealing with clients around the world.



Source: Euromonitor International from trade interviews, 2011



Source: Euromonitor International from trade interviews, 2011

**Interview with a professional firm providing audit, advisory and tax services:**  
 English and Arabic are both required. Candidates cannot have one without the other because employees are expected to write reports in both Arabic and English. Even if someone is French educated, their English skills should be above average. All of the employees in our company know both languages.

### Service industries are highest in ranking for English requirements

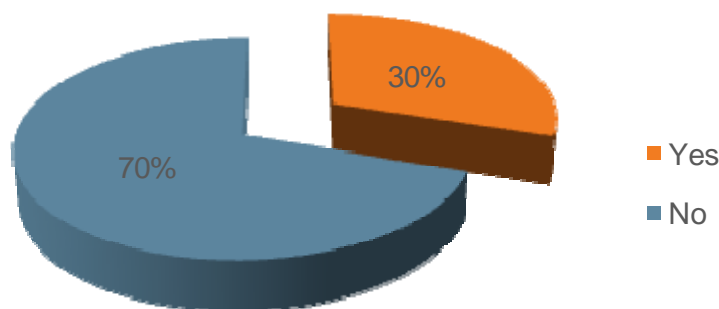
During the research, Euromonitor International found that the hospitality/tourism industry was recruiting large numbers of English speakers due to the nature of its businesses. Demand for English speakers in all industries involved with sales, business and engineering is expected to grow, as they all require increasing communication with businesses abroad.

The career coachat DinamiCo, a recruitment agency, stated that although English is currently dominant in businesses in the financial sector as well as the medical industries where professional and technical communication is in English, in future all industries would require English skills. Employers will no longer regard English proficiency as an additional bonus.



Most companies ranked English at the higher end of the spectrum with an average of 3.5 out of 5. Companies that ranked English at this higher end believe that English is important because it helps employees conducting business, communicating with international offices, and writing reports in English. The ranking was usually lower for companies with French backgrounds such as SGBL.

Is English Used for Training Purposes? - %, 2011



Source: Euromonitor International from trade interviews, 2011

### Majority of employees in Lebanon speak more than one language

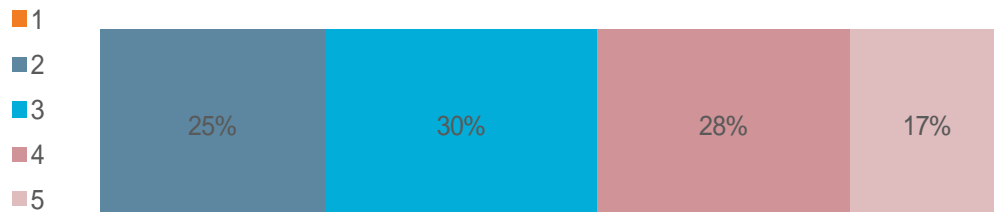
The majority of individuals in Lebanon speak more than one language. From trade interviews with companies, it was clear that where English and French were stated requirements, it is taken for granted that employees also speak Arabic. Very few multinational companies have employees who do not speak Arabic. In the rare cases where they do, employees are in very high managerial positions, generally from the company's host country.

Such employees are therefore valued assets for multinational companies in all industries, especially those with both local and international clients. These industries include pharmaceuticals, financial services and companies involved in marketing and communications. SABIC commented that employees speaking two or more languages are assets, as this is crucial for its sales employees in charge of markets such as Dubai and South Africa where English is required.

On the other hand, in a diverse multinational company such as Citibank, English and Arabic are both necessary for communicating within the region. Employees have to speak in Arabic to communicate in the domestic market, and require English for global markets.

How Does English Benefit Company Growth? - %, 2011

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Source: Euromonitor International from trade interviews, 2011  
Note: 5=very important; 1=not important

**Interview with a recruitment agency specialising in managerial positions across most of the key industries in Lebanon and the Gulf:**  
All the key jobs need English speakers. There are two skills required: English language and computer skills. Job seekers need to have both. This trend is increasing because these are basic requirements.

## 8.4 THE IMPACT OF ENGLISH ON THE INDIVIDUAL

### English aids in career advancement

English plays a key role in career development as English-speaking graduates have more opportunities to work for the multinational companies in Lebanon. This has led to an increase in the number of students taking up English education in the country.

For example, the HR coordinator for Transmed considers English as a prime requirement in multinational companies. The coordinator also highlighted that employees in sales, development and managerial positions are required to know English, which provides them an opportunity to represent the company abroad. This has an immense influence on career progress.

**Interview with a professional firm providing audit, advisory and tax services:**  
High levels of English skills are required because company reports are in English. Correspondence and internal communication are also in English. They need to be able to communicate with global offices - English is the inter-global language.

### Education, internet and social media boost demand for English

Private education institutions, multinational companies and the boom in internet use and social media have strongly influenced the demand for English education. In recognition of this, the Lebanese government offers support to students from low-income groups to pursue education in private institutions.

On the other hand, public education faces an array of challenges that impacts its performance significantly in the country. Enrolment rates in public schools are noticeably decreasing due to widening achievement and efficiency gap between private and public schools. Low performance of public schools can largely be attributed to low qualifications of teachers, lack of coherence between requirements and teachers' qualifications, absence of suitable learning environment and lack of efficient laws to govern the overall functioning.

The country's poor public educational system's performance is due to inefficient resource allocation, absence of efficient IT systems, shortages in the number of teachers in specific subjects and absence of clear standards of writing and assessing textbooks. In addition to this, there are no major internal policies for quality assurance across the higher educational sector in Lebanon.

In an effort to improve the quality of public education, a five-year program, D-RASATI School Improvement Program was designed in 2010 to support all public primary and secondary schools in Lebanon. Funded by the USAID, D-RASATI is the first project in Lebanon that involves working closely with the Ministry of Education and Ministry of Higher Education to improve the overall functioning of the educational system. Implementing partners for this program include AMIDEAST, American University of Beirut, The Cooperative Housing Foundation, The Hariri Foundation for Sustainable Human Development and The International Orthodox Christian Charities.

The USAID University Scholarship Program in Lebanon helps meritorious and financially needy public school graduates access higher education in private universities. These scholarships, under the University Student Assistance Program, cover full educational costs to attend American style universities in an effort to support Lebanon's economic development. USAID has been in Lebanon since 1951 and the scholarship program has already passed through 2-phases. Phase 1 was a seven year program worth US\$13.5 million while phase 2 was a five year program launched in 2011 to sponsor undergraduate merit-based scholarships to 103 public high school students. The

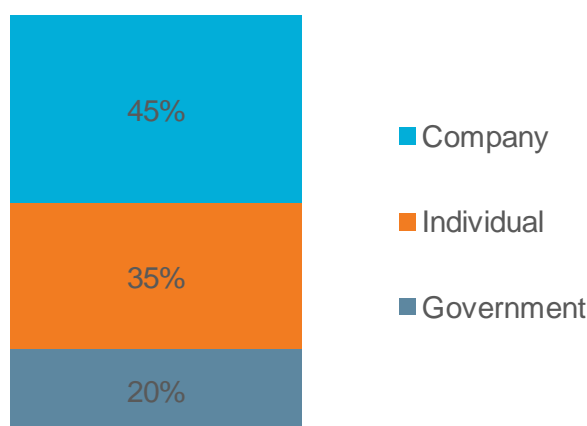
Extracurricular activities are also offered to public schools to improve the skills and learning experiences of students. The World Bank has also granted assistance to an Education Development project that is meant to enhance the credibility of the public education system in Lebanon.

Universities such as AUB have high standards of English education in accordance with the needs of students seeking to work for multinational companies or pursue higher education abroad. Therefore, the main instigators for English education in the country are individuals, private education institutions and companies.

**Interview with one of the leading multinational banks:**

The importance of English education starts at school level. Two decades ago, nobody would have imagined learning a third language and now English and French are both taught alongside Arabic. Furthermore, many multinational companies offer English to their employees and encourage English classes when they are needed.

Who is Creating the Demand for English Education? - %, 2011



Source: Euromonitor International, 2011

Note: Overall percentages score based on trade interviews. May sum to over 100% due to multiple answers per interview

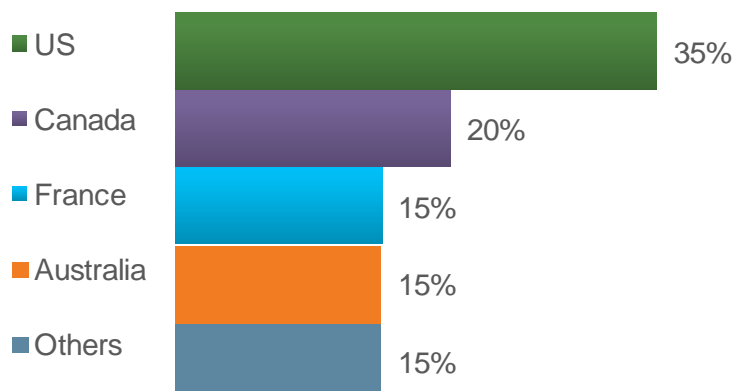
**The US remains the key higher education destination among Lebanese students**

There has always been a large number of students interested in travelling abroad for higher education in Lebanon, a trend that has been indirectly promoted and encouraged by private schools and universities, which tend to offer a broader global perspective in their educational methods. Students seek to travel abroad to complete their higher education (especially at graduate level). If they are unable to finance this, they often stay and work in Lebanon in multinational firms in order to earn sufficient money to fund their education.

Those students who decide to undertake higher education abroad often do so because there are diverse specialisations that are not available in Lebanon. These vary from medical specialisations to high-status MBAs that may lead to better opportunities in the global job market. Most students wish to travel to the US. After this, Canada, Australia, the UK and France are the most popular destinations for Lebanese students to study abroad.

Top private universities such as AUB and LAU have strong connections with universities in the US, especially Ivy League universities such as Harvard, Princeton, Stanford and Yale.

Most Popular Countries Amongst Students in Lebanon - %, 2011



Source: Euromonitor International from The World Bank data and trade interviews, 2011

Total Lebanese Student Population by Level of Study - Million, 2005-2016



Source: Euromonitor International, 2011

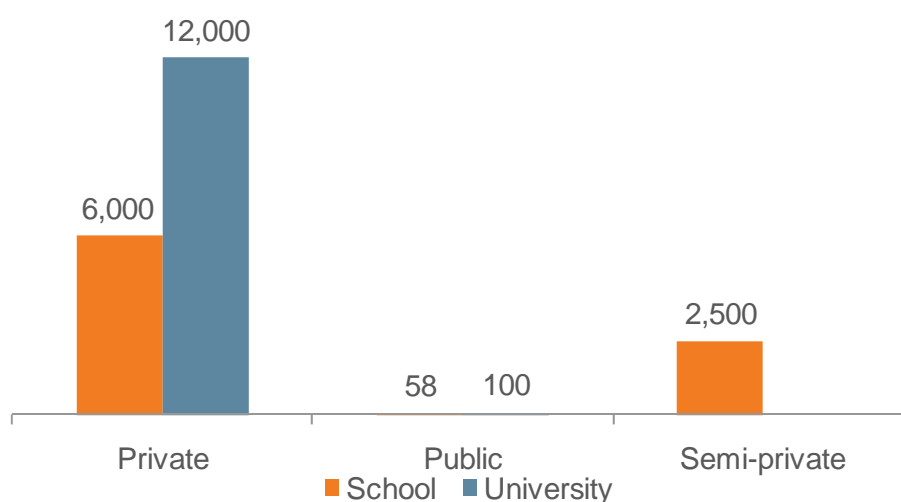
Difference in costs of major types of educational institutions - US\$, 2011

Institution Type	Average Cost per Student per Term	Source of Funding	Cost to the State
<b>Average cost of public school</b>	Public school: US\$58 for books and other services Public university: US\$100	Parents	US\$158

(including universities)			
Average cost of semi-private school	US\$2,000-2,500 including all services	Parents	None
Average cost of private school (including universities)	Private school: US\$2,000 – 6,000 including all services Private university: US\$6,000-12,000 including all services	Parents	None

Source: Euromonitor International, 2011

Going to School - How Much Does it Cost?- US\$/per term, 2011



Source: Euromonitor International from trade interviews, 2011  
 Note: Semi-private and private includes schools and universities

**Interview with global pharmaceutical company in Lebanon:**

Companies play a big role in driving the importance of English education. The company registers employees who are beginners and have basic English skills to advance their English in the American Language Centre.

**Private education institutions offer better quality of English education than public**

According to the Ministry of Education, there are 40 private higher educational institutions in Lebanon, 28 full universities including the State Lebanese University, 8 university institutes or colleges and 4 religious higher educational institutions. The Lebanese University is the only public university in Lebanon with limited government funding and conflicting political interests which affects its ability to accommodate increased student demand. The Lebanese University has approximately 17 facilities and consists of 50 branches distributed all over the country. It offers around 105 programmes with qualifications from bachelors to PHDs. French is the main language of instruction in this university. Higher education institutions are located in the capital and many students come to Beirut to study. Most of the top universities are located in the capital city however; they have branches spread all over the northern cities such as Jounieh and Jbeil. There is a scarcity of higher education institutions in southern Lebanon.

Private schools in Lebanon are more popular than public schools, although they are more expensive. The most expensive private schools are International College (IC), which costs approximately US\$9,000 per year and American Community School (ACS), which costs between US\$9,000 and US\$14,000. They are both located in the capital, except for a branch of International College in Mount Lebanon.

Other private schools are located mainly in Beirut and Mount Lebanon. Public schools are less expensive. According to a leading Lebanese newspaper, public schools cost around L£87,000 (approximately US\$58) per year, including a L£52,500 (approximately US\$35) registration fee.

Recruiters from multinationals target graduates from AUB for their high standards of education. There has also been an increase in the number of students coming from abroad to study at AUB. According to an article in one of Lebanon's newspapers, more people are undertaking private education because they "do not trust the public education system in Lebanon." This is the main reason that enrolment in private schools is higher.

According to the same article, enrolment in public schools between the years 2004 and 2009 fell 15% because of the widening achievement gap between public and private educational systems. Public schools are reported to have under-qualified teaching and administrative staff and low quality infrastructure.

According to the Head of Careers at AUB, private institutions have the means to hire better teachers, provide better physical infrastructure, and use the latest multimedia resources than the public ones which suffers significantly from insufficient funding.

Graduates from Top Three Universities, 2010/2011



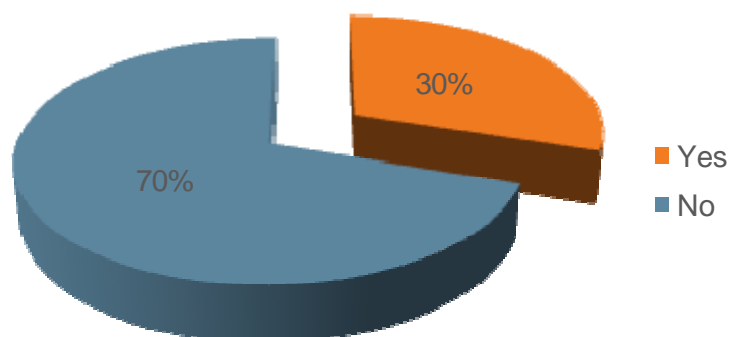
Source: Euromonitor International from The World Bank data and trade interviews, 2011

English is already popular in Lebanon, and this popularity is increasing among Lebanese individuals due to the perception that a good command of English provides better job prospects and will open doors to working in an English-speaking environment.

In Lebanon, some foundations have decided to work with universities to provide funding for undergraduate students to study abroad. One of these is the Hariri Foundation, which established the Career Guide Centre in 1985 to help students to pursue their education abroad. Another notable programme that the government offers with the help of the American Embassy is the Fulbright student scholarship programme.

Do Universities have Graduate Programmes Sponsored by the Private Sector? - %, 2011

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Source: Euromonitor International from trade interviews, 2011

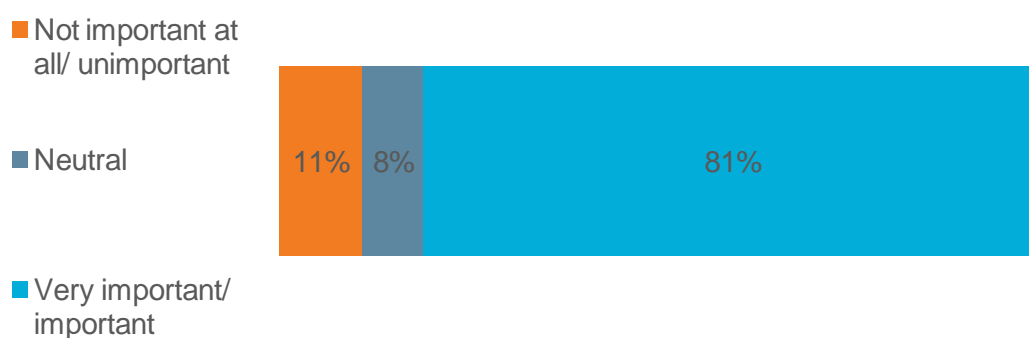


## 8.5 CONSUMER PERCEPTION OF ENGLISH IN LEBANON

### Four in five Lebanese consider speaking English very important or important

Speaking English is highly valued by the majority of Lebanese, with 81% of individuals indicating that it is very important or important, while only 8% stated that speaking English is not important at all/unimportant.

Importance of Speaking English - %, 2011

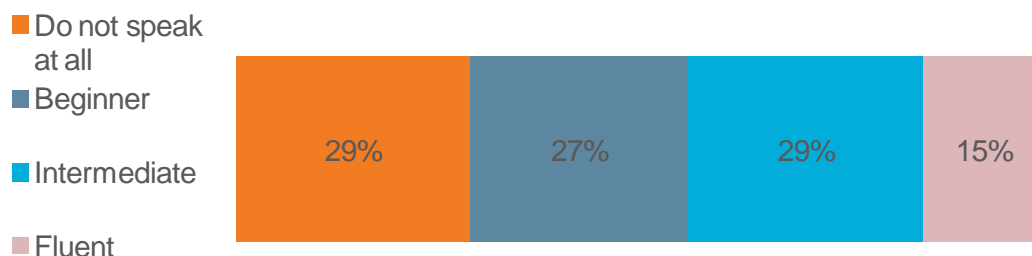


Source: Euromonitor International from consumer perception analysis, 2011

### Twenty-nine per cent of individuals do not speak English at all

When asked to state their level of English proficiency at work, 29% of individuals in Lebanon stated that they do not speak English at all. This high rate may be partially attributed to the high prevalence of French as a foreign language in Lebanon. 29% of individuals speak English at an intermediate level, 27% are beginners and 15% are fluent.

Fluency in English - %, 2011

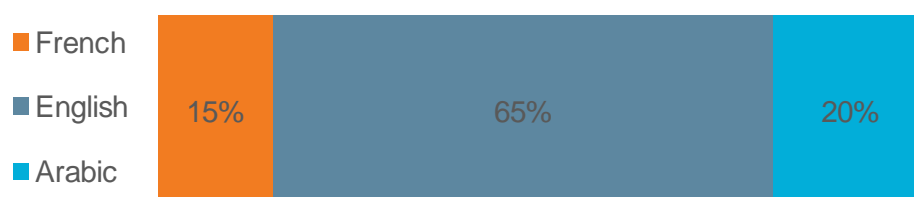


Source: Euromonitor International from consumer perception analysis, 2011

### Majority of Lebanese consider English to be the key language for doing international business

Though French is widely spoken in Lebanon, 65% of individuals ranked English as the most important language for international business in Lebanon. 20% of individuals selected Arabic, while only 15% selected French as the most important language for international business. This highlights the growing popularity of English among the wider population in Lebanon.

English and International Business - %, 2011

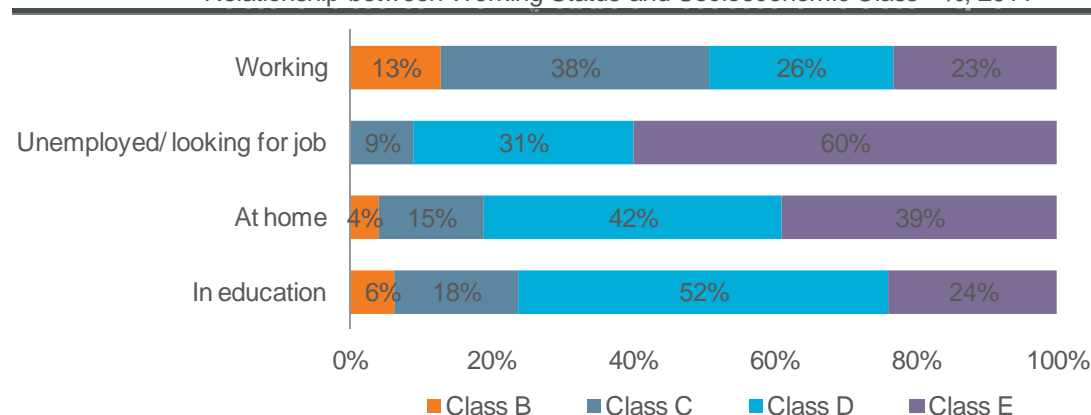


Source: Euromonitor International from consumer perception analysis, 2011

### Strong connection between employment and prosperity

When looking at the correlation between working status and socioeconomic class in Lebanon, it is evident that people in employment include the highest proportion of class B and the lowest proportion of class E individuals. Employment and prosperity are clearly linked and the creation of more employment opportunities is therefore paramount for overall economic development.

Relationship between Working Status and Socioeconomic Class - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

### Individual perception of the importance of speaking English and working status

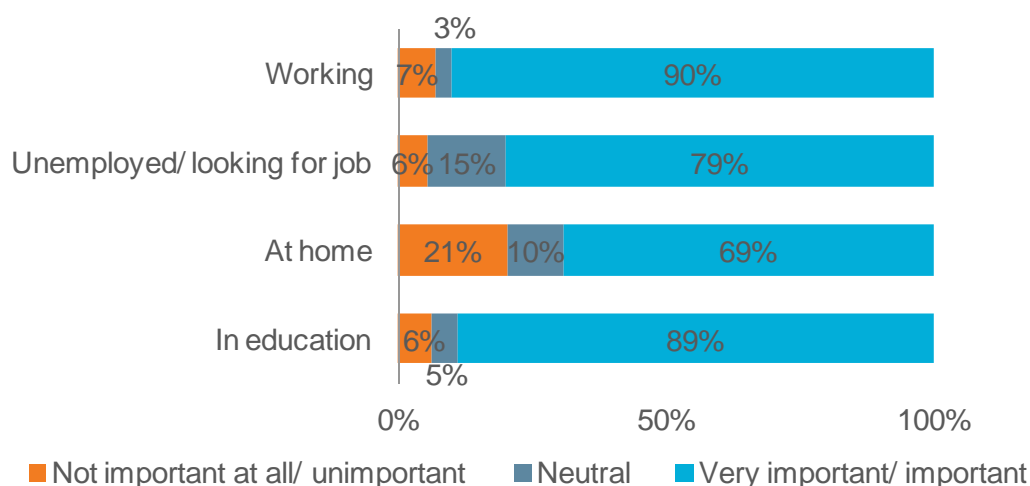
This section focuses on understanding the relationship between working status of individuals in Lebanon and the importance of English overall. One key hypothesis is that prospects for employment

increase with the level of English proficiency. This is particularly important given the unemployment rate of 10.3% in Lebanon during 2010-2011, according to Euromonitor International.

**Employed individuals place more importance on speaking English than the non-employed**

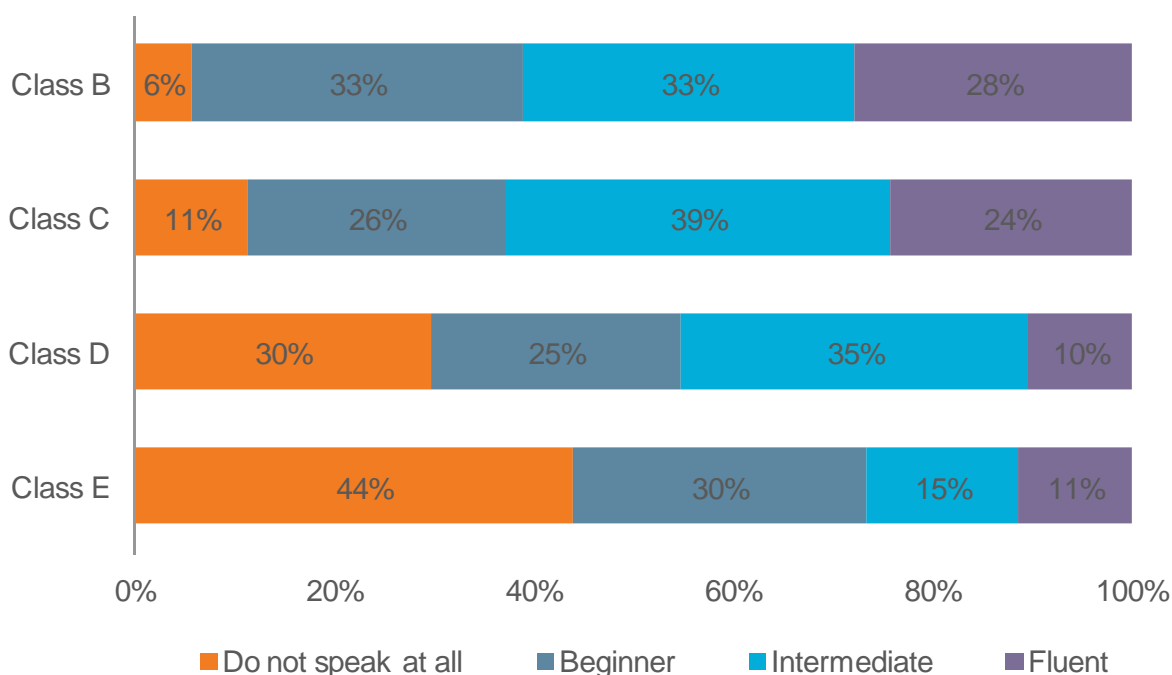
Some 90% of individuals who are employed (full or part-time) consider speaking English very important/important, compared to 79% of individuals who are unemployed/looking for a job. Furthermore, 89% of individuals in education consider English very important/important.

Relationship between Importance of Speaking English and Working Status - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

Relationship between Fluency in English and Socioeconomic Class - %, 2011

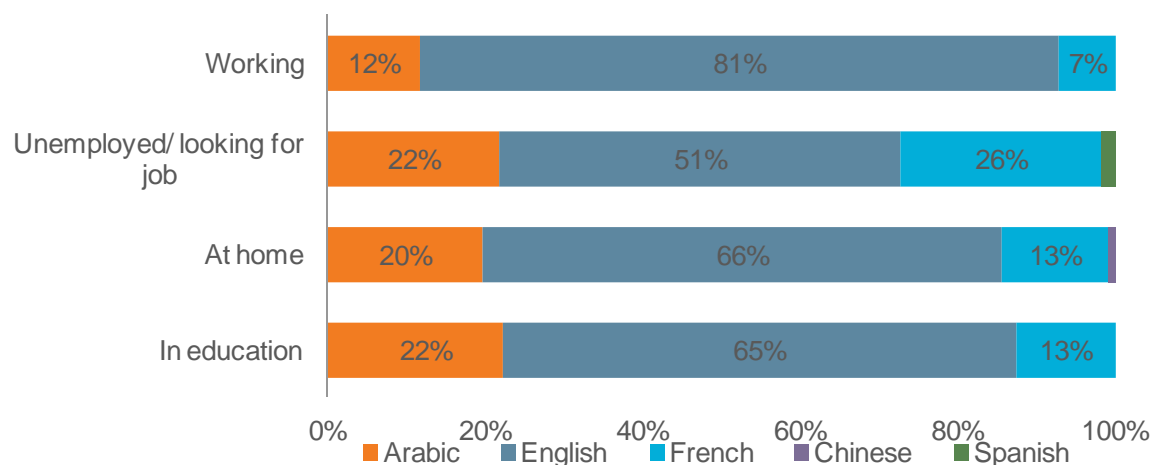


Source: Euromonitor International from consumer perception analysis, 2011

Exposure to foreign languages such as English is predominant in private education centres, which remain accessible only to the wealthier section of the total population. Since not all of them can afford

private education, individuals belonging to class B (socioeconomic class B represents households with a gross income between 150% and 200% of an average gross income of all individuals aged 15+) possessed higher fluency levels in English than individuals falling under classes C, D and E.

Relationship between International Business, Languages and Working Status - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

Compared to other foreign languages, English remains the key international language for doing business in Lebanon. English has become increasingly important in most of the service sectors such as banking, finance, tourism and many others.

The following section illustrates the reasons shared by Lebanese individuals on why they learn English.

Individuals were asked to state their level of agreement/disagreement on a scale of 1 to 5 (5: strongly agree and 1: strongly disagree) across eight statements on why people in Lebanon tend to “learn how to speak English”. For the purposes of analysis, these statements are classified under two broad categories: personal reasons and work reasons.

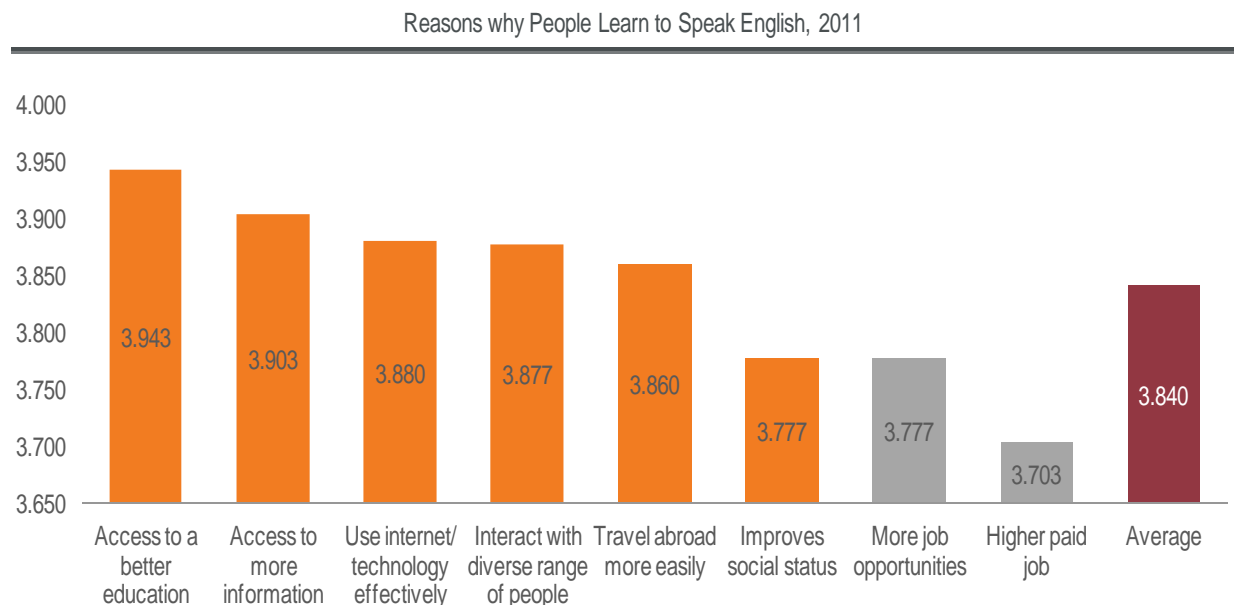
Category	Attitudinal Statements
<b>Personal:</b>	Access to a better education Access to more information Use the internet and modern technology more effectively Interact with a more diverse range of people Travel abroad more easily Improve their social status
<b>Work:</b>	More job opportunities Get a higher paid job

Source: Euromonitor International from consumer perception analysis, 2011

The personal reasons for learning English in Lebanon are slightly more important to individuals than work-related reasons; however, the difference is marginal. On average, learning English for personal reasons scored 3.873 (out of 5), while work reasons scored 3.740. Nevertheless, this indicates that Lebanese people value English almost equally for work as well as for personal development.

Exploring the importance of the various reasons further, the top two reasons were found to be “access to a better education” (average: 3.943 - personal) and “access to more information” (average: 3.903 -

personal), while the least important personal reason was “improves social status” at 3.777. The least important reason of all was work-related, namely “get a higher paid job” at 3.703.

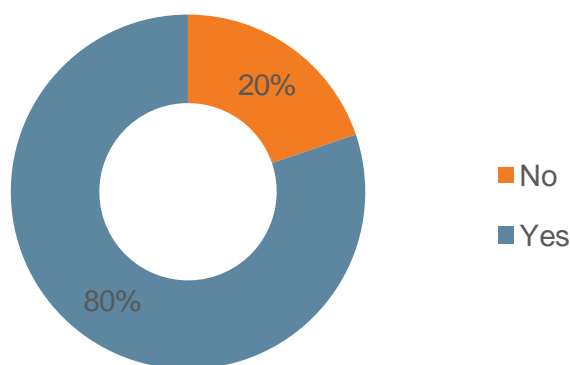


Source: Euromonitor International from consumer perception analysis, 2011

This section examines how beneficial individuals consider speaking English in Lebanon.

Individuals were asked to provide some qualitative insights in terms of how they think their country will benefit if more of its residents spoke English.

Relationship between Speaking English and Benefits for Lebanon - %, 2011



Source: Euromonitor International from consumer perception analysis, 2011

Some 80% of individuals thought that it would be beneficial for Lebanon if more individuals spoke English. Of the 20% who thought that there was no benefit, the main reasons given were associated with the fact that “Arabic is the official language” and is sufficient. Individuals who raised the importance of French as a second language typically spoke Arabic and French.

Based on content analysis it seems that a high share of individuals feel that learning English would actually be quite beneficial for the country as a whole. More specifically, the three main areas that emerged from individuals’ qualitative insights were business and trade with other countries, overall development of the country and “popularity” of the English language currently in Lebanon.

International business and trade is, according to individuals, an area where English is necessary. As mentioned, English can be used in all aspects of business and trade; thus, its knowledge would be beneficial for international deals, negotiations, or any type of business transaction between Lebanon and other countries.

One dimension that was mentioned by a number of individuals was popularity. They feel that English is becoming popular in Lebanon and is required on a more frequent basis. An interesting point mentioned was that English is actually becoming more popular than French.

Usefulness of English was also mentioned in relation to communication. More specifically, Lebanese believe that English would help them communicate more easily and effectively with foreigners. They also feel that knowing English would help them learn/understand more about other cultures.

Individuals characterised English as the language of science and technology. They feel that sciences such as engineering are taught in English and overall there is a perception of a strong relationship between English and education.

Tables below illustrate the actual comments of individuals.

Category	Reasons Why English is Beneficial-Country
<b>Development:</b>	English is important for developing the country English improves the economy
<b>Trade:</b>	Learning English would be fruitful in dealing with European countries English is the language of international business and trade English is used in all business transactions We use English in all aspects of business and trade
<b>Communication:</b>	English has become popular in our country English is being required in Lebanon on a more frequent basis English is becoming more popular than French in our country

Source: Euromonitor International from consumer perception analysis, 2011

Learning English for work purposes seems to be highly important for individuals. Based on their qualitative insights, English speakers have better work opportunities and overall better chances of finding a good job. Individuals mentioned that multinational companies operating in Lebanon show increased preference towards English-speaking candidates. In fact, many consider the knowledge of English as a prerequisite for hiring new employees.

Finally, it is also worth mentioning in the case of Lebanon that a high proportion of individuals feel that learning English would be beneficial without being able to give a reason. Most mentioned that it would be good to learn English since it is an internationally used language, while a few others characterise English as the language of the era.

Category	Reasons Why English is Beneficial - Individuals
<b>Work:</b>	Speaking English increases our chances of finding better job opportunities Multinational companies require English-speaking employees English facilitates our work

<b>Education:</b>	English is the language used for educational purposes English is the language of science and technology English is important for education
<b>Communication:</b>	English is beneficial in communicating with foreigners English will be beneficial for communications
<b>General comments:</b>	English is the language of development English is the language of the era English is an internationally used language

Source: Euromonitor International from consumer perception analysis, 2011

## 8.6 CONCLUSION

### **Business and economic prosperity will grow with the demand for English**

Lebanon, with its highly westernised culture, is one of the most liberal economies within the Middle East and African region. Due to its colonial history, Lebanon has always had better exposure to foreign languages such as French and English, which is evident in the country having the second highest number of English speakers (% of total population speaking English) next to Jordan.

The decline in popularity of French suggests that when French is required as a second language, it is increasingly limited to France-based multinationals. Although Arabic is not the business language in Lebanon, it is taken for granted that employees at all levels in all sectors will use it.

English is growing in importance for business use, in line with global trends, and more students are opting for an English-based education. The language is expected to grow in conjunction with its use in social media and information technology (IT) in the coming years.

Demand from Lebanese companies and individuals for English education is increasingly shifting the government and private educational providers' focus on English in schools. This is also because public education in Lebanon faces a lot of challenges leading to decreasing enrolment rates and widening efficiency gap between private and public education.

The language is an integral aspect of Lebanon's tourism and services industries, and a key attraction for foreign companies. This supports economic growth in the country, and the government increasingly recognises its importance to future prosperity.

Some 90% of the employed labour force in Lebanon considers English as a very important language as it is used on a daily basis in their jobs, compared to 79% of individuals who are unemployed and looking for a job.

English will play an important role in the development of economic prosperity for both individuals and companies in the long term, and will therefore contribute to the country's long-term growth. Over the course of Euromonitor International's research, companies in many sectors stated that a well-educated workforce in Lebanon with English language skills is the key to prosperity, and essential for them to expand their businesses internationally.





## 9. IRAQ

### 9.1 MANAGEMENT SUMMARY IRAQ

#### **Iraqi government makes business environment more favourable for foreign investors**

Although Iraq still faces difficulties with internal security and corruption, the government recognises the importance of attracting foreign investment to the country, viewing it as a key means of boosting the country's economy. Consequently, it has put strategies in place to improve the business environment and attract international companies to set up operations in the country. These strategies are in the form of amended investment laws, the granting of licences to multinational oil companies and the award of development funds to parts of the private sector.

#### **English found predominantly in large cities**

Iraq's substantial oil reserves make the substantial operational risks acceptable for multinational companies. Iraq has therefore seen an ongoing influx of foreign multinational companies, spearheaded by companies in the oil and gas sector, since 2003. These multinational companies seek to establish themselves in regions where they can communicate easily with the locals, and as a result, they are concentrated in Iraq's largest cities.

The official languages in Iraq are Arabic and Kurdish, but English is the principal language used for conducting business with foreign companies based inside or outside Iraq. Most English speakers in Iraq are based in the larger cities where the majority of industries are located, in particular Baghdad, Basra and Erbil.

These cities offer far better infrastructure and services, and a greater number of educational institutions than rural areas, and as a result have a workforce that is better educated and more likely to have been exposed to English. The attraction of better civic infrastructure and greater job opportunities in the cities is driving a growing urbanisation trend, and as a result demand for English education provision is on the rise.

#### **Businesses in Iraq find usage of English important and beneficial**

Both local and international companies recognise the benefit of English when conducting business in Iraq, in particular as a stimulus to economic growth. English is used for day-to-day business in internal operations as well as for internal and external communication.

The majority of the demand for English speakers comes from the oil and gas, healthcare and communications sectors because of the large number of multinationals that operate within them. Companies stated on several occasions during interviews that they prioritise English proficiency over skills and experience when recruiting staff.

#### **Individuals recognise the importance of English**

There is also a high level of understanding among individual Iraqis of the importance of English language skills, which are seen as leading to greater job opportunities, better working environments and higher salaries. In some cases, English speakers are able to earn two to three times more than a non-English speaker.

English speakers also tend to progress more rapidly within companies, as they are considered essential to certain aspects of business. Staff with good English skills are invariably considered better educated and more likely to gain respect from management; this may lead to greater prominence within the company and wider experience in different aspects of the business, which then leads to faster career progression.

#### **Demand for English speakers on the rise within Iraq**

The increase in demand for English speakers in the country has driven growth in the number of institutions that teach English. At the same time, the Iraqi government is seeking to improve levels of English education, for example by teaching it from third grade instead of fifth grade, starting from 2007. It is also implementing a number of literacy campaigns and developing new curricula.

On the higher education front, the government has also allocated funds to high-performing students to study abroad in countries including the US and the UK. These developments underline the growing importance of English to both individual Iraqis and the country as a whole.

## 9.2 IRAQ - KEY FACTS AND PROFILE

### Key Facts

<b>Country name:</b>	The Republic of Iraq
<b>Official language(s):</b>	Arabic, Kurdish
<b>Population:</b>	31,700,000 (2011)
<b>Capital:</b>	Baghdad
<b>Key industries:</b>	Oil and gas; construction; communications; healthcare; transport; infrastructure services

### English Profile

<b>English speakers in 2011:</b>	35% of the population
<b>Salary gap between someone who can speak English and someone who cannot:</b>	Baghdad average 100% to 200% higher Erbil average is 40% higher
<b>Ranking of benefits of English in the workforce (1= not beneficial at all and 5=very beneficial):</b>	4.0
<b>Level of English required for recruitment:</b>	14% (4/29) Fluent 35% (10/29) Good 48% (14/29) Intermediate 3% (1/29) Basic
<b>Rival of English in the work environment:</b>	Arabic

### Research Methodology

<b>Multinational and local:</b>	Sixteen in Baghdad and thirteen in Erbil
<b>Industries:</b>	Healthcare; oil and gas, logistics; education; construction; ICT
<b>Jobs advertised in newspaper or online:</b>	Conducted a snapshot of the printed and online job advertisements requiring English (50)
<b>Education:</b>	Leading English language providers along with higher education universities and the Ministry of Education
<b>Recruitment agencies:</b>	Six recruitment agencies were contacted

Source: Euromonitor International from trade interviews, 2011

Note: Percentage of English speakers indicated is at an intermediate level

## 9.3 THE IMPACT OF ENGLISH ON THE COUNTRY

### Iraq on the way to stabilising its economy and curbing unemployment

Despite the political turmoil and the lack of security, Iraq's GDP grew from US\$100.8 billion in 2005 to US\$138.4 billion in 2011. The Iraqi economy is dominated by the oil and gas industry, although the manufacturing sector and agriculture also play a major role. The Iraqi government's vision of the development of the country's infrastructure has attracted many foreign companies, many of which are based in non-English-speaking countries but use English as the language of communication. These include companies from Japan, South Korea and China.

Unemployment and corruption remain a problem throughout the country. The government is aware of these problems, and restructuring Iraq's banking sector and financial system has been a necessary part of the resumption of normal economic activity. Improving investor confidence in these sectors will increase capital inflow from abroad, driving GDP and in turn helping create jobs. This will also push demand for English in the economy. Most multinational companies use the language, and Iraqis with the highest levels of proficiency will secure the best jobs.

In 2005, the Iraqi government announced a new strategy for economic development, Iraq's National Development Strategy 2005-2007, which seeks to engage with the country's private sector. The strategy focuses on developing heavy industries, agriculture, food production and some other sectors that have become prosperous such as the oil and gas, construction, and communication sectors. The government has also allocated funds to support the private sector in the hopes of further development.

The government understands the importance of driving inward investment and has therefore taken active steps to make the business environment more favourable for multinational companies. In 2010, the National Investment Commission amended the investment law to attract construction companies. At the same time, the Ministry of Oil issued a large number of licences to multinational oil companies to develop oil fields in the south of Iraq.

Iraq is gradually beginning to see some success in re-establishing and re-structuring institutions that are pivotal in implementing a sound economic policy such as the Ministry of Finance and the Central Bank of Iraq. The country signed agreements with the International Monetary Fund (IMF) and World Bank for conditional aid programmes that will boost its economic institutions.

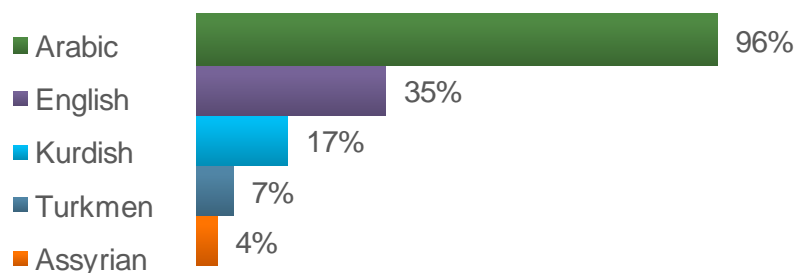
### Arabic and Kurdish dominate in different cities

Prior to the invasion of the country in 2003, Arabic was the only official language of Iraq. However, since the approval of the Constitution of Iraq in 2004, Kurdish is also an official language, although its use is largely limited to Iraqi Kurdistan in the north of the country. Assyrian Neo-Aramaic and South Azeri, known as Syriac and Turkmen respectively, are also recognised regional languages. However, Arabic is the most common language in Baghdad and nationwide, and is spoken by around 96% of the population. There is a fairly high degree of the language's use even in Kurdistan, a legacy of previous governments' attempts to force linguistic unity on the country.

There is a solid level of English skills in the country, with around 35% of the population having at least an intermediate level. Levels of English proficiency are highest in the cities, and it is gaining in popularity among better-educated and younger people in Iraq, especially those who work in sectors with greater international links, such as trade, education, healthcare services, engineering, telecommunications and computer services. Those urban areas where most business headquarters and centres are found, and where English is most likely to be spoken, include Baghdad, Babel, Erbil and Basra.

Due to the growth in access and usage of the internet, in particular social networks such as Facebook, as well as growing household penetration of mobile phones and satellite television, exposure to increased levels of English is spreading further into the country.

### Languages Spoken in Iraq by Percentage of Population - %, 2011



Source: Euromonitor International, 2012 from Iraq's Central Organization for Statistics, 2010

Note: This is the number of English speakers to at least an intermediate level

#### English is the sign of development

The Iraqi government is seeking to increase the number of multinational companies investing in Iraq. In order to do this, it recognises the need to create as comfortable a business environment as it possibly can, including the provision of a suitably educated local workforce. The government is responsible for education in the country and is seeking to use this influence to improve levels of educational proficiency, including the teaching of English.

As well as implementing new educational improvement strategies, the Iraqi government is encouraging an improvement in the teaching of English by adopting British and American textbooks that have been developed to fit with Iraqi culture. The government is also increasingly seeking to hire English-speaking employees within its ministries, and it continues to spend substantial amounts to send local graduate students to study at universities in the UK and the US. The Ministry of Education has also sought to reform the teaching of English at a more fundamental level, and in 2007 made changes to the curriculum by starting English teaching at third grade instead of fifth grade.

This means that in future Iraqi students will have studied English for 10 years rather than the original eight. In addition to this, many pre-schools have started to teach the English alphabet and Arabic numerals to children aged 4-6 years, and supported this with popular English rhymes. This English education trend in pre-schools began in 2005, and around 60% of pre-schools now teach a portion of their curriculum in English.

The government's awareness of the importance of English is increasing, and it has started to provide English language training courses to its employees. In support of this, to improve the level of English among those staff with weak English proficiency levels, the government runs review courses every six to eight months. An example of this is the annual plan by the Learning and Development Department of the Ministry of Oil and the Ministry of Health for 2012, which includes English training programmes for employees in different divisions and directorates.

Individual Iraqis are also keen to learn and speak English, as they are strongly aware that a high level of proficiency is essential for employment at large multinational companies, in particular in the oil and gas industry. For many, English is the key to leaving Iraq; this trend is driven by ongoing security issues within the country.

#### Interview with Ministry of Health:

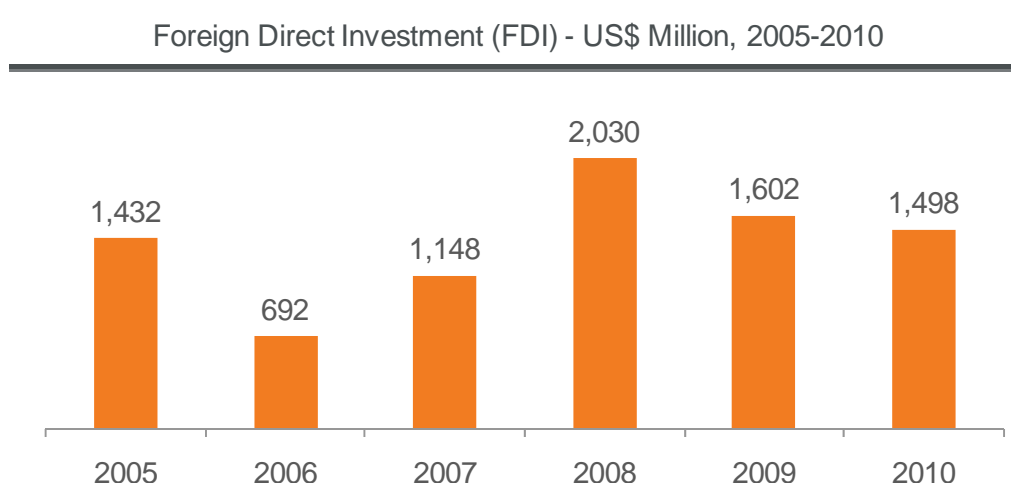
The government is putting a lot of effort and money into improving its employees' skills and experience, by providing training courses, bringing international expertise, sending staff abroad for training and importing highly sophisticated technology to its entities. The other aspect of the reforms is to improve the role of the private sector, which I consider the backbone of the country's economy.

### 9.3.1 Investment and English in Iraq

#### Natural resources attract foreign direct investment which creates demand for English skills

Foreign direct investment (FDI) is helping boost economic growth within the country, particularly in the energy, construction, and retail sectors. Multinational companies including Exxon-Mobil, Royal Dutch Shell and China National Petroleum Corp have set up operations in Iraq in order to either operate or service the country's massive oil industry, and prefer to establish their headquarters in secure areas. This means that most international operations are located within Iraq's largest cities, where a higher proportion of the population speak English. Most operating divisions of petroleum companies are based in Basra where the majority of oil fields are found, while the headquarters are based in Baghdad where most governmental bodies are located.

Many multinational companies bring expatriate workers from abroad to fill key positions that require specific competencies and experience. These workers in turn need a sizeable English-speaking workforce in place in order to fill these vacancies, and will also need English-speaking support service workers outside the job itself, such as banking, medical or legal staff. This indirectly underpins demand for local English-speaking workers in Iraq. At the same time, it is in the interest of the companies to replace these foreign workers with Iraqis where possible, as the cost of relocation and financing the security of expatriate workers is considerably higher than that of local workers. In time, it is likely that more Iraqis will come to fill senior positions, not only for the reasons mentioned above but also because they have a closer cultural connection with Iraqi society and are better equipped to gauge the local business environment.



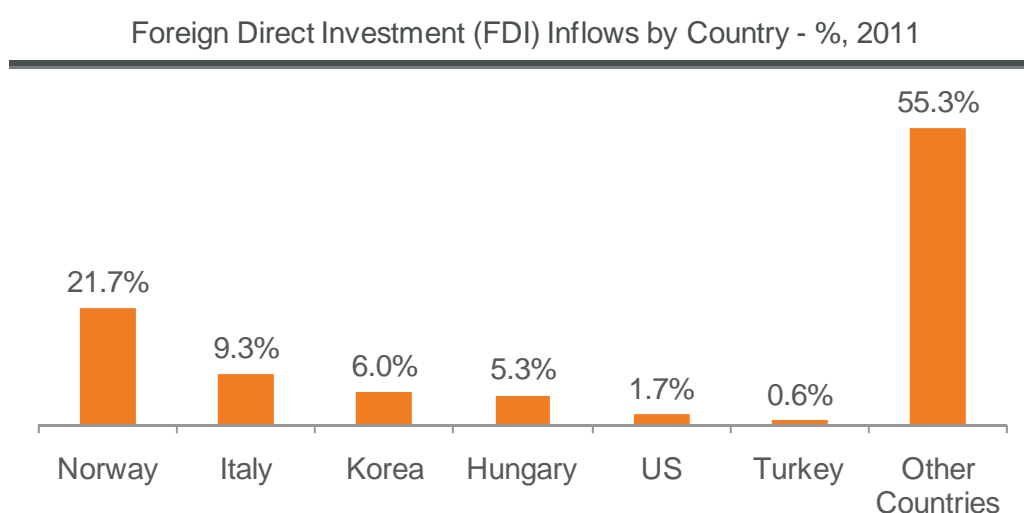
Source: Euromonitor International, 2011

Most multinational companies, even those that are based in non-English-speaking countries, use English as the primary language for communication. High levels of English proficiency make it easier for these companies to conduct business, as they make international negotiation and communication more efficient and effective. This is especially the case in Iraq, whose oil industry has attracted many multinational organisations, and interviews in the private sector, with recruitment companies and the government all suggested that the number of English speakers is on the rise as a result of this trend.

A key government policy is to encourage investment in Kurdistan, and it is working closely with international companies to ensure this happens. According to the Minister of Trade and Industry, around 400 foreign companies have opened branches and offices in Iraqi Kurdistan. Major improvements in the security situation across Iraq have also encouraged investors to look beyond the

safety and stability of the Kurdish region; this is reflected in the slight increase in FDI from US\$1,431.5 million in 2005 to US\$1,497.7 million in 2010.

English is ranked as the primary language of international business in Iraq thanks to the extensive presence of multinational companies. Public sector and private sector employees who are involved in dealing with these international businesses and their regulation need to speak English.



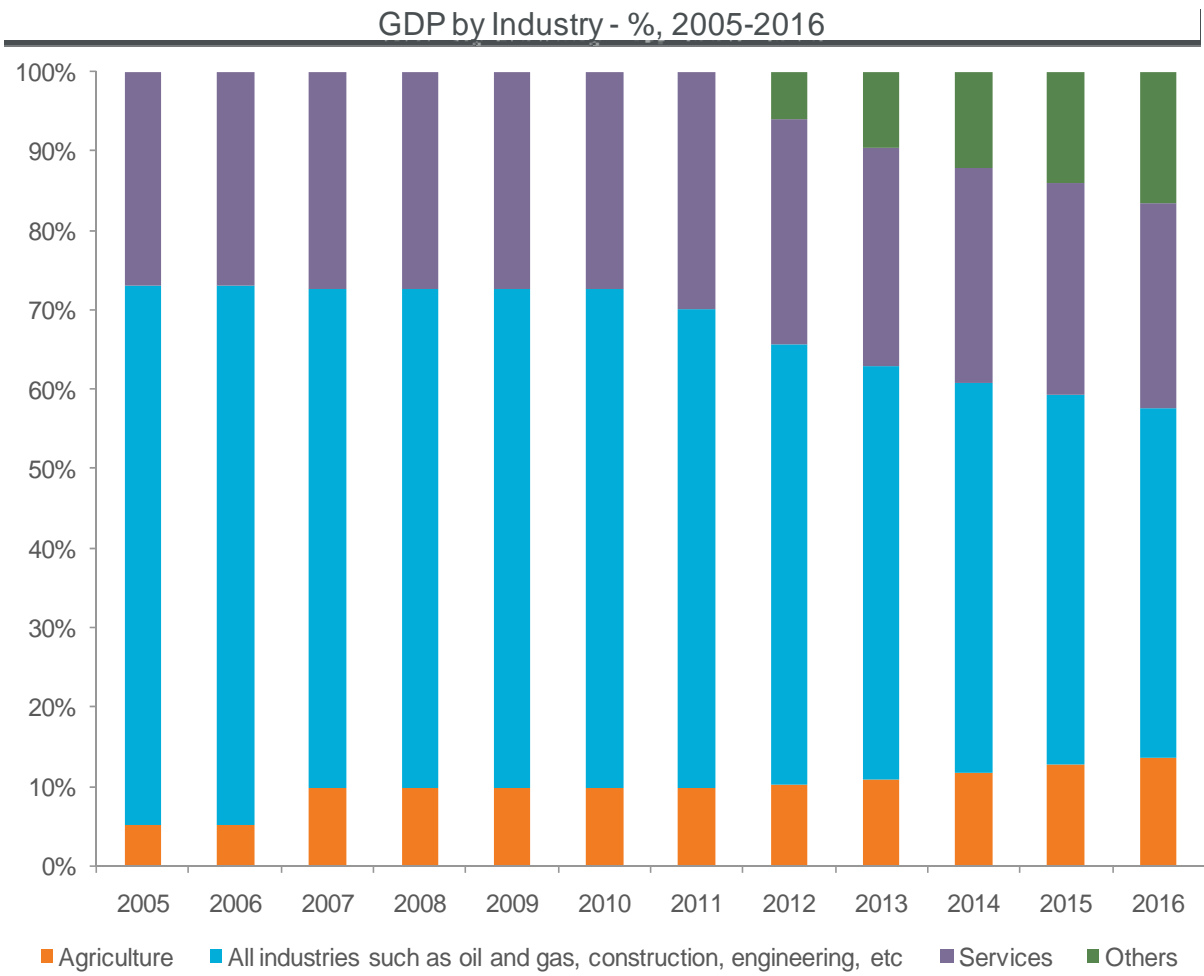
Source: Euromonitor International, 2011

### Improved economy to boost demand for English

Iraq's GDP is primarily driven by the oil and gas sector, which consequently drives other sectors. Significant growth is anticipated in business opportunities in Iraq over the next five years with the general improvement in the business environment and security attracting more foreign investors to the country. A large number of restructuring projects currently in development could potentially draw more investors into Iraq, including water treatment projects, housing projects and healthcare.

Just like its GCC counterparts, the Iraqi government is keen to diversify its revenue, 90% of which comes from oil. Consequently, as other sectors begin to contribute more to the economy more demand will be created for a competent workforce in key sectors such as healthcare, power generation and petrochemical industries. These industries are closely associated with sciences that use internationally standardised terms in English. Hence, education and training of a skilled workforce will certainly involve the use of English in order to operate the technologies used in these sectors. More importantly, English will facilitate the transfer of knowledge to and from other countries including non-English-speaking countries such as South Korea and China.





Source: Euromonitor International, 2011

### 9.3.2 The Influence of English

#### The language portfolio varies widely between regions but Arabic generally remains dominant

Despite the diversity of the demographics in Iraq, Arabic is the dominant language, and is spoken by 96% of the population. The second most widely spoken native language is Kurdish with around 17% followed by Turkmen and Assyrian at 7% and 4% respectively.

The country is divided into 18 provinces. Three of these provinces are Kurdish, in the north of the country, where Kurdish dominates. In the remaining 15 provinces found in the centre and south of the country, Arabic is dominant. The following table gives the location of each province and the languages that are the most commonly spoken in them.

Number	Province	Location	Languages
1	Dohuk	North	Kurdish, Turkish
2	Erbil	North	Kurdish, Arabic, Assyrian
3	Sulaimaniyah	North	Kurdish, Arabic
4	Nineveh	North	Arabic, Assyrian
5	Karkuk	North	Arabic, Turkmen, Kurdish
6	Salah al-Din	Centre	Arabic
7	Diyala	Centre	Arabic
8	Baghdad (capital)	Centre	Arabic, Assyrian, Turkmen
9	Anbar	Centre	Arabic
10	Babel	Centre	Arabic
11	Wasit	South	Arabic
12	Al Muthanna	South	Arabic
13	Al Najaf	South	Arabic
14	Karbala	South	Arabic
15	Diwaniyah	South	Arabic
16	Maysan	South	Arabic
17	Thi Qar	South	Arabic
18	Basra	South	Arabic

Source: Euromonitor International from trade interviews, 2011

As with other countries in the region, most English speakers in Iraq are located in major cities because of the better access to education and the presence of more employment opportunities that usually require English skills.

#### Industries are mainly located in the major cities

Iraq is rich in natural resources including oil, gas and gold, and there are a large number of companies prospering in the country on the back of these primary industries. Most of these are involved in the oil and gas sector, which dominates the economy of Iraq. Mining and quarrying contributed to 42% of Iraq's GDP in 2010.

The second largest economic sector in Iraq is social and personal services with a 15.5% contribution to GDP, followed by transport communication and storage contributing 11%. Most industries are based in the larger cities, although heavy industries such as steel manufacturing and brick making are located in rural areas. Industries such as general trading and retail are mainly located in the central part of the country. The oil and gas industries are located near the oil fields in the South, while tourism and construction are more common in the northern region where security is more pronounced.

Indicator	North	Centre	South
<b>Main cities:</b>	Erbil 2 million Sulaimaniyah 2 million Dohuk 1.5 million	Baghdad 5 million Karkuk 1.3 million	Basra 3 million
<b>Main industries:</b>	Government authorities, education, ICT, financial services, construction, tourism, agriculture	Government authorities, financial services, ICT, construction, textiles	Ports and maritime, oil and gas
<b>Largest MNCs:</b>	Genel Energy, Heritage Oil, Gulf Keystone, Korek Telecom	Asia Cell, Korek Telecom, Zain Iraq	Exxon-Mobil, Royal Dutch Shell, BP
<b>Main local language:</b>	Kurdish	Arabic	Arabic
<b>Usage of English:</b>	Second place	Highest	Lowest, but English speakers are very common in oil drilling sites and residential camps/compounds

Source: Euromonitor International from trade interviews, 2011

Industry	Location	Main Companies
<b>Energy and oil:</b>	Basra	Exxon Mobil, Royal Dutch Shell, BP
<b>Banking and finance:</b>	Baghdad, Erbil	HSBC, Standard Chartered, ILB Bank, Arab Bank, Central Bank of Iraq, Kurdistan Bank, Investment Bank, Byblos Bank
<b>ICT:</b>	Baghdad, Erbil, Sulaimaniyah	Asia Cell, Zain Telecom, Korek Telecom
<b>Services:</b>	Baghdad, Erbil	DHL, Aramex
<b>Tourism:</b>	Erbil, Sulaimaniyah, Dohuk	Zagros Group, Merchant Tourism, Azmar Air, General Directorate of Tourism
<b>Ports and maritime:</b>	Basra	Umm Qasr Ports Marine Services

Source: Euromonitor International from trade interviews, 2011

Many businesses and industries are located along Iraq's two major rivers, the Tigris and Euphrates. One reason for the concentration of businesses and industries in cities is Iraq's history of having economic sanctions imposed upon it during the regime of Saddam Hussein. In response to these, the

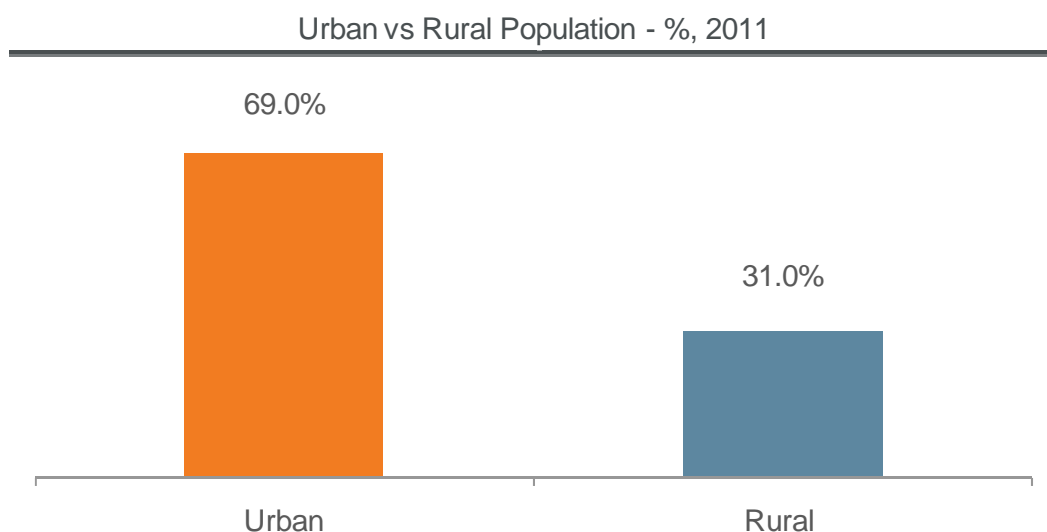
government decided to concentrate various industries within urban areas to ensure greater control of resources.

### Poor infrastructure and services in rural areas shifting population to the cities

Due to consecutive wars and the economic sanctions imposed in the 1990s, Iraq's infrastructure suffered from many years of insufficient maintenance and service. Rural areas in particular became difficult places to live and work in because of the deficiency in healthcare services and essentials such as electricity and water.

These factors have generated widespread migration to urban areas, as people go in search of better jobs, improved income and a higher standard of living. Urbanisation has meant that an increasing number of Iraqis have been exposed to new technologies to which they had limited access before 2003.

English-speaking countries have made a significant contribution to influencing these lifestyle trends, particularly post-2003. The internet, for example, used to be heavily censored and mobile services were limited to the Kurdistan region. Since 2003, the internet has become increasingly accessible and Iraqis have begun to get more exposure to the world by surfing websites in English.



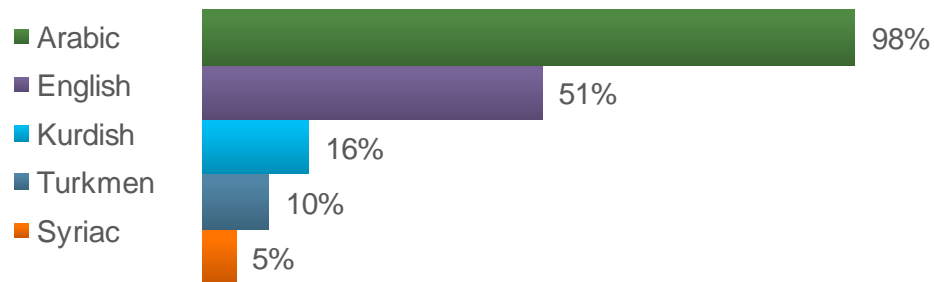
Source: Euromonitor International, 2011

### English found predominantly where industry is located

As English is the most commonly used business language within Iraq, the majority of English speakers are found in the large cities such as Baghdad, Babel, Basra, Karkuk, Mosel, Erbil and Sulaimaniyah, which are the country's business hubs. The larger number of educational institutions in the cities also underpins the fact that there are more English speakers found there.

### Languages Spoken in Urban Areas - %, 2011

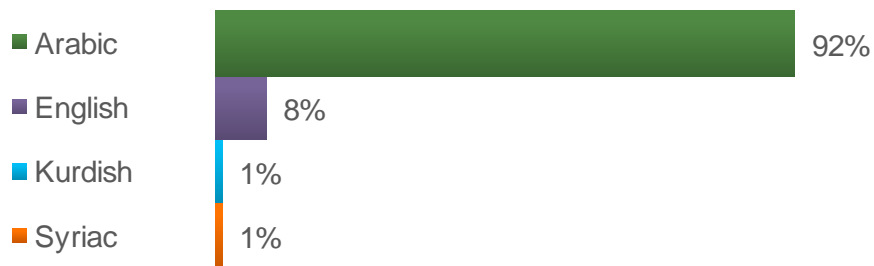
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Source: Euromonitor International, 2012 from Iraq's Central Organization for Statistics, 2010  
Note: This is the number of English speakers to at least an intermediate level

### Languages Spoken in Rural Areas - %, 2011

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Source: Euromonitor International, 2012 from Iraq's Central Organization for Statistics, 2010  
Note: This is the number of English speakers to at least an intermediate level

**Interview with a government institution:**  
English had a huge impact on the GDP of the country. It has really increased the GDP since it has enabled Iraq to connect with other countries.

### 9.3.3 The Employment Market and English

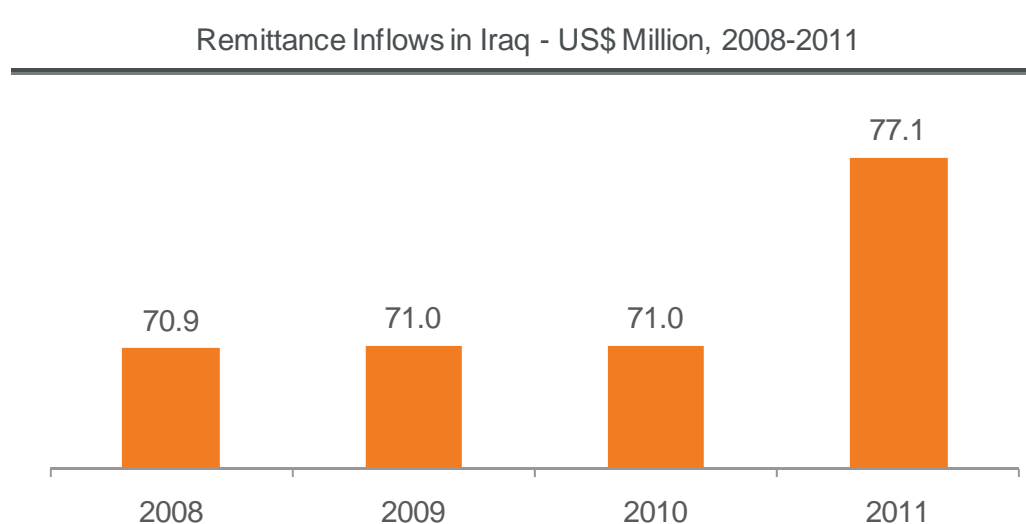
#### Iraqi companies find English beneficial for growth

English has become increasingly beneficial to companies in Iraq in terms of doing business and driving company growth. Both local and large multinational companies have similar business requirements when it comes to English. English allows companies to communicate internally, locally and internationally with clients and suppliers. It is also increasingly used for negotiations, proposals and the signing of business deals, as well as for improving client relationships.

All technical and commercial proposals must be written in English, which reinforces the importance of English in the business environment. Without the use of English, many companies are unable to conduct international business. Nevertheless, for companies working predominantly with the government, English is not as crucial, as these operations typically communicate in Arabic.

#### Interview with a security company:

As English is the international language, it means that a lot of business is conducted in English, and in order to grow internationally we have to speak and use the language.



Source: Euromonitor International, 2011

#### Public university candidates preferred by the healthcare and technology sectors

In certain sectors such as healthcare and technology, the majority of companies focus on hiring publicly-educated candidates, as graduates of public universities are regarded as being better qualified in these fields than their privately-educated peers.

This is because the teaching of courses relating to these sectors is largely restricted to public institutions; private institutions tend to have more lenient admissions procedures – an issue which raises questions about testing standards – and are also more likely to focus on different subjects compared to public institutions. Public universities typically teach these science courses in English; in comparison, only two private universities teach these courses in English.

Many private schools have been established in Kurdistan in recent years. However, this does not necessarily mean that their pupils get a significantly better quality of education than their public school peers. On the other hand, there is a greater emphasis on the provision of English education in private schools than in public schools. Since English ability is considered an important factor for employment, it is likely that private schools will become more popular as parents pursue a better education for their children.

### Word of mouth is used frequently for recruitment

Word of mouth is the most common medium for job advertising for senior positions in Iraq, and companies will leverage their relationships and networks to find the appropriate candidate.

For more junior and middle management positions, companies advertise in newspapers, but for security reasons, many use fake names and e-mail addresses in order to avoid drawing attention to themselves. It is common in Iraq to see a job vacancy advertised in newspapers such as Al Sabah or Al Zaman that does not contain the company's name, location or even the sector in which the company operates.

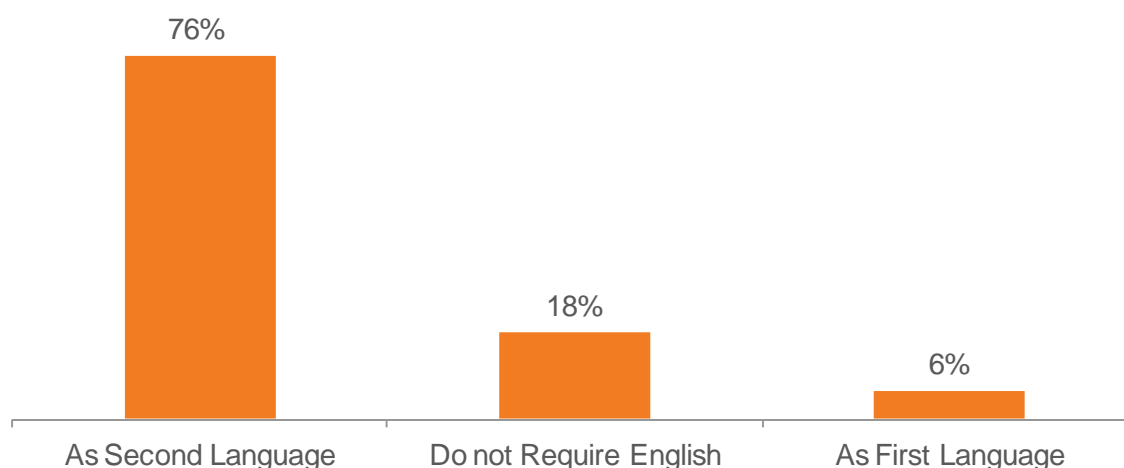
In Kurdistan, the situation is slightly different. Most companies initially use employment websites to recruit, and if unsuccessful, seek for a suitable candidate via word of mouth, seeking to capitalise on existing relationships and networks.

Job Positions	Search Channels
<b>Manual labour worker<sup>1</sup>:</b>	Newspapers are the main channel but word of mouth is also common in Baghdad
<b>Middle positions<sup>2</sup>:</b>	Newspapers are the main channel but word of mouth is also common in Baghdad. Corporate and recruitment websites are utilised in the Kurdistan region
<b>Senior positions<sup>3</sup>:</b>	Word of mouth usually used in Baghdad and in rare instances newspapers. Corporate and recruitment websites are more common than word of mouth in the Kurdistan region

Source: Euromonitor International from interviews with recruitment agencies and printed publications such as newspapers

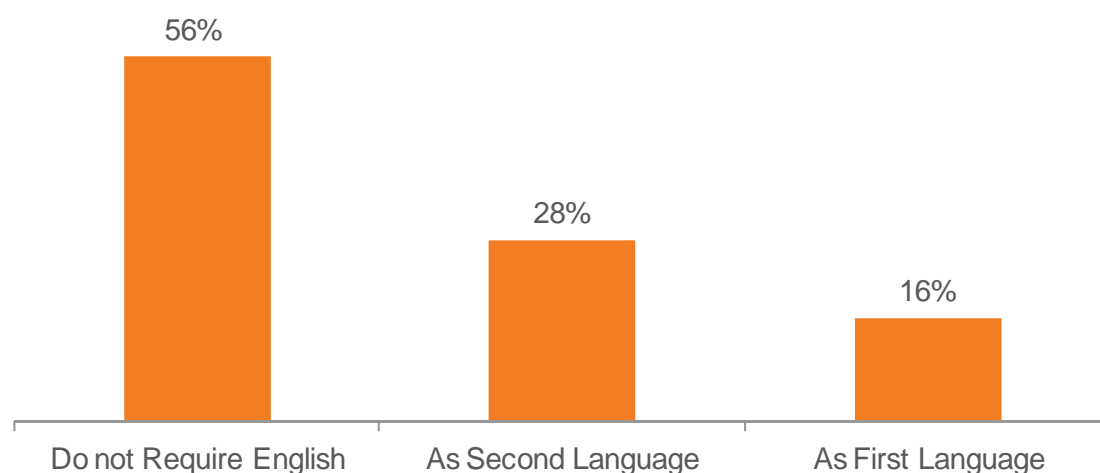
Notes: <sup>1</sup> includes all vocational trades such as carpentry, painting, electrical, etc.; <sup>2</sup> includes any job requiring up to five years' experience; <sup>3</sup> includes any job requiring five years' experience

Jobs Advertised Online and in Newspapers that Require English in Baghdad - %, 2011



Source: Euromonitor International from trade interviews, 2011

## Jobs Advertised Online and in Newspapers that Require English in Erbil - %, 2011



Source: Euromonitor International from trade interviews, 2011

Jobs that do not require English are more popular in Kurdistan due to the use of Kurdish as a primary language and Arabic as a secondary language. However, the hospitality sector in Erbil showed strong demand for English as the primary language when compared to Baghdad, thus indicating that fluent English is a more common requirement in Erbil.

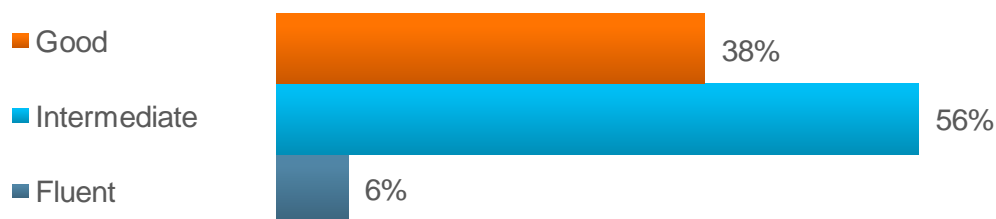
## Salary Differentiation - English Skills vs No English Skills

Job Title	Professional Salaries with English Skills to at least Intermediate Level (Gross Salary/Month US\$)	Professional Salaries with no English Skills (Gross Salary/Month US\$)
Director:	4,000	2,000 only in local companies or government institutions
Senior manager:	3,000	1,500 only in local companies or government institutions
Manager:	2,500	1,000 only in local companies or government institutions
Senior analyst:	2,000	1,200
Analyst:	1,400	850
Secretary:	800	355
Carpenter:	600	600
Electrician:	500	300-400
Plumber:	600	600
Receptionist:	500-1,000	350

Source: Euromonitor International from trade interviews, 2011

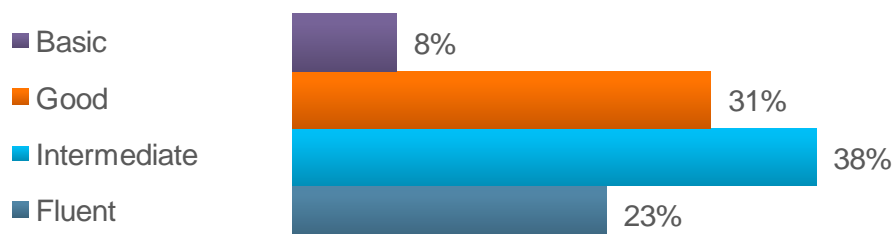


What is the Level of English Required in Baghdad? - %, 2011



Source: Euromonitor International from trade interviews, 2011

What is the Level of English Required in Erbil? - %, 2011



Source: Euromonitor International from trade interviews, 2011

The requirement for a good level of English was comparable between companies in Baghdad and Erbil, with Baghdad being slightly higher. The requirement for an intermediate level of English showed a different scenario: it was significantly higher in Baghdad since many companies require staff to have the technical know-how and terminology in English rather than use it for advanced communication. This comes as a natural requirement for the type of economic activity in Baghdad and the southern region of the country.

Trade interviews have also revealed that smaller companies have lowered their acceptance criteria for English due to their inability to offer as attractive packages as those offered by multinational companies to fluent English speakers.

Is There a Second Language Required in Baghdad? - %, 2011



Source: Euromonitor International from trade interviews, 2011

## Is There a Second Language Required in Erbil? - %, 2011



Source: Euromonitor International from trade interviews, 2011

### Oil and gas and communications create most demand for English speakers

In Iraq, the oil and gas industry has the highest level of demand for English-speaking personnel, followed by communications and healthcare. The reason for this is the high number of multinational companies that operate within these sectors; English is key to conducting business within them at international level, and is also used for internal and external communication.

Demand for competent Iraqi professionals with good levels of English is high. Multinational companies stated during interviews that they find it challenging to find suitable Iraqi candidates with both the required qualifications and level of English.

Middle to senior positions tend to need better English-speaking levels, due to the elevated nature of their positions; they are generally required to communicate and conduct business in English and it is therefore a primary requirement for employment. Manual labourers within these industries generally do not need to speak or understand English.

In the period of restructuring following the removal of the Saddam Hussein regime, the Iraqi government issued licences to a number of multinational oil and gas companies, which began employing English-speaking personnel in order to align their Iraqi operations with their global ones. For the same reasons, the communications and healthcare sectors have followed suit. English-speaking employees within these companies are typically a mix of Iraqis and expatriates. However, where possible, companies prefer to employ Iraqis rather than bring in foreign workers, as Iraqi candidates have a better knowledge of the local market and generate lower recruitment costs.

English-speaking personnel are therefore required by these companies to liaise with their senior management and parent companies abroad, as well as to conduct business and communicate with other international companies and clients. However, in general all industries in Iraq are moving towards hiring more English-speaking people as English grows in popularity in the business environment.

### Multinationals are creating the need for improved English skills

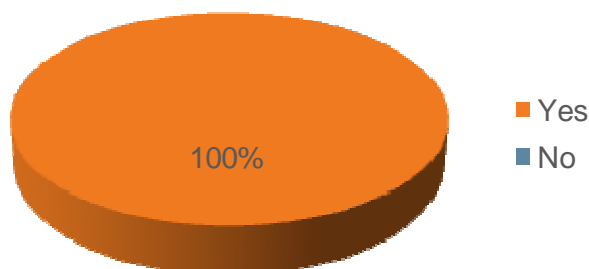
After 2003, when a large number of international companies entered the country and the Coalition Forces began to recruit translators and contractors for the military compounds and company complexes, demand for English-speaking individuals also increased, and many people started to improve their English skills in search of better job opportunities.

Once the business environment improved, more international companies sought to enter the country. These companies had a variety of requirements for English-speaking employees, and a trend for learning English began to emerge in order to meet these needs. The number of institutions that teach English increased and the English language curriculum taught in public schools was updated. The now widespread drive to improve individual English skills emanates from the desire to secure work with the multinational companies, which offer better rates of pay and better working environments.

To resolve the issue of the shortage of good English speakers, multinational companies often provide English language training to their new staff, since their offices in Iraq are expected have staff that are able to communicate well with other offices and clients. In addition, staff need to have good English skills since the majority of training courses provided at multinational companies on various business aspects be it managerial, technical, sales or marketing, are conducted in English.

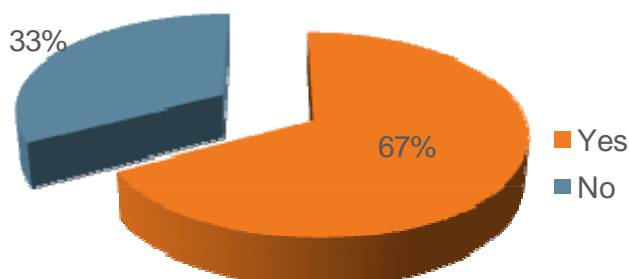
The high level of demand for English language training has seen the emergence of companies that operate as mediators between the oil and gas companies and English language training providers. This new type of “training brokerage” sector enables oil and gas companies to get competitive rates on industry-specific English language training, while allowing English language training course providers to secure larger training contracts.

Is English Used for Training Purposes in Baghdad? - %, 2011



Source: Euromonitor International from trade interviews, 2011

Is English Used for Training Purposes in Erbil? - %, 2011



Source: Euromonitor International from trade interviews, 2011

Both local and multinational companies interviewed in Baghdad unanimously stated that they use English for training purposes. The situation was different in Erbil with two thirds of the companies interviewed stating that they use English for training purposes. Local companies in Erbil occasionally use Kurdish or Arabic for training as it is more easily understood by staff since these two languages are the two most common languages in the Kurdistan region. However, consensus in Baghdad and Erbil shows that the majority of large companies, regardless of their origin, use English for training purposes.

All companies interviewed in Erbil consider English important or very important for company growth, signifying the reasons behind companies investing in providing English language training for their

employees. All companies in Baghdad have identified the importance of English although to a slightly lesser extent; 82% of companies considered English either important or very important, with the remaining 19% regarding it as somewhat important.

How Does English Benefit Company Growth in Baghdad? - %, 2011



Source: Euromonitor International from trade interviews, 2011

Note: 5=very important; 1=not important

How Does English Benefit Company Growth in Erbil? - %, 2011



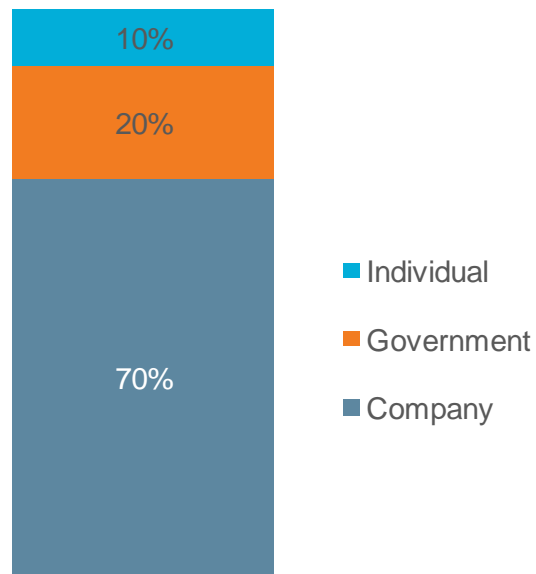
Source: Euromonitor International from trade interviews, 2011

Note: 5=very important; 1=not important

**Interview with a petroleum company:**

The new investment friendly law and the sharp increase in international corporations have increased the need for English language skills; the high wages in these companies has increased the incentive to teach and learn English.

### Who is Creating Demand for English Education?, 2011



Source: Euromonitor International, 2011

Note: Overall percentages score based on trade interviews. May sum to over 100% due to multiple answers per interview

## 9.4 THE IMPACT OF ENGLISH ON THE INDIVIDUAL

### English accelerates career development

English plays a very important role in accelerating career development in Iraq, as it is a standard requirement for the Iraqi private sector and those companies that work with multinationals. These companies offer the best job opportunities within the country.

High proficiency in English is therefore a key requirement when interviewing, and English skills are frequently prioritised over the knowledge and experience the applicant holds.

In Baghdad and Kurdistan, many companies that were interviewed view English as one of the principal elements in the development and advancement of their employees' careers. Those employees that possess the best communication skills have an advantage over others, and are able to obtain more opportunities to develop and grow within the company.

Employees with high or proficient English skills gain greater respect from colleagues and are considered to have come from a well-educated background. These employees are promoted more rapidly by managers, in comparison to those with poor or no English skills at all.

English speakers are also more likely to be paid more in comparison with non-English-speakers. In Baghdad, the majority of English-speaking employees can earn almost two to three times more money just by possessing English skills, whereas in the Kurdistan region, English-speaking employees on average earn up to 40% more overall.

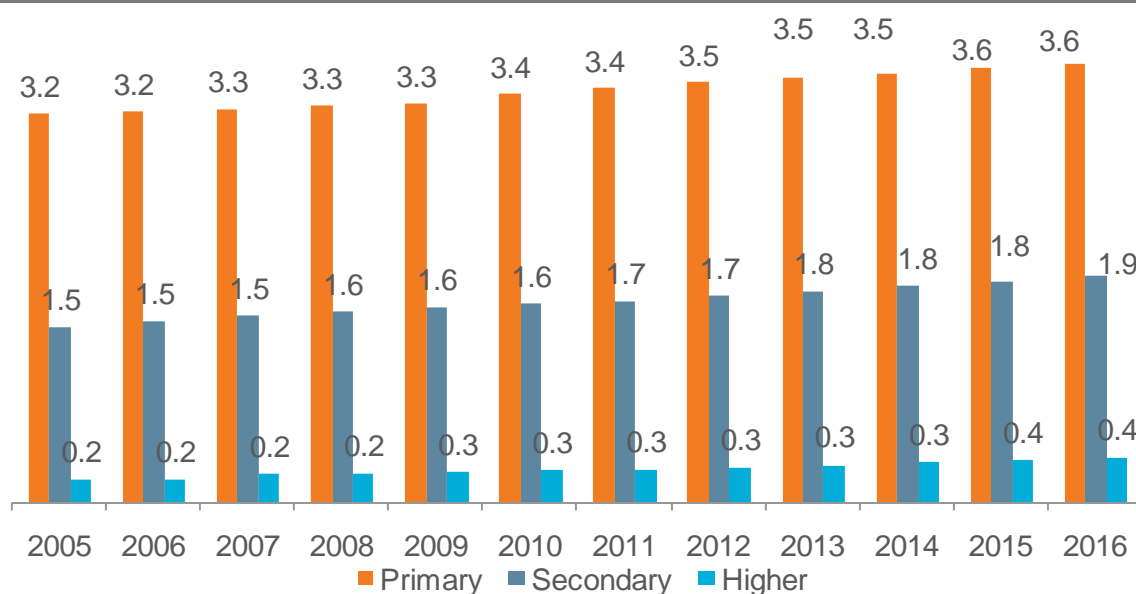
### The government's role behind education in the country

Since the Ba'ath party came to power in 1968, all public education in Iraq, including the Kurdistan region, was free at every level of education. The government continues to invest in the education system, and has begun building and renovating many schools. Reconstruction in the wake of the country's wars and civil unrest is ongoing, and alongside this the government has developed new curricula that better reflect the demands of the modern Iraqi labour market. At the same time, there has been growth in the numbers of private schools and private universities in Kurdistan, reflecting the large demand for education in general and English in particular as a result of better security in this region.

In addition to these developments, the government is conducting several nationwide literacy campaigns using newspapers, radio, television and billboards to encourage people to seek an education. These initiatives are driven by an awareness that basic levels of education in the country have dropped in the past 10 years because of neglect and lack of infrastructure development during the country's prolonged political upheaval.

The Iraqi government funds the bulk of the promotion of education in the country, and is not especially dependent on funds from abroad. However, there have been a number of projects related to education implemented by international NGOs and agencies such as DFID, UNESCO and USAID. These include improving English skills in primary schools, the refurbishment of primary and secondary schools, and certain projects whereby stationery and furniture were provided to schools. The Iraqi parliament has allocated 13% of the 2012 national budget to improving both the educational and healthcare sectors in the country.

Total Iraqi Student Population by Level of Study - Million, 2005-2016



Source: Euromonitor International, 2011

### Increasing awareness of the importance of good education and strong English skills

Individual Iraqis are the main drivers of demand for English education in the country, as there is an increased awareness of the connection between a good education and strong English skills. Security in the Kurdistan region has allowed businesses to flourish, which is allowing for the creation of numerous job opportunities for educated professionals. Many people in the Kurdistan region in particular are returning to school to finish their degrees or to obtain a second degree at both private and public institutions.

The larger companies and multinationals are also huge contributors to the increasing demand for education; this is because of the large number of new companies that have entered the market in recent years. The requirement for English comes as a corollary of the demand for education.

These companies offer higher salaries, good career opportunities and tend only to hire people with strong educational backgrounds, including English language skills. These factors incentivise people to improve their qualifications.

### The teaching of English beginning at a younger age

Iraq has more than 18,000 schools. The majority are located in large cities with good infrastructure such as Baghdad, Erbil, Sulaimaniyah and Dohuk. English is taught from the third grade and until the end of high school.

Within Iraq, all public education is free. The average fees for private schools are around US\$1,300 per year, but in Kurdistan these can rise to between US\$2,500 and US\$4,000 per year. Generally, the difference in the fees between schools is based on the quality of education they offer, the reputation enjoyed by the teachers and location.

### Iraqi students studying abroad is on the rise

There has been a noticeable increase in the number of students travelling abroad for education. This was almost impossible during the previous economic sanctions, and the only students that travelled abroad were those with scholarships to neighbouring countries such as Jordan. With the removal of sanctions, Iraqi students can travel to a wide variety of other countries to improve their education.

The government has also set aside a budget for motivated, high-ranking students to study abroad in countries such as the UK, the US and Australia. The government recently announced that it would fund scholarships for 2,500 students to study abroad in the US alone in 2012. These Iraqi students are expected to return to Iraq after graduation to handle key positions in the government and the private sector to benefit the country. They will also put into practice what they have learnt in English and further enhance the status of the English language in Iraq.

In terms of the number of higher education institutions, there are around 250 state-run institutions and 50 private ones in Iraq. The majority of them are in Baghdad. In the Kurdistan region there are six state-owned institutions and 10 private institutions; most private institutions are found in Erbil and Sulaimaniyah with five and three, respectively.

Certain universities have formed partnerships with universities abroad and set up language centres for students; an example of such a partnership is one between the University of Kurdistan-Hewler (UKH) and the University of Leicester in the UK.

The institutions that accounted for the highest number of graduates in 2010/2011 in the country are as follows:

	<b>Top Public Institutions</b>	<b>Top Private Institutions</b>	<b>Top Kurdistan Institutions</b>
<b>1</b>	University of Baghdad	Al Mansour University College	University of Salah al Din
<b>2</b>	University of Al Nahrain	Al Rafidain University	University of Dohuk
<b>3</b>	University of Technology	Al Ma'amoon College	University of Koya

Source: Euromonitor International from trade interviews, 2011



## 9.5 CONCLUSION

### English is important to individuals and to the country

The importance of FDI in the reconstruction of Iraq has led the government to put in place strategies to make the business environment more attractive to foreign companies.

English is typically the principal internal language of multinationals, and the improvement of the workforce's English proficiency is therefore important. There are increasing numbers of multinationals entering Iraq, bringing with them a large amount of foreign investment (resulting in record FDI in 2008). This growth has underpinned a surge in demand for English-speaking Iraqi employees, which is forecast to strengthen in the future.

As a result, the government is focusing on deepening the educational resources of the workforce, and in particular English proficiency. It has designed new curricula and educational systems where the teaching of English starts earlier. Many pre-schools teach the English alphabet and English nursery rhymes between the ages of four and six. The government has also set aside large budgets to send graduates overseas to further their studies in the US and the UK.

Iraqis are increasingly aware of the benefits of speaking English, and the advantages this can offer them as individuals. As multinational companies predominantly employ people with English-speaking skills, there has been an increase in demand for English tuition from ambitious Iraqis; this has led to an increase in the number of institutions that teach English. English is seen as a key factor in gaining employment at large foreign multinationals; good English skills can lead to salaries of up to three times more than that earned by non-English-speakers, as well as more rapid career progression.

English is therefore important to individuals in Iraq as well as to the country as a whole. The increasing openness of the country to foreign investors is leading to higher demand for English speakers, who in turn have the opportunity to earn a better income. At the same time, the increasing number of English speakers in the country in response to higher demand is making the business environment more attractive to foreign investors, as doing business becomes easier and more efficient. This cycle of foreign business attracting English speakers, and vice versa, will support long-term demand for the provision of English in Iraq.



## 10. YEMEN

### 10.1 MANAGEMENT SUMMARY YEMEN

#### Stability is businesses' prime concern

Yemen has suffered from decades of internal conflict. This has restricted economic development, while the country has also undergone high population growth with limited natural resources. Despite numerous reform initiatives, real progress along the economic, political and social fronts has been limited. In January 2011, the country saw the start of an uprising against the government of the three-decade old rule of President Ali Abdullah Saleh. This continued throughout 2011, and hit the economy by discouraging business development and driving away existing investors. In November 2011, President Saleh agreed to hand power to his deputy, Abdrabbuh Mansour Hadi, ahead of a presidential election in February 2012 that was won by Hadi, but the country is still sufficiently unstable to discourage investor and consumer confidence.

Although both individuals and business sources acknowledged the importance of English for a thriving economy during the course of research for this report, the consensus is that political stability is the prime factor that will allow the economy to move forward. Security is a major concern for companies operating in Yemen as well as potential foreign investors. This issue needs to be tackled before any tangible recovery can take place.

#### Absence of linguistic diversity bolsters the popularity of English

Literacy rates have risen over the last two decades, but Yemen still has the worst in the region, at 62.4% in 2009. Approximately 99% of the population speaks Arabic, while the remainder speaks a number of South Semitic languages. English is the second most widely spoken language, with 9% of the population speaking it to an intermediate level, underpinned by the fact that secondary school students take it as a subject from seventh grade.

It is also considered the second language of choice for domestic business and the first language of choice for international business. Globalisation, paired with the existing platform that English already has in Yemen, has created fertile ground for English to flourish in the future.

#### Multinationals and NGOs create demand for English speakers

The main players in Yemen's oil and gas industry are foreign companies that hold production-sharing agreements with the government. English is used as the primary language for internal communication within these companies, regardless of their country of origin, as employees from different cultural backgrounds and countries are most likely to be able to use the language. The operations of these companies in Yemen therefore require English-proficient Yemeni staff.

The weak economic and social development of Yemen has also attracted many international NGOs. Again, these multinational operations are most likely to use English as a *lingua franca*, which in turn creates a large demand for English-speaking Yemenis.

#### English skills translate to better jobs and higher incomes

The consensus among interviewees was that Yemenis who can meet specified levels of English for jobs will earn on average 30% more than their counterparts who do the same job but are not required to speak English. This is the major driver for Yemenis to improve their English. The correlation between the level of seniority and English skills is a further catalyst for ambitious Yemenis to strengthen their English proficiency and undertake education.

## 10.2 YEMEN - KEY FACTS AND PROFILE

### Key Facts

<b>Country name:</b>	The Republic of Yemen
<b>Official language(s):</b>	Arabic
<b>Population:</b>	24,800,000 (2011)
<b>Capital:</b>	Sana'a
<b>Key industries:</b>	Trade; tourism; transport; communication; oil and gas; agriculture

### English Profile

<b>English speakers in 2011:</b>	9% of the population
<b>Salary gap between someone who can speak English and someone who cannot:</b>	30%
<b>Ranking of benefits of English in the workforce (1= not beneficial at all and 4=very beneficial):</b>	3.9
<b>Level of English required for recruitment:</b>	18% (2/11) Fluent 27% (3/11) Good 45% (5/11) Intermediate 9% (1/11) Basic
<b>Rival of English in the work environment:</b>	Arabic (up to 99% of the population speaks Arabic)

### Research Methodology

<b>Multinational and local:</b>	Eleven companies contacted
<b>Industries:</b>	Top three leading industries including trade, communications and financial services
<b>Jobs advertised in newspaper or online:</b>	Conducted a snapshot of the printed and online job advertisements requiring English (50)
<b>Education:</b>	Leading English language providers and Ministry of Education
<b>Recruitment agencies:</b>	Five recruitment agencies contacted

Source: Euromonitor International from trade interviews, 2011

Note: Percentage of English speakers indicated is at an intermediate level

## 10.3 THE IMPACT OF ENGLISH ON THE COUNTRY

### Political calamity thwarts economic reform

Yemen is the poorest country in the Middle East, with trade, transport, mining and agriculture generating two thirds of the country's GDP (2010). Unlike its neighbours Saudi Arabia and Oman, Yemen is a small oil producer and does not belong to the Organization of the Petroleum Exporting Countries (OPEC). However, its economy depends on the small amount of oil it produces, and its government receives most of its revenue from oil taxes. Oil is anticipated by the World Bank to run out in 2017, and although the Yemeni government has introduced several economic reform initiatives over the last decade to improve the ailing economy and prepare for a post oil economy, political instability and entrenched corruption have undermined any tangible results from these initiatives.

There have been some successful attempts to diversify the economy. In 2006, the government launched an economic reform programme designed to boost non-oil sectors such as manufacturing and trade in order to reduce the reliance on the oil revenues that generate more than half of its revenue. These initiatives helped grow Yemen's GDP from US\$36,080.8 million in 2005 to US\$44,730.9 million in 2010. Further economic diversification when the country's energy reserves are depleted are likely to see demand for English speakers rise, if the government is seeking to create a service or technology driven economy in the long term, as regional markets with weak oil reserves like Dubai have done.

Although these reforms have and will encourage other countries to conduct business with Yemen, the benefits for the Yemeni people may take some time to materialise given the unstable political landscape.

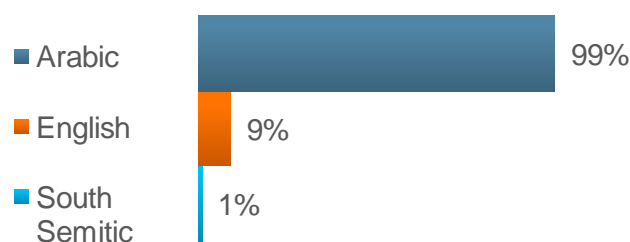
In 2011, key economic sectors were paralysed after serious fuel shortages were caused by recurring attacks on oil pipelines. Many companies closed, slowed down or suspended their operations in the hope that the government would be able to develop a more secure business environment. As a result, GDP fell by 2.5% in real terms to US\$43,626.0 million in 2011. The adverse effects of this drop were ultimately felt by lower-income segments of the population, who suffered most from the resulting lay-offs, and this in turn exacerbated the situation in a country that had 34.8% of its population living below the poverty line in 2009 according to the United Nations Development Programme (UNDP) Human Development Report 2011.

Many governments advised their citizens to leave Yemen or avoid travelling to the country after civil unrest began in January 2011. Likewise, Western government trade promotion agencies began to advise companies to exercise great care in pursuing business opportunities in Yemen on the back of the political and security situation, although these agencies also acknowledge that commercial opportunities do exist in Yemen.

### English is the second most common language in Yemen

As in other Arab countries, Arabic is the most popular language spoken in Yemen and is the official language used in all government departments. Other South Semitic languages are used by a small proportion of the population in regions of the country including Socotra and Hadhramaut. The percentage of the population that can communicate in English at an intermediate level is estimated at 9%. English ranks as the second most popular language in Yemen after Arabic.

## Languages Spoken in Yemen by Percentage of Population - %, 2011



Source: Euromonitor International, 2012 from CIA World Factbook, 2011

Note: This is the number of English speakers to at least an intermediate level

The World Bank states that the adult literacy rate stood at 62.3% in 2009, although if those aged 15-24 years are considered separately, the literacy rate was 84.1% for the same year. Higher literacy rates among the young indicate an improvement in educational provision including secondary schooling.

This suggests that English is growing in popularity and exposure to it is growing among younger Yemenis, since students start to study English in secondary school. There is no significant presence of other languages such as French, Spanish or Portuguese in the country. The existing popularity of English as well as its provision as a subject in secondary school gives it an edge over other languages for its future development.

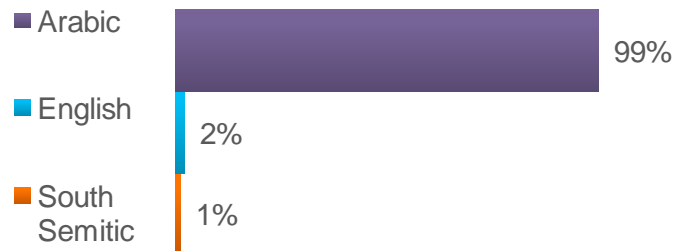
### English speakers concentrated in large cities

English has a higher prevalence in urban areas, in particular in the country's principal cities, than in rural areas. The proportion of English speakers in urban areas is estimated at 25%; this drops dramatically to 2% in rural areas. Sana'a, the capital, has the highest presence of English speakers as government ministries, embassies, large domestic companies and the headquarters of multinational companies are concentrated there. The use of English as an international *lingua franca* by these entities means demand for English speakers (and the provision of its education) will be highest in the capital.

Aden has the second highest prevalence of English speakers, reflecting its status as a key tourist destination, and its importance as an international sea port. Aden's history as a British Crown colony from 1937 to 1963 also underpins the language's strength in the city and surrounding areas. English is more popular in the southern governorates of Yemen like Taiz which are more likely to have a highly educated population. Accessibility to education is another key factor influencing the higher incidence of English speakers in urban areas, as most universities are located in the country's main cities.

### Languages Spoken in Rural Areas - %, 2011

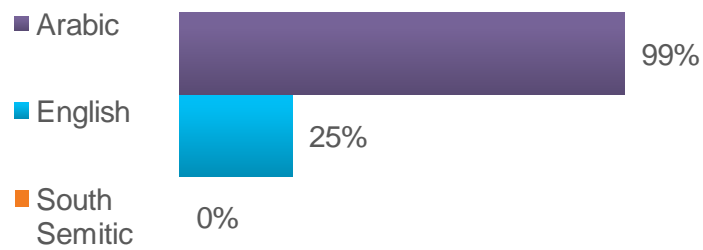
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Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level

### Languages Spoken in Urban Areas - %, 2011

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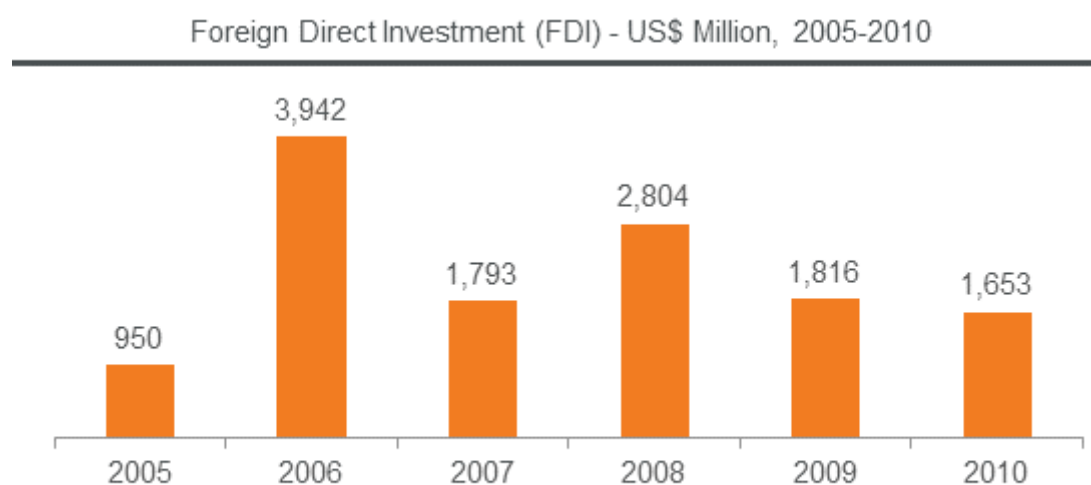
Source: Euromonitor International from trade interviews, 2011  
Note: These are languages spoken at an intermediate level

### 10.3.1 Investment and English in Yemen

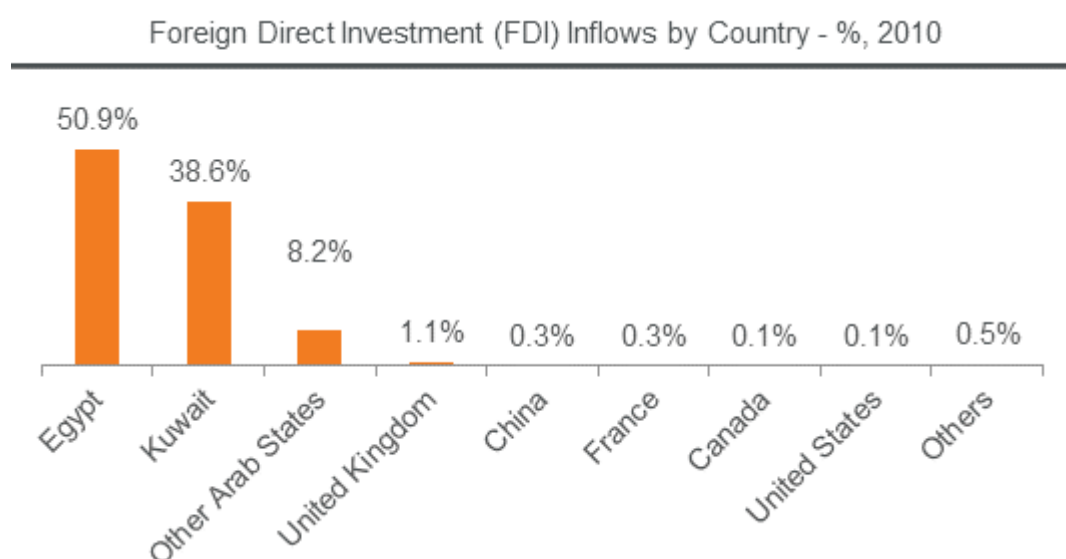
#### Oil and gas industry attracts foreign companies

Prior to the 2011 uprising, one of the Yemeni government's key reform goals was to attract more foreign direct investment (FDI) to reduce its reliance on oil revenues and tackle rising unemployment. FDI in Yemen fluctuated widely over the period 2005 to 2010 but grew from US\$950 million in 2005 to US\$1,653 million in 2010. However, the political instability that started in 2011 deterred potential investors and FDI is likely to have dropped dramatically in 2011.

Although 97.7% of FDI inflows in 2010 came from Arab countries, English speaking countries represented by the UK, the US and Canada accounted for more than half of the FDI inflows from foreign countries in 2010.



Source: Euromonitor International, 2011



Source: Euromonitor International from International Trade Centre, 2011

Note: "Others" is the combined share of all other countries that have any sort of investment in Yemen

Most multinational companies in Yemen are from the US. These include companies like American President Lines (APL), Exxon Mobil Corporation and Hunt Oil Company, and their presence is a key



driver for the English language in the country. This is because they offer the greatest employment opportunities for young educated Yemenis, but above all for those with strong levels of English. Most FDI is focussed on oil and gas, but other sectors such as telecommunications have also been attracting investment interest in Yemen.

Skilled employees within these industries include technicians and executives, who all require varying degrees of English depending on the nature of their work. For example, most technicians and engineers need basic English communication skills and a knowledge of technical terms, whereas administration staff need an intermediate level of English to communicate with foreigners who work within the company.

Where public speaking or negotiations are involved, English requirements are even higher. Executives and public relations workers, for example, need to be capable of communicating professionally and accurately with high-profile non-Arabic speakers both within the company and from other organisations.

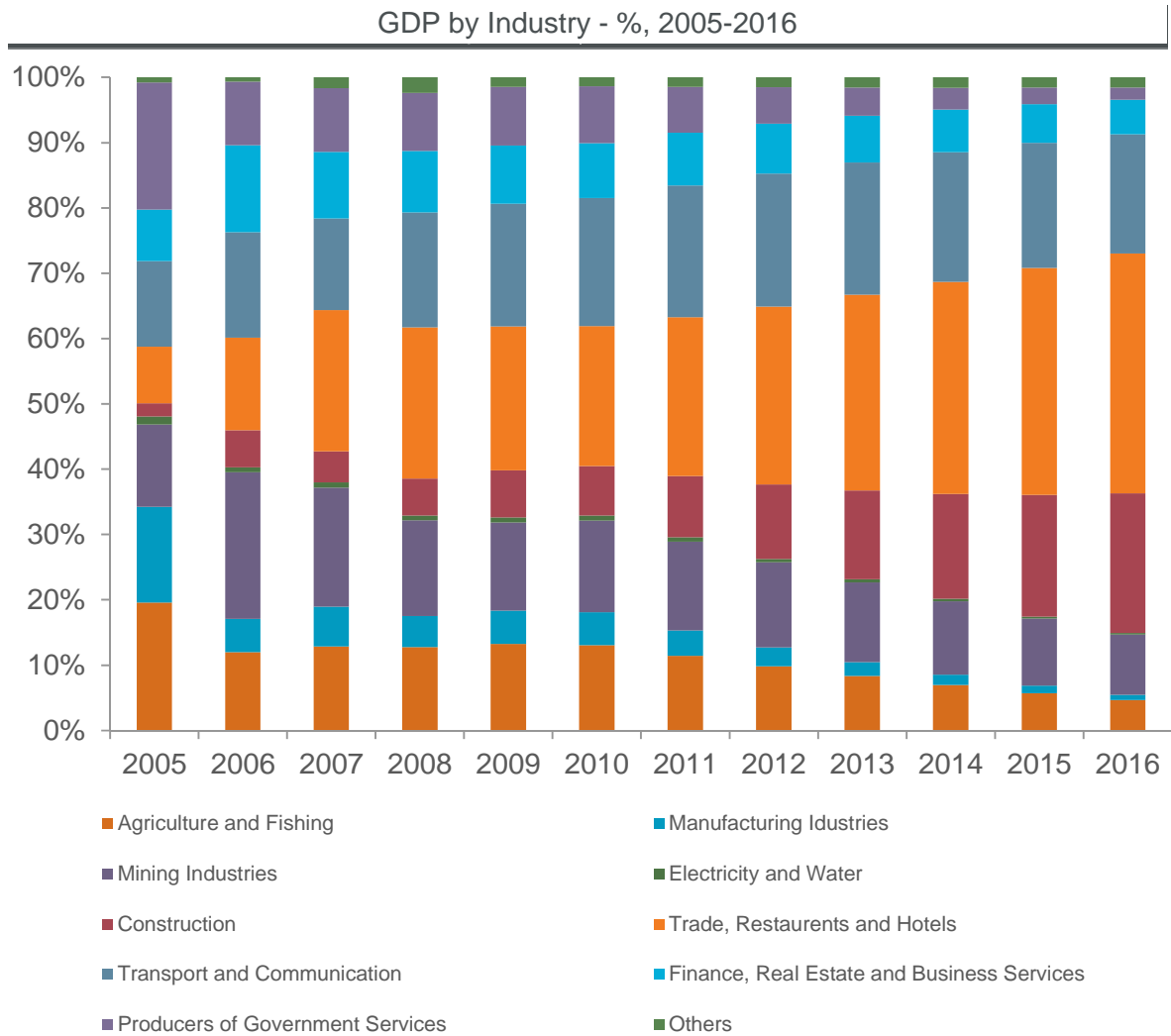
**Interview with a leading IT company:**

Our company requires advanced English skills because we have positions that involve dealing with foreign clients. At the same time, we have several foreign employees in the company so we need qualified local staff that can communicate effectively with these foreigners.

**Sectors that require English make increasing contribution to GDP**

The contribution of trade, construction and communication to GDP has grown in recent years, in contrast to government services and Yemen's manufacturing industries. The contribution of construction, transport, communication, trade, restaurants and hotels in 2005 accounted for 23.7% of GDP; this rose to 48.6% of GDP in 2010.

If this trend continues, demand for English will rise thanks to the greater need for English speakers in these three sectors. Another factor driving demand for English speakers has been the decline in the contribution of government services to GDP; workers in this category typically do not use English.



Source: Euromonitor International, 2011 from Central Bank of Yemen, 2010

## 10.3.2 The Influence of English

### Government plans for more English education as part of education system reform

Expenditure on education in Yemen amounted to 32.8% of government expenditure and 9.9% of GDP in 2000 but dropped to 16.0% and 5.2%, respectively in 2008. Yemen ranked 154 out of 178 countries in the Human Development Index in 2011, down from 150 out of 177 in 2006. Despite the downward trend in human development and expenditure on education, the youth literacy rate showed improvement from 77.1% in 2004 to 84.1% in 2009 due to higher primary school enrolment rates in 2004-2009 than 1999-2004.

Other contributing factors include the substantial grants and loans the Yemeni government received from bodies including The World Bank, UNICEF, the EU, DFID (Department For International Development) and USAID (United States Agency for International Development) to develop and reform the country's education system.

Students in public schools start to study English from the seventh grade, but Yemen's Ministry of Education plans to teach English language as part of the curriculum from the fourth grade. However, the quality of English language education in public schools requires improvement, and is in need of greater government investment.

The quality of English education in private schools is higher than that in public schools, and students in private schools receive English language education starting from first grade. However, the proportion of pupils with the financial resources to go to private schools is small; only 4.0% of primary school pupils and 3.8% of secondary school pupils are privately educated.

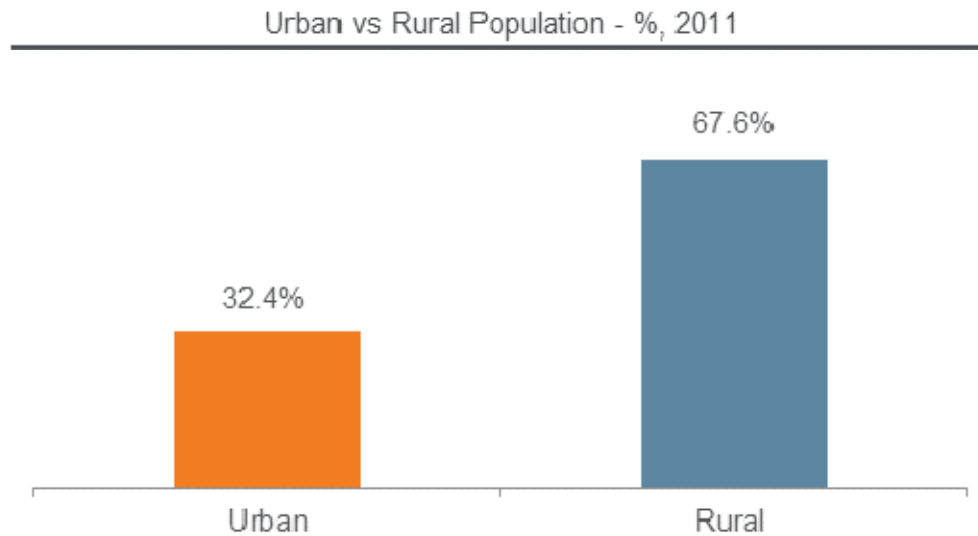
### Yemenis proactively seek English courses to counter weak English education in schools

The majority of Yemeni school graduates do not get the opportunity to practice their English after graduation, which in turn leads to the deterioration of their English skills, and only 9% of the population speaks English to an intermediate level. Consequently, many Yemenis pursue English language courses at English language centres to augment their skills.

Interviews with these language centres indicate that demand for English tuition is on the rise. To meet this demand, a number of new centres have opened in recent years. On average, these centres charge US\$100 for a one-month course; this is a significant investment for most Yemenis, given that the monthly GDP per capita in Yemen was US\$147 in 2011. The willingness of Yemenis to invest this much in learning English is highly indicative of the importance of English to their ambitions.

### Urbanisation and technology drive exposure to English

Yemen has witnessed slow but positive growth in its urban population, which grew from 28.9% in 2005 to 32.4% in 2011. This trend is anticipated to continue in the long term. The higher incidence of English-speaking individuals in cities suggests that growth in urbanisation will translate into a higher overall percentage of English speakers in the country, assuming the on-going urbanisation trend continues. Higher penetration of computers, mobile devices and the internet in urban areas also translates to higher exposure to English, in turn creating a need to learn English to better utilise these technology-based tools.



Source: Euromonitor International, 2011

### Yemeni companies consider English beneficial to company growth

The vast majority of the companies interviewed agree that English is beneficial to company growth, as it enhances business communication with foreign companies. However, when it comes to recruitment, the most importance is placed on a candidate's experience, and then their level of English.

Most IT systems are in English and require English speaking staff to operate them. Some leading companies conduct IQ and English proficiency tests for potential candidates. This underlines the importance of English language for their business.

#### Interview with a leading domestic bank:

English is very beneficial for our bank's growth and is necessary for transactions with foreign banks and working with our internal systems which are in English.

### 10.3.3 The Employment Market and English

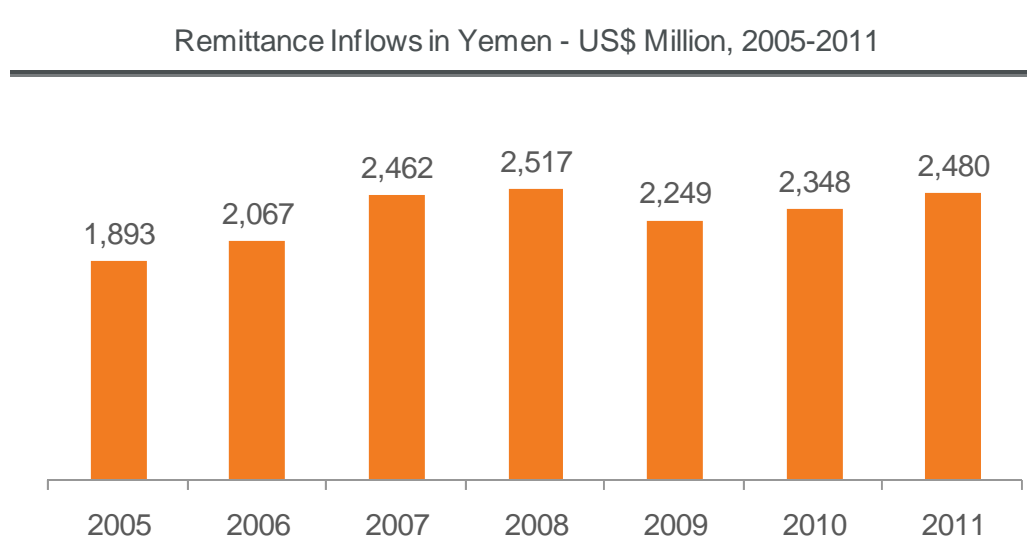
#### Demand for English education mainly driven by job market

English language centres asserted that the leading driver for individuals to pursue English language courses was to improve their prospects of gaining a more prestigious, better paid job. English is a requirement for those jobs in multinational companies that typically pay higher wages than domestic companies. Language centres also noted that the number of individuals taking English language courses has risen over the past five years, and they expect this trend to continue due to the rising awareness of the benefits of English among Yemenis.

Companies that were interviewed confirmed that industries involved in international business are likely to require English skills. Companies in the oil, finance, ICT and trade sectors in Yemen are the most likely to require English speaking employees. For these companies, English is considered beneficial, and in some instances essential, for growth, as it facilitates business relationships, reduces misunderstanding, and makes operations and transactions more straightforward.

Many companies that operate in the oil and gas industry are multinational companies that heavily rely on English as a means of communication. Management positions in both multinational companies and domestic ones usually require English speakers. Numbers of multinational companies operating in Yemen were rising, and NGOs were more active, prior to the political instability of 2011. The activity of these entities has subsided and is unlikely to recover until the security situation improves.

Remittances have played an important role in supporting the Yemeni economy and were equivalent to about 5% of GDP in 2011. Many of the Yemenis who work abroad, mainly in the GCC (Cooperation Council for the Arab States of the Gulf), need English skills for their work. Thus the importance of English will increase as more individuals pursue better paying jobs that require English in the GCC.



Source: Euromonitor International, 2011

#### Private universities and private schools provide better education

Companies agreed that candidates who received their education in private schools and universities have better English than their counterparts who graduated from public schools. Therefore, when English plays a key role in a particular job position, more emphasis is placed on the educational background of a candidate. Examples of such jobs include marketing and business administration. English is less important for more technical jobs such as engineering and medicine, although some English is required to understand new technologies and terminology, which typically use English as an international medium.

### Intermediate level English is the minimum requirement for most English-required jobs

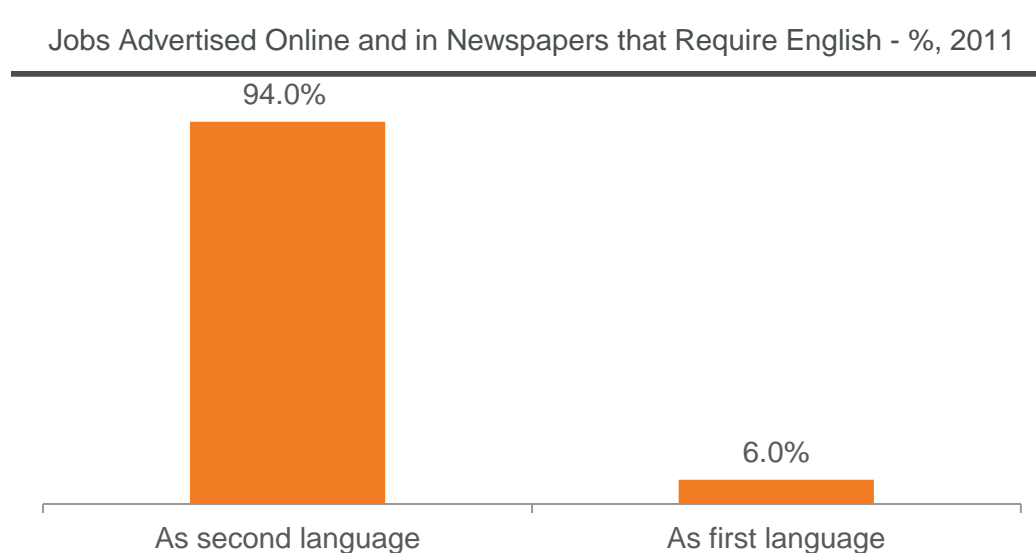
Most companies that have positions for English speakers require at least an intermediate level of English. Jobs in marketing, advertising, public relations, tourism and NGOs usually require advanced English skills, whereas those in ICT, engineering and industry require English skills in a technical capacity. Trade sources indicate that English speakers in Yemeni companies are considered assets because they can communicate with international clients and suppliers and are capable of representing the company professionally. Moreover, English is required for jobs in the GCC where many Yemenis travel for work.

### Competent workforce with adequate English skills is in short supply

Multinational oil and gas companies face a challenge finding local talent with the required English language skills in Yemen. To overcome this, many companies provide business English training to their employees through external language providers. A greater availability of English-speaking professionals would create a more profitable business environment in which multinational companies can operate, as it would reduce the time and cost associated with providing extensive English language training to their staff.

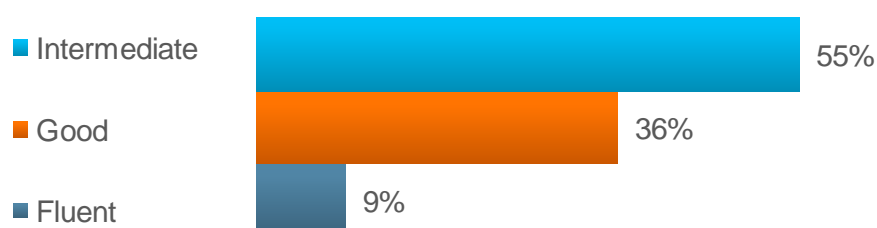
A sample of 50 print and online job advertisements requiring English was taken over a period of one week to assess the importance of English in these jobs. Of the 50 jobs advertised, 47 jobs required English as a second language and the remaining 3 jobs required English as the first language. All jobs that require English as a first language also require Arabic as a second language underscoring the importance of bilingual employees in Yemen.

Interviews with companies and recruitment agencies have revealed that an intermediate level of English is the most common requirement because it is sufficient for certain staff such as engineers and technicians to do their roles. A good level of English is required for staff in public relations, marketing and sales while managers, directors and spokespersons are generally required to be fluent in English.



Source: Euromonitor International from trade interviews, 2011

## What is the Level of English Required? - %, 2011



Source: Euromonitor International from trade interviews, 2011

## Is there a Second Language Required? - %, 2011



Source: Euromonitor International from trade interviews, 2011

### Companies send executives on English language courses when finances permit

Companies interviewed for this study indicated that they occasionally send their employees on English language courses at English education institutes. This is undertaken to enhance their English skills and benefit the company's business operations. A trade source stated that the Technical and Vocational Training Fund which is run by the government supports companies by providing English training courses for employees.

Some family businesses may also sponsor family members involved in the business to study abroad and return to Yemen. These study destinations are typically in English-speaking countries like the US and UK, whose universities have a good reputation within Yemen.

Yemeni students seeking to study abroad usually take English language courses prior to starting education in English-speaking countries. The English skills of these students are subsequently further enhanced by using English in daily life and academia in their host countries. These students eventually return to Yemen able to use English proficiently within a business context; this in turn opens more doors for the family businesses in the wider global economy.

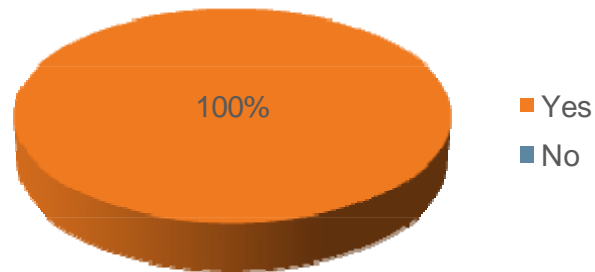
Interviews with companies suggest that they use English for technical training. Interviewees stated that there was no alternative to English when conducting training since the most common form of sector-specific technical terms is in English.

#### Training manager at a leading telecommunications company:

In our company, training is divided into two categories: core (work-related) training that always uses English as the medium; and behavioural training that doesn't necessitate the use of English.

Is English Used for Training Purposes? - %, 2011

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Source: Euromonitor International from trade interviews, 2011

How does English Benefit Company Growth? - %, 2011

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Source: Euromonitor International from trade interviews, 2011  
Note: 5=very important; 1=not important



## 10.4 THE IMPACT OF ENGLISH ON THE INDIVIDUAL

### Adequate English skills mean higher income

Interviews with companies and recruitment agencies indicated that English speakers earn on average 30% more than non-English speakers. However, there was wide variation in the responses, ranging from no difference to 300%. Recruitment agencies indicated that the greatest difference in salaries for English speakers is found in oil and gas companies, followed by telecommunications and marketing companies.

Within these companies, the more senior the position, the more emphasis is placed on English ability. The majority of senior positions require English, and a candidate will not be considered unless they have the required level of English.

### Yemenis are aware of the importance of English for business

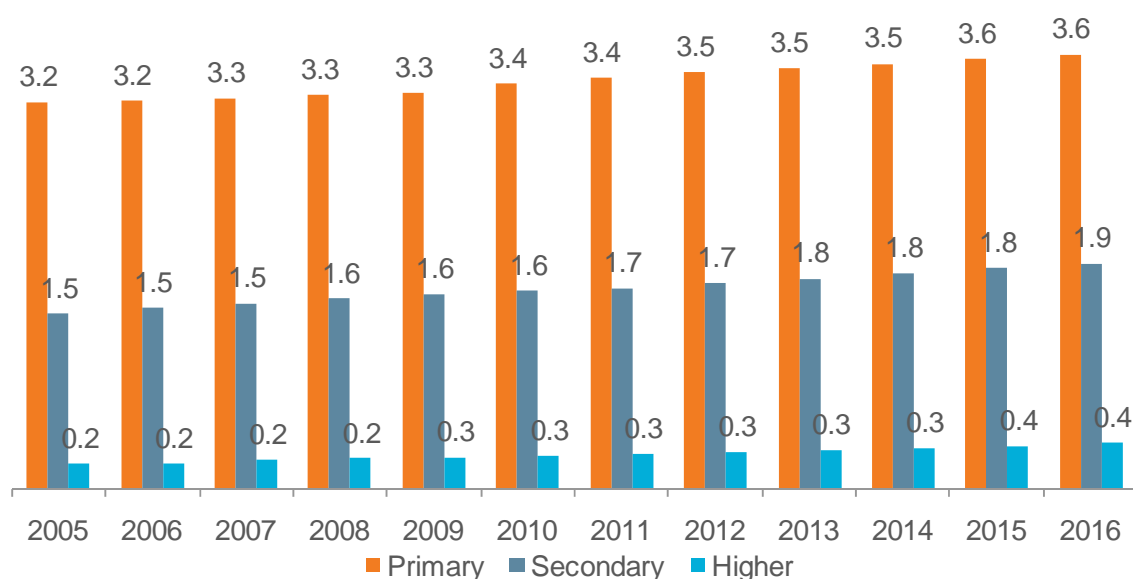
Individuals in Yemen are aware of the role that the internet and technology play in conducting business in the global economy. New technological advances will motivate people to improve their understanding and use of English in order to remain up to date with technology.

Yemen saw growth in the number of ICT users during 2005-2011, along with an increase in capital investment in telecommunications. English enables individuals to learn new skills, such as using computer programmes or browsing the internet, as these typically use the language as an international medium.

### English language courses are useful before going to study abroad

The Ministry of Higher Education claims there were 7,000 students studying abroad in 2011, of which 2,500 were studying in Malaysia. Many non-English-speaking countries such as Malaysia and Egypt have universities that teach in English; this encourages Yemeni students to take English language courses before travelling to study in these countries. Many Yemeni students also pursue additional English language education courses, as strong English skills are often a requirement when applying for scholarships.

Total Yemeni Student Population by Level of Study - Million, 2005-2016



Source: Euromonitor International, 2011

## 10.5 CONCLUSION

### **Importance of English likely to increase as political landscape stabilises**

Economic growth in Yemen is contingent on the stability of the political and security situation. While many of these issues remain unresolved, business and economic development in the country is slow. Given that the job market is the biggest catalyst driving English education, it is likely that Yemenis will pursue English education at a faster pace once the government has achieved stability, as businesses clearly understand the necessity of English in a globalised economy.

Should education reform continue, the resulting rise in numbers of English-speaking professionals will make the business environment more attractive to multinational companies, who are currently finding it difficult to recruit skilled professionals with adequate English language skills.

### **Absence of rival foreign languages supports the long term prospects of English**

English enjoys the best outlook as a foreign language in Yemen given that it is the only foreign language taught in public secondary schools and because it is the only foreign language used for conducting business. An improvement in the quality of education is essential for progress and use of English in Yemen.

Although English only benefits a minority, it will play an increasingly important role as more individuals begin to feel the tangible and intangible benefits of the language. The increasing popularity of English language centres is a manifestation of the importance individuals already place on the ability to speak English.



**The findings of this study were developed through primary source interviews across a wide cross section of private and public sector subjects. These interviews were supplemented by secondary source research where relevant and available. The final delivery was the result of reconciling these sources. All information provided by Euromonitor is, unless otherwise stated, the intellectual property of Euromonitor International Ltd and is copyright protected.**