



Research of Authorized Higher Education Institutions in Georgia

Based on 2018 data





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Purpose of Research

The present serves to overview existing authorized higher education institutions and identify the main trends, based on the 2018 financial statements of the second and third category companies.

The report presents average financial indicators of the sector, which forms the "benchmark" and provides information on the financial situation.



Methodology

The data in the study is taken from the website of the [Reporting Portal](#), which provides financial and management reports of companies registered in Georgia.

The information is based on the data of 2018. The report reviews authorized higher education institutions that belong to the second and third categories. The study overviews universities, teaching universities, and colleges, the total number of which is 20. Six out of the total number of financial reports is audited.

The study focuses on the review of authorized higher education institutions, specifically their education programs, the number of students, and financial indicators. The data is taken from the [Ministry of Education, Science, Culture and Sport of Georgia](#), as well as from the [National Statistics Office of Georgia](#).





Results of the Research

The research overviews authorized higher education institutions with a total turnover of more than 118 million GEL and total assets of 192 GEL and profit before tax reached up to 25 million GEL

The study has identified industry-leading higher institutions according to their revenue, assets, and profit.

The analysis of the data has shown that Georgian higher education institutions have the following financial indicators: the average return on assets (ROA) is 12% and return on equity is 24%

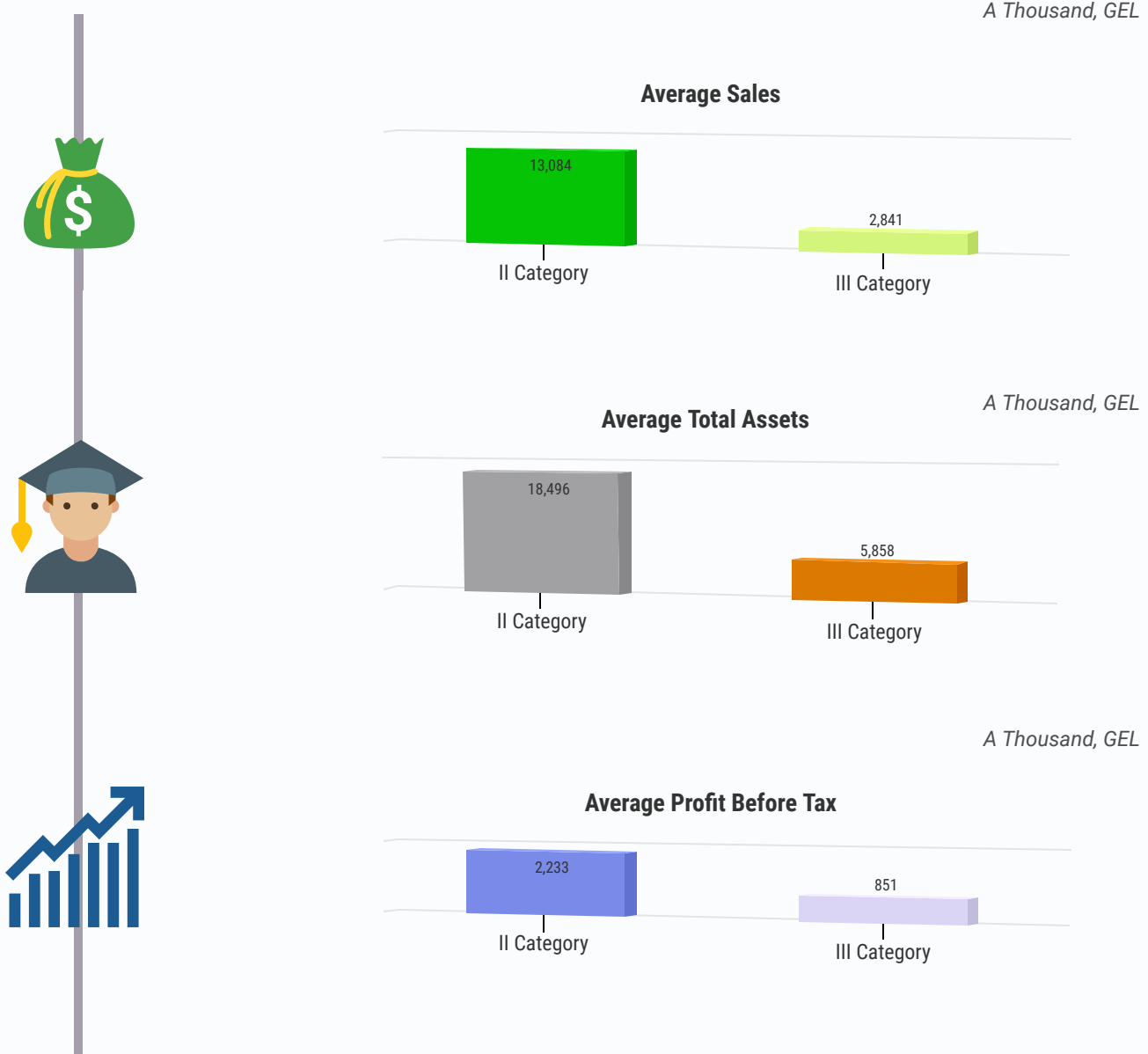
Besides the indicators listed above, the study determines the financial ratios of the industry's liquidity and solvency





Results of the Research

The study revealed the average data of authorized higher education institutions based on the data of 2018. Out of 20 institutions that were reviewed, six belong to the second category, 14 belong to the third category.





An Overview of Higher Education Institutions Sector

The number of higher education institutions in the Georgian public sector is very stable, unlike in the private sector where the number of institutions declined by 12 (20%) from 2018 to 2020, which indicates the high competition in the field. It needs to be noted that the number of students is increasing annually, as well as the number of exchange programs.

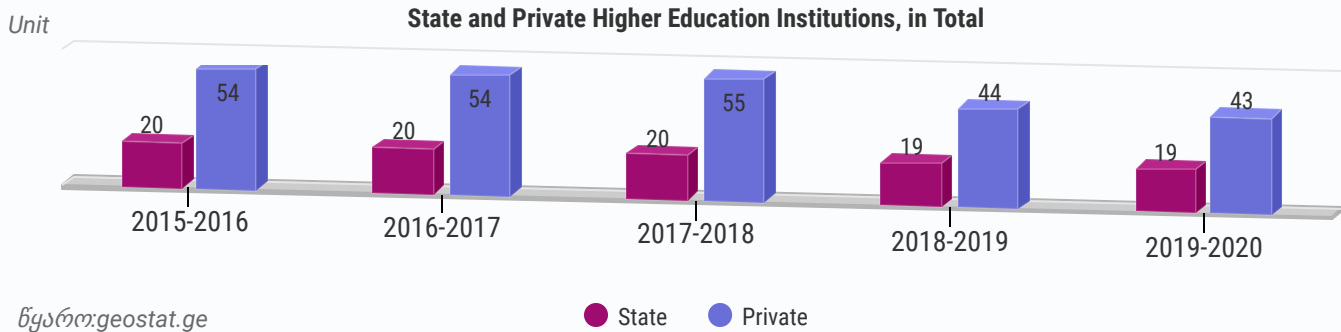
Step by step Georgian higher education institutions are achieving higher standards by implementing relevant strategies in order to compete against other institutions from all over the world.

Based on the study, the country shows potential

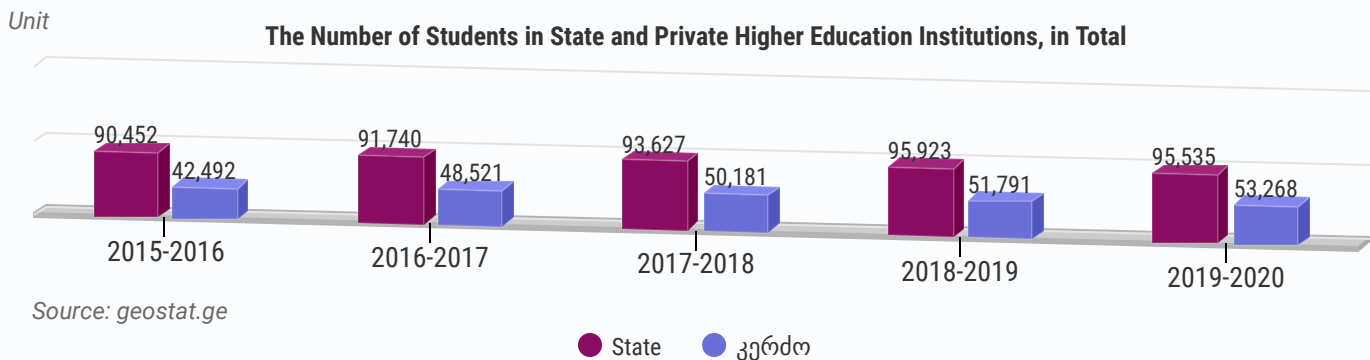
to provide competitive education programs that will correspond to local as well as international requirements, that will guarantee the success of Georgian students.

According to the website of Reporting Portal, in 2018 the number of authorized higher education institutions was 20.

Below are the higher education institutions and their number of students according to the type of studies (at the beginning of the academic year). The graphs show the data for the last 5 years (2015-2020) and are based on the official statistics of the National Statistics Office of Georgia.



As the graph shows, during the last 5 years, the number of private institutions is higher than the number of state higher education institutions. As for the distribution of number of students, it is as follows:

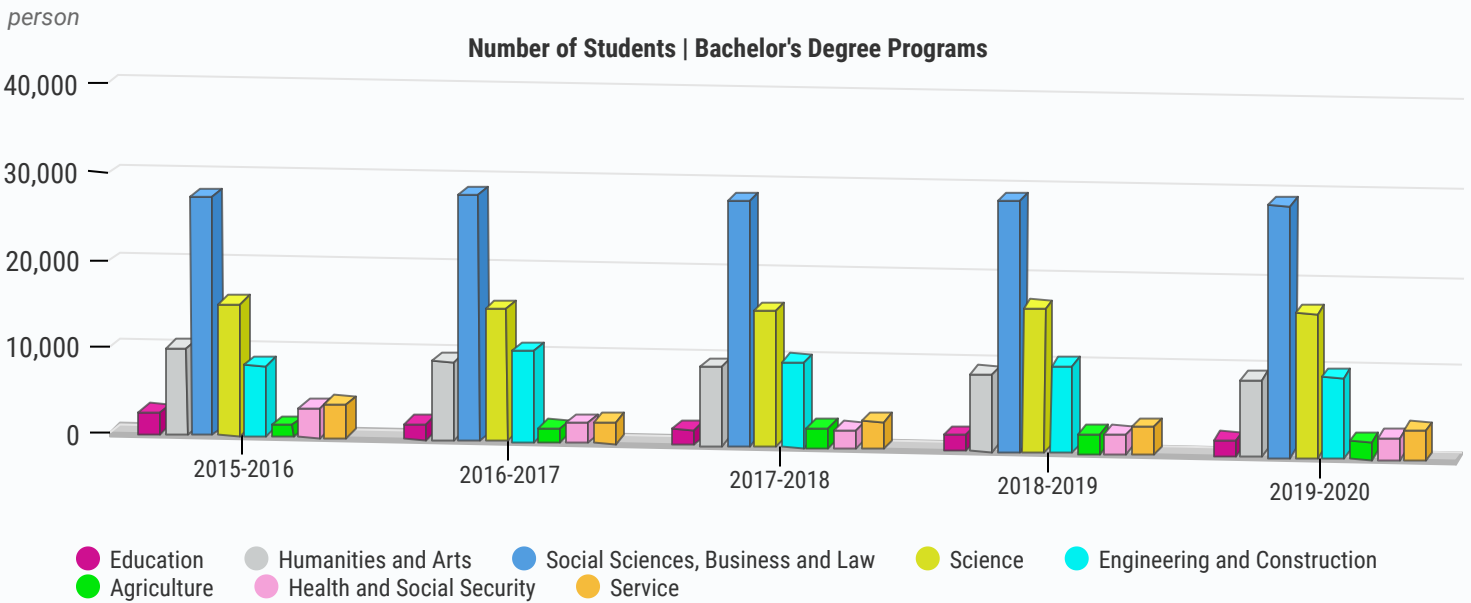


The statistical data, shown above, clearly shows that state institutions have a way higher number of students than private institutions, which can be the result of the lower tuition fees in state institutions.

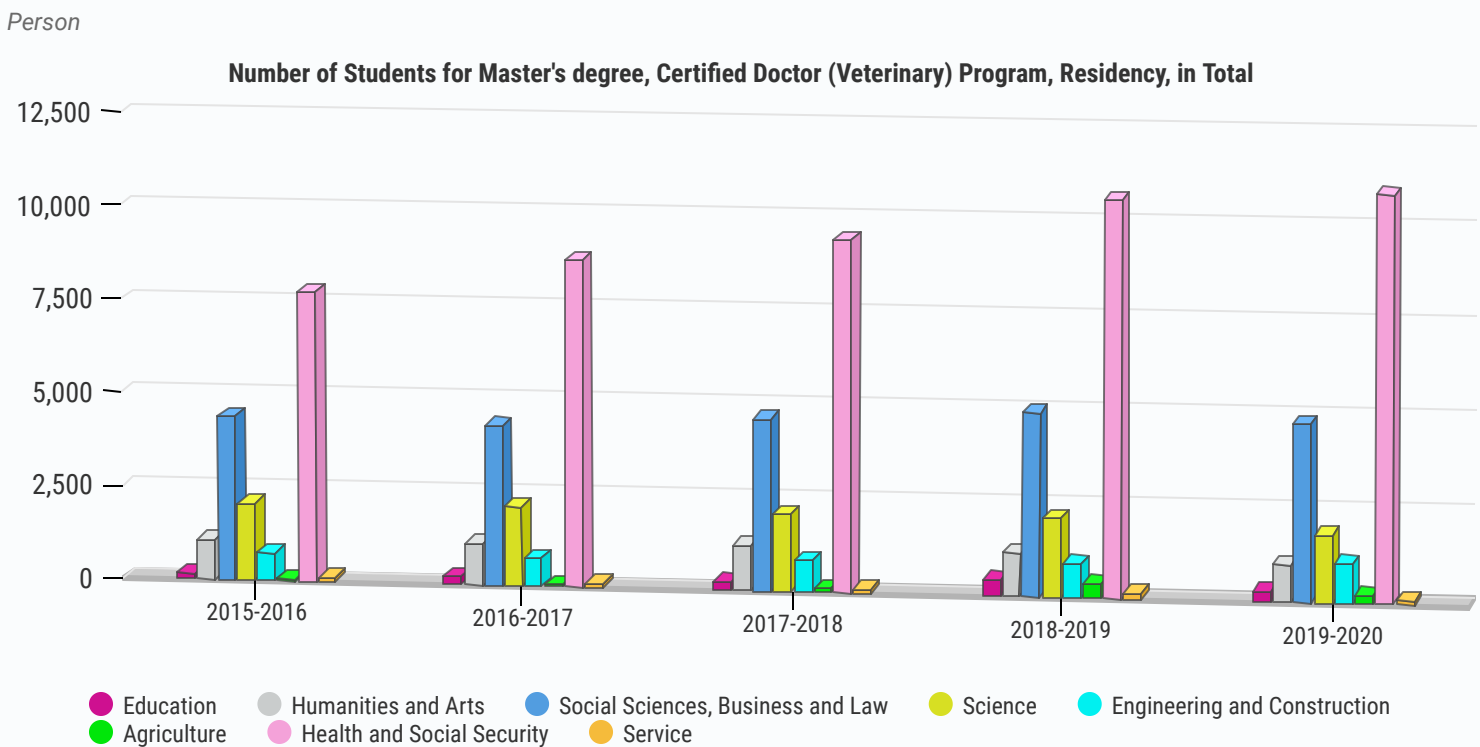


An Overview of Georgian Higher Education Institutions

In Georgia, the number of students in higher education institutions according to study programs (at the beginning of the academic year) is as follows:



Source: geostat.ge

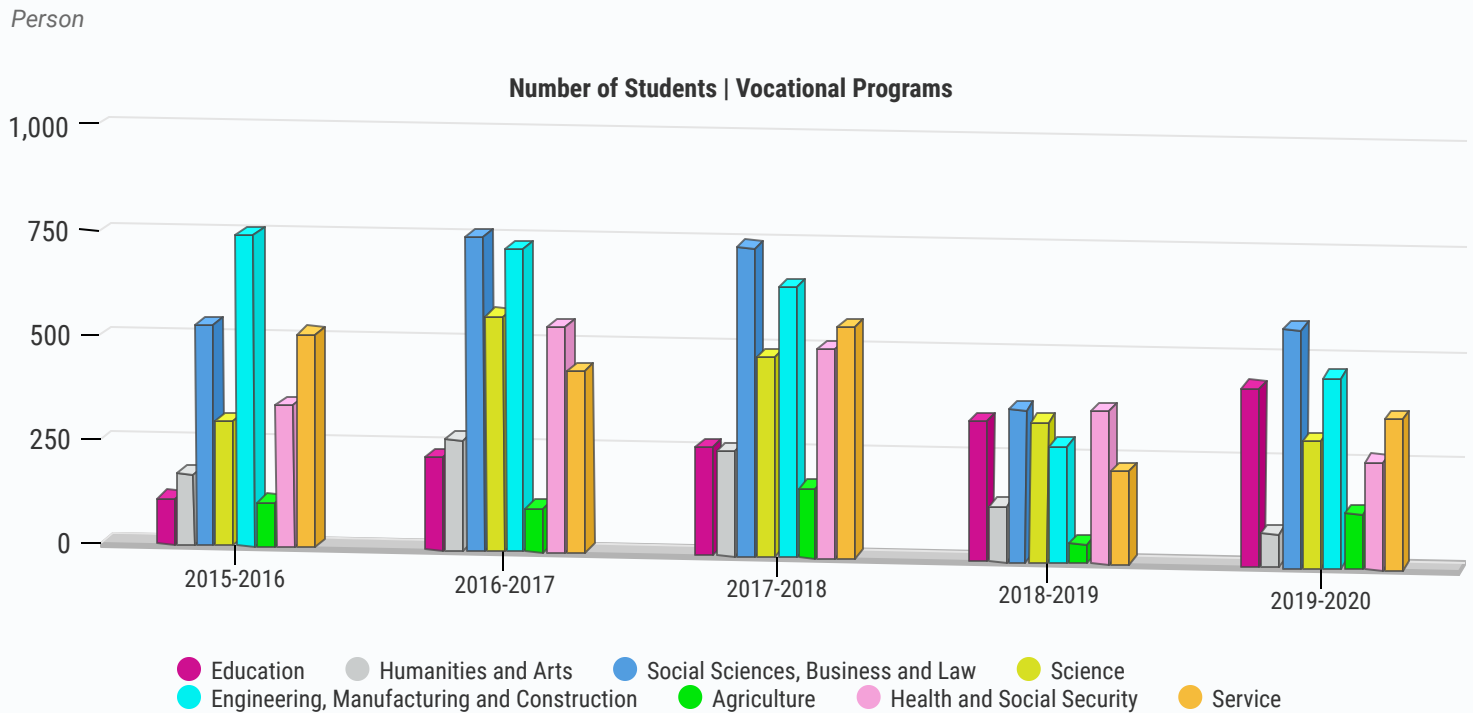


Source: geostat.ge



An Overview of Higher Education Institutions in Georgia

According to the National Statistics Office of Georgia, in state universities, there was a higher demand for vocational programs in previous years. The majority of students chose to study courses in the scope of engineering, manufacturing, and construction. Social sciences, business, and the law was also a popular choice among students. Social sciences, business, and the law was also a popular choice among students.



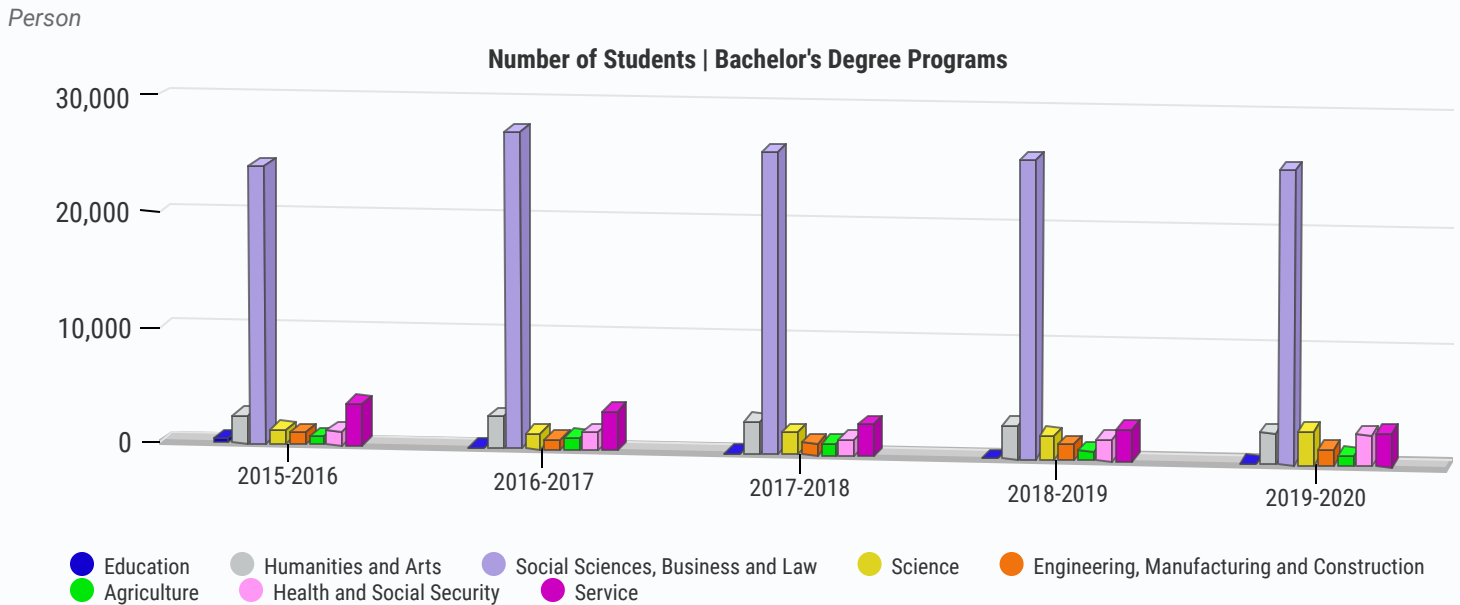
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As it is visible from the graphs, the majority of students are enrolled in undergraduate studies (Bachelor's Degree Programs) and most of them study social sciences, business, and law. It can be said that approximately half of the students continue Master's Degree studies and the majority of them choose to study Health and Social Security. As for vocational programs, not so many students make a decision to pursue vocational studies.

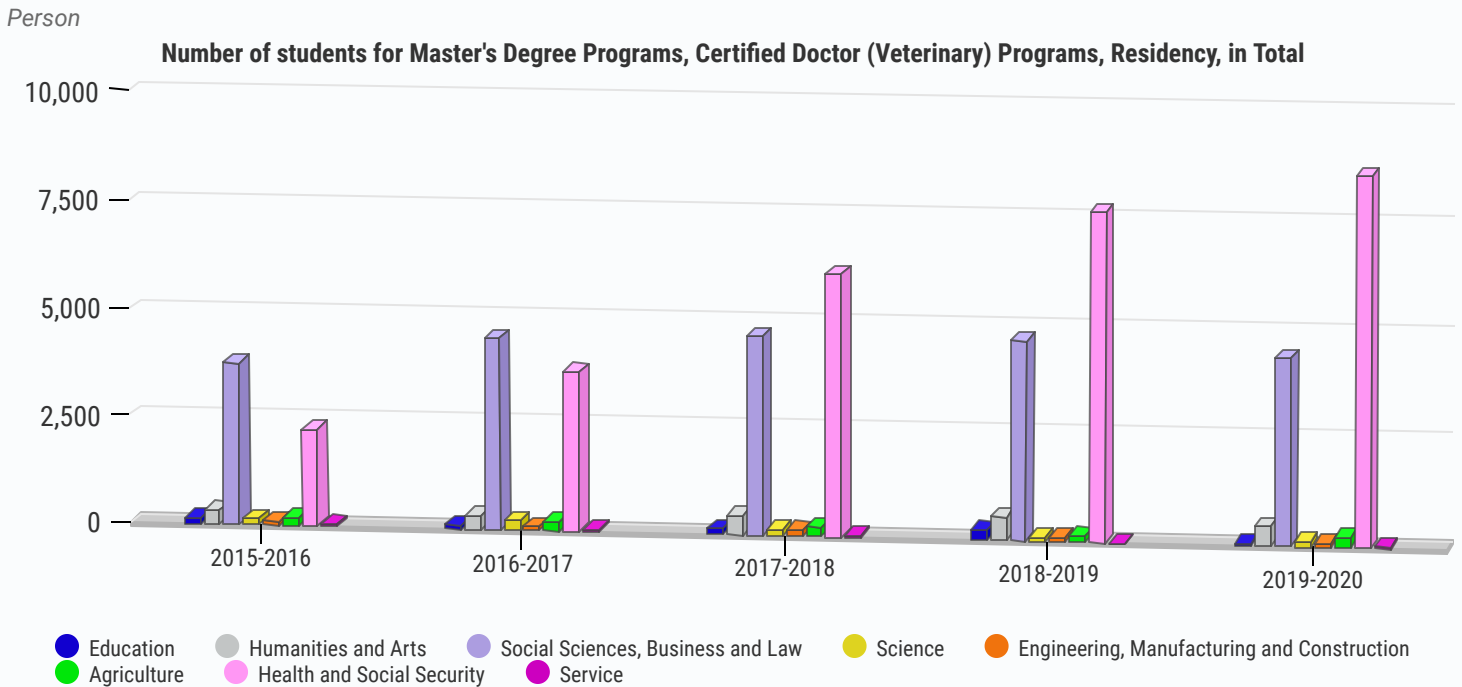


An Overview of Higher Education Institutions

In Georgia the number of students enrolled in private universities according to study programs (at the beginning of the academic year) is as follows:



Source: geostat.ge



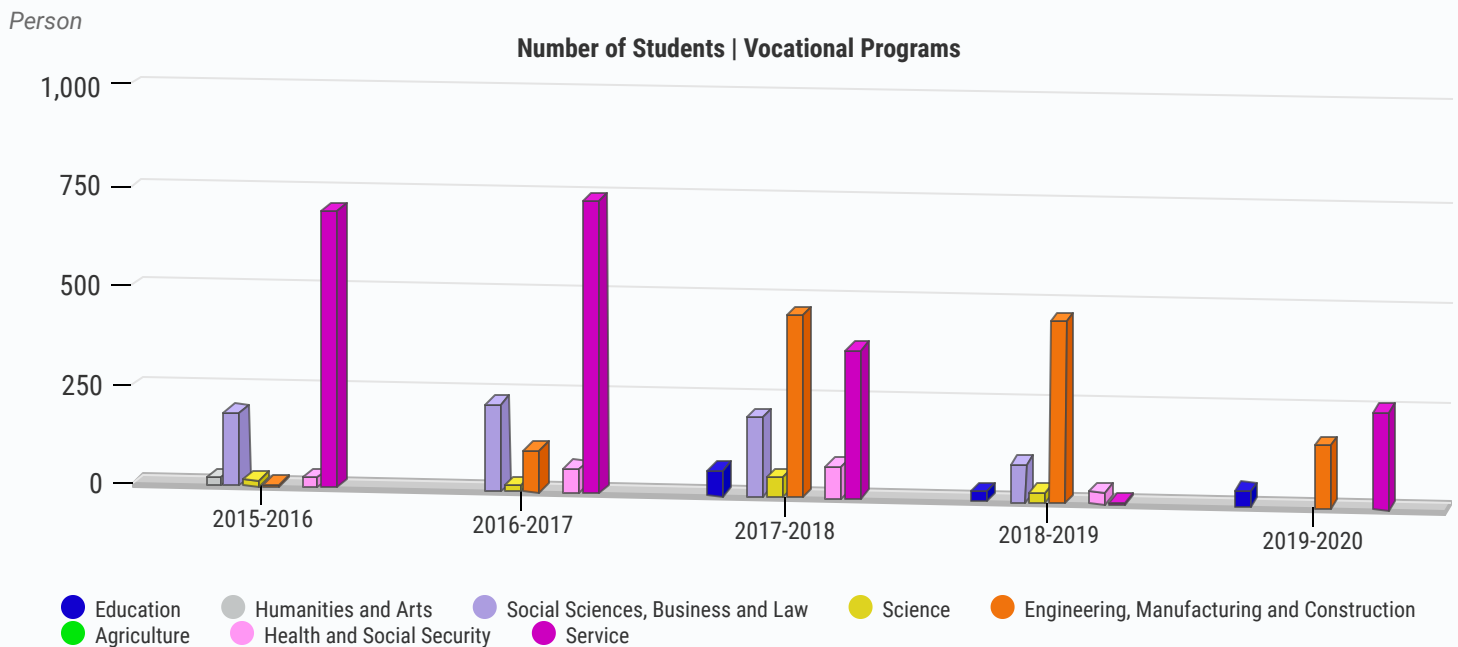
Source: geostat.ge



An Overview of Higher Education Institutions

According to the National Statistics Office of Georgia, the number of students who choose vocational programs at private universities is very small. The decline has been particularly noticeable in recent years

The majority of students used to choose service related programs, while in recent years engineering, manufacturing and construction has become the more prominent choice



Source: geostat.ge

As can be seen from the graphs, like in public universities, most of the students are enrolled in undergraduate programs in private universities too. The majority of students prefer the faculties of social science, business, and law. Half of the students who obtain a Bachelor's Degree decide to continue the Master's Degree studies and most of them are enrolled in health and social security programs, as well as social sciences, business, and law.

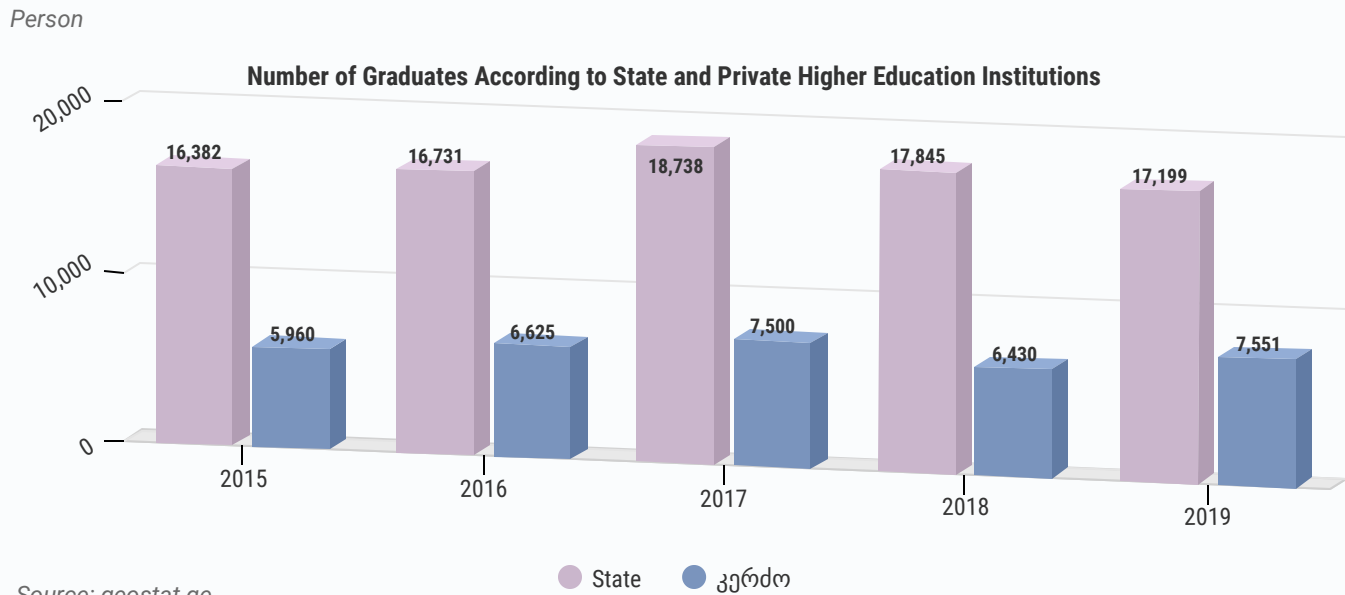
As for vocational programs, not many students pursue studies in that direction. Majority of students enrolled in vocational programs study service related courses



An Overview of Higher Education Institutions

According to the National Statistics Office of Georgia, in 2019 the number of graduates in state higher education institutions was 17, 199 and the number of graduates of private institutions was 7, 551 people. Although number of private higher education institutions far exceeds the number of state institutions, more students are enrolled and graduate from the state universities.

Below the diagram presents the number of graduates according to state and private higher education institutions. The diagram shows the statistics for the last 5 years:



As can be seen from the graph, in the last five years the maximum number of graduates from state higher education institutions was 18,738 in 2017, while in the case of private higher education institutions it was 7,551 in 2019. Also, it's worth mentioning that in 2019 the number of admitted students in state higher education institutions was 27,869 including undergraduate, graduate, and vocational programs. Similar indicators for the same year in the case of private higher education institutions were 15,377

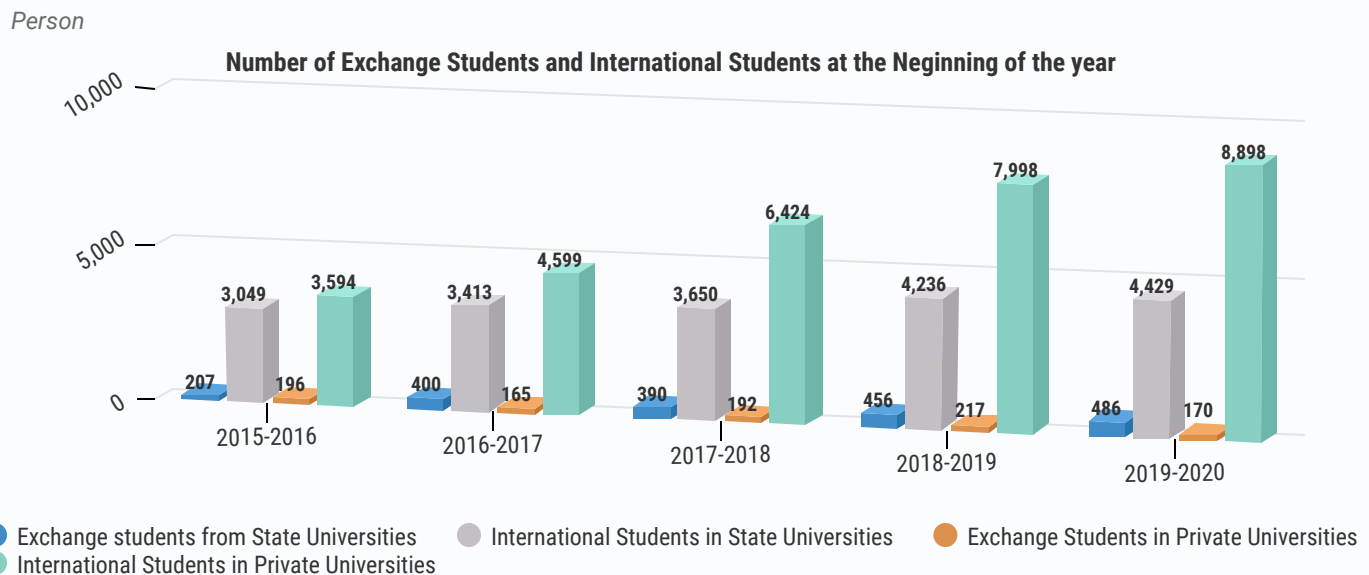


An Overview of Higher Education Institutions

According to the National Statistics Office of Georgia, in 2018-2019 the number of exchange students was 456 in state universities and 217 - in private universities.

As for the number of foreign students in the same years, it was 4236 in case of state universities and 7998 in private universities.

Below is a diagram showing the number of students sent abroad and the number of international students at the beginning of the academic year. Statistics show the data for last 5 years:



Source: geostat.ge

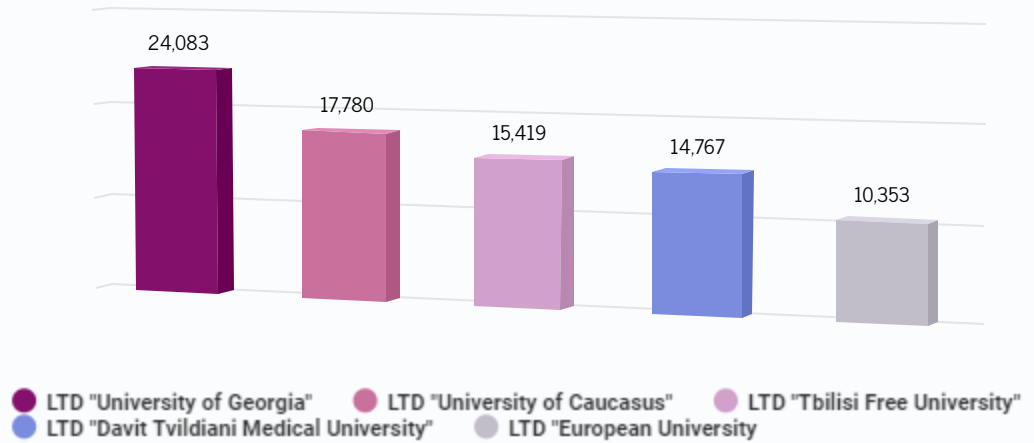
As the graph shows, in the last five years, the maximum number of exchange students from state universities was in 2019-2020. State universities had 486 exchange students, out of which the majority was in Germany - 146 students, in France - 56 students and in Italy - 46 students. In the same year was the maximum number of international students in the state as well as private universities. The majority of international students came from India, Azerbaijan, and Iraq. The number of exchange students from private universities was at its peak in 2018-2019 when 2017 students participated in exchange programs. Most of the students - 39 went to Poland, 22 went to China and 22 students studied in Italy as well as Lithuania.



Top 5 Higher Education Institutions by Income (2018)

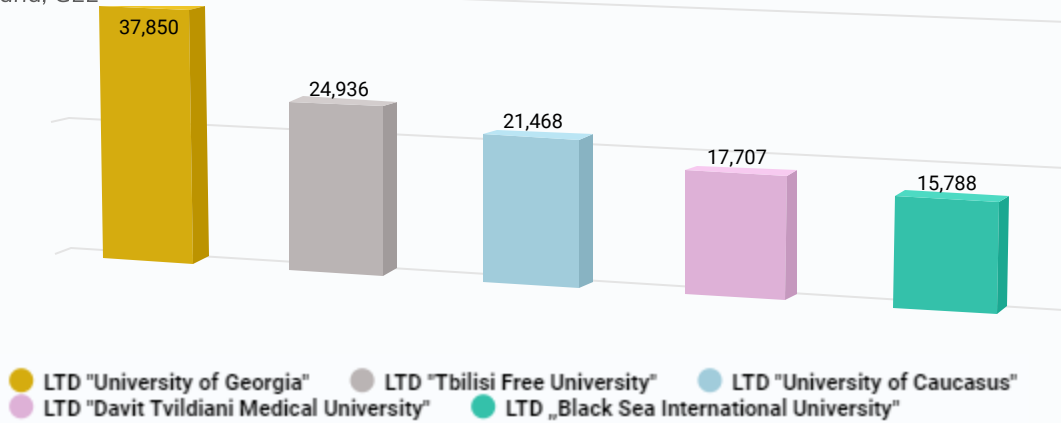
The total income of these institutions represents 70% of the total income of the other higher education institutions.

Thousand, GEL



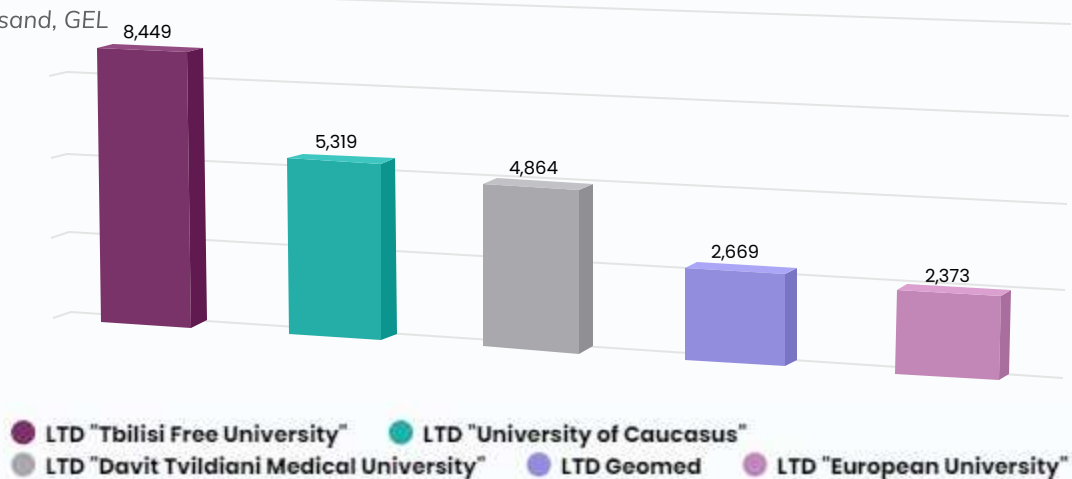
According to Assets | Top 5 Higher Education Institutions (2018)

Thousand, GEL



Profit Before Tax | Top 5 Higher Education Institutions (2018)

Thousand, GEL

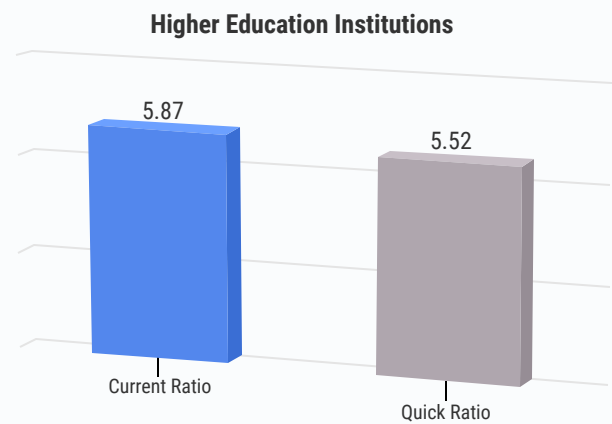




Average Financial Ratios of The Industry (2018)

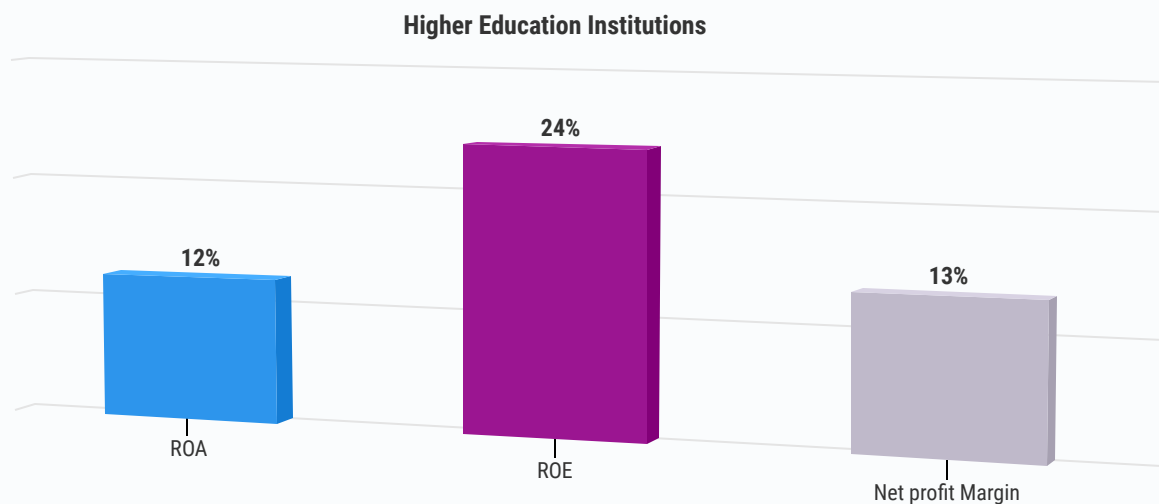
Liquidity Ratios

The study revealed the liquidity ratios of higher education institutions. The current and rapid liquidity ratios were 5.87 and 5.52, respectively, when the liquidity ratio is greater than 1, the indicator is considered satisfactory.



Profit Ratios

The profit ratios of higher education institutions were the following: the gross profit margin was 13%, return on assets (ROA) was 12% and return on equity (ROE) was 24%. Based on given data, the industry has remarkably high costs, which leaves the net profit margin only 13%

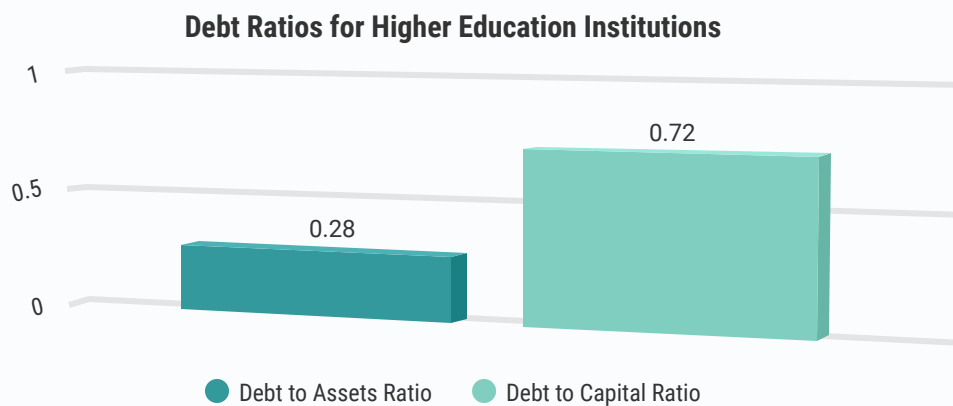




Average Financial Ratios of The Industry (2018)

Debt Ratios

The debt to assets ratio shows the total ratio of assets and liabilities. For higher education institutions this figure equals 0,28. Also, the debt to capital ratio is 0,72, which indicates how much the liabilities exceed capital expenditures.





The report was prepared by AGIC, a consulting firm that has been operating since 2007 and provides the highest quality services in the areas of auditing, accounting, business consulting and marketing.

The company team consists of more than 40 highly qualified, experienced and professional employees who are focused on development and customer success. Auditing and consulting company "AGIC" is a member of "PrimeGlobal" in Georgia, which allows to implement global, complex and complex projects with partners in more than 85 countries around the world.



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