DEVELOPING AN INVESTMENT ENVIRONMENT ENHANCES THE ROLE OF THE PRIVATE SECTOR IN ECONOMIC GROWTH

AL-RAWAS: PRIVATE SECTOR IS STILL “YOUNG” AND DEPENDS ON THE GOVERNMENT EXPENDITURES AND INVESTMENTS

DEVELOPING AN INVESTMENT ENVIRONMENT ENHANCES THE ROLE OF THE PRIVATE SECTOR IN ECONOMIC GROWTH

LOGISTICS ... PROMISING SECTOR BUT!
برنامجنا التخصّصيّ الرائد والفريد

اللغة الإنجليزية القانونيّة للمهنيين

للمحامين، والمحامين المتدربين، والباحثين القانونيين، والمستشارين القانونيين، في القطاعين العام والخاص.

أولاً - أسسات اللغة الإنجليزية القانونية (المدة: شهران).

ثانياً - اللغة الإنجليزية القانونية المستوى المتقدم (المدة: شهر واحد).

ثالثاً - الدورة التأهيلية للختام "تولس" للغة الإنجليزية القانونية (TOLES) (شهران).

يقدم البرنامج مدربون مؤهلون من ذوي الخبرة في مجال المحاماة والاستشارات القانونية، والناطقين الأصليين باللغة الإنجليزية، والحامليين لشهادة تدريس اللغة الإنجليزية للبالغين "سيلتا" و"توفل".

لمزيد من المعلومات حول تفاصيل البرنامج والتسجيل، يرجى الاتصال بنا على الهاتف رقم 30403080 أو على البريد الإلكتروني: www.sltc-edu.net أو زيارة موقعنا: legalenglish@sltc-edu.net

 projectiles
07
Oman Chamber promotes E-marketing concepts for entrepreneurs

06
OCCI Chairman proposes a high-level trade delegation to Syria

28
Logistics... promising sector BUT!
Al-Gurfa symposium delves into the sector, diagnose challenges and put find solutions
An Analytical Study of Omani Female Workers in Sohar Industrial Area

Khazaen Project is in the phase of development proposals analysis

Developing an investment environment enhances the role of the private sector in economic growth

Challenges of Entrepreneurs in the Transport Sector

How innovation is perceived in the Omani context

Duplicity of Economic Standards

Private Sector and Preparedness for the New Stage

Outputs of the “Tanfeedh” and the manufacturing sector
TRusted experience
Crossing Oceans to Secure the Future

oman ship.co.om
Over the past years, the policy of economic diversification, which the Sultanate has considered early since the 1970s, has begun to be seen as a necessary path to support the sustainability of the national economy, especially with the sharp drop in oil prices worldwide, which is the main income of the Sultanate.

Among the proposed solutions is the Logistics Sector, which depends on several factors, foremost of which is the location of the Sultanate, the political and social stability and tolerance that are fully integrated with the economic side.

But the way to a logistics strategy that hopes to become the world’s top 10 logistics hub by 2040 and contribute billions annually to the Sultanate’s economy is not easy. It requires more work and the exchange of constructive ideas that help the Private Sector’s contribution in this framework.

Any future economic movement that has not been taken into account the Private Sector will be meaningless. The reasons given are that the current and future challenges are based on how to make the Private Sector an effective player and a major contributor to the national economy. This is what has been the subject of the visions of development and its general frameworks for decades. The time has come for the actual move of this aspect.

Al Ghorfa Magazine has devoted the main issue to the Logistics Sector. Several visions have been put forward that will contribute to providing officials and decision-makers, as well as businessmen, with the tools that will contribute to shaping the best prospects for future plans in this vital sector.

There is no doubt that any idea, even a small one, may be important and influential, when taken into consideration and working on it. Hence, a positive and creative thinking takes into account things in an unconventional manner, and works to enhance the invisible motivational aspects. It is also possible to look further at enhancing the capabilities of the impossible by inventing the most innovative solutions. Today, the world is betting on ideas and innovation.

We will continue to believe that man is the spearhead at the core of any national development. This is the basis of the leadership policy in the Sultanate since the beginning of the Omani Renaissance. Whether it is related to the Logistics Sector or other, this must be taken into account and the maximum investment in the human resource in all available ways as well as ideas.

Finally, aspirations can be achieved by role of the Logistics Sector through implementing strategies, enhancing the capabilities of ports, free zones and roads, facilitating laws to expand investment in the field, and the contribution of the Private Sector, which will play a key role in the future of this sector. The illuminating hope that every idea starts small and then grows bigger, and that working with unbridled will are what always lead us to the best.
OCCI CHAIRMAN PROPOSES A HIGH-LEVEL TRADE DELEGATION TO SYRIA

The Chairman of OCCI, H.E. Said Al Kiyumi held a meeting with HE Eng. Imad Khams, the prime minister of Syria to discuss the available trade cooperation opportunities between the two countries. Also attended the meeting the Advisor Khalid bin Salim Al Saadi, the charged Affairs of Sultanate’s Embassy in the Arab Republic of Syria.

This visit will come as part of the preparations of OCCI to participate in the Damascus International Exhibition to be held during 17-26 August 2017. The Syrian Prime Minister expressed the readiness of the government to provide entire facilities to bring Omani products to the Syrian market. The trade cooperation between the two countries include bringing Syrian products like fruits to Omani market and Syrian investors to Oman. The chairman of OCCI talked about the participation of the chamber in the Damascus exhibition with a special stall than can be benefited by the companies to showcase their services, products and catalogues. He added that the Omani companies are interested in investing at Syria in the field of oil, tourism and construction of complexes and other available fields.

HE pointed to the preparations of OCCI to organize an high-level trade delegation to Syrian in year future to explore the available investment opportunities.

THE BANGLADESHI DELEGATION BRIEFED ON THE CHAMBER’S EXPERIENCE IN PROMOTING INVESTMENT OPPORTUNITIES

A delegation from Bangladesh National Defense College (BND) visited the headquarters of Oman Chamber of Commerce and Industry and was briefed on its experience.

The visit included a presentation of the investment climate and opportunities in the Sultanate and the role played by the Chamber as the official and main representative of the private sector in the Sultanate.

Bader bin Saif Al Awfi, Assistant Director-General of the Chamber for Administrative and Financial Affairs,
Oman Chamber of Commerce and Industry (OCCI) has boosted electronic marketing of 35 leading and business leaders after SME Department, in cooperation with Al Qabas Training, organized a specialized course, for four days at its headquarters, end of last July.

Eng. Reda Bin Jumaa Al Saleh, Vice Chairman of the Board of Directors of the Oman Chamber of Commerce and Industry for Administrative and Financial Affairs, stressed the Chamber's interest in training and qualification of national cadres through its various initiatives in its headquarters in Muscat and branches in the various governorates of the Sultanate by hosting specialized training courses for various categories of companies and employees, including small and medium enterprises, in cooperation with distinguished training expertise and competencies from inside and outside the Sultanate.

Dr. Firas Al-Atoum, Director of Marketing at Al-Isra University, presented the course and addressed the basic concepts related to e-marketing such as e-commerce, e-money, e-marketing tools and methods in various websites and ways of benefiting from social media in promoting the product through the Internet. The course also included practical experiments on the mechanism of purchasing through the Internet and means of electronic marketing of the product, as well as how to reach the target group at the lowest cost possible. It also included the most important experiences and examples of companies that could achieve great profits through the use of electronic marketing.

asserted that such visits would enhance cooperation opportunities and exchange expertise, experience and partnership in various fields and at all levels.

Sulaiman Bin Sultan Al Mughairi, Director of Public Relations Department at the Chamber, said that the Chamber of Commerce and Industry of Oman was keen to enhance cooperation and partnership with friends from all countries, stressing on facilities and incentives provided for investors.
The businessman Sheikh Salem bin Abdullah Al-Rawas emphasized on the need to increase the economy size and boost it internally by giving more opportunities, attracting new investments and facilitating procedures. Externally the economy can be directed toward foreign markets after ensuring its merit to compete and being of a high efficient and production.

He said in this interview with Al-Ghurfa Magazine that the private sector in the Sultanate is still facing great challenges as it depends on the government’s expenditures and investments, which are currently in a state of decline due to low oil prices and the weakness of the formation of national capital which is attributed to absence of strategic plans and advantages for boosting private sector’s capabilities and potentials. Moreover, this inward-oriented economy is relatively modest due to the limitations related to market size and weak productive and financial capacities.

He pointed out that there are a lot of investment opportunities available inside the Sultanate and the concerned government bodies should prepare investment portfolios for these opportunities, consult international expertise houses specialized in promoting investment opportunities, and offer them in the regional and global markets with additional privileges for the interested companies and institutions.
Al-Rawas hoped that the national program (Tanfeeth) will be effective and influential program, playing its desired role in easing the constraints, empowering the private sector, raising the efficiency of productivity and achievement in the public sector. He also hoped that the future planning will be different from the usual current method and the so-called five year plan will be replaced with a long term plan on the basis of each sector’s needs, and the achievements of each sector is reviewed in an annual basis to align it with other sectors in order to achieve the highest goals of all sectors.

He talked about the capability of the private sector to provide jobs and considered the private sector is still young and relatively weak that is unable to create sufficient employment opportunities for all market inputs in both short and medium terms and even in the long term. This capability depends on many factors including the growth of the national economy in the next stage, types of strategic plans and objectives adopted by the government in future, the role of the private sector in future economic development, its growth ratio, and the extent of coordination between the outputs of the education and training and market requirements which are generated by the future plans and strategy of various economic sectors.

He discussed many necessary factors which are required to make a private sector able to keep up with this stage and to respond to its requirements. Full text of the interview as follows:

- From your experience and close contact with businessmen, how do you view the business sector in the Sultanate?

Business sector consists of private sector as well as governmental and semi-governmental sector that do business either in service, industrial or investment fields. Recently the government has established many government companies and investment funds. All components of this system is known as business sector.

There are some achievements and while there are similarly some failures and challenges. Private sector is facing tight liquidity conditions, lack of incentives, and weak financial sector in both stock market and banking sector. The other component of business sector (government and semi-government sector) is affected by the financial crisis facing the government due to the lack of financial resources apart from the fact that investments on this side are scattered and are not subject to a clear strategy.

All these challenges and variables cast a shadow over the business sector in Oman and minimize its capability to play a leading role in the expansion and to fully use the existing opportunities.

- The Sultanate is facing a crisis of low oil prices, which has led to great challenges, especially in terms of providing employment opportunities; so it heavily relies on the private sector to provide such opportunities. Do you think that the private sector is exerting sufficient efforts to provide job opportunities and what are the challenges facing the sector in this regard?
Both government and private sectors suffer from low oil price crisis since the latter relies heavily on public sector’s expenditure and investments. Employment opportunities might be available, but market inputs may not match with business requirements. Therefore, there is a need to conduct a review on education, training and employment systems so that their outputs are brought in line with the market requirements. As for the ability of the private sector to create adequate employment opportunities for all market inputs, I believe that the private sector is still young, relatively weak and is unable to provide sufficient employment opportunities for all market inputs especially in the short and medium term. However, in the long run, this will depend on many factors including the growth of the national economy in the next stage, the types of strategic plans and goals adopted by the government in future, the role of the private sector in future economic development, its growth ratio, and the extent of coordination between the outputs of the education and training and market requirements which are generated by future plans and strategies of various economic sectors.

- The government has taken many measures related to the private sector, including change on tax and other controls, how do you evaluate such measures and what are their impacts on the sector in both short and long terms? Such measures from the government's perspective are justified and required as the state budget deficit increases due to lower oil
prices. As for the economic planning, the timing of these measures may be incorrect because they will have a negative impact on business sector, investments and private sector in the short and long terms.

These measures were supposed to be taken at a time of economic recovery. In such a case, they will be accepted and absorbed without having much effect. However, being suffering from a financial crisis and economic stagnation, we are supposed to work on expansion plans that encourage more domestic and foreign investments, boost production and increase non-oil exports.

• In general, what are the challenges facing the private sector at the moment?

At present, the private sector faces many challenges which can be summarized as follows:

Private sector relies heavily on government’s expenditures and investments - as noted above - which are themselves in a state of decline as a result of lower oil prices.

Weakness on the formation of national capital accompanied with the weakness on the banking sector due to the absence of strategic plans and advantages which boost in building private sector’s capacities and potentials.

Inward-oriented economy; a relatively modest due economy constrains related to market size and weak productive and financial capacities. The size of the economy is affected by the size of the markets

Lack of liquidity and incentives restricts the sector from expanding and taking full advantage of the opportunities

ALGHORFA . Issue 226 . AUG - SEP . 11
it serves both at home and abroad. Therefore, it is necessary to increase the size of the economy and boost it internally by attracting and opening the door for new investments and investors, facilitating all procedures and overlooking some matters that are classified as negative issues. Alternatively, the economy should be opened to foreign markets, but in this case, the economy must have a strong capacity for efficiency, productivity and competitiveness in the global markets, and since our economy does not have these capabilities, and building these capacities requires a short time and great potential; therefore, I believe we must work to stimulate both the economy and the private sector in order to contribute more in overcoming the economy’s challenges at the present time.

- There are a lot of investment opportunities in the Sultanate in various sectors. How do you rate the sector’s demand to benefit from these opportunities?

Yes, there are a lot of investment opportunities in various sectors and the private sector seeks to exploit these opportunities according to their possibilities, specialization, financial and technical capabilities and whether these opportunities will yield a profitable return.

However, we are at a critical stage...
with great changes and greater challenges at the local and financial levels. We need to think thoroughly on building a larger economy, which requires concerted efforts, mobilization of energies and a suitable climate for enabling the private sector to play a larger role. This never happens without building an active partnership between public and private sectors and activation of the financial sector (stock market and banking sector) to serve as third and fourth parties in the system of this partnership in order to make it effective and involving all sectors of the economy and society. This partnership must be built and directed to achieve the objectives of the economy according to the national vision 2040 and its strategic plans.

There should also be plans and roadmaps for the civil and private sector at all levels (small, medium and large), which wants to have own projects according to their abilities and possibilities under the guidance and support of the government.

- The Sultanate has launched a national program (Tanfeeth) and identified some sectors on which the current plan will focus. It also seeks to push the private sector to play a bigger role in expanding its investments. What is the private sector’s view? Will entrepreneurs and investors interact with these opportunities?

The private sector and investors will undoubtedly interact with this approach and existing opportunities as much as it is easy to access to these opportunities and achieve a rewarding return.

We hope (Tanfeeth) will be efficient and effective program by playing its role in easing restrictions, empowering the private sector, raising productivity and achievement in the public sector, and not being another red line for bureaucracy.

The current plan is intended to be a bridging plan between Plan
2020 and Vision 2040. We hope that the mission will be achieved. It is also hoped that the future planning will be different from the usual current method and what so-called five year plan is replaced with a long term plan on the basis of a program devoted to each sector. The achievements of each sector should be reviewed annually and aligned with other sectors to achieve the highest objectives for all sectors. We are encountering hard times, unusual circumstances and great challenges, let alone that the scientific developments and its practical applications will quickly influence our current life; therefore, we must pay critical attention to all these variables and prepare the economy and society to interact with and benefit from them and also we should be ready to any anticipated economic and social consequences.

• The Sultanate has many elements that can play a role in attracting foreign investment, but the demand is still low. From your point of view, what are the reasons and how can the investment be stimulated to enter the Sultanate?

Many countries are interested in attracting foreign direct investment to their markets because of their economic, social and technological importance. In fact, they are in a frantic race to offer many advantages
and incentives to foreign increasingly demanded investments. Therefore, it is not enough for a country to have assets to attract foreign direct investment since competition is strong among the countries. Any country wishing to attract foreign investments should identify the following points and find out in detail about their potential in attracting foreign direct investment. These points are:

The components of state-owned power through which foreign investments can be attracted. They are natural resources, raw materials, energy sources, market size, geographical location, political, economic and social stability, good and durable infrastructure, technical and trained manpower that are relatively cheap.

Additional privileges and incentives that we can provide to attract such investments, such as tax and customs exemptions, exports support and stimulus, exceptional treatment on imports, undertaking to purchase a product or a part thereof, free or industrial zones with low rental value, employment policies, and administrative and legal simplicity (one station and the speed in completing formalities).

Knowing what competitors are offering is very important for us to be able to convince the investor that what we offer is better than other competitors. Moreover, knowing the strengths and weaknesses of competitors is a gateway to negotiating with investors and offering them what other competitors fail to offer to influence their decisions and attract their investments.

Knowing the requirements of foreign investors is also important so that we can meet their needs and requirements and convince them to invest, especially if we know that the foreign investor’s view of some things may differ from the local view of the same.

The opportunities currently available within the Sultanate are large in quantities. Therefore, the
concerned government authorities should prepare investment portfolios for all these opportunities, and preferably consult international expertise houses to promote investment opportunities and offer these opportunities in the regional and international markets with additional privileges for the concerned investing companies and institutions.

- **How do you look at the logistics sector in the Sultanate?**
  This sector is one of the large and promising sectors. Both public and private sectors operate in this sector. There are private companies working in this field, but all are relatively small. The public sector operating in this field has been recently restructured into one administration, and Ministry of Transport & Communication has completed developing a long-term strategic study (2040) for this sector. It is an ambitious strategy that we all wish it succeeds in achieving all the desired results. However, the government’s effect of current financial crisis reflected in this sector since it is a part of the governmental system. Therefore, the concerned management of this sector must seek innovative solutions to attract necessary investments internally and externally to boost this sector and implement all its phases and activities to achieve the planned strategic objectives.
• From time to time, the chamber sends delegations to different countries and offers meeting opportunities for the businessmen to create new partnerships and exploit investment opportunities. What is your assessment of the results achieved through these delegations?

The conduct of such delegations and the provision of the opportunity for businessmen to travel with these delegations to present their products and services and to see what the other side has in such formal and semi-formal arrangements may yield in signing new business deals and possibly investments. This is really a positive step. It also includes giving a positive idea and a brief on the country’s economy, which may encourage investors from the other side to do business or investment in the country.

The achieved results -small or large- are positive and encourage the continued conduct of such delegations. For further benefit, we suggest to join representatives of government and semi-government entities and institutions to these delegations so that they can provide a lot of economic information and offer investment opportunities in various fields which, in turn, may result in attracting foreign investments that have positive benefits and results on the economy and business within the country.
DEVELOPING AN INVESTMENT ENVIRONMENT ENHANCES THE ROLE OF THE PRIVATE SECTOR IN ECONOMIC GROWTH
The ninth five-year plan deals with a number of challenges, notably the decline in oil prices and the young population structure in Oman. Meeting these challenges requires strengthening and increasing the role of the private sector in development and activating the various sectors, thus opening up new channels to supply the market with large numbers of jobs. Among the important mechanisms to face the current challenges are upgrading the Sultanate’s competitive capabilities and creating an attractive and favourable environment for investment. This is one of the main objectives pursued by the Ninth Five-Year Plan.

Government policies provide a significant role for the private sector to achieve the objectives of the plan. The private sector, individually or in partnership with the public sector, will have the opportunity to invest in a number of large projects run by the government of total development investments for the Ninth Plan.

From its part, the government is currently working to protect the national economy from the repercussions of the crisis of low oil prices and oil revenues. Government policies continue to balance the rationalization of public expenditure, increase its effectiveness and maintain the momentum of economic growth. And therefore it went ahead in government programs to develop infrastructure and strengthen the capacity of the private sector in growth and allocation of some projects in order to increase the efficiency of its management and provide more options for investors. The government also continues its programs to attract investments in various economic sectors, expand the role of the private sector in the Omani economy, and take measures to develop the business and investment environment. It also creates
opportunities for the private sector, launches large investment projects and takes care of the small and medium enterprises sector.

The government gives a high priority to develop measures to provide more flexibility and facilitation to the business and investment environment in the Sultanate, such as launching an easily invested portal and the establishment of a department in the Ministry of Commerce and Industry. This step is to provide assistance in facilitating and finalizing the investment projects costing more than RO 10 million. This step includes the electronic window «Bayan» and the establishment of a general Directorate of the Ministry of Housing that specializes in providing and facilitating services for real estate development and tourism and amending the articles of the law of foreign capital investment.

In order to provide an effective economic contribution by domestic and foreign investors, they have a major role to play in investing well in the public services sectors such as health, sewage and solid waste management, as well as the five sectors identified in the ninth five-year plan: logistics, manufacturing, tourism, mining and fish farming.

The past period witnessed many important developments that truly prove the potential and benefits of effective partnership with the private sector. The government has already announced that plans to rationalize government spending have included a huge saving in the implementation of the Sultan Qaboos Port Waterfront Project at a cost of half a billion riyals, financed by the private sector. Recently, large investments were made in new projects in the Special Economic Zone at Duqm by the private sector.

During the last year, Special Economic Zone at Duqm attracted more local and international investments. Total new investments amounted RO 5 billion (US $ 13 billion), of which US $ 10.7 billion was invested by the Chinese-Omani Industrial City at and RO 900 million in the sectors of industry, tourism, trade, real estate development, education, logistics and others.

These investments reflect the investment climate of the Sultanate and the success of attracting local and international companies to invest in the region. The region is witnessing a number of successful private sector investments such as the Refinery, the Petrochemical Complex and the Chinese city.

Among the most important developments regarding the partnership projects is the follow-up of the implementation of the initiatives undertaken by the Supreme Council
for Planning. There is a commitment to the predetermined timetable through the rates achieved at the level of the main indicators of each initiative. The task forces, formed to follow up the implementation of these initiatives, follow the development of important public-private partnership projects including the Typical Residential Neighbourhoods project, the Governmental Schools Project, the Al-Amrat Hospital Project and the Central Vegetable and Fruit Market Project in Al-Fulaij. These projects have been assigned to a team on the follow up of the private partnership projects.

The expansion of partnership projects and the increase in the role of the private sector in development give a strong impetus to the success of the government’s economic policies towards economic diversification despite pressure on the budget due to the sharp fall in oil prices. Despite the low oil prices, the Sultanate has many resources, capabilities and infrastructure to continue growth. While the investment environment is much more attractive, the opportunities increase and investment volume pumps largely in different sectors of the economy.
Nabil Salem Al Baimani, Chief Executive Officer of Oman Logistics Center, said that the proposals presented by investors from inside and outside the Sultanate to develop the logistics city in Barka (Khazaen) are being analyzed. He noticed the desire and seriousness shown by those wishing to invest from the proposals presented.

Oman Logistics Company has launched nearly 10 kilometers of Khazaen City for development through the construction of warehouses and services management, real estate development companies specialized in public services, commercial and residential activities, as well as banks, finance companies and investment portfolios. The total area is 95 square kilometers, which is to be developed in five phases. The establishment of the Logistics Zone (Khazaen) is a continuation of the Government’s plan to improve the infrastructure of the logistics sector. The aims are to upgrade the services to cope with the growth of the Sultanate’s trade movement and the world economic openness, to activate the investment aspects and promote the competitiveness by positioning the Sultanate’s as a major logistics center.

A promising national strategy
In an interview with Al-Ghorfah Magazine, Nabil Al-Bimani said that the Sultanate has developed a promising national strategy to activate the logistics sector and increase its contribution to the gross domestic product GDP. He pointed that the government has invested heavily...
in the infrastructure of ports, free zones and a modern network of roads and airports, thus it has the potential to make this sector a major contributor in the gross domestic product.

Al-Bimani stated that the ASIAAD Group, which owns Oman Logistics Center, is currently implementing the national strategy. It has developed executive programs to achieve the growth that the government aspires to reach in the field of logistics and to benefit from the investments it has made in the logistics sector including the development of ports, free zones and others. He also noted that the Group has also developed a strategy for the development of its group of companies to participate actively at home and eventually heading towards globalization.

4 key elements

Al Bimani added that the Center has gone a long way in implementing the national strategy and activating related programs in the areas of markets, trade facilitation, human capital and logistics technology.

In the area of markets, “IRSAA” program has been established to review opportunities in the logistics sector, attract investors and overcome obstacles that hinder the investment. Ten target sectors were identified. There is a team studying the opportunities available and providing some of the data needed by the investor.

A team from the private sector and Ithraa is also monitoring and supporting all activities and trying to overcome the obstacles in coordination with the relevant authorities.

A memorandum of understanding was signed with the National Center for Statistics and Information to consolidate the inputs of the logistics sector into the GDP, to provide accurate data on the logistics sector and carry out opinion polls related to the logistics sector.

In addition, an operational plan for the implementation of e-commerce is being prepared in partnership with Oman Post.

Trade facilitation

With regard to trade facilitation, Al-Bimani said that the plan calls for facilitating all measures that impede the promotion of investment in logistics. To achieve this, eight task forces have been formed to serve as a link to the various logistics activities and to be a support provider for proposing solutions. The Center follows up these proposals with the relevant governmental bodies.

He pointed out that the General Administration of Customs interacted with everything that would contribute to facilitate the business. It adopted the approved economic operator and started the piloting the pre-customs clearance with seven selected companies at this stage as well as the implementation of risk management system in the inspection operations and customs clearance.

In order to facilitate the procedures, signing memorandums of understanding with the parties concerned with customs clearance is under way in order to agree on the quality of service indicators and the expansion of the customs warehouses. The current plan includes increasing the number of warehouses to reach 10 across the Sultanate by the end of the year.

Human capital

The sector currently suffers from the lack of qualified professionals to manage the sector in addition to the reluctance of young people to engage in this field, as the Omanization rate is still limited.

So, these needs of the logistics sector are being studied in addition to encouraging academic and training institutions to provide these needs and to urge the private sector is willing to invest but the government needs to overcome obstacles and make procedures smoother.

Nabil Salem Al Baimani
Chief Executive Officer of Oman Logistics Center
Omani youth to join the logistics sector.

He added that to achieve these goals, Sawaed Program has been launched. In order to inform Omani youth working in the logistics sector of international experiences and best practices, 10 Omani young men will be sent to study an intensive logistics course in the Netherlands in coordination with the Dutch government. Al-Bimani claimed that they also seek, with the help of research institutions, to direct researchers to undertake research in the logistics sector.

In addition, the national strategy focuses on using new technologies to make the logistics sector more attractive to international companies and to be managed efficiently. The techniques currently used are being reviewed and the technical developments around the world are being inspected to be brought to the Sultanate.

ASIAAD Strategy

The CEO of Oman Logistics Center spoke also about the Group’s strategy, which was launched under the slogan “Vision Towards Globalization” to achieve the aspirations of the national logistics strategy which calls for expansion towards globalization.

He said that the group seeks to manage its affiliated companies efficiently and reduce government subsidization for these companies. The Group also seeks to invest the potential of the Group companies and create integration between them to provide the best services. He pointed out that the government invested heavily in the ports and provided capacity, but the ports are still working less than the capacity and the possibilities available. He added that the role played by the Group now is how to maximize the benefit of the infrastructure in ports and free zones, for example, the percentage of exploitation of Sohar Free Zone is 15%, and 55% in the Salalah.

He said that ASIAAD is seeking to attract more international shipping lines to the ports of the Sultanate. A tender has been awarded for studying the state of the free zones and their competitive and marketing advantages and activating them to work more actively. He also said that they are also working to facilitate the procedures for activating the business and investment in the Sultanate, and in order to do they are working on a unified electronic station to overcome these challenges.

He said the coming period will see the birth of some projects that they are currently working on, including the system of the port community which aims at benefiting from Omani ports and increasing competitiveness.
More regulations needed

Regarding the private sector and its role in investment in the logistics sector, Nabil Al-Bimani said that the private sector, despite its willingness to invest, is still facing obstacles and difficulty in working procedures which he hopes that the government is going to overcome. The sector needs more regulations to encourage investors. He pointed out that the private sector is still focused on simple logistics work. For example, investment in the refrigeration chain requires the establishment of a system of refrigerated warehouses and carriers. However, the private sector doesn’t pay much attention to it. He pointed out that the private sector hopes that the government would overcome obstacles and take into account some aspects that affect the efficiency of operation and raise the cost of business.
The most important projects in the Logistics Sector

South Al Batinah Logistics Area Project (Khazaen)

It is a exemplary city connecting Logistics network with Promising opportunities investment.

Road Transport projects:

Develop and connect the rail way with mining fields.

Road linkage with Kingdom of Saudi Arabia

One Stop Station for customs clearance (Bayan). build up Customs Warehouses Of goods.

Improve Refrigeration Logistics Network. Enable E-Commerce.

Air Transportation projects

Cargo Village Project at Muscat International Airport and operational efficiency improvement of the airport.

Maritime Transport Projects:

Improve the quality of Omani port services.

Expansion and enhancement of navigation lines through Omani ports and increase competitiveness and level of services provided from local logistics providers.

Application of the system of ports community in all ports in the Sultanate.

Provide a stimulating business environment for all free zones during the development and improvement of systems and facilities.

26. AUG - SEP
Target Indicators in the Logistics Sector to 2020

- Raise the contribution of the sector in the GDP to 2 Million Riyal
- Increase the volume of investment by less than one Million Riyal
- Increase the number of jobs currently provided by the sector to 100,000
- Reduce time to complete the procedures for clearing the imported cargo in the shipment from 7.2 to 1.5 days
- Increase capacity in ports to 7 million tonnes (equivalent to 20 feet as capacity)
LOGISTICS... PROMISING SECTOR BUT!

AL-GURFA SYMPOSIUM DELVES INTO THE SECTOR, DIAGNOSE CHALLENGES AND PUT FIND SOLUTIONS

- WE ARE IN A REGION THAT HAS 80 MILLION AND WE HAVE A GREAT CHANCE DUE TO OUR STRATEGIC POSITION
- REGULATIONS SHOULD BE IMPROVED, WORKING ENVIRONMENT BE FACILITATED BY USING TECHNOLOGY, AND A STAFF BE QUALIFIED TO MEET SECTOR’S NEEDS

Logistics sector constitutes a great importance in the Sultanate in enhancing national economy. The government looks at it as a promising sector in diversification of income sources by increasing its contribution in gross domestic product following its efforts to prepare necessary infrastructures in constructing developed ports, free zones that accommodate so many industries as well as constructing comprehensive road network. Furthermore, the safe and stable political climate along with the geographic position are considered key factors in making a quality transformation in logistic services industry to became a main logistic services center worldwide.

Logistics sector is one of the six sectors included in the national program “Tanfeeth” that is currently adopted by the government due to the available investment opportunities in this sector. A national long term ambitious strategy has been proposed to make the contribution of this sector amount to 14 billion OMR in GDP and to provide around 300 thousand job opportunities for the youth by 2014.

Al-Ghurfa Magazine conducted a wide scale symposium where decision makers, investors and experts gathered and sat down at one table and was attended by Saif bin Saood Al-Mahroqi, acting CEO of Oman establishment for press, publication and advertising. The main theme of this symposium was on how the Sultanate can achieve the desired goals in this promising sector, what are the obstacles that may be encountered? What is required from the government to enable this sector to achieve the strategic goals? What is the role of the private sector to contribute efficiently as a real partner in economic development?
The participants agreed that the Sultanate has the ability and potentials to play a greater role in logistic sector but some laws and regulations need to be reconsidered. It is also necessary to work on accelerating procedures and resorting on modern technologies and benefiting from global expertise that achieved concrete successes.

They also clarified that some concerned bodies are conducting their required roles and managed to keep up with next stage’s need including Administration-General of Customs which implemented several programs and systems to simplify procedures. Ports, in other hand, are required to play a greater role and to compete worldwide by offering best services.

Moreover, they noted that the sector is capable to provide a lot of job opportunities as per the national strategy. However, the education outputs should fit and meet labor requirements by establishing specialized institutes which train and qualify trainees to work in the sector and also by coordinating with universities and colleges in the Sultanate to introduce new majors that are in line with the sector’s requirements.

Abdullah Al-Shuaili, Editor in Chief of Observer said at the Symposium opening “ Governmental policies propose ambitious goals for the logistic sector as the sector’s strategy aims at transforming it to occupy the 2nd GDP place by 2014 and pushing the Sultanate to become among 10 global logistics center by 2014.”

He added “ currently the Sultanate possesses several elements that constitute a good infrastructure for logistics sector starting from a comprehensive network of airports and ports, State of art road network, the distinguishing geographic position and political stability as the Sultanate came in the 48 place in global ranking in political stability. Besides the main objective in establishing a strong economic sectors supporting economic diversity, the logistics sector is hoped to contribute in realizing the essential objective in contributing efficiently in providing a big number of jobs for citizens and supporting small and medium enterprises that might find a wide area for working in accompanied services in the sector such as transportation, shipping, distribution… etc.

National Strategy

Ahmed bin Said Tabook, Senior Manager in Oman Center for Logistics of Asyad Group, talked about the national strategy and the role carried out by the National Center for Logistics explaining that the group was founded in 2015 with an objective to implement the national strategy for the logistics sector through Oman Center for Logistics and by improvement of the performance of the governmental companies working in logistics sector such as ports and other fields, and assisting some of these companies to avoid losses and enabling them to be a profit ones. There are now 15 companies besides two companies belonging to Oman Company for Shipping.

He added that the national strategy for logistics 2040 sets some goals for the years 2020, 2030 and 2040 in order to increase the sector’s contribution in domestic product (GDP). In year 2020, 3 billion was expected contribution to GDP, in year 2030 the contribution will increase to 8 billion and in year 2040 it will amount to 14 billion OMR.

Custom Sector

During last few years, the logistics sector witnessed the implementation of some projects that reflect the attention given for this sector including the customs and the way of accelerating their completion in the customs ports.

In this regard, Colonel Said bin...
Khamees Al-Ghaithi, Assistant Director General of Customs, shed light on the ROP’s vision in logistics sector development in terms of charging, discharging and customs ports.

He said that cosmos sector plays a main role in the development of logistic sector system. There are 27 land, naval and air customs ports in the Sultanate which are overseen by the ROP’s Customs, especially main ports namely Suha, Salalah and Duqm.

He reiterated that customs are available in all land, naval and air ports in addition to Mawalih Souq which is considered as a custom port as well as the fish export center in the Central Fish Market with the purpose to facilitate exportation.

To keep up with the sector, ROP’s Customs sough long time ago to develop its infrastructure and services. Thus, in 2011 directives were issued to conduct a comprehensive development to customs sector by developing personnel, infrastructures by constructing best modern customs ports in accordance with the international standards and automating all customs businesses.

He pointed out that “Bayan” system adopted by the ROP’s Custom is expected to lead to a quality leap in easing customs processes. Merchants can easily finish custom procedures related to export and import through this program which integrates 19 specialized customs transactions systems.

Abdullah Al-Shuaili:
Government proposes ambitious ideas to transform the sector into the 2nd contributor in gross domestic product (GDP).
The floor was given to Nasr bin Zahir Al-Hadhrami from the Directorate-General in the Public Authority of Investment Promotion and Export Development (Ithraa) to talk about the Authority’s plan in logistic sector development and Sultanate promotion internally and externally.

He said that the Authority works to promote investment inside the Sultanate and to develop exports abroad. In 2015, the export development strategy was updated by knowing the targeted sectors in term of demand and supply and the competitiveness capacity in the region. 10 sectors were chosen including the logistic sector and 25 markets in a coordination with the concerned bodies.

Currently, (Ithraa) works on promoting logistics sector through (Asyyad) and other concerned companies in this sector, identifying the relative projects and promoting them in international event in order to attract investments. Among these efforts is the participation of Asyyad in India to promote land port project and Indian investors accordingly showed an interest and desire to invest in this project.

Available Investment Opportunities

Under the theme of the most important available investment opportunities, Mohammed bin Hassan Al-Anssi,
Deputy Head of Transport Sector Committee in Oman Chamber of Commerce and Industry (OCCI), said that logistics sector is a big sector with a lot of chances of investment, noting that Asyyad is now the regulatory body of the sector and that there are some regulations and laws that need to be reconsidered to serve investors in this promising sector. For instance, the consequences of the Gulf crisis in Suhar port give a new indicator and made us rethink of why not we open Omani market? And why not we increase the operators? Since the port is currently full of ships and trade movements. Moreover, the new road with Saudi Arabia is a shortcut to Riyadh. However, these chances are not exploited yet due to certain restricting laws.

Mohammed Al-Ansi:
Logistic sector is scattered and with the new plan 2020 it will accommodates 50 thousand extra jobs.

Mostafa bin Ahmed Salman, Chairman of United for Financial Investment Board and the member of Financial and Banking Sector Committee in Oman Chamber of Commerce and Industry (OCCI) added that the government is required to develop logistics sector and set sufficient regulations and laws to this sector since the national strategy is new and the sector has several objectives. The current sector’s contribution is 5% of GDP and will increase to 8% and the sector accommodates 30 thousand employees and this number is expected to increase to reach 80 thousand jobs opportunities by 2020 and to 300 thousand jobs by 2040.

However, how can we achieve that according to each stage? He considered this as the real challenge and to achieve that each step serving the goal should be considered. He said that the regulations and the streamline of work environment is a key requirement. The Sultanate’s ports compete internally; whereas they...
should compete regional ports which are very ahead from us. We are in a region of 80 million people and enjoy a great opportunity due to the strategic location, and still 46% of our products are imported through land ports while the ports are supposed to attract these products.

**Investment in Cargo**

Mahmood Al-Mosali, Marketing Manager in Oman Air’s Cargo Section, pointed out that cargo is a secondary service provided by the Oman Air, and Oman Air does not have specialized aircrafts for cargo services. However, with “Tanfeeth” project there is a study to provide two or three aircrafts for air cargo. Although of the current’s air cargo situation, there is an annual increase in its rate.

It is the right time to open doors for air cargo investment, but the interested investor faces obstacles and difficulties, explaining that increase in the number of the ports operators will support the internal completion.

**Operators’ Competitiveness on Prices**

Colonel Said bin Khamees Al-Ghaithi, Assistant Director General of Customs, views that the competitiveness among ports’ operators should be on the quality of the delivered services rather than the prices. Competitiveness on offering best services will lead all ports to develop their services and accordingly compete at the regional level. A merchant cares about the time needed to finish his/her works.

**Muscat Station for Containers**

Khaleel bin Abdullah Al-Bulushi, Senior Business Development Director in City Shipping Logistics Company, discussed the obstacles encountering
the sector particularly in logistic field and the solutions to overcome them. He said that City Shipping Logistics provides various services including land ports and containers. The company has the project of Muscat Station for Containers which is the first land port in the Sultanate which provides a number of services such as customs clearance and coordination with the Directorate-General of Customs.

Muscat Station for Containers is located in Al-Rumais and is considered the portal to Muscat governorate. The idea of the project is initiated in 2009 where operations of Sultan Qaboos Port was transferred into Suhar Port. The idea was reviewed with the concerned authorities including the Directorate-General of Customs; accordingly the station was established and greatly facilitated imports and exports to merchants and companies.

In the past, logistic sector used to face so many challenges, but nowadays such difficulties were lessened due to the cooperation of the concerned entities.

He stressed that the Directorate-General of Customs played a big role in cooperating with Asyyad to

Mostaf Salman:
Ahead challenges to be overcome including regulations and work environment simplification
regulate logistic sector. There is also a governmental company implementing the national strategy that has many significant initiatives pertaining to the accredited economic operator in a cooperation with the Directorate-General of Customs and in other projects, symposiums and fora to identify challenges and obstacles and finding solutions for land transport, storage, chain of supply, fish exports and streamline of fisheries wealth logistics.

He added that Suhar Port needs to enjoy a great capacity to handle transactions clearance and our dreams are far away than that.

### Crisis Management Plans

Ahmed Said Tabook, Senior Markets Manager in (Asyyad) gave his contribution on how to solve crisis of ports operation, saying that there are so many working teams in Suhar Port specializing in addressing crisis that might occur in term of performance when there is an increase in the ships entering the port. There should be plans to handle any sudden crisis to maintain the performance. Accordingly, during one month the number of the containers in the port was nearly doubled as the previous problem lied on absence of sufficient working teams.

### Sultanate’s Strategic Position

Mohammed bin Hassan Al-Anssi, Deputy Head of Transport Sector Committee in Oman Chamber of Commerce and Industry, views the issue from a different prospective, saying that the port’s problems are administrative and not related to the capacity. He added that the company lacks the ability to accommodate more personnel and equipment.

He said “We must look at the Sultanate’s strategic position. Salalah Port is the best transit port, but the problem lies on the agreement with only one company which take control of the port, and when this company moved to Jedda Port, the business declined in Suhar Port as they transferred some business to Jedda Port, Saudi Arabia. We must make the best of the strategic position and serve as a transit route to all world countries. Moreover, the logistic sector’s staff should handle any challenges rapidly and find solutions quickly.”

Mahmood Al-Mosali:

We study the possibility to buy two or three aircrafts - through “Tanfeeth” - to be dedicated for air cargo.
Information Technology and “Bayan” Project

Colonel Said bin Khamees Al-Ghaithi, Assistant Director General of Customs, discussed the investment in information technology and its gains to the logistic sector, saying “We in Directorate-General of Customs sought to develop customs process with assistance of global companies and prepared a study on customs work in the Sultanate and concluded that customs structure must be upgraded.” He noted that “Bayan” project aims at easing and accelerating customs procedures in addition to maintaining accuracy in the given statistics and figures since accuracy here is very helpful in construction and planning processes. The most important element is “Bayan” is the reduction of release period as the program completes the customs procedures only in 30 minutes. Al-Ghaithi added that “Our vision next 10 years is to pioneer the world in terms of the release period speed since the Sultanate was in 60s ranking in 2014 and within 2 years it advanced 11 places.”

Omanization of Technical Experiment

Ahmed Tabiik, Senior Markets Manager in (Assyad), talked about Assyad’s vision in the Omanization of technical staff in the Sultanate’s ports, saying “the essential strategic pillars are markets, commerce facilitation, human capital and technology.”

Khaleel Al-Bulushi:
The project of Muscat Station for Containers is the first land port that carries out clearances of customs formalities.

General of Customs sought to develop customs process with assistance of global companies and prepared a study on customs work in the Sultanate and concluded that customs structure must be upgraded.” He noted that “Bayan” project aims at easing and accelerating customs procedures in addition to maintaining accuracy in the given statistics and figures since accuracy here is very helpful in construction and planning processes. The most important element is “Bayan” is the reduction of release period as the program completes the customs procedures only in 30 minutes. Al-Ghaithi added that “Our vision next 10 years is to pioneer the world in terms of the release period speed since the Sultanate was in 60s ranking in 2014 and within 2 years it advanced 11 places.”

Omanization of Technical Experiment

Ahmed Tabiik, Senior Markets Manager in (Assyad), talked about Assyad’s vision in the Omanization of technical staff in the Sultanate’s ports, saying “the essential strategic pillars are markets, commerce facilitation, human capital and technology.”

Oman Center for Logistics Structure
consists of four departments; each
department is concerned in one of
these pillars. Technology is the element
on which the competitiveness of the
logistic sector was built. The indicators
that distinguish some ports from
other is reflected in the port’s speed in
handling containers, and accordingly
the reduction of financial cost. He
exemplified for that by Singapore
Port which is equipped with modern
management techniques contributing
in the increase of containers numbers in
the port. Technology ensures for traders
that their goods during their route from
source to the consumption destination
has no stop in storage process.

We look forward to be producers in
technology processes through programs
in universities and research centers with a
coordination between us and a research
center to see the possibility of conducting
research projects in technological field
pertaining to logistics sector.

Unexploited Agreement

Nasr bin Zahir Al-Hadhrami from
the Public Authority of Investment
Promotion and Export Development
(Ithraa) sheds lights on the external
markets and their keenness to invest in
the Sultanate in the logistic field, saying
that “We at Ithraa” signed free trade
agreements which are not activated
and used properly. Ithraa works now
to raise awareness on these agreements
so that the investor knows them well.
Among these agreements are Free Trade
Agreement with U.S and Singapore as
well as the Joint Gulf Market which are
considered as a competitive privilege for
the investor. Some may ask is it possible
to use the Sultanate for exporting to
the U.S.? and is it possible to establish
factories in the Sultanate to produce
domestic products? All these are a
competitive privilege for the Sultanate to
which it may promote.

External investor looks for a real
opportunity and certain projects. In
Ithraa, we identify and promote such
projects overseas rather than promoting
all aspects of the logistic sector. Our key
challenge now is to find specific projects
for promotion.

Attraction Forces

About the attraction forces that the
Sultanate enjoys, Colonel Said bin
Khamees Al-Ghaithi, Assistant Director
General of Customs stated that there
are many investment attractions in the
Sultanate such as the strategic position
and political and security stability, and
if they are used appropriately with a
good planning, the Sultanate will be a
regional lucrative investment place. These attractions must be utilized and services must be improved, we will be a strong competent in the region.

On attraction elements, Ahmed Tabook, Senior Markets of Assyad added that “ports, free zones and markets are the most important attractions. Investor who is interested in working in the country, the first thing he/she would ask is about the markets. We want to have specialized ports and free zones so that they focus on certain markets, in term of their adjacency. Suhar Port, for instance, might serve Asian markets while concentrating on investors who target these markets. Moreover, the Sultanate’s ports must avoid competing over prices and focus on specialization so that each port serves neighboring markets and free zones.

**Oil Prices Impact**

Mo'tafa bin Ahmed Salman, CEO of United for Financial Investment and A member of Financial and Banking Sector Committee in OCCI touched on the decline in oil prices, saying that “the low oil prices has a great impact on the private sector’s investment in logistics. The gross domestic consumption processes dropped to about 25%, which affects import processes and suspend private sector’s investment in land transportation which constitutes an integral stage in the process of shipping through sea and air ports.

Today, the private sector encounters many hardships in this sector, but there might be some other mechanisms to enhance the local companies by using the system available in other countries which already achieved some success in re-exportation. Efforts must be exerted to find low cost but competitive mechanisms.

Ahead so many opportunities to be exploited but service cost is the underlying factor.

About the effect of low oil prices in the increase of the air cargo with Oman Air, said Mahommed Al-Mawsali, Marketing Manager in Oman Air’s Cargo Department, that “As an airliner, the low oil prices was not positive because at the same time international trade dropped; it is a matter of relativism; oil prices drop and international trade lowers too since our work is of international nature”

Ahmed Tabook, Senior Manager of Assyad’s Markets believes that generally the sector is considerably influenced even by the GDP itself, but Omani ports, for example, achieved growth as the rate of containers reached to 27% in 2016 with a growth rate of 10% and Salalah Port recorded the highest trading growth rate in the world.
On the importance of existence of actual indicators in this sector including- for example- the number of jobs the sector might provide in the logistic sector for the job seekers? The opportunities of study that might be offered for the youth? Mohammed Al-Anssi – Deputy Head of Transport & Logistic Sector Committee in OCCI explained that logistics sector is scattered and the existing problem is the absence of a clear definition for it; it is not only about cargo and transportation, yet it is more that and comprise more services, and there are technical services necessary to universities graduates. With the new plan, the sector will accommodate 50 thousand new jobs. However, among the current problems is that the existing logistic companies are limited and some work under clandestine trade, and the government has not develop a specific employment strategy in this sector. The workers in this sector require to be trained and taught in specialized institutes to work in this sector. Oman Maritime Collage teaches a specific part of maritime transportation, but never covers all logistic aspects.

Ahmed Tabook, Senior Markets Manager (Asyyad) commented that human capital is a part of the national strategy and there is a working team in Asyyad working on conducting to fulfil the strategic objectives.

This program is there in the universities, collages and training centers. A study is been conducting to specify the jobs and required qualifications to each job needed by the sector in the coordination with Ministry of Manpower and also to identify labor market requirements to connect between them and the education outputs.

He added “We also have a program knows “Sawaed” with an aim to inspire people to the logistic sector and introduce this sector and its majors to students.

Among the strategic objectives in 2020 Strategy is to increase the number of sector’s worker to 80 thousand employees with an Omanization rate of 20% compared to 74 thousand employees and Omanization rate of 13.1 according to the statistics conducted in a cooperation with Manpower Ministry as per the new definition of the sector.

Tabook added that there is another program between Assyad Group and National Fund for Training as well as a joint action plan for training workers in this sector.
Transport activities are one of the promising areas that open up a wide range for SME growth in the Sultanate. This activity is a key pillar of the logistics sector on which government policies depend on expanding economic diversification and creating strong economic sectors to boost the national economy.

The citizens of transportation projects face many challenges that limit the growth of their businesses and may even push some out of this field. Hidden trade is at the forefront of the challenges faced by entrepreneurs as well as a phenomenon that has recently spread and caused many legal problems for entrepreneurs. Also, the delay in payment of financial dues by major companies with which entrepreneurs work is another problem.

In this survey, transport entrepreneurs face challenges and offer a number of solutions that can greatly contribute to overcoming challenges and creating a favourable working environment for citizens engaged in transport activities.

**Smashing prices**

Sulaiman bin Khalid Al-Rashdi stressed that a law should be enacted to criminalize hidden trade. This phenomenon bears the negative consequences of all parties and is not borne by one party, government or citizens, but private sector companies, which makes it a top priority to face.

He explains to us that hidden trade is transport equipment that is ostensibly owned by Omanis and run by expatriates. They smash prices for citizens, so it is easy for them to get contracts and business, and the Omani citizen becomes unemployed and debts accumulate.

In addition to the late payment of dues by the companies in which the citizen equipment works, this delay contributes to the delay of the citizen to pay the obligations owed to funding agencies and therefore funding companies require funds and the citizen become as the victim.

He added that it is hoped that the Chamber of Commerce and Industry of Oman, as representing the private sector, can contribute to finding solutions to this issue by a settlement between the citizens working in the sector and the financing companies, so that the premiums can be rescheduled to the citizens as a reduction of premiums or increasing the number of years. The citizen can work without pressure and have the time to pay the money to these companies. The Chamber can also mediate with the companies that are late in paying so that the citizen can obtain documents proving that he has money that he has not yet collected. So, he can notify finance companies that he has funds not received due to delayed payment from companies, and therefore can understand the status of this citizen.
Delayed payment of dues

Qais bin Mohammed Al-Harrasi offered an example of difficulties faced by entrepreneurs and pushed them out of the field of promising work. They search for a job fixed income as he explained that he was working in the field of road transport equipment, and had two trucks. He had to sell one of them and is currently thinking of selling the second and out of work in this area, because of these great challenges facing Omanis working in equipment and road transport. He is now going to work in a company to gain career stability.

He notes that it is a challenge for entrepreneurs to delay the payment of dues by companies that have contracts with the government, where the delay of payment is up to 8 months and 10 months. Many transport equipment owners have obligations to pay to finance companies, pay workers’ salaries, as well as car maintenance and repair. One of the consequences of delaying receivables is to expose entrepreneurs to legal problems due to checks owed to finance companies.

He added that some of the owners of equipment and cars resort to sell them because of the accumulation of debt. The Chamber of Commerce and Industry of Oman was contacted and so far we have not got any solutions to these challenges.

He also points out that the problem of hidden trade is also a challenge that many foreigners work in this sector, and compete with citizens. They also get contracts from companies, and the Omani citizen does not get them. The problem must be combated and the strict sanctions should be put in place when discovered. The big problem is that those who work in hidden trade reduce the prices they get from companies so they can get business in companies, and reduce the price of road transport.

We, the owners of land transport equipment, demand the existence of official bodies that organize contracts between companies and Omani owners of small and medium enterprises working in the field of land transport, in order to guarantee their rights, such as fines if these companies delay payment of dues to citizens. Also, contracts should be at interests of the two parties.

Work without payment!

Mohammed Bin Khalifan Al Rahbi said he has nine trucks working in transport activities through two companies. One of the most important challenges he faces is that he is working free of charge. He has late payments of about 25,000 Omani riyals to the companies he works for and has not received so far.

He pointed out that the transport activity is characterized by the fact that it is a non-organized sector especially that its responsibility is for many
concerned bodies. We have visited bodies responsible for organizing this activity to try to find solutions to the problems and challenges that face owners of small and medium enterprises. However, no solution!

**Review**

He added that the challenges also include that expatriates are working heavily in the land transport sector, whether investors in the sector directly or working behind the so-called hidden trade. As a business entrepreneur, we ask why foreign investments are allowed in this sector, which provides good opportunities for the Omani citizen. Even with regard to the national economy, we see that when a foreign investor receives his dues at the end of the month and he transfers them abroad. The government does not benefit from him. The Omani’s money is spent in the Sultanate. The investor, when employed in this field, does not hire Omanis but employs foreigners. Therefore, the citizen does not benefit from this investor. For all these reasons we demand that this field to be omanized and that there is no opening for foreign investment which should go to other sectors through which the government can benefit from.

On the other hand, it is clear that rules governing transport need to be reexamined to achieve greater justice for the local transporter. The foreign transporter is allowed to enter the Sultanate without a load and leaves the Sultanate loaded. In contrast, the neighboring countries do not allow us to enter Oman except our trucks loaded. We emphasize that the government should not allow foreign carriers to enter their land unless their trucks are loaded.

**Mohammed Al-Rahbi:** Rules need to be re-examined to achieve greater justice for the local carrier.

**Call for intensified inspection**

He stressed that the number of owners of land transport equipment affected by the challenges facing them are up to about 500 people. Perhaps there are...
Saif Al-Muqbali: The Omani works efficiently and foreign investment in this field should be limited

Qais Harrasi: We demand an official entity to organize contracts with major companies with fair terms

others affected we do not know and did not communicate with them.

Al-Rahbi offers a number of solutions that he deems appropriate to overcome the challenges such as the enactment of a law criminalizing hidden trade because His Majesty Sultan Qaboos has ordered to deal with this phenomenon in any way. We also call for the intensification of inspection teams on hidden trade and the necessary procedures in case of detection. Efforts of government agencies, concerned with road transport, should be united to find solutions to the challenges faced by owners of small and medium enterprises.

He stressed that meeting the challenges also calls on parties such as the Chamber of Commerce and Industry of Oman and the General Authority for the Development of Small and Medium Enterprises to contribute to monitoring the commitment of large companies to provide and give 10% of their projects to owners of small and medium enterprises.

Addressing the phenomenon

Saif bin Musabih al-Muqbali explains that he works in the field of road transport and has 3 transport equipment. In this regard, hidden trade is the biggest challenge for owners of small and medium enterprises. There is no strict punishment and fines to stop this phenomenon once it is discovered. In this trade, foreigners compete with us in the market. The remittances outside the Sultanate are great, and they are a great proof of the spread of this phenomenon.

al-Muqbali agrees to stop foreign investment in the field of land transport, because the Omani is capable of working in this field and does not require foreign investors. The Omanis can satisfy this field. The government can open foreign investment in areas other than road transport such as tourism.

It is also a challenge for contracted companies to not pay the dues that accumulate and cause many problems for entrepreneurs that may enter prison because of the inability to repay loans to finance companies. Also, we can’t pay to companies from which we have borrowed loans to purchase equipment.
Today, innovation is one of the most durable factors in building a better human life. It simply means the ability to generate ideas, projects and inventions. It indicates the ability to move from the accumulated knowledge and intellectual stock to employing this vast amount of human wealth to generate effective products that benefit the human being and serve civilization. Recently the world has been more concerned about innovation that needs to be shed more light on and instilled among the younger generations. In Oman, this trend is growing steadily and the government authorities are really interested in that. They believe that the future orientation should be taken to promoting a proactive thinking that has the potential to make the wishes come true and guide the ambitions towards new paths contributing to the entire humanitarian and economic movement in the country.

Pathing towards innovation in ideas and production comes after building a culture that shifts the focus towards developing the human being capabilities. This is the goal of the Omani political leadership which believes that the human resource is the pole that steers the development. This culture must be circulated to all channels and media that play roles in social communication by changing ways of thinking and raising community awareness. Here, comes the role of schools, organizations and volunteer teams and the media, including the new media which is faster in influencing values.

Understanding new concepts:

It should be noted, however, that any upcoming issues regarding changing the method of production and changing the view of trade, business and social interaction in order to improve people’s perspective towards consumption and demand and supply and other matters related to economics, all must be based in the first stance on the real understanding of the current concepts and applications. In fact, it is to have a deeper understanding of modern human experiences and infinite creative energies as a result of a universal mind manifested in the Internet and the expanding virtual world networks.

Analysis and exploration:

Today, with multiple approaches, the problem or the challenge is no longer related to information but to the ability to analyze, explore and connect invisible areas in order to reach new results which lead us to innovative ideas. Therefore, the challenge in front of spreading the culture of innovation is to develop an analytical and effective mentality to see the world in a non-recurrent or repetitive manner, i.e., training on unusual abilities and indirect meanings, and on how to formulate quick, useful solutions that save time, money and manpower. This is based on how to take advantage of new technologies as well; indicating that innovation is also related to non-mental operational issues, which are the skills of how new technologies are
The concept of future investment today is defined in an unconventional way. In its classical sense, it relates to concrete and fixed resources. Today, it refers to the deep human minds and powers associated with the superhuman abilities and ideas.

Smart development

The world today offers more opportunities for smart development for real and experienced entrepreneurs who are psychologically and mentally prepared. Otherwise, they won’t positively contribute or innovate. This is why we have to repeat this word continuously: “preparation”, which is not “readiness.” The latter “readiness” is concerned with material aspects and visible logistics however the first “preparation” is the anchor of innovation. It is the intellectual development that liberates man from fixed sense to a new rich and growing ground in which he finds no limits to think, develop and work moving strongly towards achieving the goals, whether personal or public.

Taking advantage of historical dimensions and heritage

The historical Omani experience must be taken into account when linking the new global concepts of innovation and development to what is required at the local level. That is because Oman is a country rich in history and culture. The ancestors went far to the corners of the world east and west carrying the goods but they were also messengers of peace, love and harmony. This approach is the one which His Majesty Sultan Qaboos has chosen to follow as he is greatly interested in the meanings of civilization, peace and human coexistence.

Those moments accumulated over time have shaped Oman today. The Omani individual is truly influenced by all those relations extended through generations and centuries. It is not forget that this country had entered Islam peacefully. Those characteristics that are present to the day are the ones His Majesty the Sultan is betting to build the nation of Oman since the first day of change in the Sultanate in 1970.

Entrepreneurship and contemporaneity/heritage equation

For a number of years ago there has been a great interest in the Sultanate in the field of entrepreneurship. A lot of ideas are stirring such as entrepreneurship culture, innovation and the search for creativity. There is a new generation fully aware of what is can be done if it finds at least the basic and necessary incentives, especially since it has found reliable ground in matters related to relating what is
contemporary to what is inherited. The Omani policy has ensured that the evolution won’t be possible unless there is integration between yesterday and today. The peoples that have made significant and concrete initiatives in innovation have depended on legacies and then new knowledge. Unless they are able to understand the past, the future will not be discovered. The equation seems easy but it is very complex and requires self-assertion not only by desires and not by dreaming of distant goals, but by work and work and seeking science, modern knowledge, skills and accumulation of experience. Those who have made visible additions in the world are not supernatural beings came from other planets. They are just humans like us committed to this rule to work and think in a new way.

**Innovation and building confidence:**

The government in Oman together with civil society organizations is trying to create a renaissance in promoting innovation and entrepreneurship. Many emerging institutions are trying to achieve that goal. There are ambitious young people, hopeful and have the will. There are many ideas here and there. But some young people believe that they need more opportunities to say their word and prove themselves in a new era of humanity dominated by technologies and modernization, without which humanity will never progress. Omanis preserve their heritage and young people realize that the present is inseparable from yesterday. Industries such as traditional crafts, dates, agriculture and fishing require a modern perspective to contribute to the rising generation. Investing in this area cannot really be done apart from understanding young people’s opinions about those issues because they are the ones who will take the lead tomorrow. Tourism, which is a clearer alternative to oil, and also income diversification need new young minds that re-invent local content and many heritage potentials to be integrated into new consciousness requirements and a different era.

**Investment in creative talents**

His Majesty the Sultan has affirmed for years that the private sector will become the main operator in the state. The government will not remain so and it has reached the saturation level, and the most modern production capacities are not based on traditional systems. There must be a thought that goes along with the multi-track production stage, which nurtures new knowledge and promotes values in a modern dress and clings to talents and geniuses. That means investing in talent and in creative energies which entails caring for human resources and selective education. The Sultanate today looks to the future after nearly five decades of modernization, in a way different from yesterday. The emerging generations prove their ability to succeed day after day and civil and modernity
has become a matter of fact. Hence the government policy has shifted to developing civil society institutions, leadership and initiatives in all directions and encouraging smart and intelligent investments. This is taken into account in the vision of the State of Oman 2040, which is a future strategic path. The Sultanate decided how to formulate the best tomorrow. It is confirmed that this plan must be based on a community partnership. The youth is the essence of society and make up two thirds of it, and they are the makers of that tomorrow. So they need to be engaged in a way or another.

New concepts grow rapidly: initiatives, innovation, knowledge, entrepreneurship, bet on youth. It is the mentality of this age, which must come to reality in order to draw the horizon which holds the aspirations, hopes and the continuing trends of glorious life. That road is not easy as it looks. It really requires constant intelligence in how to deal with the discoveries of daily life, giving and taking, the law of life and creativity. In addition, you need to adapt to all conditions, circumstances and strive to be you only you, neither a copier nor a moderator, but unique in your being, which is flourishing, advancing and provoking.

Insight from the thought of leadership about self-awareness:

The bet on innovation or the new economy must start from awareness of self and its position in human history. Here we need to emphasize the meanings from the legacy of His Majesty Sultan Qaboos regarding Renaissance and development and how man can achieve his visions in this world. The vision should be based on self-reflection for the purpose of construction and not demolition. That is, the continuous foundation
of awareness, which means building the ego that is conscious and then evaluating it, the ego which sees the past and oversees the future, and between them lives the present moment with great attention.

The innovator or man who introduces a new civilization or thought, or contributes to development in general, must have the knowledge of his heritage and get benefits of his time to build his identity. His Majesty Sultan Qaboos has been able to make a major change in the Sultanate. He takes the legacy of the ancient Bu Said Dynasty which continued nearly three centuries to make this great transformation and qualitative change to build modern Oman despite its gloomy past.

**System conditioning and business path**

Sultan Qaboos has brought together the military and administrative approaches of life, and this was reflected on the general direction of the Omani state, its leadership and system. From this experience young people can generate a creative view of how the young man would change his life, in building his character and in business matters.

For example, training on administrative work in Britain and in local governments through specialized courses contributed to the formation of the administrative thought of Sultan Qaboos from an early stage. His Majesty was inspired by the style of state administration in Oman after he took office. So, he cared about the work of the municipality in general, and this indicates that the human must take advantage of whatever he learns and experiences in adapting his future and reflect those experiences in reality. Once the Sultan finished his study and training in Britain, he traveled around the world for several months. In that tour he learned about the features...
There must be an orientation that keeps pace with the multi-track production which nurtures new knowledge, promotes values in a modern manner and takes care of talents.

London stage contributed to the consolidation of many images of moderation, tolerance and integration between the East and West civilizations of human civilization in the east and west. Identifying the characteristics of different peoples was an early sign and a readiness for leadership. In any work, you need to build the bases on which you draw your future. The leadership requires the knowledge of diverse peoples and human cultures and in any particular field of work you must be aware of the backgrounds well.

**Spirit of the time and balance:**

London stage contributed to the consolidation of many images of moderation, tolerance and integration between the East and West civilizations in the mind of His Majesty the Sultan. In addition, a number of his personal hobbies were activated such as classical music, old and new arts, opera and photography. He also likes horse riding, walking and meditation.

Sultan Qaboos returned to his hometown in Salalah in 1964, where he increased his cultural and new knowledge, especially the history of Oman, which he studied carefully and critically. He stayed there until he took power and moved to Muscat the capital of the country as the urban and commercial center of the Sultanate. Muscat has been historically the commercial center linking Oman to the Indian Ocean and the rest of the world. This also resulted from the historical reading and awareness of Omani styles in the past and the present.

**The importance of critical thinking:**

The central point in talking about how the new world thinks, about human coexistence and how to build the horizons of progress in all its forms, is to evoke Sultan Qaboos’s open visions of human civilization and his critical view of history. His Majesty addressed the university students at the beginning of this new century urging them not to accept all narrated events and historical information because many of the information is false and inaccurate. This critical thinking contributed greatly to the Sultan’s understanding of the history of his country and re-reading it, so that he benefited from it in understanding the society and worked to find the modern fabric of the concepts of citizenship and national unity and others, which are required for any generation. That is because understanding the society’s culture, values and traditions contributes to building the horizon of the new economy and innovation, as previously mentioned in the theme of tourism.

**Knowledge base:**

The knowledge base was the first inspiration for the wisdom of the Sultan and his successes in internal and external policy and in solving the many problems experienced by any state in its first steps. Sultan Qaboos inherited problems in the borders and was able to deal with them calmly and wisely without entering into any conflicts. He could manage to make some balance in the relationship with brothers and friends, starting from a rule that each country has its own identity and that no country should interfere in the affairs of another country; nor should one allow another to interfere in its internal affairs, the policy that Oman is pursuing today.

This knowledge base with practical experience together with knowledge of the Western experience contributed to shaping the building of new institutions in Oman. That made His Majesty a
key figure in the field of international peace and the Sultanate became the only one that may have no enemies at all.

**What modernization means**

All of this must be taken into consideration and reconsidered in a modern vision, to extract the meanings of the experience of the new generations. In the intellectual level, Sultan Qaboos focuses on the idea of modernization through the perspective of the coexistence of tradition and modernity. The idea was to take what is good from both. That led Oman to be a state of modernization. So that the country maintained its identity even in the level of constructions which did not adopt high building and committed to the horizontal one, as well as enhancing the role of heritage in building society.

In general, culture has been the title of Oman since ancient times and to the present. Sultan Qaboos remained focused on the development of cultural identity in all formations of institutional and governance and other paths of modernization in human life. Sultan Qaboos has been interested in education as a foundation for human development. There has been a great shift from 4 schools in the early seventies to at least 1400 schools today, with the expansion of universities, notably Sultan Qaboos University, and the eradication of illiteracy. We witnessed many other signs of taking care of education like adopting new technology in many projects such as giving each needy family a computer, and other pioneering ideas.

The local interest in culture and intellects together with the external interest in human thought in general and cooperation with bodies and organizations has been reinforced in Oman. Sultan Qaboos is a key supporter of UNESCO projects and cultural organizations. He has established many awards in the local, regional and international culture, arts and environment, such as the Sultan Qaboos Award for Environmental Conservation. UNESCO has also supported projects with profound implications for the revision of history, such as the Silk Road Study.
Conclusions

Modern Oman is a balance between the deep past and the present moment. It is also the product of the mentality and vision of the Sultan. He sought the happiness, well-being and prosperity of Omani citizen. This gives the impression that anyone seeking innovation or building the most up-to-date perceptions of the economy must understand his roots by passing through the historical experience and work on weaving the deep critical thinking. All this means building the mind that is capable of innovating and challenging the future to achieve the best.

As stated at the beginning of this article, paying attention to the human being is the goal, but it won’t be achieved without clearly defining its features, so that man has the ability to add and be creative for tomorrow. All this can be seen through the countless ideas and perceptions that are rapidly growing in our modern world. The secret remains self-awareness; understanding the perceptions of human will for what should happen in the next stage.
The government is working to sell its companies and shares in public shareholding or closed companies in the framework of privatization programs, which allow the private sector to take the initiative to reflect the philosophy of market economy. It is the economic policy adopted by the Sultanate in this regard since the dawn of the blessed Renaissance; however, we note that there is a retreat from this commendable economic approach through the establishment of holding government companies and the expansion of the establishment of companies in many economy sectors day after day.

Here we ask whether the role of the government is supervising the economy or that there is an emergency shift in the directions dictated what happened.

There is no doubt that the economic policies adopted by the Sultanate are constant and reflected in allowing the private sector to invest and partnership for economic development as a true partner in the overall development of the country. But, the development of this trend on the ground has a lot of gaps.

The contradiction between the orientations of the economic vision and the five-year plans, the privatization process as one of the axes of economic policy, and the establishment of government companies in many economic sectors have contradictions that do not conform to the economic trends adopted.

If the state is the founder of government companies and bear large burdens added to current and development spending, what role is expected from the private sector?

If the public sector is a competitor to the private sector in all sectors through the establishment of joint stock or closed companies, how can this sector attract foreign investment, or conversely directing its efforts on the work of scrap, cleaning and maintenance only?

Ironically, the government sells its assets in sectors such as electricity and water. At the same time, it wants to allocate vital sectors related to direct development and citizens. At the same time, it is working to establish companies in the logistics, aviation and other sectors. As a result, it bears losses of hundreds of millions of riyals.

These resources could be provided by attributing these activities to the private sector and providing an environment conducive to work and creativity and to a more distant and welcoming prospect.

Of course, we understand some reasons to establish government companies in some non-profitable sectors, and in areas that need long-term profitability or have a high added value in the national economy such as Oman Air; but there are areas that the government would have preferred to leave to the private sector to find.

We hope to adopt a clear economic philosophy that reflects the future direction of the economy management in the country, provide a greater scope for the country, and minimize the establishment of government companies.
The development witnessed by the Sultanate paved the way for the private sector to achieve a considerable growth in several economic activities. Tenders and governmental purchasing processes contributed in increasing the sector’s revenues and enabling it to diversify its activities. The direct and indirect governmental support over the years of the modern renaissance led to the establishment of several companies which are the core of the strong prosperous private sector.

However, it is noticed that a number of these companies still rely on governmental expenditure which constitutes 85% of their revenues. If the government reduces its expenditures for whatsoever reason, the companies will face a big shock and may shut down or bankruptcy. It is really a negative thing for the private sector which should be so vigilant especially after knowing that the government has pumped billions Omani Rials to construct infrastructure, thousand miles of roads, various ports, airports, schools, hospitals, health centers and other establishments; and now it reasonably aims to reduce expenditures after many main projects have been completed.

This reality imposes on the private sector to prepare itself for a new stage in which it completely relies on itself. It is not reasonable that the companies remain heavily dependent on government expenditure, but they must start establishing projects that transfer them into the globe rather than working in a one area, namely government contracts or tenders. If companies achieve this goal, they will be able to play a pivotal role in the development of the Sultanate. This role will not only preserve the company’s position and its financial strength, but also will enable it to contribute positively to the economic growth, provide more job opportunities, built domestic expertise, and rehabilitate national cadres in various fields of work and production. The growth achieved by big companies will be reflected automatically on the small and medium-sized businesses, one of the goals that the Sultanate is seeking to achieve.

Over the past ten years, we have noticed a number of companies have already tended to diversify their activities by transforming the parent company into a holding company and the establishment of a group of other companies in different sectors. This trend has contributed to alleviate the crises that have occurred in the past on the companies that have taken these steps, while other companies have not been able to cope with these crises and therefore suffered significant losses.

Increasing the contribution of the private sector to economic growth is one of the objectives the Sultanate seeks to achieve, but it will not be able to do so if the ambitions of companies are limited to government tenders and contracts. We aspire to the presence of large companies operating in the field of export industries and other companies operating in the global oil and gas sector and companies specializing in re-export activities. These are just examples of what we aspire to be the Omani private sector in the near future and to do so the companies can achieve such ambitions, they have to redraw their strategies and visions to keep pace with the next stage.
One of the major challenges and trends discussed in the laboratories of Tanfeedh Program of the Subsector is that the contribution of the manufacturing sector to the GDP has gradually declined, especially with the current growth focus on petrochemicals only. The growth of the manufacturing sectors also declined compared to the growth in GDP. The manufacturing sector focuses heavily on petrochemicals, and the contribution of the manufacturing sector in the GDP in the years 2009-2014 was only RO1 billion. The sector also needs to strengthen non-traditional (alternative and renewable) sources of energy, as well as gas supplies whose limitations lead to the lack of optimal production levels in the manufacturing industries, as well as further research and industrial studies of innovation and development.

Tanfeedh is stemmed of the Ninth Five-Year Development Plan (2016-2020) aimed at contributing to the Sultanate’s vision for economic diversification by identifying the challenges and difficulties faced by the economic, governmental, private and civil sectors in achieving the objectives of the Ninth Five-Year Plan. The manufacturing sector has been included in this plan as one of the sectors that promote economic diversification. The sector contributed about 10% of the GDP to RO 3 billion in 2013 and an annual growth rate of 10.3% in the period 2009-2013, according to Tanfeedh Book. The program envisages a systematic plan of action based on the collection and analysis of data and information, the classification of challenges and obstacles to the growth of sectors, including the manufacturing sector. It also sets the development of solutions to address them, as well as the identification of those responsible for implementation and project management and follow-up and evaluation of key performance indicators. As the Sultanate is an oil exporting country, it has diversified natural resources and a large geographical area, and it needs to benefit from these elements and focus on promoting complementary industries in the field of petrochemicals, metals, non-metallic materials and food industries. The production chain of materials exported outside the Sultanate stops at the primary stages of industrialization or intermediate manufacturing stages without focusing on the activities of its sub-sectors.

Through the preparation of a detailed assessment of the growth rate of exports and the Sultanate’s share of the global market, the aforementioned sub-sectors were identified as the most promising areas in the process of economic diversification of the manufacturing sector in the Sultanate. The sub-sectors of the manufacturing sector is represented in petrochemicals, metallurgical and non-metallic industries, food and beverages contributed nearly 10% to the Sultanate’s GDP.

Details of the challenges revealed that there is ease of doing business, slightly rising in the Doing Business Index and the Global Competitiveness Index for business. And there are greater opportunities to improve performance in other related areas, which in turn will affect the Sultanate’s attractiveness to domestic and foreign investment. There are limited efforts to market and promote the manufacturing sector, especially with regard to exports of the sector. The sector also suffers from limited transparency in the regulations and laws, and there is a multiplicity of entities concerned with granting of licenses and permits. And from operating costs in this sector, the increase in the minimum
wage and other operating costs have led to a decrease in the competitive advantage of the Sultanate compared to neighboring countries. There is a shortage of gas supplies in return for the increase in demand and the high price, which affects the productive efficiency of factories and facilities of manufacturing sector, especially with the increase in reliance on natural gas subsidized for power generation and 97%. In terms of productivity, it was stated in the book that the productivity of the labor force in the Sultanate is witnessing a relative decline and negatively affecting the productivity of the sector. And that the manufacturing sector contributed to absorb 12.5% of the total workforce in the Sultanate, but the Omanization rate in the sector did not exceed 18%, which is low compared to some other sectors.

As for the most important opportunities and possibilities in the industrial sector, the rate of national and individual income is linked to increasing the degree of industrial transformation in the country. The industrial sector provides good opportunities to benefit from economies of scale characterized by lower average total cost of goods and raw materials in the industrial sector as the volume of production increases. In terms of technological progress, the manufacturing sector provides opportunities for technological progress linked to the sector’s main actions and supporting procedures (to other sectors). The focus on industrial technological progress will also enhance innovation and development in the sector. The multiplier effects are the improved productivity of the manufacturing sector, and the interdependence of the value chain components and the supply chain will lead to the development and strengthening of other sectors. The target public sector indicators within this phase of the program aim to increase the sector’s contribution to GDP by RO 0.6 billion by 2020, as well as injecting foreign and domestic direct investments by at least RO 9 billion by 2020. The next phase aims to increase the number of new job vacancies in the manufacturing sector from 267,400 in 2016 to 280,600 by 2020.

The next stage is to focus on the sub-sectors within this phase of the program and the initiatives and projects related to them in the field of petrochemicals, fertilizers, aluminum and waterproofing membranes, metal materials, scaffolding and steel products, metal cutting tools, and molds. It will also witness formulating a national environmental policy for the energy sector, reviewing the policy of subsidizing gas prices for industrial uses, and diversifying sources of energy.

With regard to the revision of the policy of subsidizing gas prices in industrial uses, the review of the policy of gas prices related to industrial uses has been emphasized as an essential source of growth in the manufacturing sector. The initiative will boost demand for gas and redistribute it, thereby increasing its value added in GDP by RO 300 million. Three key steps have been identified to achieve the effective use of gas, namely, moving to a higher-price distribution of gas sales, and distribution of subsidized gas to strategic projects “based on the availability of these projects or the development of economic value. This also includes merging all concerned parties in a single government entity. Many developing and developed countries are moving towards deregulation in the gas sector, and the Sultanate can therefore benefit from these practices. In this regard new controls can be found, including dealing with a third party for the sale of gasFactories) or delivery of gas to suppliers in the lowest value chain, and therefore, creating competition among themselves and other controls.

The workshops also produced results for the manufacturing sector supporting the manufacturing industry in the country, as well as identifying the obstacles facing this sector. There are environmental standards that restrict power generation technologies, limiting the ability of investment projects to find alternative sources of energy generation, industrial development, and the development of the human capital required in this sector. It also included activating the complementary cooperation between the industrial, academic and governmental sectors to create a base of industrial knowledge and develop selective industrial sectors to promote them towards competitiveness through innovative solutions for problems. Workshops also called to raise the level of export and adopt business models able to enter markets, along with the support of existing plants individually customized for innovation in product or production processes, services or investment of intellectual property, patents and the adoption of technology and knowledge transfer.
The Research aims to identify the most important practices in industrial establishments in Oman, and their impact on the cultural identity of Omani female workers. The research was based on the theory of cultural identity and the structural theory to understand the process of influencing and being influenced in regard to the identity of individuals and the institution. To realize the objective of the study, 17 female workers from the Company “Takamul” based in Sohar Industrial Estate were interviewed who possessed at least 2 years of experience. Subsequently, the scientific material was abstracted, analyzed, categorized and tabulated using the conceptual analysis method which is based on analyzing the scientific material and compiling it in accordance with basic ideas and elements. The research found three main ideas: dealing with the opposite sex, participating in social activities and the dress code. Through analyzing the results of the study and linking it to the previous studies, we concluded that the religious culture of female Omani workers played a prominent role in determining their daily behavior, which manifested in rejecting to work in mixed offices, rejecting uniform and rejecting attending mixed social activities. Practices deployed by Takamul had a prominent role in changing the convictions and attitudes of female Omani employees which resulted in changing their conception.
about certain issues and accepting and justifying Company practices, where then there was a desire to accept the idea of a uniform as it is related to the security and safety of the individual, along with attending mixed events because of its positive impact on the career growth of female employees. Finally, the study suggests expanding its application to include female employees from all industrial establishments in the Sultanate, and it emphasizes the need for direct and indirect communications between employees and senior management in these establishments to listen to different perspectives and finding solutions that are convincing to all parties.

The Research Problem

The industrial sector in the Sultanate is considered a top priority due to its vital role in the sustainable development of the Sultanate, and its economic importance in diversifying the sources of income in a country where oil revenues still account for 79% of its total revenues (State Budget for fiscal year 2015), which led to the formation of the Public Establishment for Industrial Estates (PEIE) in 1993, which oversees nine industrial estates, namely: Rusayl, Sohar, Raysut, Sur, Nizwa, Buraimi, Al Mazunah, Knowledge Oasis Muscat, and Samayl (PEIE 2016). PEIE’s mission aims to attract industrial investments and provide continued related incentives, including exemption from income tax and customs, and facilitating loans (PEIE 2016). Despite the facilities provided by PEIE, its contribution towards the National Income is still at 9.5% of the Gross Domestic Production (Al Zaman Newspaper 2016). The industrial sector in the Sultanate continues to face many challenges, perhaps the most important of which is the low percentage of Omani workers as their number did not exceed 10.3% by the end of 2015. The low number of Omani workers in this sector is matched by a high percentage of expatriate workers, as their number reached 212,713 in 2015 (PEIE 2016), who bring different cultural identities, and believe in ideas, traditions, values, and practices that may not be in line with the Omani identity. Therefore, workers are influenced by a number of factors such as the practices implemented in the establishment which might reflect negatively on the productivity and the performance of the industrial sector (Haniah, 2005). Industrial Estates in Oman are a small example of the reciprocal effects noted in the Omani society between establishments and their employees, and this study will allow us to learn the extent to which Industrial Estates can influence the identity of female Omani workers by affecting their social, cultural, economic, and professional environment within the establishments they work in. In addition to identifying the challenges and difficulties faced by Omani women working in the industrial sector, as well as grasping the influence of these female workers, through their daily communications, on the practices of the industrial establishment. The research is in general based on the theory of cultural identity and the structural theory to understand the process of the influence of the cultural identity of female Omani workers in Industrial Estates and how it is influenced, by answering the following question:

What is the influence of the cultural identity of female Omani workers in Industrial Estates in the Sultanate and how is that cultural identity influenced?

Objectives and Significance

The main objective of this research is to find out the influence of the cultural identity of female Omani workers in the industrial sector and how that cultural identity is influenced. Within this objective, another objective can be realized, namely to reveal the reality of female Omani workers in the industrial sector, identify the challenges and difficulties that could hinder the presence of the human element in this viable sector. However, the importance of this research must be divided into two important parts: Part I: aims to explore the theoretical framework and previous studies which examines the culture of the institution and its ability to influence their workers and be influenced by them. However, Part II: highlights the positive or negative relationship between the industrial establishment and its employees, as many establishments in different sectors are interested in determining their employees’ satisfaction, and the extent to which their employees are influenced by the establishment’s culture and to what extent they influence it in return. Understanding the reality of industrial
enterprises in Oman will contribute to the identification of challenges and issues which face workers in general, and female Omani workers in particular, which means developing the capabilities of the Omani workforce to increase their competitiveness in the industrial field. Moreover, mitigating and addressing issues faced by workers allows us to understand the best foundations and guidance, and to provide the appropriate environment for workers in these institutions, especially female workers. In addition to indirectly contributing to the development of the industrial sector will enable it to compete regionally and internationally, which will positively reflect in increasing the proportion of female Omanis in the sector, and enhance the productivity of this promising sector which is attracting increased attention from the Omani government, especially in light of the deteriorating oil prices. It will also serve as a pillar of the public revenues of the state as it will contribute to reducing overseas money remittances which are nearly 4 billion Omani Rials per annum, which negatively impacts the national economy.

Methodology

This study is consistent with previous studies in the use of analytical descriptive methodology to deal with the research problem and analyzing the Information derived from the interviewed examinees. The study population consists of all the Industrial Estates in the Sultanate. However, the research sample will be limited to the Sohar Industrial Estate as it is the largest and most modern Industrial Estate in the Sultanate. In addition to its proximity and accessibility to the researchers. However, in terms of the Company, the researchers utilized the targeted sample from Takamul, as it is the largest Company operating in the Industrial Estate, in addition to the attention given by the Omani government to this Estate, as it is considered the vital artery of northern Oman, and its gateway to its neighboring countries, along with it being the overseer on industrial establishments and companies. The researchers prepared a list of interview questions by referencing the literature and previous studies related to the subject of the industrial sector and its effects on workers. Taking into consideration a set of points and methodological rules when conducting the research, including, arbitration of interview questions by professors specialized in psychology and business administration. In order to achieve the objectives of the study, written interview questions were sent to female employees in the Company, whose work experience in the sector is not less than two years, to ensure their familiarity with the sector. We can also note that the study targeted examinees who are experienced and relevant to the subject matter (Smith & Osborn, 2008), as they have the knowledge and experience to deal with the interview questions, as well as provide the researchers with in-depth information about the subject (Liamputtong & Ezzy, 2005). The researcher obtained the approval of the examinees (attached), after which, the researchers visited the Company on Wednesday 29/06/2016, and met the examinees, distributed interview questions to the female employees who showed their willingness to participate in the research, explained the research objectives, and informed the examinees of their right to accept or reject participating in the research. He also emphasized that the answers of the participants will be dealt with professionally and confidentially, assuring them that the names of the participants will not be mentioned along with the name of the Company, however aliases will be used for the participants and the company, while ensuring that no damage is done to the Company through this research. Data will be processed, written and documented scientifically based on the use of the skills of analysis, criticism, relevance, and objectivity. Then, the produced scientific material will be abstracted, analyzed, categorized and tabulated using the conceptual analysis method which is based on analyzing the scientific material and compiling it in accordance with basic ideas and elements. Naturally, every research faces difficulties that can hinder the achievements of its objectives. Some of the difficulties faced by this research include, the hesitation of the participants to discuss the research problem/question in-depth to enrich the research, and limit understanding the problems faced by female Omani employees in the industrial sector, despite efforts to clarify the basic objective of the research. Moreover, a limited time was available to conduct the research, which led to targeting a small sample of examinees, and targeting one establishment. This can be remedied later by broadening the base of the research to include other establishments and examinees, to ensure understanding the reality of female Omani workers in the industrial sector.
The study aimed to identify the impact of cultural identity and how it is influenced by the daily practices of female Omani workers in Industrial Estates in the Sultanate. To ensure achieving this objective, the researchers distributed the interview questions to 17 female workers at Takamul Company, and the questionnaires were analyzed using the structural theory, which illustrates the relationship between establishments and workers through three main dimensions, namely: General rules, authorities and legislation. These dimensions work in tandem with three influences and they are communications, power or authority, and punishment.

The results of the study show that female Omani workers face many positive and negative experiences during their daily business practices at Takamul. Through these daily experiences, a reciprocal influence on cultural identity between the company and the workers occurs. The following chart illustrates this process:

The previous chart shows that there are three general practices that illustrate the relationship between Takamul and the female Omani workers. These factors are: Dealing with the opposite sex, participating in social activities, and the dress code.

Many private sector establishments in the Sultanate have witnessed a significant increase in the percentage of female employees in the last few years, which requires conducting several studies to explore the reality of the female employees’ experiences in this vital sector. Therefore, this study shows an aspect of the lives of the female Omanis who work in the private sector in general, and in the industrial sector in particular, especially, through determining reciprocal influence between the cultural identity of the female workers and the industrial sector. To realize this objective, written questions were provided to 17 female employees at Takamul, and the research has found the following important results:

Religious and cultural identities have clear influence on the female employees’ behavior in the Company which was reflected through preferring to work in non-mixed offices, refusing to attend mixed events and activities, reluctance to go on field visits, and refusing to wear the uniform as it does not conform to the standards of the Islamic dress code. This means that the establishments of the industrial sector in the Sultanate must take into account social norms and traditions to become an appealing environment for female Omani workers. Encouraging female employees to comply to company practices by designing mixed offices, organizing mixed events, and requiring female employees to wear the uniform, especially during field work, have influenced female employees to lean to accepting some of these practices however within certain limitations, as direct and open communications between the female employees and their managers has led to positive compromises that takes the concerns of female employees, along with the company’s vision into account when dealing with some issue.

There is reciprocal influence between the female employees and the company. As the company has a policy that it wants to implement and has somewhat succeeded in doing that, the female employees also have values, and principles that guided their behaviors and defined their acceptance and rejection of company practices. That means that the cultural identity influences individual behavior, and that this identity is constantly changing as a result of interacting with others. This is the basis on which the structural theory is built, that humans are generally social beings that are influenced by their interactions with their environments. The study has also proven the rule that this theory is based upon, which states that there is a positive reciprocal influence between the establishment and individuals in creating an identity.
This study is an attempt to understand the reality of the experience of the female Omani workers in the industrial sector, and based on its results, the following can be suggested:

1- Companies in the industrial sector must take into account the culture of the Omani society, to encourage female Omans to join these establishments, by giving priority to meeting the privacy needs of the Omani woman such as offices, organizing women’s events and activities, design a uniform that takes into account the privacy of the Omani woman and her customs and traditions.

2- The study revealed that direct and indirect meetings between female Omani employees and senior management contributed to discussing the challenges and difficulties faced by female workers, and finding appropriate solutions, which shows a definite necessity for an effective communications strategy between the establishment and its employees to address any issue and to reach solutions that are satisfactory to all parties.

3- Further studies can also provide the opportunity to examine a larger segment of female employees in the industrial sector to identify the most important challenges and difficulties they face. It is also important to listen to the other point of view by providing the opportunity to the managements of companies and leaders to talk about the most important practices in these companies and how company culture can be consistent with or different from the culture of the society it works in.

References:


