Chamber elections (2018-2022) A new stage for the service of the private sector for comprehensive development

The Sultanate celebrates the culmination of factories and industrial companies
Indicator of OCCI members

New companies
1,862

Renewed companies
11,479

Companies that changed its capital
333

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تابعوا حساب غرفة تجارة وصناعة عمان على اليوتيوب

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This phase is new in the history of the Chamber as its main focus will be on strengthening tripartite partnership and ensuring integration with the Government, the private sector and the community in carrying out the different roles and responsibilities towards various comprehensive development programs and plans aimed at promoting humanity, economy and society at large.

The current Board of Directors (2018-22) is looking forward to adopting joint national development initiatives and programs and formulating a comprehensive work strategy for the coming period. The BoD will develop a mechanism that promotes values and standards of governance at the level of the Chamber’s departments and branches and investment in human capital.

The industrial sector will be a priority among the plans of the Chamber through the study of investment opportunities in the governorates including opportunities for industrial investment to contribute to the growth and development at these governorates.

The current issue of Al-Ghorfa coincides with the Sultanate’s celebrations of the Omani Industry Day. Therefore, the stories will focus mainly on the sector’s growth rates, the job opportunities provided by it and the organizations that play a key role in this sector.

At Oman Chamber of Commerce and Industry, we are confident that the industrial sector can enhance its contribution to economic diversification and employment of the national workforce.
Cover Story

Chamber Elections (2018-2022)
A new stage for the service of the Private Sector for Comprehensive Development

Al Yousuf: The need to focus on the standards of governance, which is based on the separation of powers and the enhancement of competencies in the executive system

by Rabeea bint Saeed Al Harthiya

The results of the elections for new board members of Oman Chamber of Commerce and Industry (OCCI) as well as the boards of directors of the branches in the governorates for the next term (2018-22) were announced on Monday 28 January 2018 by Eng. Ahmed bin Hassan Al Dheeb, Undersecretary of the Ministry of Commerce and Industry, and Head of the OCCI Election Committee. Seventy-five winners from 129 candidates were announced including five for Muscat Governorate and seven at each OCCI branch in the different governorates. The voting process took place from 8.00 am to 8.00 pm to provide good opportunity to cast votes and avoid bottlenecking at some centers.

Of the 23,505 members eligible to vote in the election, 18,043 cast their votes across the country. The election saw 77 per cent voter turnout.

14 centers
The election committees were chaired by members of Public Prosecution to ensure transparency of the election process. The committees supervised the voting and sorting out of votes. Two centers were allocated in Muscat at OCCI main building and Al Tafawuq Basic Education School in the Wilayat of Al Seeb (Al Mawaleh South). Three centers were there in Dhofar Governorate, namely Al Koovonz Basic Education School in the Wilayat of Salalah, the Directorate of Commerce and Industry in the Wilayat of Thamrait, and Abu Firas Al Hamdani Basic Education School in the Wilayat of Shaleem and Al Halaniyat. Two centers were allocated in Musandam Governorate, namely OCCI branch in Khasab and the Commerce and Industry Directorate in the Wilayat of Dibba.

The election took place also at OCCI branches in Al Dakhiliyah, Al Buraimi, North Al Batinah, South Al Batinah, North Al Sharqiya, South Al Sharqiya, Al Wusta and Al Dhahirah.

OCCI election winners

Muscat Governorate
Ridha Jumah Mohamed Ali Al Saleh; Rashid Amer Mohammed Al Maslahi; Qais Mohammed Mosa Al Yousef; Ali Hamdan Hassan Al Ajmi and Ahmed Abdulkarim Hussain Al Hoosi.

Dhofar Governorate
Haitham Maslam Salim Mansi; Naif Haider Amer Fadhil; Haider Hassan Said Al Shahri; Fawzi Salim Abdullah Al Shanfari; Hussain Halath Msauf Al Bat’hari; Salim Abdullah Salim Al Kat and Said Ahmed Bakhd Al Jahluli.

Al Dakhiliyah
Saif bin Nasser bin Salf Al Tawiyani, Nasser bin Mohammed bin Ghunun Al Seif, Harmem bin Said bin Nasser Al Rabkhi, Said bin Nasser bin Mohammed Al Siyabi, Khadijah bin Mubarak bin Mohammed bin Bakashy, Moosa bin Saleman bin Nasser bin Adwi and Ahmed bin Saleman bin Said Al Shuqi.

North Al Batinah

South Al Sharqiya

Al Dhahirah Governorate
Saif Said Rashid Al Badi, Fahid Rashid Saif Al Zadi, Majid Khamis
On Thursday 01 Feb 2018, the Board of Directors of Oman Chamber of Commerce and Industry (OCCI) in all governorates of the Sultanate met to elect a head and a deputy to the board of directors of each branch by secret ballot at OCCI headquarters under the supervision of the OCCI Election Committee.

In the Governorate of Dhofar, Hussein bin Hathith Al Bat’hari was elected as Head of the OCCI Branch and Salim bin Said Al Rabkhi was elected as Deputy Head.

In the Governorate of A’Dhahirah, Hamad bin Rashid Al Zidi was elected as Head of the OCCI Branch and Saleh bin Juma Al Balushi was elected as Deputy Head.

In the Governorate of A’Dhakhiliyah, Hamad bin Amer Al Meselhi was elected as Head of the OCCI Branch and Saleh bin Juma Al Balushi was elected as Deputy Head.

In the Governorate of North A’Sharqiyah, Anwar bin Hamad Al Sinani were elected members of the Executive Committee and Saleh bin Juma Al Balushi, is the Treasurer of the Executive Committee.

Chairmen and deputies elected

In the Governorate of South Al Batina, Eng. Hamoud bin Salem Al Sa’adi was elected as Head of the OCCI Branch and Anwar bin Hamad Al Sinani were elected members of the Executive Committee and Saleh bin Juma Al Balushi, is the Treasurer of the Executive Committee.

Enhancing Efficiencies

“We extend our thanks and gratitude to the H.M the Sultan for the trust given to businessmen and women to choose their representatives in the leadership of OCCI, which represents the private sector. This is a crucial stage for OCCI which is governed by the Royal Decree No. 45/2017, which strengthens the standards of governance, which is based on the separation of powers and granting powers to various organs of OCCI. We must strengthen the competencies in OCCI and contribute to achieve the outstanding results that serve the economic activities in the Sultanate, said Qais Bin Mohammed Al Yousef, OCCI Chairman.

OCCI Chairman also expressed his thanks for the confidence of the members of the Board and look forward to working with them in the coming period. He urged OCCI board members to exert more effort and develop a strategy that ensure the development of OCCI and private sector’s contributions to the overall development process. He also urged them to do whatever possible to strengthen the Chamber as the official representative of the Omani private sector.

Mohammed Al Yousef, OCCI Chairman.
Oman Chamber of Commerce and Industry (OCCI) held its Ordinary General Assembly Meeting on Wednesday 24 January 2018 as per the provision of Article (19) of OCCI Regulations issued by the Royal Decree (45/2017) regarding the necessity of inviting the Assembly to a regular meeting at least once a year. The meeting was represented by more than 200 organizations.

The meeting discussed the annual report on OCCI performance. The report covered many topics including the strategic objectives set by the Board at the beginning of its term, the financial performance of OCCI and the most important achievements made during the current term of Board of Directors (2014-18).
Stable steps and clear goals

The meeting dealt with the strategic objectives set by the Board of Directors for this period. The Board of Directors (BoD) acted as the voice of the private sector by providing quality services that touch the interest and reality of the private sector. OCCI managed to play its role as an effective business platform and discuss the most important visions and issues that serve members’ interests. OCCI initiatives have generated considerable momentum and interest among large companies and SMEs owners.

OCCI has worked to achieve this goal by conducting studies and economic and legal research and forecasting economic future of the Sultanate. The Economic Research and Studies Department at OCCI has been developed and provided with competencies and expertise that contribute to achieving results that touch reality.

OCCI has conducted a series of studies and economic researches including the study of the tax system and its impact on the development and growth of the private sector in the Sultanate, “Controversy between tax as a tool for development and a mean for generating money.” Through this study, OCCI sought to assess the tax system and its impact on the development and growth of the private sector in the Sultanate.

OCCI also conducted another study on the Omani oil exports and its impact on the growth of the non-oil sectors in the Sultanate. The paper was presented in the presence of academics from more than 15 countries at the Seventh International Conference held in Jakarta, Indonesia, 28-29 September 2017. For the first time in its history, the role of OCCI in economic research and studies was highlighted. This paper was published in the International Economic and Business Research journal under the number SCOPUS-GOOGLE Scholar-Eco-Let. It also conducted another study on the commercial relations of the Sultanate of Oman between freedom of trade and economic dependence «Is the Sultanate immune from economic dependence?». The main objective of this study is to identify the commercial relations of the Sultanate of Oman in terms of trade volume with the most important trading partners.

OCCI completed a study on the law of the residence of foreigners and its impact on the competitiveness of private sector institutions in the Sultanate of Oman. The main objective of this study was to determine the importance and impact of the law on the residence of foreigners in general, especially Article 11, which focuses on the competitiveness of private sector institutions in the Sultanate of Oman.

OCCI also conducted a study on money laundering, roots, causes and international and regional efforts to combat it. The study aims at shedding light on the historical development of the phenomenon of money laundering in terms of origin, causes and economic and social effects resulting from this phenomenon.

OCCI also completed a study on bachelor residence in the residential areas in the Sultanate (roots, development, effects and solutions) - unpublished. The study aims to analyze the phenomenon of bachelor residence in the residential areas of the Sultanate, both in terms of origin and development or in terms of the negative effects resulting from it as well as the proposed methods to address this phenomenon.

OCCI has also worked during the last term of its Board of Directors on maintaining fruitful coordination with the concerned parties to solve and overcome the challenges facing the private sector according to the applicable regulations. As the platform for the private sector, OCCI was an influential tool in economic affairs through its strategic participation with the decision-makers.

OCCI presented the opinions of the private sector in a logical manner based on facts and qualitative economic studies. It has discussed many issues, including the study of the chamber’s law and endeavored to widen the circle of participation in the study of the law by passing it on to several channels, including circulating it to the board of directors of the Chamber’s branches and conducting workshops for businessmen and women to get their feedback on the law and disseminate it in the media as well.

OCCI requested the competent authorities to study the investment law before it was approved. OCCI conducted a study about the proposal to establish a labor city. The Chamber also presented its views to the competent authorities about vacations during national occasion and the OCCI role in regulating the labor market. It also discussed the application of penalties on violators of truck load limits.

The meeting also discussed several issues that OCCI has worked on to address and improve: discussing the challenges of marketing Omani products in large commercial complexes, expressing the Chamber’s opinion on the proposed corporate fees according to the legal form, and the Chamber’s opinion on the implications of the decisions to raise some fees and taxes on vital sectors and their impact on the private sector.

OCCI board also discussed several other issues related to the private sector.

Empowering Human Resources

The meeting also discussed the role played by the outgoing board of directors to find a developing and dynamic executive body. OCCI BoD sought to improve the performance of the executive body and to renew its organizational structure so that it can implement the vision and strategies of OCCI and ensure total quality management. OCCI provided the executive body with 29 new staff. A training plan was prepared for 30 employees who will be trained by the beginning of this year. In a bid to improve the academic qualification of the technical staff, OCCI Board has created a mechanism to involve the employees in post-graduate programs, 19 employees have been approved to complete their undergraduate and postgraduate studies. More than 100 employees have been involved in participations and overseas visits.

Digital transformation

Within the endeavors made to ensure providing services with a comparative advantage to its employees after the Sultanate has adopted an ambitious project to build e-Oman,
OCCI BoD has adopted the e-transformation project. The project comes within the efforts made to transform GCC traditional services into electronic ones by utilizing the information and communication technology. Within its action plan, 2017-18 OCCI adopted the digital transformation to render direct e-services by utilizing electronic tools. OCCI used the following two mechanisms:

- The first mechanism: Developing OCCI electronic systems structure and activating the website.
- The second mechanism: The delivery of OCCI services to members electronically.

The website, launched in 2016 reflects OCCI activities and functions in an honorable and renewable manner. It highlights the various activities and events. The website also contains many electronic services such as economic, legal advice, advertising in Al Ghorfa magazine, request for information, booking OCCI halls and others.

The services that will be in the second phase of the e-transformation project are services related to the portal of the Ministry of Commerce and Industry. This includes but not limited to:

- Registration of companies. As the collection of registration fees for the renewal of companies is currently done through Invest Easy portal, the integration between OCCI and the Ministry of Commerce will lead to the issuance of OCCI registration certificate through Invest Easy portal after completing the data such as OCCI affiliation number and the OCCI affiliation certificate expiry date.
- Renewal of OCCI membership. This is done through OCCI portal immediately after confirmation of the data through Invest Easy portal.
- Modification in corporate data such as: change of name, partners, activities. This is done through Invest Easy Portal but OCCI should be advised of the amendments after completing the data such as OCCI affiliation number and the OCCI affiliation certificate expiry date.
- Change in capital. This will be through Invest Easy Portal. OCCI should be notified of the amendments. The procedures for issuing OCCI new certificate of affiliation should be through OCCI website.

Business partnerships

As for attracting foreign investments and facilitating partnerships between Omani private sector and its foreign counterparts, OCCI managed to attract considerable partnerships between Omani private sector and its foreign counterparts, OCCI managed to attract considerable partnerships between Omani private sector and its foreign counterparts, OCCI managed to attract considerable partnerships between Omani private sector and its foreign counterparts, OCCI managed to attract considerable partnerships between Omani private sector and its foreign counterparts.

OCCI also organized many seminars to attract investors from both the Arab West and the Indian Levant, with the participation of 17 Arab countries and 10 specialized organizations in addition to the attendance of a high-level delegation of officials and businessmen from India. It also organized the meeting of the Board of Directors of the 25th Islamic Chamber Meeting and the 30th meeting of the General Assembly of the GCC Economic Forum. OCCI also organized the seminar on GCC Future in the Post Oil Era alongside with other events through which OCCI managed to attract businessmen from around the world.

OCCI has achieved many successes as part of its continuous efforts to ensure that the private sector has a strong role in attracting positive investments, through wide local and foreign participation in OCCI's activities, arranging B2B meetings between Omans and Qatari businessmen and their cooperation agreements. It supported many trade agreements between foreign investors and Omani businessmen, which reflected positively on the growth of the number of Omani private sector companies and institutions which hit 343,360 companies in 2016. This also resulted in the growth of the number of OCCI members at the different governorates.

Developing the economy in the governorates

Within the framework of the Board’s efforts to contribute to the economic development of the governorates and to develop them in line with the developmental changes, and in a bid to help OCCI branches to play their role in serving the private sector, OCCI branches have received wide powers and roles that enabled them to contribute to the development of their economic roles in attracting investments.

Positive growth rates

The meeting also discussed OCCI’s financial performance during the previous term of the Board of Directors (2014–18). Within its keenness on developing OCCI’s financial services, the Board of Directors managed to achieve the highest revenues in the financial history of OCCI and register a financial surplus that stood at about RO 6.5 million in 2016.

OCCI also achieved a financial surplus during 2017 despite the increase in expenses due to the financial allocations to complete the construction of facilities and premises at OCCI branches in the Governorates which have been opened in November 2017 to coincide with the glorious National Day. This is also achieved despite spending on some qualitative initiatives that the Board believes have positive impact on the Omani human resource in particular and the national economy in general. The initiatives included supporting innovation and scientific research initiatives.

OCCI BoD sought to ensure activating the audit department and strengthening the role of the Audit Committee by maintaining coordination with the Financial and Administrative State Audit Institution and benefiting from the external audit expertise houses.
Oman Chamber of Commerce and Industry (OCCI) celebrated the announcement of winners of 2017 Social Responsibility Award. The event was sponsored by His Excellency Dr. Yahya bin Mahfoudh Al-Mandheri Chairman of the State Council and attended by a number of their excellences and representatives of Zain Telecommunications in Kuwait.

The award targeted local and international companies affiliated with OCCI.

Social responsibility ... a continuing commitment to act ethically and contribute to economic development.

Oman Air, Oman LNG and Salalah Methanol are the best in terms of social responsibility.

The award targeted local and international institutions and companies affiliated with OCCI in various economic sectors. The private companies and institutions in the Sultanate have made commendable efforts in the field of social responsibility. OCCI’s roles and initiatives in the field of supporting the private sector have been doubled. OCCI has adopted the CSR Award during the current board term (2014-18).

The World Business Council for Sustainable Development defines Corporate Social Responsibility as the “continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."

Selection process was not easy and the differences between the results of the companies were mere fractions, Al Kiyumi says.

Al-Busaidi

Community partnership

HE Saeed Bin Saleh Al Kiyumi, Chairman of the Board of Directors of OCCI delivered a welcoming speech where he highlighted the advanced partnership between OCCI and its partners in all fields. He also highlighted the development of the concept of social responsibility for institutions and companies in the Sultanate. He also touched upon the mechanisms of work in this important and vital sector noting that they seek to develop a healthy, positive and interactive relationship between economic and productive institutions and the surrounding society.

Within the framework of its responsibility and objectives, OCCI’s Board of Directors adopted the CSR Award in a bid to recognize the efforts made by private sector institutions and companies. The award aims not only to promote and publicize those outstanding contributions and initiatives, but also to encourage and motivate others to adopt innovative community initiatives that benefit both the institution and society.

This award recognizes the efforts made in this area and contributes to raising awareness of the importance of social responsibility as such recognition will ensure more contributions by private companies during the next phase.

Al Kiyumi urged all companies to participate in the upcoming editions of the award and to do more in the area of social responsibility. He noted that OCCI seeks to promote the award from its local framework to the Gulf and Arab countries level in a bid to encourage more advanced and complex community initiatives.

“Creating an enabling environment for corporate social responsibility is the first step to ensure that it is successfully implemented. We need to enhance the overall concept of social responsibility to ensure effective contribution to community development and sustainable development. The social responsibility activities should be a major part of the activities of companies that should be followed up and evaluated directly and permanently by boards chairmen. We need to make social programs and initiatives self-dependent in the future to ensure that they cover their expenses, and achieve sustainability, Al Kiyumi said.

As part of our responsibility as representatives of the private sector, we take this opportunity to assure all companies that the concept of social responsibility has become an area of competition among the different institutions as this aspect has a positive impact on the company and the society as well, he added.
companies that competed for the Award.

The second edition of CSR Award has passed a number of phases and finally selecting the best three out of the 19 companies that competed for the Award. OCCI Chairman welcomed the representatives of the Zain Group in Kuwait and pointed out that the Group is one of the largest telecommunications companies in the region and is a key partner in the communities in which it operates. Zain seeks to contribute to the economic, social and cultural projects to make a positive impact on the lives of people.

Al-Busaidi pointed out that the award seeks to stimulate companies to apply best CSR practices, which in turn enhances their ability to play their role as a key partner in sustainable development. The dissemination of a culture of social responsibility among private sector institutions and their ability to play their role as a key partner in sustainable development. The dissemination of a culture of social responsibility is a prerequisite for the success of any company.

Al-Kiyumi pointed out that OCCI award seeks to establish the true image of the private sector in society and to clarify the positive role it plays in social responsibility. The initiatives done by some private sector companies in the field of CSR should be visible to everyone to encourage others to follow the same. We invite all companies to participate in this award to convey the message and achieve the aim of the award. The selection process was not easy and the differences between companies were just fractions. This indicates that the private sector is now also competing in the area of social responsibility, he furthered.

The Chairman of the Organizing Committee of the Award stated that social responsibility for institutions is not just money or donations provided by the Foundation as a kind of charity, but a culture that is integrated into operational strategies. It is also an administrative system that is translated into institutionalized behavior to achieve sustainability for the society «first» and then for the institution.

Al-Busaidi pointed out that the award seeks to stimulate companies to apply best CSR practices, which in turn enhances their ability to play their role as a key partner in sustainable development. The dissemination of a culture of social responsibility among private sector institutions and their proper application is a useful tool to stimulate investment and develop the business environment in the Sultanate.

Many studies have proved that commitment to the concepts of social responsibility and sustainable development is a prerequisite for the success of any institution as their performance is not measured by only financial criteria. The private sector is now also competing in the area of social responsibility, he furthered.

Al-Kiyumi called upon the Omani private sector to benefit from its experience.

Kiyumi called upon the Omani private sector to benefit from its experience.

Wide Participation

Hamad bin Sultan Al Busaidi, Executive Director of Oman Center for Governance and Sustainability and Chairman of the Organizing Committee of the Award, delivered the Committee’s speech. He noted that the selection of three companies out of 19 companies to win OCCI’s Social Responsibility Award was not easy for the jury panel, which included national competencies representing Oman Chamber of Commerce and Industry, the Public Authority for Small and Medium Enterprises (SMEs) and the Capital Market Authority (CMA). The difficulty was since all of these companies have carried out outstanding CSR initiatives.

The third criterion was related to the support of small and medium-sized enterprises, including the support provided by the companies participating in the award for the SMEs through training, consultancy, finance and contracts.

The Chairman of the Organizing Committee of the Award stated that social responsibility for institutions is not just money or donations provided by the Foundation as a kind of charity, but a culture that is integrated into operational strategies. It is also an administrative system that is translated into institutionalized behavior to achieve sustainability for the society «first» and then for the institution.

His Majesty Sultan Qaboos bin Said highlighted the importance of these aspects more than 27 years ago. In his meeting with members of the Oman Chamber of Commerce and Industry in February 1990, His Majesty stressed the importance of spreading awareness among traders and industrialists in many areas including their role in cooperating with the government to implement the development programs efficiently. H.M the Sultan urged them to increase their contribution not only to the economic development, but also to social development. “Sustainability plans in projects must focus on different dimensions, including the environmental dimension and, if possible, scarcity of natural resources, especially non-renewable resources. They should also focus on the social dimension and equity in society in terms of access to natural resources, income and mitigation of poverty. They should also focus on achieving social justice between present and future generations. The economic dimension includes the realization of the economic well-being and improving the standard of living of individuals. This shows us the complementary relationship between the concept of sustainable development and social responsibility, he concluded.

Results

Al-Busaidi pointed out that the award has been based on three carefully studied and clear criteria. The first criterion was interest in protecting environment, which included pollution control, green spaces, works that serve the environment and recycling of natural products. The second criterion included community service and related aspects such as having a specialized department for social responsibility, the percentage of Omanization in technical positions, the general Omanization rate in the company, the creation of employment opportunities for Omanis, and the contribution of this company to education, training, health, sports and youth programs.

The selection process was not easy and the differences between companies were just fractions. This indicates that the private sector is now also competing in the area of social responsibility, he furthered.

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Oman Air, Oman LNG and Salalah Methanol have been selected to win the second edition of OCCI Social Responsibility Award 2017. Zain Group of Kuwait was also honored for its participation and attendance at the closing ceremony.

CIRCULAR: AMENDING THE CEILING OF THE PUBLIC TENDERS AT THE OMAN-U.S. FTA

December 11, 2017

As required by Annex 9 of the United States – Oman Free Trade Agreement, the United States hereby notifies Oman of the adjusted threshold values in U.S. dollars, which will become effective on January 1, 2018:

1. For Central Level of Government Entities: US$ 180,000 for procurement of goods and services and US$ 10,441,216 for procurement of construction services.

2. For Other Covered Entities:

   1. For List A Entities: US$ 12,851,327 for procurement of construction services.

   2. For List B Entities: US$ 555,000 for procurement of goods and services and US$ 12,851,327 for procurement of construction and services.

The next adjustment of the threshold values will be made in two years and become effective on January 1, 2020.
Oman Celebrates Industry Day

- This day is being celebrated every year on February 9 to commemorate the Royal visit of His Majesty Sultan Qaboos bin Said to Rusayl Industrial Estate on 9 February 1991.

- Signing 17 investment contracts for the expansion of Rusayl Industrial Estate.

- Implementing 70% of the infrastructure project in Sumail Industrial Estate.

- Completion of 67% of the development work in the seventh phase of Sohar Industrial Estate.

- Assignment of the complementary work project for the expansion of the first and second phases in Nizwa Industrial Estate.

- Completion of final tender documents for the development of the second phase of Raysut Industrial Estate.

- Designing and customizing the second zone interface in Al Buraimi Industrial Estate.

- Establishment of the second largest Chinese communications systems company in the Knowledge Oasis Muscat.

- Total number of companies signed contracts in Al-Mazyonah Free Zone reaches 160.

In commemoration of His Majesty Sultan Qaboos bin Said’s visit to Al-Rusayl Industrial Estate in 1991 and the Public Organization for Industrial Estates, the Sultanate celebrates the industrial day every year. It falls on 9 February, where growth rates have been increasing in various fields, large expansions of the total leased area, infrastructure projects, total investments, number of projects and the availability of employment opportunities in various industrial estates and their administrative units.

The highlights are focused on the achievements of the industrial estates of Al-Rusayl, Nizwa, Sumail, Sohar, Al Buraimi, Raysut, Sur, Knowledge Oasis Muscat and the free zone in Al-Mazyonah during the past year.

The most prominent future projects for these estates in the next phase are as follows:

Al-Rusayl
Seventeen contracts were made and signed to invest in the expansion of Al-Rusayl Industrial Estate in 2017. The total area of Al-Rusayl Industrial Estate after expansion becomes 9,964,310 m². A consultant tender was launched for renewing the entrance of the estate and the street leading to the estate and constructing new entrances. Moreover, a consultant tender was launched for rehabilitation of the infrastructure of the estate and the preparation of a general outline of the estate, including the new expansion. In addition, an investment tender was launched for the establishment of a commercial area. The volume of investment is RO 617,060,229.

Meanwhile, the number of national workforce in the existing projects in the area is 5770, and the number of the foreign workforce is 13,933.

Sumail
As for the most important achievements of Sumail Industrial Estate in 2017, the infrastructure project has been implemented with a completion rate of about 70% of the work and is expected to be completed in the third quarter of 2018. The tender was also awarded for the construction of a seven-storey service building in cooperation with the private sector at an estimated cost of RO 5 million. Other achievements are represented in the contributions to many activities in the governorate in order to serve the local community. Concerning the latest statistics on the area, volume of investment and manpower in Sumail Industrial Estate, the total area of Sumail Industrial Estate is 7,674,457 m², and the total leasable area is 4,464,403 m². The area leased amounted to 3,320,977 m² at the end of 2017, accounting for 74% of the total area. The total investment in the region was RO 1,810,007 at the end of 2017, while the total number of workers is 1311, — including 367 Omanis, representing 28%.

Sur
As for Sur Industrial Estate, a scheme has been launched for the investment of the sewage plant in the region. The project is expected to be awarded in February 2018. The consultancy services project for the design and supervision of the planning and infrastructure services of the region has been launched. The project is expected to be awarded before the end of the first quarter of this year. Several investment opportunities have been raised and are expected to be launched during the first half of 2018. In addition, a feasibility study is under way to establish a port in the Sur Industrial Estate, and the
results of this feasibility are expected to be announced during the first half of this year. On the other hand, 24 projects were established during the year 2017 and four new factories entered the production stage in various activities. On the latest statistics on the area and the volume of investment and labor force, the volume of investment during the last year amounted to 1,214,853,191.64 Oman Riyals. The total taxable area is 23,661,200 m², of which 671,425 m² were actually leased. The number of expatriate labor force is 2,499.

Sohar
By the end of 2017, the volume of investments in Sohar Industrial Estate amounted to RO 1,911,522,665, and 34 projects were established, bringing the total number of projects to 321 occupying 10,555,810 m² of actual leased area. On the other hand, 67% of the development work was completed in the seventh phase. The total number of developed areas reached 18.5 million m². The number of the workforce by the end of 2017 was 15,413 – with 5711 Omanis, at an Omanization rate of 37%. In addition, the first phase of the residential city, targeting 2,400 workers, has been completed. 55% of the seven-storey service building has been completed with international standards and will provide a lot of support services to investors. In 2018, Sohar Industrial Estate is seeking to expand to new areas, which will contribute to increase the volume of investments in Sohar Industrial Estate and provide more employment opportunities for citizens.

Nizwa
During the past year, the complementary work project for the expansion of the region for the first and second phases in the Nizwa Industrial Estate was awarded. In addition, consultant work for the project of expanding Nizwa industrial estate for the third and fourth phases was awarded. In addition, a bidding was launched concerning the residential area as well as drilling a water well to provide more water in the region. Works carried on in the area include mountain breakage and paving the roads of 1600 m² in the fourth phase. The total leased area in the region is 2,053,190 m², while the total investment has amounted to 218,456,384 Omanis Riyals. The total number of labor force is 1,860, 30% of them are Omanis. Al Buraimi Industrial Estate is working on allocating 75,000 m² to build an integrated residential area for the region’s workers, allocating 300,000 m² for industrial workshop projects and scrap stores as the second zone as well as establishing sewage plant and network.

Rayют
The investments volume in Raysut Industrial Estate is currently exceeding RO 415 million. Although the Estate has reached the maximum capacity in terms of area, the volume of investments is growing as companies develop and modernize the production lines and increase the production capacity. By the end of last year, Raysut Industrial Estate registered more than 190 industrial, commercial and service projects. Around 84 of these projects are currently productive, while the rest are under construction or are in the process of preparation for construction. These projects aim to employ Omani cadres, who exceed 800 employees at the current phase. On the other hand, final tender documents are floated for the development of Raysut 2, the remaining part of the region. It is expected to offer the project in a tender during the first quarter of the current year and it is hoped that it will be completed within 24 months from the start of implementation as planned.

Knowledge Oasis Muscat
Knowledge Oasis Muscat (KOM) won the International Quality Award last year. In addition, it hosted and supported the Innovation Factory project, which recently won the Entrepreneurship Award, and now hosts the second largest Chinese company in communication tools and systems. On the other hand, a project has been allocated to develop multi-storey parks which will provide 780 parking space and use modern technologies in the management of facilities and parking. KOM allocated a project to construct and manage the 6th and 7th buildings to accommodate the increasing demand for the Oasis and provide a land for an Omani entrepreneur to provide smart parking in front of the 4th building (under construction) in accordance with the commitment of KOM to support technology-based solutions that will have a significant impact on community service. In addition, Knowledge Oasis Muscat completed the consultancy study of the development of the business area, which will improve the overall appearance of the region and address some technical problems.

Regarding the projects under implementation, the most important of which is to assign the implementation of the development of the central area, and the coverage of public areas in the business area with internet coverage. In addition, there are other projects such as the ring road project, the use of smart lighting in the streets of the Oasis to reduce consumption and linking all buildings of the Oasis with high speed internet.

On the other hand, there are projects under study and preparation, such as using the Internet to manage the parking of visitors, introducing renewable energy technologies to reduce the cost of energy consumption and contribute to the reduction of global warming, providing a station to supply electric cars with power and providing a mechanism to move between the various Oasis facilities compatible with the technological development in the world.

Al-Mazyonah
The Al-Mazyonah Free Zone managed during the last year to attract a number of investments and create a growing investment movement by signing many contracts and investment agreements with companies including including the agreement to establish a hotel in the region.

The total number of contracts signed in the region is 160 and of multiple nationalities. In addition, there are a number of investment applications under study, and there are about 30 projects under construction and reconstruction. The volume of exports, handled and re-exported through the region exceeded 64,468 tons by the end of last December. The total number of vehicles entered Al-Mazyonah Free Zone and re-exported exceeded 11,675.

In the field of the infrastructure, four new water wells were drilled in the region. The customs inspection yards were completed according to the best practices and equipped with all the requirements of inspection platforms and offices for the staff of the General Administration of Customs. A tender for the development of the second phase of the region has been launched and is now in the analysis phase. The work is expected to be awarded before the middle of this year. The broadband company has launched a tender for the provision of high-speed internet services and the project is in progress and is expected to be completed by April next year.
Opportunities & Challenges Faced by Family-Based Entrepreneurial Firms in North-Sharqiyah Region of Oman

1. INTRODUCTION
Entrepreneurship and the development of micro, small and medium size enterprises (MSMEs) are the most promising segments for growth and development in all the economies today (Pistrui, Huang, Oksoy, Jing & Welsh, 2001). Entrepreneurial MSMEs support the process of economic development, foster economic growth with social stability, and create jobs lessening unemployment and migration (Al-Sadi, Behwal & Al-Badi, 2011).

Family-business is one of the most important components of private (micro, small and medium sized) enterprise sector (Pistrui et al., 2001). It can be understood as owner-managed firm with family member(s) holding control on financial and managerial aspects of the business concern (Ward & Aronoff, 1990). Family is a driving force behind entrepreneurship and business development with elevated level of perseverance and commitment to see the business succeed (Davis, 1982). Its kinship system serves as foundational resource in business development, especially in developing economies (Benedict, 1991). It is an important source of financial and human capital (Donckels & Lambrecht, 1999) and other resources like, access to market, sources of supply, technology, innovative ideas (Dyer and Handler, 1994), for the establishment and management of the business.

Being a collectivist society, Omani culture is highly conducive for family-based private businesses. Despite its significance to the economic development of the region, there are marginal in-depth empirical studies available in context to the Sultanate of Oman. Likewise, few of the studies have been conducted to determine the challenges faced by the entrepreneurs working in different regions of Oman including Al-Dhahira (Belwal, Belwal & Al-Saidi, 2014), Al-Batinah (Al-Sadi et al., 2011), Dhofar (Sanyal, 2014) and Muscat (McElwee & Al-Riyami, 2003).

However, the empirical investigations pertaining to the family-based entrepreneurial firms based in A’Sharqiyah region of Oman are not available. Is it important to determine the accessibility of the government-led initiatives to family-based entrepreneurial firms in A’Sharqiyah region? If so, what are the major challenges faced by them in developing their businesses?

Objectives & Significance of the Study:
The current study aims to enquire the opportunities available to family-based entrepreneurial firms of the north Sharqiyah region for their commencement and growth. It further aims to determine the accessibility of the government initiatives to family-based entrepreneurial firms of the north Sharqiyah region for their commencement and growth. It further aims to

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Abstract
Family-based micro, small and medium-sized businesses are of absolute importance for the social and economic development of the Sultanate of Oman which is in dire need of diversifying its economy from energy sector and combating increase in youth unemployment.

The current study has been undertaken to comprehend the current situation of family-based entrepreneurial firms in north A’Sharqiya region of Oman. The study determines the accessibility of the government initiatives to the entrepreneurs undertaken to promote entrepreneurship in the region, along with the challenges faced by them in developing their business. Interviews were conducted from the owners/directors of 37 family-based entrepreneurial enterprises working in north A’Sharqiya region. The findings highlighted the major obstacles faced by the entrepreneurs in managing their business affairs. The findings have implications for regulatory bodies.

Keywords: Family-based, Micro Entrepreneurs, SMEs, Challenges, Opportunities, North Sharqiyah, Oman.
to identify the challenges faced by these micro, small and medium sized private-businesses in conducting their day-to-day operations and future development. The findings have implications for the relevant policy makers and the government bodies, engaged in the development of entrepreneurship and family-based enterprises in the north A’Sharqiya region. The findings may have implications for educational institutions who can train the existing and potential entrepreneurs (students) to cope with the challenges faced by the business owners pertaining to the management of the daily operations, marketing activities, and financial planning.

2. LITERATURE REVIEW

The Sultanate of Oman is in the process of diversifying its economic activities from that of energy sector, in order to reduce its over-reliance on oil exports and increase the employment opportunities for the national youth (Magd & McCoy, 2014). To do so, the government is encouraging the development of private sector by promoting entrepreneurship amongst the youth. Entrepreneurial led development of private sector by promoting entrepreneurship and family-based enterprises in the north A’Sharqiya region (Al-Barwani et al., 2014).

Entrepreneurship in A’Sharqiya Region:

A’Sharqiya governorate is divided into north and south zones. North Sharqiya region is divided into six different areas, namely: Bidah, Al Qabil, Ibra, Al Mudhaibi, Wadi Jirani Khalid, and Dima Wa Thaieen. According to the latest statistics provided by Oman Chamber of Commerce and Industry- Ibra (dated 9th August 2016), the total number of SMEs registered in north Sharqiya are 13,805. Figure 1 illustrates the growth of SMEs in the region year-wise from 2010 to 2016. The fact-sheet shows that year 2011 witnessed the highest number of registration (3000+) of the micro, 2045 small and medium sized businesses in the north A’Sharqiya. In 2016 (till the month of August), the Total SMEs registration in A’Sharqiya till August 2016 number of registrations already reached above 2,000 and we can expect more registrations till year completion.

The government’s 8th Five Year Development Plan (2011-2015) includes an objective of stimulating the development of small medium establishment country-wide (Ernst & Young, 2013). A separate authority was established in year 2013 for developing this initiative, known as Riyada Public Authority for Small and Medium Enterprises Development (PASMED). It provides technical support and consultancy services to develop the competitive small and medium-sized enterprises, adding value to the national economy. Its main functions include training and awareness programs, consultancy & services, funding, business incubators, mentorship program, SMEs exhibitions and conferences (Riyada, 2013). Earlier, Directorate General for the Development of Small and Medium Enterprises at the Ministry of Commerce and Industry (MCI) was engaged in supporting entrepreneurship sector since year 2007.

The government has launched US$ 260 million fund for the development of SME sector. It has initiated various programs to provide considerable support to its nationals in starting and running their own businesses like, projects under the Oman Development Bank, the Ministry of Social Development and Oman Chamber of Commerce & Industry, Rahal/Sanad program, Knowledge Oasis Muscat and so on (Al-Sadi, Belwal & Al-Badi, 2011). Likewise, the private sector is also contributing to the development of SME sector in the region through different programs, e.g., Shahakah, Gaifin, Towell, Intilaaqah program, to name the few (Rao, 2015).

Entrepreneurship in A’Sharqiya Region:

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Figure 1: SMEs Registered in A’Sharqiya 2010-2016

Amongst the total entrepreneurial firms registered in north Sharqiya, the number of firms registered as family-based is rather marginal (0.3 percent, figure 2). Family-based entrepreneurial firms might be favorable to the collectivist orientation of Omani society, due to their high level of perseverance and commitment to business success (Davis, 1982).

Based on the significance of family-led micro, small and medium sized enterprises for north sharqiya, the current study determines if the current initiatives taken by the government for supporting entrepreneurship in the region...
3. METHODOLOGY

Research Design

The study adopted quantitative research approach to achieve the objectives of assessing the availability of the government initiatives to the family-based entrepreneurial firms in A’Sharqiyah (north) governorate along with the challenges that they face in starting and managing their businesses. The interviews were conducted from the study participants using structured questionnaire to collect the relevant information on same set of questions. The time-orientation of the study was cross-sectional.

3.2 Measures

The items included in the structured questionnaire used for interviewing the study participants were adapted from Al-Rawwani et al. (2014) and the entrepreneurship survey conducted by Ilna College of Technology (2015). The adapted questionnaire was mainly composed of three sections including: a) demographic profile of entrepreneur and their business along with the information pertaining to the reason for starting the firm, its source of funding, and entrepreneur’s financial dependence on that family-business, b) their perception pertaining to the benefits of entrepreneurial activities in the region and the opportunities available to them for starting/conducting their own-business, and c) the challenges related to market, customers, operations management, social aspects, education & training etc. faced by them in day-to-day business activities. The items used for assessing opportunities and challenges were measured on five-point Likert scale 1-5 (Strongly Disagree to Strongly Agree).

3.3 Study Population & Sample

The managing directors/owners of micro, small and medium sized family-businesses of north A’Sharqiyah region (from all its six areas of Bidalah, Ash-sham, Ibra, AlMutahabi, Wadi bani Khalid, and Dima Wa Thaian) were targeted for conducting current empirical investigation. The list of the registered family-based businesses was received from Oman Chamber of Commerce and Industry (OCCI), which included the contact details of 39 registered businesses. Out of the total 39 family-based business in north A’Sharqiyah, 19 were owned by female entrepreneurs (i.e. 48.7 percent) which confirmed almost equal participation of female in owning business.

The contact was established with the managing directors/ owners of all the listed firms based in six areas of north A’Sharqiyah region via telephone. Their willingness to participate in the study was sought and the interviews were taken from those who accepted the invitation. The interviews were administered both on-call and face-to-face (based on proximity) in Arabic language.

The number of participating firms from the listed businesses (in OCCI) remained 25 out of 39 with response rate of 64 percent. For in-depth analysis of the issues of family-based SMEs in north Sharqiya, the unregistered family businesses working in Ibra region were identified based on convenient sampling technique and requested for participation.

Figure 3: Study Participants (Area-Wise)

The effort resulted in additional 12 interviews from the owners of those businesses, totaling the study sample up to 37 firms.

4. ANALYSIS & DISCUSSION

4.1 Demographic Profile

The descriptive analysis revealed that representation of both genders in the study was not equal, the representation of male respondents remained considerably higher as compared to female respondents (i.e. 78 percent and 22 percent respectively).

The study participants belonged to diverse age groups, including wider participation of the business heads from the age group of 21 to 30 years followed by 29 percent respondents belonging to the age bracket of 31 to 40 years and 19 percent with age higher than 40 years. Likewise, a balanced representation was included from the firms belonging to different age groups. Forty percent of the firms aged higher than eight years along with 33 percent firms having age less than eight years and more than two years. Twenty-seven percent representation was included from the new firms with age less than two years.

According to Riyadh (2013) SME is defined as micro (with 1-5 workers), small (with 6-25 workers), medium (with 26-99 workers). Based on this classification, the study included 84 percent participants from micro enterprises with total number of employees less than six and eight percent from each small and medium-sized firm.

With respect to family-members participation, it was identified that 49 percent of the firms involved two family members followed by 19 percent SMEs involving only one family member (excluding interviewed owner/director). Thirty-two percent of the firms had three or more family members participating in the same business. Moreover, 30 percent respondents shared that their family members (mostly brothers) are also involved in other side-businesses, contrary to 70 percent who had no other business activity.

Table 1 highlights the statistics pertaining to gender, age, place of business, and family members involved in the business, number and nationality of employees.

Advantage of Entrepreneurship & SMEs Development in the Region:

The prior literature acclaims the role of small-medium sized enterprises in economic and social development of the region. In order to determine if the entrepreneurs understand the contribution of their businesses at macro level, they were questioned on the impact of their businesses on economic or social aspect of north A’Sharqiyah (figure 4).

Disagree

Majority of the participants (49 percent) agreed on the fact that the success of their businesses is directly linked to the economic success of their region and country as a whole. However, a considerable percentage of respondents (45 percent) disagreed and found no connection between the two.

Figure 4: Advantages of Entrepreneurship in Region

Likewise, the most important benefit provided by entrepreneurship and SMEs development is the employment opportunities to the people of the region. Forty-nine percent amongst the entrepreneurs agreed considerably that their businesses were a source of employment for other people. The results signify the positive outlook of the entrepreneurs towards the importance of their business and the need for its sustainability and growth in the future.

Drive behind Entrepreneurial-Career:

The business owners were questioned about the inspiration behind starting a family business and taking risk. Fifty-seven percent of the respondents confirmed that they were inspired to have their own businesses to fulfill their need of achievement.

McClelland (1965) argues that such a need is important for entrepreneurial activity to take place. Sixty percent of the respondents confirmed that they started the business as their family was already involved in it and therefore they followed their footsteps; supporting prior findings on the positive role of family in encouraging people to start entrepreneurial careers (Dyer and Handler). On the other hand, 33 percent entrepreneurs reported that they started the family-business as they were not getting the suitable job and the other eight percent started business either to meet financial needs or to stay busy in some kind of work. Only five percent respondents said they were motivated to start
as an entrepreneur due to the supportive policies of the Government (figure 5).

Sources of Business Funding:
It is imperative to identify the important sources of funding at the discretion of potential (and 30% existing) family-based entrepreneurs in north A’Sharqiya. About 49 percent of interviewed owners/directors said that they started business with their own funds, whereas 13 percent borrowed either from family or friends. Nearly 30 percent business owners confirmed that they had financial support from family or friends. Only eight percent took loan from the private banks or financial institutions at which five percent borrowed from Oman Development Bank (figure 6). The statistics indicated that the family business firms in shariyha had good accessibility to the government and private sector initiatives of providing seed money to the start-ups.

4.2 Challenges Faced by Family-based Entrepreneurial Firms
Several challenges continue to exist in developing entrepreneurship in the region which need to be objectively identified and dealt with to achieve sustainable entrepreneurial environment. A brief summary of some of the challenges prevailing in north Sharqiya region for family-based entrepreneurial firms are presented next.

Regulatory Issues:
Governmental regulatory and registration procedures involve many complex and bureaucratic procedures, causing unnecessary delays in business processes and draining entrepreneurs’ energy and time (Zakaria, 2014). It remained one of the top problems raised in the survey by the owners of family-based SMEs in north Sharqiya (Blanke et al., 2009). Fifty-one percent of the participants reported about long registration procedures. Only 19 percent amongst the owners/managers of these family-led enterprises in north Sharqiya are well-aware of the requirements and procedures, which is definitely very low.

Market Scope and Conditions:
Another major challenge faced by the entrepreneurs in Sharqiya is small local markets with low purchasing powers and competitive products. Thirty-five percent respondents stated that the market in which they sell their products and (or) services is small in size and not sufficient for growth and development. Almost half of the sample (46 percent) denied any such problem and found the market size to be suitable for their business activities.

Also, 49 percent owners shared that their customers made delays in making payments, resulting in financial crunch in day-to-day business affairs. Also, 49 percent of the respondents complained about the fierce competition in the local markets because of the availability of cost-effective imported products.

Consultancy and Training Issues:
SANAD initiative under the supervision of Ministry of Manpower aims to train young entrepreneurs in starting and running micro-businesses (Al-Shanfari, 2012) along with several other organizations. Despite the government efforts, 38 percent of the study participants shared that they had no adequate information or professional advice on how to start the business. Also, 43 percent owners mentioned that no adequate training sessions were available to them for gaining expertise in business related affairs. Likewise, the respondents stated that they had no adequate management skills (35 percent) or no marketing skills (46 percent) for running and promoting their business. The findings are not even close to satisfactory.

Personal and Social Issues:
At individual level, entrepreneurial drive serves as a foundation for the development of career in entrepreneurship. It is the most wanted attribute amongst the entrepreneurs for their success. Disappointingly, half of our study sample (49 percent) reported that they felt lack of entrepreneurial drive of and/or skills within themselves. One of the major reason can be the educational system in Oman which is accused of not encouraging innovation, creativity and entrepreneurship (Al-Shanfari, 2012).

On the other side, they also reported hardships in balancing both the family and the business at same point in time. Entrepreneurial career is very demanding, uphill with long hours and high stress level (Dyer & Handler, 1994). Around 51 percent of our study participants shared that they faced problem in balancing their work and family life due to the business management pressure and immense workload.

Furthermore, 39 percent respondents reported some kind of resistance from family and society in running their own businesses. According to Dyer (1992) entrepreneurs often get discouraged from having their own business when their families are not supportive.

Operational Issues:
The study findings highlighted that the entrepreneurs faced pressure of high cost of raw materials and business operations hampering the cost effectiveness of their products and services. Fifty-four percent entrepreneurs stated that the raw material accessible to them was high in cost elevating the operational cost as well.

Human Resource Issues:
‘Omanization’ is a government initiative taken to reduce foreign and increase local labour in the local markets of Oman to provide job opportunities to its youth, resulting in poor supply of qualified national workers (Arab Human Capital Challenge Report, 2009). Consistent to the findings of Arab Human Capital Challenge Report, 32 percent study participants shared the issue of scarce skilled labour required for performing business activities, crowned with high labour cost (reported by 46 percent interviewees) in the north Sharqiya market.

Capital Issues:
Securing funds for the start-up ventures is challenging due to the cautious lending decisions of the public and private institutions. After starting, SMEs face even more issues in raising growth funds, limiting their capacities below potential (Zakaria, 2014). 35 percent study participants shared that they encountered insufficient availability of finance required to start or expand their business.

4.3 Future plans of the Entrepreneurs
The owners and directors of the family-based firms were questioned regarding their business plans in near future (figure 11). Forty-six percent of the business heads said that they had plan to expand their current business whereas 24 percent said that they had a plan to diversify and start a new business. About 19 percent of our study participants planned to continue with their existing business without introducing any change in its product/services line or target market. Not even a single entrepreneur wanted to close down his/her family-business, which is a positive indication of growth and prosperity of both the family units and overall society of north Sharqiya region.

5. CONCLUSION & RECOMMENDATIONS
The study aimed at diagnosing the current situation of the family-led entrepreneurial firms base in north A’Sharqiya region. It examined the challenges confronted and the opportunities available to these firms in the process of their development and advancement. The findings identified that entrepreneurs had complaints regarding the long and complex regulatory procedures causing unnecessary delays and stress in managing work. The government needs to develop user friendly procedures, supporting family-led entrepreneurial firms in A’Sharqiya as well as other regions of Oman.

Likewise, most of the entrepreneurs working in Sharqiya zone were not able to gain benefits from the training and mentoring programs offered by the government through its various programs. Lack of management and marketing skills hampered their performance as the leader of the business. The concerned authorities in A’Sharqiya need to take appropriate steps to make the training sessions more accessible to the owners/managers of these family-led firms. Similarly, the educational system prevalent in A’Sharqiya must instill the entrepreneurial skills amongst the youth of the region and also provide them training on work and life balancing skills.

Similarly, study outcomes also stated that the raw material available in local markets is of high cost, ultimately increasing the operations and production cost of the product or services. The intense competition in the market due to foreign cost-effective products reduces the demand of local products or services provided by the entrepreneurial firms. The government needs to take concrete steps for controlling the prices of the raw-material available in the local markets and make them easily accessible to the community.

Also, the funding programs available to the youth for fresh start-ups and mature organizations are not easily accessible to the less experienced entrepreneurs. The funding bodies need to be more supportive and generous in granting funds to the business, especially family-based as they are more committed to success. Moreover, the government must take special steps for providing financial support to the family-led businesses for the advancement of these types of firms.

Nevertheless, the overall findings confirmed that the family-led enterprises in north Sharqiya are well-aware of the growth and development opportunities provided by the public and private organizations, and have intentions to either expand their existing business or are planning to start a new business. The future investigations must replicate this inquiry in other governorates of the Sultanate of Oman to assess the differences existing amongst the regions in terms of family-based entrepreneurship development and success.
All the countries of the world seek to develop their national economies by benefiting from their natural wealth. This is achieved through increasing and developing the local industry and supporting the industrial enterprises by providing them with incentives and activating their role in the growth of the economy.

His Majesty Sultan Qaboos bin Said has shown great interest in the industry sector and provided it with all the necessary facilities to play a major role in the development of the national economy and to contribute to diversifying sources of income. H.M the Sultan has paid a visit to Rusayl Industrial Estate in February 1991. The date has been immortalized and been made the Omani Industry Day.

In his speech at the 21st National Day, H.M the Sultan said: “We will spare no effort in supporting the industry sector and in offering incentives for its continued fruitful growth. It is therefore essential for all those involved to increase their efforts to improve the quality of their products by sustaining the highest professional standards. This will require our national industries to devote the maximum resources to research, scientific and technical studies.

Assigned by His Majesty Sultan Qaboos bin Said, Dr. Madiha bint Ahmed Al Shaibaniyah, Minister of Education, patronised over an honouring ceremony for winners of the Sultan Qaboos Award for Industrial Excellence 2017-18 at the Oman Convention and Exhibition Centre.

Oman Fiber Optic Company won the Sultan Qaboos Award for Industrial Excellence 2017-18 for the category of companies with sales exceeding RO 50 million. Jindal Steel and Power Company won the award for the most innovative companies’ category.

The Minister of Education affirmed that the Omani industrial enterprises have received great attention from the government. The Sultan Qaboos Award for Industrial Excellence comes as a tribute to the industrial facilities, which have proven their ability to compete in the local, regional and international markets, which reflect the efficiency of the Omani industrial sector.

She pointed out that the industrial sector falls under the concepts of innovation, as well as the practical dimension of curricula. The education strategy focuses on the innovative dimensions of education. The Ministry of Education carried out a science festival, which was in partnership with the private sector and among the sectors that participated was the industrial sector.

**Criteria of the Award**

Eng. Ahmed bin Hassan al Dheeb, Undersecretary of the Ministry of Commerce and Industry delivered a speech where he said that the competition has been developed to ensure that it is in line with total quality management principles.

The competition focused on nine criteria, four of which relate to personnel, manufacturing, finance and marketing, safety, environment and social responsibility.

The new competition has been launched with the blessings of His Majesty the Sultan to become the Sultan Qaboos Award for Industrial Excellence in honor of the industrial companies that have achieved high levels of performance and in a bid to encourage them to continue and sustain this approach. It also comes in a bid to motivate others to follow the same approach. It was agreed that this award will be organized every two years to enable the factories to highlight developments and progress.

He added that the Ministry of Commerce and Industry has worked to develop the award through the ministry’s vision of creating a competitive business environment that contributes effectively to the development of Oman’s industry. The framework and criteria for evaluating the Sultan Qaboos Award for Industrial Proficiency have been updated this year by adding new standards for industrial innovation. Innovation is of great importance in the development of industries, where the award was given to the factory which will achieve the highest degree of innovation.

On the evaluation mechanism for this year, Eng. Ahmed bin Hassan al-Dheeb said that 46 people from the private sector were selected and trained. 37 evaluators participated in the evaluation of 19 participating factories, some of which have 30 years of experience in the industrial sector, from the first week of November 2017 to mid-January 2018.
Industry and Development
Qais bin Mohammed Al Yousuf, Chairman of the Oman Chamber of Commerce and Industry, expressed his great gratitude to His Majesty Sultan Qaboos bin Said for his continuous patronage of the private sector in general and the industrial sector in particular. He added that since its inception, this award has played a role in motivating the industrial sector towards further development and modernization and enhanced its contribution to the growth of national economy and comprehensive, sustainable development.

He pointed out that the industrial sector, especially the manufacturing sector, has a special priority within a group of economic, productive and service sectors to enhance the national economy and enable it to cope with changes and developments in the regional and global economy. Within the Tanfeedh initiative, a number of industrial projects have been adopted to maximize the sector’s contribution to the GDP. According to official statistics, the sector’s contribution to the GDP now stands at 10% and is expected to reach 15% by the end of the ninth five-year plan.

Free zones and facilities provided
“The free and industrial zones in the Sultanate are of special importance in attracting and setting national and foreign investments. These estates have managed to attract large investments during the past period. The number of companies operating in these areas has increased during the same period. Efforts were also made to develop infrastructure, facilitate procedures and update laws and regulations to facilitate the business environment and ensure more support for small industrial projects. The proposal to establish industrial incubators has also been considered and efforts were also made to find radical solutions to the challenges faced by factories especially in the governorates. Initiatives have also been implemented to widen the participation of industrialists in decision making and developing the regulations related to the industrial sector, Al Yousuf added.

He urged the industrialists to intensify the investments in the industrial sector during the next phase, by attracting new technologies in industry such as artificial intelligence and three-dimensional printing and localization as this will enhance the value and volume of industrial production and its competitive opportunities locally and abroad. This will make the industrial sector attractive for the nationals.

He pointed out that strengthening the relationship between the education and industrial sectors to prepare and introduce current and future generations of teachers and students in the industrial sector has become an urgent necessity by developing specialized curricula in the industrial and digital economy; especially since we are living now in the Fourth Industrial Revolution (4IR). We need also to develop educational curricula that prepare the new generation for the future jobs by focusing on the applied aspects that meet the needs of the labor market.

The entities participating in the award focused on a number of criteria including leadership, production process, manufacturing process, customer relationship, employee safety and environment, contribution to social responsibility, innovation in manufacturing processes, industrial and financial performance of the plant and marketing of the product. The criteria also focused on innovation standards.

Commendable efforts and achievements
Commenting on Oman Cement’s winning of the Sultan Qaboos Cup for Industrial Excellence in the category of companies with sales of more than 50 million Omani Rials, Hilal bin Seif al Dharmi, GM of Oman Cement said, “Oman Cement Company’s winning this award has not come from a vacuum. This win is a great encouragement for the company and carries a greater responsibility to maintain the level that has reached. The award encourages us to double our efforts to be the best always.

We refer to some of the standards that are related to the quality control, safety, work environment and the company’s efforts in preserving the environment, giving great importance to industrial innovation, the best use of energy and reducing its use and enhancing training of Omani staff, he furthered.

He added that the award will contribute significantly to motivate the company and its employees for more production with high efficiency and perfect quality. Getting this award is the beginning of a new journey to become the best. I would like here to thank the company staff for their dedication and efforts, without which winning this award would not have been possible.

Market Share @ 67 per cent
Sheikh Salah bin Hilal Al Maawali, Chairman of Oman Flour Mills said: “It is a great honor for Oman Flour Mills to carry His Majesty’s Cup for Industrial Competency 2018. This honor encourages us to double our efforts to serve consumers and provide them with the best products.

He added: “Since its inception in 1976 to date, Oman Flour Mills Company has had a clear strategy to make the products of the company at every Omani house. Today, the company share of the market stands at 67%. This ratio is high considering the local and foreign competitors at the Omani market.

Education strategy focuses on innovative dimensions in education:
Minister of Education.

Innovation plays a key role in product development, reducing time and effort and making the company more effective:
Al Farsi

The award motivates industrial organizations and their staff to be more productive and effective:
Hilal Al-Damari

This percentage gives us indications that Omani cadres can realize the highest achievements and produce best products if they are empowered, trained and rehabilitated.
Al Maawali

Attracting modern technologies in industry such as artificial intelligence and three-dimensional printing enhance the value and volume of industrial production:
Al Yousef

Adding new criteria for industrial innovation to develop industries:
Al Dheeb

This gives us an indication to develop industries:
Al Dheeb

Industries:
Al Dheeb

Innovations:
Al Yousef
He pointed out that maintaining this ratio needs more efforts and focus on quality. "The company always focuses on quality and other elements that contribute to increasing the strength and competitiveness of our products. Efforts are also going on to increase our market share."

"The company also focuses on increasing the Omanization rate which now stands at 67%, higher than the percentage imposed by the Ministry of Manpower on the industrial companies. We have clear plans to increase this percentage in the coming four years, through the replacement plan or the plans to appoint Omani in senior positions in the company."

He added that this percentage gives us the indicators that Omani cadres can realize the highest achievements and produce the best products if they are enabled, trained and qualified. Winning this award is a testimony of this.

Hamad bin Nasser Al Farsi, Assistant General Manager, Jindal Iron and Steel Company, said: "We are proud to have won the Sultan Qaboos Award for Industrial Excellence in the category of the most innovative companies. This award will encourage us to improve our products. The award, which also stresses the company's reputation, will drive us to enhance our products and address challenges that may limit the productivity and success of the sector."

"Given the current circumstances and changes in most countries of the world, which have affected economic activity, there are challenges facing some industrial areas in the governorates, including Al Buraimi. Al Buraimi Industrial Estate faces many challenges, due to the land check points in Sa’a and Wadi Al-Jii. They are causing problems in customs collection on import and export operations. There is also a delay in the completion of the Omani land ports opposite to the ports of the United Arab Emirates (Khamisah, Saana and Al-Buraimi), which are nearing completion. The Estate also suffers from lack of coordination between various government agencies and bureaucratic procedures."

There are also challenges related to the mechanism of getting visas for expatriate workers and the identification of the required number between the Ministry of Commerce and Industry and the Ministry of Manpower. Some companies and institutions fail to comply with specific Omanization rates due to the type of available job opportunities, the lack of professional and specialized expertise, centralization in decision-making, poor promotion and marketing, the investment environment, the absence of real cooperative relations with Sohar Industrial Estate, the absence of a residential labor area in the industrial zone, lack of enough quantities of natural gas for the operation of some factories, the lack of sewage networks, the absence of discharge canals for the rain water and the lack of industrial land plots.

The following is noted at the industrial areas of Al Buraimi Industrial Estate:

- Clear fragmentation of areas in the city, as well as overlapping of some of these areas and their proximity to land allocated for residential uses.
- Dilapidated industrial buildings.

As for the proposals or the solutions that we consider important for the development of the industrial sector in the Governorate, they are as follows:

- Giving investors 100% ownership in industrial areas.
- Giving incentives to investors by relieving them from Omanization rates at the beginning of the project, with the increase of 5% after two years and gradually increase the rate later.
- Accelerate the procedures for obtaining permits through the establishment of one window station.
- Completing the incomplete infrastructure that serves the economic activities in the region (eg sewerage, telecommunications services, rainwater drainage system, natural gas, parking lots for trucks and others).
- Strengthening the role of marketing and media institutions such as (The Public Authority for Industrial Estates (PEIE), Oman Chamber of Commerce and Industry, the Public Authority for Investment Promotion and Export Development (Ittisaa) and others).
- Ensuring integration among organizations such as the Public Authority for Industrial Estate, the Ministry of Housing and the Ministry of Regional Municipalities and Water Resources to regularize the distribution of industrial and commercial lands to avoid randomization and disorganization, he added.

Economic Development

According to Abdullah bin Ali Shafei, Chairman of the OCCI Branch of North Al Batinah Governorate "Industry plays a great role in supporting the development process in the country. Therefore, His Majesty Sultan Qaboos has been keen to support this sector and make it one of the priorities. His Majesty visited the Rusayl Industrial Estate in 1991. The date of the visit has become the Omani Industry Day. H.M the Sultan also allocated Sultan Qaboos Award for Industrial Excellence as he believes in the importance of this sector for the growth of national economy. The term industry is synonymous with the term development, said Abdullah bin Ali Shafei.

"The government has paid more attention to this sector, especially with the decline of oil prices. The industrial sector can be a key source of income for the state. To raise the contribution of manufacturing industries is one of the objectives of the national program for the promotion of economic diversification (Taneedh), he added.

The Omani government seeks to attract foreign investment and develop the industrial zones to raise the contribution of the manufacturing sector to GDP to 15% by 2020. Al-Batinah Governorate has many elements that enable it to attract local and foreign investments especially with the growth witnessed by the Sohar industrial area due to the increase in the volume of investments and the increase in the number of factories. Sohar hosts a number of mega industrial projects such as Sohar Refinery, Sohar Alumminum, Liwa Plastic Industry Complex and many more. These factories will inevitably contribute to support the Sultanate's economy and create employment opportunities for Omani youth and support the growth of the Omani economy.

"At OCCI branch, we will have many meetings with the factory owners to identify the challenges facing the sector and solve them. We will maintain coordination with the relevant organizations to activate the economic growth."
In an interview with Hilal bin Hamad Al-Hasani, CEO of the Public Establishment for Industrial Estates (PEIE), we shed light on the role played by the establishment in the local economy.

What is the role played by the Omani industrial estates in achieving the economic diversification?

PEIE has considered the restructuring of its legal system and operations to ensure its regional and global competitiveness by attracting foreign investments and maintaining the national ones. In addition, PEIE planned to make its estates as business incubators, and maximize the benefit of implementing the international conventions that are based on the freedom of movement of people and funds among countries and the freedom of investment under the liberalization of foreign trade.

Manufacturing is one of the sectors on which the state relies when mapping out its plans, and it is considered one of the five sectors adopted by the national program “Tanfeedh”. In addition, this sector is the main driver of the social and economic development, and it plays a key role in providing added value for the economy. It also has several contributions, especially in creating more job opportunities in proportion to the increase in the number of jobs offered.

The support provided to the industrial sector boosts productivity and the growth rates of the national economy. In addition, it enhances the growth rates of the other sectors, through providing them with the necessary equipment. The industrial sector is also able to innovate new products and commodities, which helps boost the economic growth.

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The Establishment also seeks to benefit from the international cooperation related to taxes and non-duplication of taxation among states amid absence of restrictions or preferential requirements for national investments. This is helped by the recent developments and changes, especially dealing with recurrent crises since mid-2008 and lower oil prices over the last four years. This prompted PEIE to reconsider the restructuring of its legal system and re-engineering all its operations in order to enhance its regional and global competitiveness by attracting foreign investments and preserving national investments. This will also ensure maximizing the benefit of the implementation of international conventions, the freedom of investment in light of the liberalization of foreign trade and the utilization of international cooperation agreements relating to the double taxation avoidance, elimination restrictions or giving preferential treatment to national investments or products.

The total investment in various industrial estates has touched RO 6.32 billion, showing a growth rate of 5.5 per cent. The volume of investments increased by around RO 329 million, which makes the total volume of investments around RO 6.32 billion compared to RO 6 billion by the end of 2016.

By the end of 2017, total number of projects within industrial estates touched 1,873, which are in various stages of implementation. Of this, 64 per cent are existing, 20 per cent have been allotted land, and work is underway to establish 16 per cent of these projects. As many as 62 per cent of these projects are industrial, 27 per cent are commercial and 11 per cent are service related projects. The PEIE has also managed to lease more than 695,000 square meters of the lands in the various industrial estates to investors during 2017. By the end of 2017, the total leased area has touched approximately 34 million square meters.

What is the role of the industrial estates in supporting SMEs?

In a bid to protect entrepreneurs and ensure that no activities are against the Sultanate’s commitments, restrictions have been placed on sublease and non-licensees are not allowed to engage in any activity within the estates in to provide protection for the entrepreneurs and SMEs, limit shadow investment and not to undertake any activities that are in contrary to the Sultanate’s obligations.

The Regulation Bylaw addressed the situation of the buildings set up by investors and developers upon the expiry of his contract to ensure their rights. To this end, we have approved a mechanism that ensures fair pricing and providing investors with alternatives that are in line with the legislations.

Investors and developers were also allowed to engage partners at the contracts they have subject that the partner is licensed to practice the same business shown in the land use form.

PEIE also developed regulations that regularize the work of contractors and suppliers inside the Estate and control their relations with investors thus ensuring the investors’ rights. The Regulation also includes the guidelines and limitations related to construction and the response period by the relevant authorities as to ensure providing investor-friendly environment. We have also developed controls for the buildings and facilities set up on the leased land including restrictions on selling them through public auction.

What are PEIE’s plans in developing the technical innovation in the field of industry?

Knowledge Oasis Muscat (KOM) won the International Quality
KOM has also awarded a project for the construction and development of the sixth and seventh buildings to meet the increasing demand for the Oasis. In addition, it provided a land plot for an Omani entrepreneur to offer the smart park service before the fourth building (under construction), as part of KOM’s commitment to support the technology-based solutions that are beneficial to the society. The Oasis also finished the advisory study related to the development of a business estate at the Oasis, which will resolve some technical problems.

As for the under-study projects, they include using the Internet of things (IoT) in managing the parks and applying renewable energy technologies to reduce costs as well as contributing to the reduction of global warming and establishing a station for the supply of electric cars with power. These projects also include developing a convenient topnotch mechanism for moving between the Oasis’ facilities.

PEIE’s long and short-term plans are based on effective cooperation and partnership with the private sector to boost its role and contribution to sustainable social and economic development. Considering this approach, the Establishment has adopted the public-private partnership program in the fields of building, managing and operating its specialized industrial and economic estates. This program has three main aspects; the first one includes attracting major developers to the new estates and avoiding the direct investment in the development operations.

The second aspect focuses on opening the gate for the private sector to work under the umbrella of the Establishment as owners and developers of main economic development estates in the different investment activities as per PEIE’s regulations.

Meanwhile, the third aspect includes the establishment of a holding company owned by PEIE to develop and manage the outstanding estates. To implement the first aspect, the Establishment will work on opening the gate for local and foreign investments in the new estates of some provinces in 2018 and 2019.

The Establishment will attract local and international industrial developers to build, manage and operate specialized investment estates, to allow the developers to attract the investments of local and foreign companies. PEIE has set regulations, procedures and regulatory frameworks giving investors several benefits and identifying their rights and duties clearly, mainly granting them usufruct contracts for 99 years.

About the second aspect that aims to boost the spread of different industrial estates, Al-Hasani said the Establishment is preparing special regulations governing the approvals offered to the private sector to develop estates for its own or other estates in which it owns the usufruct rights. In addition, PEIE seeks to benefit from the global and regional experiences and experiments in the field of building, managing and operating the economic estates, as it will attract and contract global operators for the public estates and facilities as per 25-year management and operation agreements. The establishment will also offer the local and international operators and developers the opportunity to invest in this field that will enhance the competitiveness of the Omani industrial estates, integration of activities in the industrial society and operation of the private estates through the applying of best administrative practices.

Oman Investment and Development Holding Co., which is wholly owned by PEIE, has been established to develop, manage and operate the outstanding industrial estates. The company increases the effectiveness of the services provided in such estates, as well as completing the infrastructure and providing all support services. Oman Investment will also establish development companies as well as management and operation companies specialized in the industrial estates through partnerships with specialized operators.

The company is expected to commence its operations in the second half of 2018. A schedule has been set to transform the outstanding industrial estates to the holding company gradually, in a way not affecting the services provided for these companies, investors and customers of such estates.

**What are the facilities provided to the new investments?**

In terms of simplifying the procedures, PEIE announced that under the new investment regulations, the managements of the industrial estates have been granted with the authority to approve investment applications up to 100,000 square meters of industrial land without referring to the management of PEIE. The regulation sets a period of ten days maximum to give a response back to the investor. To ascertain the seriousness of the investor, a period of 30 days has been set from the date of the application’s approval until the signing of contracts and completion of investment procedures.

“The practice of investment activities in the estates has been linked to a practice license that is renewed annually, and shall be granted and renewed only to investors who meet the requirements. Among these requirements is meeting the Omanisation rates in the job opportunities. The new regulations clearly define the rights of investors and their obligations. The regulations also indicate the obligations of PEIE towards the investors. We have restricted the revoke of license to ensure stability of investment and ensure commitment by investors. We have set certain timetables for granting licenses and approvals. If the competent authority
failed to provide a response within this period, it will be deemed to have given its approval. The lease contracts for investors are for 30 years renewable for similar period.

What are the solutions introduced by the Establishment to overcome the shortage of spaces for new factories?

The public-private partnership program aims to implement the privitisation process effectively to boost the contribution of the specialized industrial estates to the sustainable economic and social development. By 2022, the Establishment’s role will be represented in planning, organization, monitoring and follow-up. Oman Investment will develop, manage and operate the outstanding estates, while the local and international development companies will be the major developers of the new estates. The procedures of offering the development right to some projects have been completed, such as Al-Rusayl Industrial Estate, Commercial Zone, Sohar Industrial Estate, Services Building, Labor Village, Knowledge Oasis Muscat, Sixth and Seventh Buildings, and Services Building at Sumail Industrial Estate. In addition, more job opportunities are being prepared to be offered at the different estates of the Establishment in 2018.

PEIE confirms that although the company will operate on a commercial basis, the economic and social development seen by the various provinces of the Sultanate will be the main policy of the Establishment that is considered one of the most important government arms in the field of development. PEIE will implement its five strategic objectives and 13 policies. The Establishment has recently completed the comprehensive plan for Sur Industrial Estate, Sohar Industrial Estate and Knowledge Oasis Muscat.

Before year-end, the development of Sumail Industrial Estate, the seventh phase of Sohar Industrial Estate, the second phase of Al-Mazyunah Free Zone and expansions of Raysut Industrial Estate will be completed. PEIE will offer a tender for the development of a phase at Nizwa Industrial Estate and Sur Industrial Estate.

What are your plans for the development of new industrial estates? And where?

We have plans for the development of new industrial estates at Sur, Musandam, Al-Mudhaibi, etc.

What are the achievements of PEIE at the e-government?

PEIE, the operator of Al-Mazyunah Free Zone, has launched the electronic “Edaa deposit” system in early February 2018, in line with its strategy of electronic transformation in all transactions. The free zone, therefore, has stopped receiving hardcopy documents of all transactions related to the movement of goods. The Ministry of Manpower and the Chamber of Commerce and Industry started to work on the one-stop shop at the zone. In addition, the Ministry of Commerce and Industry has granted all powers to the zone’s employees. In addition, this electronic system was linked to the Ministry’s database. The Directorate General of Customs started its operations at the zone’s customs spaces that were equipped as per the best practices of managing the separation of the zone from the customs territory. These measures will improve the business environment at Al-Mazyunah and make it attractive for the local and foreign investments. The tender of developing the second phase at the zone was offered. The contractor is expected to start work at the end of the first half of 2018.
Role of Islamic Banking in Economic Development

The Forum discussed the results of awareness of individuals and institutions of Islamic financial instruments.

Coverage by: Rabia Said Al-Horothy

Oman Chamber of Commerce and Industry, represented by the Financial, Banking and Insurance Committee, organized a forum at the Sheraton Hotel in Ruwi on “Direct Economic Development”, in partnership with Bank Nizwa and Meethaq, under the patronage of H.E. Taher bin Sulaimi bin Abdullah Al Amri, Chief Executive Officer of the Central Bank of Oman.

Eng. Reza Bin Jama Al Saleh, Vice Chairman of the Oman Chamber of Commerce and Industry for Administrative and Financial Affairs (2014-18) pointed out that the Forum comes as a belief in the importance of Islamic banking in supporting sustainable economic development in Oman. It aims at raising awareness among individuals and institutions about Islamic financial instruments, role of Islamic banks in the management of economic crises and mentioning their experience in overcoming economic crises. It also mentions the change in the credit rating of the Sultanate and its impact on development plans, and diversifying sources of financial income for Islamic banks (Warrants, Funds, Investment, and Stock Market) and their impact on the economy.

Al Saleh added, “The beginning of the Islamic banking in the Sultanate was in 2012 under the Royal Decree (69/2012) to issue amendments to some provisions of the banking law, which allowed the provision of Islamic banking transactions in the Sultanate. Since its inception, the business has been launched in the exclusive Islamic banks and the Islamic windows of the various banks operating in the Sultanate.”

Furthermore, Al Saleh mentioned that the Sultanate has been taking steps for the promotion of Islamic banking services believing in the importance of this type of transaction in the development of human resources and its efforts to provide the necessary funds to businessmen in accordance with the provisions of Islamic Sharia to support economic projects. The Islamic banking sector is also keen to encourage investment through the creation of investment opportunities suitable for individuals, companies and owners of small and medium enterprises. A group of experts expected Islamic banks’ assets to reach 10% of total bank assets in the Sultanate in 2018.

Islamic banking is a part of the Islamic economic system. It is characterized by the application of the provisions of Islamic Sharia in all banking and investment transactions and operations as well as the application of Islamic values and ethics in banking. Islamic banking enjoys increasing opportunities to develop its products as well as investment opportunities in all sectors and financial and economic activities.

Investment Opportunities

Dr. Mansour Al-Qudah, Head of Sharia Compliance at Bank Nizwa, presented worksheet on investment opportunities for Islamic banks. He pointed out that the Islamic banks and windows were started in the Sultanate with a capital of 450 million Rials, including RO 150 million as the capital of Bank Nizwa, RO 150 million as the share of the Islamic window Meethaq and RO 100 million as the capital of Alz Rawan Islamic Bank. Furthermore, National Bank of Oman announced the launching of its Islamic banking window “Muzn” with a capital of RO 15 million. Bank Sohar has established its own Islamic banking platform. The bank has also announced the allocation of 10 million Omani Rials to its Islamic banking services Sohar Islamic Bank. In addition, Ahli Bank established its “Al Hilal Islamic Banking Services” network.

Dr. Mansour also pointed that Islamic banks aim at applying the Islamic law “Sharia” to all products and services in the field of receiving and employing funds, maintaining capital and maximizing the profitability of shareholders and depositors, achieving justice in the distribution of returns on the use of wealth. Islamic banks also aim at developing the national economy and supporting it through the diversity of investment tools based on participation and speculation characterized by the equitable distribution of investment returns and the use of wealth among the owners of funds, those who manage them and those in need.

Moreover, they aim at considering the social aspect through the Zakat on capital and the outcome of transactions within the limits of objective rules agreed upon and abide by the principles of the Sharia, which directs money to serve the community. Islamic banks provide acceptable alternatives to the traditional banking services to meet the needs of the Muslim community and keep pace with development in accordance with an Islamic approach is clear and valid for implementation within the limits of the Islamic Sharia.

Dr. Mansour added that it is despite the recent experience of Islamic banks and the doubt that surrounded their competitiveness, they have proved their existence in the local and international banking sector and have achieved many successes, including the spread of Islamic banking in many countries at the Arab Islamic and global levels. Many countries around the world established regulations to change their banking system into the system of Islamic banks to provide financing for economic activities in the form of participation, speculation and Murabaha. Therefore, they have witnessed increase in research and centers of studies in Islamic banks and the Islamic economy for achieving economic and social development.

Islamic banks have gone through many problems and obstacles in the way of their establishment and expansion. They still suffer from a range of challenges and problems that hinder their development. These challenges are represented in the multiplicity and divergence of jurisprudential opinions and the lack of experience of the employees and those who deal with them. This may lead in many cases to non-compliance.
Economic Development

need to review the investment strategy continuously and current developments into account. Therefore, there is a necessity for investment. These banks suffer from the lack of financial instruments that have the financial markets’ ability to convert short-term resources into investments and long-term financing. They do not have the tools to attract long-term funds. The financial instruments of these banks are limited to current and investment deposits and savings deposits. Globalization and its impact on the work of Islamic banks is another problem. Moreover, the most important legislative obstacle faced by Islamic banking is the inability to address the volume of liquidity and launch new products to commensurate with the size of the liquidity available to Islamic banks. This requires them to look for mechanisms and means to overcome the gap between liquidity and products offered to achieve positive results at the level of annual performance at the level of economic sectors. The Islamic banks need to achieve profitable returns at the level of individuals who are aiming to develop their relationships with Islamic banks to meet their investment and financing needs that witness further development. On the other hand, Islamic banks are required to develop plans that enable them to invest surplus funds in short-term products that give them greater market share and the ability to achieve more returns and profits.

To address these obstacles, Mansour Al-Qudah pointed to the importance of the following: Attracting, developing and training the qualified cadres who will be responsible for implementing the investment strategy of the banks. Finding the organizational structure that includes the specialized units and supporting units through which the investment policy is implemented. Developing an information system that provides reports, studies and research related to the investment and market areas of interest to the bank, as well as research and analysis studies and research related to the investment and market needs. The investment strategy should be dynamic and interactive with the continuous changes taking place in the investment markets.

The strategic document should not be rigid and do not take current developments into account. Therefore, there is a need to review the investment strategy continuously and adjust it to suit market developments.

Economic Development

Mr. Younis Al-Sulaimi, Head of the Government Accounts and Claims Unit at Meethaq, presented a worksheet on “Islamic Banking and Local Economic Development.” He explained the role of Islamic banking in the Sultanate in diversifying the banking sectors in the Sultanate.

Islamic banking has been able to attract a large segment of the Omani society, who prefer to deal with Islamic contracts and provide competitive and attractive products. This has contributed to the competitiveness of the banking sector in the Sultanate. Islamic banking has proven its ability to finance large, medium and small projects.

Al-Sulaimi pointed that the Global Islamic Finance reached $2.3 trillion in 2016, noting that there are promising sectors of Islamic banking in the Sultanate such as halal food, halal tourism, and education sectors, as well as the media and halal entertainment sector. Muslims worldwide spent about $189 billion on entertainment and culture in 2015 and it is expected to reach $247 billion by 2020, or 5.8% of global spending.

Islamic Banking Assets

According to Oman Islamic Finance Report 2015, which was launched at the 10th World Islamic Economic Forum in Dubai, the assets of Islamic banking in the Sultanate in 2013 represented 3.5% of the assets of banks operating in the Sultanate. The assets raised to 4.4% by the middle of 2015. This is a remarkable growth and development of the Islamic financial industry in the Omani market. The same report predicted that the volume of Islamic banking assets would reach 10% by 2018 of the total assets of banks operating in the Sultanate. According to the Central Bank of Oman (CBO), these assets by the end of August 2015 reached 6.3% of total banking assets in the Sultanate. This growth according to market data and the growth in the demand for Islamic finance products refers to the expansion of this industry in the Omani market.

Panel Discussion

The panel discussion in Forum dealt on the situation of Islamic banking in emergency economic situations. The session was headed by Ahmed bin Abdulkarim Al-Houti, Board Member, and was attended by Batheena Al Qani, Senior Manager of Meethaq Group for Islamic Banking, Dr. Salah Al-fahd, Economist at Muscat Securities Market and Mustafa bin Nasser Al Nabi, Assistant Shari'a Training Manager at Bank Nizwa.

The session discussed various aspects including the role of awareness among individuals and institutions on Islamic financial instruments, Islamic Finance - Islamic Banks’ role in the management of economic crises, the change of the credit rating of the Sultanate and its impact on development plans, and diversifying sources of financial income for Islamic banks and their impact on the economy.
Oman Al Khair Hospital ...

A qualitative leap to provide health services to people in Al-Dhahirah Governorate

- The project developed from a clinic to a medical center and then a hospital
- More than 150 employees in various departments and clinics

Interviewed by: Mohammed Bin Salem Al Kalbani

Within the keenness of OCCI, Al Dhahirah Branch to promote entrepreneurship, this issue of Al Ghorfa magazine will highlight the story of an Omani youth who has made great success in providing health services for Al Dhahirah and nearby governorates.

Al Ghorfa magazine met with Sheikh Mohammed bin Saeed Al Ma’amari, Chairman of Oman Al Khair Hospital, to discuss the hospital’s beginnings and services.

Oman Al-Khair Hospital began as a clinic in Kehnat town in the wilayat of Ibi with two doctors, Dr. Nair and Dr. Usharani. The clinic is one of the first clinics to provide treatment services outside Muscat Governorate. The clinic was then transferred to a medical complex with additional medical facilities and pharmacy. We then shifted to the center of the wilayat of Ibi to provide service to a larger number of members of the community. Afterwards, the clinic was transferred to Oman Health Center by adding more clinics, laboratories, X-ray and ultrasound services.

“Then we developed it to Oman Al Khair Hospital, which was inaugurated under the patronage of His Excellency Sheikh Mohammed bin Saeed Al Kalbani, Minister of Social Development in July 2016,” he added.

Al-Ma’amari pointed out that the hospital is a quantum leap in the provision of health services to the community. The hospital currently has more than 150 employees in various departments and clinics.

Vision and Objective

“The hospital, which is the first private hospital in Al-Dhahirah Governorate, aims at providing high-quality health services for its patients. It adopted the vision of ‘We care about you today for a better tomorrow’. The hospital also seeks to provide high-quality health services and get optimum satisfaction of patients and their families.

Hospital Departments

The hospital includes several departments, including Family and Community Medicine, General Surgery, Internal Medicine, Obstetrics and Gynecology, Pediatrics and Neonatology, Orthopedics, Pathology, Dermatology, Radiology and Laboratories.

The hospital has been equipped with state-of-the-art medical equipment to provide high-quality medical treatment. Four types of imaging have been introduced: magnetic resonance imaging (MRI), CT scan, digital X-ray and ultrasound with 3D and 4D technology. A maternity ward, an intensive care room and a neonatal care room were also introduced. The hospital has wards for men, women, children and special rooms. The hospital has a clinic for examining expatriate workers, a dental and orthodontics clinic, two branches of the Aryaf pharmacy and a pharmacy warehouse. The hospital pharmacy and ambulance render their services 24 hours a day, he added.

Achievements

“The hospital is always seeking to find distinguished medical staff to provide high-quality treatment services and accurate diagnosis of diseases. We are also in a continuous development, which enabled us to receive the best medical center award in 2015 in its first edition organized by the Ministry of Health. In 2016, the hospital was awarded the best private hospital at the county level and the best dental clinic at the level of the governorate in the ceremony organized by the Directorate General of Health Services of the Ministry of Health.

Economic Vision Award 2017

Replying to a question about winning Al Roya Economic Award, Sheikh Mohammed Al Ma’amari said: “Winning Al Roya Best Private Sector Project Award encourages the hospital and its employees to move forward, to make more effort and to excel in providing the services. Moreover, winning this award is part of the plans that the hospital seeks to achieve to ensure excellence in the provision of services in this area.”

Social Communication Channels

The hospital displays its services and activities through its social networking platforms: Twitter @omanalkhair, Facebook, and Instagram omanalkhairhospital, as well as responding to inquiries from followers.
T he Oman Chamber of Commerce and Industry (OCCI) launched the e-transformation project which comes in a bid to facilitate services and ensure easy processing of transactions. It also aims at transforming OCCI traditional services into e-services by benefiting from modern IT&C in rendering these services in a quick and simplified manner that saves time and effort. The move not only eliminates paper transaction but also ensures accuracy in addition to reducing overlap in transactions.

The launch comes after OCCI board’s (2014-18) approval of the digital transformation to render the services electronically. The move comes within the efforts made to develop OCCI website and provide the services to users through digital platforms. It is a part of the OCCI’s strategic plan to digitally transform, so as to keep pace with the Sultanate’s move towards an e-government. The project covers all areas of knowledge and human capabilities in all fields and economic activities to gather knowledge, speed and efficiency of its operation in achieving the goals and electronic services that many government and private institutions have started activation.

“We are launching today the first package of the project which includes the new registration of companies, renewal of membership, modification of corporate data, capital change and other services. Another package will be launched soon. We are proud of this achievement and qualitative leap in rendering our services, said Saied bin Saleh Al Kiyumi, OCCI Chairman (2014-18).

On his part, Maqbool bin Salem Al Wahabi, CEO of Oman Data Park, said: “The company is specialized in providing IT services and cloud systems for the launch of the first package of its e-transformation project. Oman Data Park has implemented the e-services project for OCCI. The company also transformed traditional services rendered by OCCI to electronic services. Oman Data Park will be responsible for managing the website and providing all protection services for the site over the next three years.”

Oman Data Park is the first Omani company specialized in providing data center services, management and provision of cloud services. The company, established in 2011, is ISO 27001 certified and managed by specialized and qualified Omani cadres. It provides services to more than 500 Omani and international companies. It has three data centers, two in Muscat and one in Duqm, he added.

Abdulaziz bin Abbas Al Bahrani, OCCI CEO said: “OCCI continues its initiatives and activities aimed at serving the Omani private sector more efficiently. To this end, it has adopted many initiatives that will create a conducive business environment and attract foreign investors. OCCI board has adopted the e-transformation project to render the services faster without the need to attend to service centers in the Chamber and its branches. OCCI new electronic website, which was launched in 2016, displays OCCI services in a refreshed and attractive manner. The website includes e-services including business and legal advisory services.

“The project aims to transform the services provided by the Chamber from the traditional way to electronic services accessible to all…”

Al-Wahaibi:

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The Director of the Information Technology Department noted that OCCI seeks to expand the scope of electronic services that complement the electronic transformation project. This includes the certificate of origin and other services, including providing lists of companies, providing foreign trade data, providing commercial and industrial data, a letter to whom this may concern and a request for buying OCCI publications. It also provides the applications for advertising in Al Ghorfa magazine, applying for the use of OCCI logo, booking OCCI halls electronically, and a form for participation in the joint business councils.

“Since all major registration services in OCCI are directly linked to the Ministry of Commerce and Industry’s Invest Easy Portal, the investor can use the OCCI system to issue the registration certificate as soon as it is registered in the Ministry electronically without paying any fees. This also applies to the amendment of the capital or change the name of the company, he furthered.

“For renewing OCCI subscription, the investor can renew his membership up to a maximum of two years and pay electronically through OCCI’s system. OCCI system also allows the investor to obtain a replacement for the certificate of affiliation.”

A new era in rendering our services, said Saeed Bin Saleh Al Kiyumi, OCCI Chairman of corporate data, capital change and other services. Another package will be launched soon in the transformation of traditional services rendered by OCCI to electronic services. Oman Data Park will be responsible for managing the website and providing all protection services for the site over the next three years. This strategy covers all areas of knowledge and human digitally transform, so as to keep pace with the Sultanate’s move towards an e-government. This strategy covers all areas of knowledge and human digitally transform, so as to keep pace with the Sultanate’s move towards an e-government.

Al Kiyumi: The Chamber launches the e-transformation project for its keenness to keep pace with the changes required by the acceleration in the world of economy and trade.

“T hank OCCI board members and Oman Data Park, the Omani company specialized in providing data center services, managing and providing cloud services for developing OCCI website and launching its services electronically. The project is well executed on time. We also thank the Executive Committee for their continuous efforts to implement the OCCI boards’ plans in line with the needs of the current phase and their sincere efforts to provide the Chamber’s services more professionally, accurately and quickly,” he concluded.

Electronic services

Engineer Khalifa Al Yahyaie, Manager of Information Technology Department, said that the electronic transformation project has gone a long way in providing electronic services on the website such as: economic consultancy, legal advice, sending a topic to Al Ghorfa Magazine, forms for request of information, complaints, application forms and participation form in the specialized committees.

Al Yahyaie said that the current phase of the project has launched new electronic services, including the registration of companies, renewal of membership, change the name of the company, change the capital, and review of the company’s data, in addition to printing certificates.

On his part, Al Yahyaie pointed out that the use of electronic services is by accessing the same system used by other government agencies (PKI system) or by using the IC card or verifying it through mobile phone. Earlier registration in OCCI website is a prerequisite for getting such services.

Related Services

“The project aims to transform the services provided by the Chamber from the traditional way to electronic services accessible to all…”

Related Services:"OCCI has launched the first package of electronic services, which includes but not limited to registration of companies, renewal of membership, and modification of corporate data and change of capital. While launching the first package of OCCI e-services, we would like to thank Oman Data Park for their efforts in ensuring OCCI services 24 hours a day. The cooperation between OCCI and Oman Data Park will facilitate the payment of fees. I would like also to thank OCCI staff at the Information Technology Department for their efforts and cooperation with the company that designed the website.”

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Twitter Marks the Omani Industry Day

The Omani Industry day is a special event for the industry professionals in the Sultanate. The annual event helps in enhancing confidence and cooperation among the different stakeholders to meet the needs of industry sectors and investors in general.

Twitter users made many tweets on the #Omani Industry Day. Several public and private organizations sent many tweets on the hashtag to mark the occasion. Here are some of the hashtags.
UES inaugurates new premises in Rusayl

Under the auspices of HE Dr. Mohammed bin Hamad Al Rumhy, Minister of Oil and Gas and, United Engineering Services Company (UES), a subsidiary of MB Group, organized an opening ceremony of its new premises in Rusayl Industrial Estate. The new building is a significant addition to the company’s facilities, consisting of two workshops equipped with the latest high-precision manufacturing equipment, in addition to the company’s branches in Nizwa and the Special Economic Zone Authority at Duqm (SEZAD). The company has also acquired Hyspec, the UK’s high-precision engineering company, and Koller in Germany, which specializes in modern oil and gas technologies.

The company has received several certificates in the field of manufacturing and quality of service from local and international institutions including ISO 9001:2000, ASME and NBBI. The company has also been granted a license to manufacture API, used to cut oil and gas pipelines.
Minister Al Sunaidi meets new OCCI Board members

Dr. Ali bin Mas’oud Al Sunaidi, Minister of Commerce and Industry met with new members of the Board of Directors of OCCI at the office premises on Sunday 4 February 2018 in the presence of Eng. Ahmed bin Hassan Al Dheeb, Undersecretary of the Ministry of Commerce and Industry, Head of the Main Committee for OCCI Board Elections.

The Minister congratulated the new board members and urged them to work hard to serve the private sector and the Omani economy in general. He praised the election process and called for activating the role of the OCCI boards at the comprehensive development process especially in governorates.

He also praised the use of modern technology in the election process and called upon OCCI board to double efforts to ensure providing services through electronic windows to facilitate transactions and attract investors. He also called for enhancing integration with the Ministry of Commerce and Industry and various government and private units to serve trade and investment issues and urged them to continue supporting small and medium enterprises.

Bosnian businessmen meet with Omani counterparts

Oman Chamber of Commerce and Industry (OCCI) received a business delegation from Bosnia and Herzegovina, headed by Abdullah Skaka, Mayor of Sarajevo. The delegation met with Said bin Saleh Al Kayumi, outgoing OCCI board chairman, Qas Mohammed Al Yousef, newly OCCI chairman-elect, Eng. Redha bin Juma al Saleh and OCCI board members.

The two sides explored means of enhancing commercial and investment cooperation between the private sector in the two countries. The two sides stressed the importance of sharing information between them, particularly those relating to the international exhibitions, which are organised in the Sultanate and Bosnia to familiarise businessmen with the available opportunities and urging them to benefit from such opportunities.

The Mayor of Sarajevo thanked OCCI for hospitality and for active participation by Omani businessmen. He said that the visit aims at enhancing the commercial and investment relations between the two friendly countries, particularly in light of the presence of promising opportunities.

The visit also included bilateral sessions among the Omani businessmen and their Bosnian counterparts.
First Board meeting discusses challenges facing the private sector

Al Yousef: The importance is on focusing on governance standards based on separation of powers and enhancement of competencies in the executive system of OCCI.

The Board of Directors of the Oman Chamber of Commerce and Industry (OCCI) 2018-22 held its first meeting at the headquarters of OCCI on Sunday 11 February 2018, chaired by Qais bin Mohammed Al Yousef, Chairman of the Board.

HE Qais Al Yousef expressed his gratitude to the architect of modern Oman, His Majesty Sultan Qaboos bin Said, for his great confidence in the private sector and for the outstanding achievements made under H.M’s wise leadership.

Al Yousef thanked the outgoing OCCI Board of Directors under the chairmanship of Saeed bin Saleh Al-Kiyumi, for its role in making many achievements at OCCI and private sector levels.

He welcomed the new members of the Board of Directors and said that the Board’s vision is to formulate a comprehensive work strategy that will be implemented within OCCI’s annual plans for the current session of the Board of Directors. The action plan will focus on the separation of powers and granting powers to the various bodies to achieve the prospective outcomes that serve business and economic activities in the Sultanate.

Efforts will be made to promote the role of OCCI as the official representative of the Omani private sector, as well as the development of tripartite partnership based on integration of roles and responsibilities with the government, the private sector and society. OCCI will join hands with relevant organizations to implement plans and initiatives aimed at the advancement of human beings, the economy and society in general.

Al Yousef stressed the ability of OCCI’s members to achieve the vision and aspirations of the Board and the private sector and contribute to the comprehensive development process.

OCCI board also addressed the challenges facing the private sector. Al Yousef stressed the importance of identifying the consequences of fees imposed by some entities and their impact on the private sector. He urged for getting feedback of employers and investors through OCCI and its branches. Outcomes of such surveys should be raised to relevant departments to take necessary actions.

Musandam Chamber Board meets local businessmen

The Board of Directors of the Oman Chamber of Commerce and Industry (OCCI) in Musandam Governorate met with business owners in various sectors to discuss the challenges of implementing VAT in the United Arab Emirates during the transit of goods to and from Musandam Governorate.

The meeting was chaired by Raed bin Mohammed bin Abdullah Al Shahi, Chairman of the Board of Directors, in the presence of Deputy and members of the Board of Directors and Director of Commerce and Industry in Musandam Governorate.

During the meeting, the Chairman called for the preparation of information to study the feasibility of operating a maritime commercial line between Khasab, Dibba, and Shinas.