OMAN ON PERPETUAL GROWTH PATH

The Omani Renaissance continues its march

48 Years of Economic, Commercial and Social development
Greetings and felicitations to
His Majesty Sultan Qaboos Bin Said
and to the people of Oman on the occasion of
the glorious 48th Renaissance Day
Contents

Oman on Perpetual Growth Path 8

DUQM: The Giant Leap 16

OCCI’s First Ramadan Evenings 22

Second Ramadan Evening On Corporate Social Responsibility 26

Third Ramadan Evening on Fourth Industrial Revolution 30

Labour Productivity in Oman: A Guide to Economic Diversification 38

Al Yousef heads delegation to Arab Labor Conference in Cairo 44

Travel with the Travel365 APP 48

Employing the Differently-Abled 50

OCCI News 54

Employing the Differently-Abled

Travel with the Travel365 APP

OCCI News
The comprehensive development process led by His Majesty Sultan Qaboos bin Said is moving towards broader horizons to keep abreast of the local, regional and international developments. It dedicates all efforts, material and human resources not only to enhance the achievements of the blessed Renaissance but also to continue on the path of achievements in all areas and sectors, the foremost being the economic and investment fields. The business and economy sectors have taken priority in the programs and plans of comprehensive development process witnessed by the Sultanate since the early 70s of the last century.

The private sector has received great care and interest of His Majesty the Sultan and his wise government. The sector has been mandated to play many roles and responsibilities in public private partnership. This can be seen through the continuous care to provide the conducive environment for the growth and prosperity of business through the development of laws and legislation, facilitating the procedures and providing all forms of support and motivation, especially for the investment sectors, small and medium enterprises and other economic sectors, including service and productivity. These sectors contributed to the development of the other sectors and maximized their contributions to GDP. This resulted in the generation of job opportunities and growth of investments.

The next stage requires enhancing public private partnerships due to the key development of the Fourth Industrial Revolution (4IR) and the expected impact on the overall development and economic growth. The developments provide many opportunities for achieving prosperity and ensuring better communication among nations and peoples. We need to enhance partnerships between the private and public sector to adopt to integrated plans and programs to enhance the achievements made of all sectors and overcome the challenges during the coming period.

Oman Chamber of Commerce and Industry, the official representative of the private sector, congratulates His Majesty Sultan Qaboos bin Said on the occasion. We appeal to Allah to safeguard HM the Sultan, grant him long life and ensure more stability and prosperity to the Sultanate.

Editorial
The Sultanate has witnessed significant developments in all the economic, commercial and social sectors throughout the past 48 years since the 23rd of July 1970, the “blessed Renaissance Day,” which marked the beginning of a new era for Oman and its citizens.

Today, we are proud of the Sultanate’s achievements and comprehensive development, which have made human its ultimate aim and goal. The Omani government has also paid the needed attention to infrastructure and strengthening its foundations to achieve the aspirations of the Sultanate.

You definitely know that Oman was once in great need of development in all fields and you understand that, in order to achieve the goal of human and social development in all areas of the Sultanate, it has been necessary to establish solid infrastructure on which the development plans and programmes will be based. This is particularly true in the fields of education, health, training and employment. Without infrastructure, human and social development would not have reached the population in cities, towns, villages, plains and mountains, and in the deep valleys and the vast deserts.

The past plans of development, despite the widespread area of Oman and its harsh geographical terrain, have gone a long way, and this has led to the transformation of life in this country and facilitated the implementation of development programmes — both social and human. It has helped extend services of all types to citizens wherever they are. You know that the need for infrastructure will never cease to be a necessity because it is an ongoing process necessitated by urban expansion and social and economic development and reaffirmed by the people’s need for communication and aspirations for a better, happier life.

The follower of the blessed renaissance process can easily recognize the tangible efforts, insightful vision and strong will of His Majesty the Sultan which has resulted in the mobilization of the nation’s material and human resources in order to provide the Omani citizens with a decent living, security, progress and stability.

In Al Ghorfa magazine issue No. 231, the special issue on the occasion of the Blessed Renaissance Day, we explore the opinions of some employers in all parts of the Sultanate to learn about the progress made by the private sector and its active contribution to the development process.

A wise policy

“The Omani Renaissance Day, 23 July 1970, is a distinguished day for every Omani. The Sultanate has revived and changed the life of every citizen and resident on this good land.
between the leader and his subjects

We are proud of the special and deep
Al Abri:
happiness, prosperity

and bright future.
Al Sudairi:
has brought happiness, prosperity

and the Sultanate
is now an icon peace among countries of the world.

The Omani Renaissance has been founded on sound
principles, and we have yet to bear its fruit with wisdom and humanity.

We do not deny that there are challenges facing
the private sector, but with the vision of His Majesty Sultan Qaboos, we will turn those challenges into opportunities and positive results and will contribute to the overall development of the national economy,” he added.

The pride of Oman
Fahd bin Rashid Al Zaidi, Deputy Chairman of OCCI branch in Al Dhahira and Chairman of the Tourism committee, said: “July 23 is a glorious day in the history of modern Oman and a landmark in the path led by His Majesty Sultan Qaboos bin Said. The development covered all fields and ensure more progress and prosperity for Omanis and all those residing on this kind land.

“it is our right to be proud of this inspirational leaders, and the achievements made under HM’s wise leadership. Every year we feel more progress and welfare is achieved under the wise leadership of His Majesty Sultan Qaboos bin Said.

Joy and pride
Majid bin Khamis Al-Badi, member of the board of directors of Al-Dhahira Branch and Chairman of the Mining Committee, said: “July 23 is a national glorious day. It is the day when each and every Omani recall what has been accomplished over the past decades. Throughout the past years of the Renaissance, HM the Sultan has built a modern state, whose voice is heard internationally and respected; thanks to the wise and far-sighted vision of HM, the Sultan.

Deep relationship
Omar bin Hamaid Al-Abri, member of the Board of Director at Al-Dhahira Branch and Chairman of the Investment Promotion Committee, said: “Since 1970s, the Omani Renaissance has made numerous achievements in all walks of life. Everyday more achievements are added under the wise leadership of HM, the Sultan. The achievement has touched all areas of our life and reached every corner in this modern state.

“We are proud of this occasion and the special and deep relationship between the leader and his sons throughout the blessed renaissance. HM the Sultan realized that human development is a cornerstone of the comprehensive and sustainable development,” he added.

Keeping pace with develop
23 July marks a difference in the history of Oman. Today, as it is the case every day, we renew our commitment, loyalty and obedience to His Majesty Sultan Qaboos bin Said, the Sultan of Oman. We also promise HM to work harder for the dignity and prosperity of our nation,” said Bahia Bint Helal Al Shuaibi, Founder and CEO of the International Space and Technology Company and Chairperson of the Businesswomen’s Committee of the Oman Chamber of Commerce and Industry.

“The Omani woman has been empowered and provided with the opportunity to contribute to the development our beloved Oman. The Omani woman has gone beyond the stage of claiming her rights since the dawn of the Renaissance in the 70s. We are now in the stage of work and performance, and to draw strategies and implementation, which contributes to the progress of this dear homeland in every field and every capacity.”

“OCCI has played an active role in economic issues and in keeping pace with the changes in this sector. These efforts yielded positive results in other sectors. The Omani businesswomen have played a role in the economic, social, technology and other sectors in our country. Today, the Omani women continue to prove their ability to participate and make a positive change in all sectors. We have to keep pace with the latest changes in the local and global arena. The Omani woman will do her best to be up to the trust accorded to her by His Majesty Sultan Qaboos bin Said.”

Remarkable Growth
Rashed bin Saaded Al Sudairi, Chairman of the Food and Security Committee at North Al Sharqiyah Governorate said: “This occasion is very dear to our hearts as Omanis. On this auspicious day, the blessed Renaissance has started in the Sultanate under the leadership of His Majesty Sultan Qaboos bin Said. HM the Sultan’s policy was characterized by wisdom, competence, and keen interest in the Omani citizen. It was also characterized by keenness on achieving progress, prosperity and implementation and preparation of the social development programs. It sought to ensure providing high quality service to all Omanis wherever they are in this good land.”

Effective partnership
Ahmed Bin Sultan Al-Jahafi, Chairman of the Industry
Committee at OCCI's branch in Al Sharqiya Governorate and a businessman from the wilayat of Al-Mudhaibi, said: “The Omani Renaissance has covered all fields of life and has taken care of various fields of development, with the active participation of civil society and private sector institutions in the process of building and development. All stakeholders have contributed to keeping pace with the spirit of the age and meeting the needs of the various economic and social sectors.”

Continuous efforts
Munira Bint Saeed Al Harthiya, Chairperson of the Businesswomen’s Committee in the OCCI branch in North Sharqiya said that the economic growth achieved during the blessed Renaissance process was positive. “The sound planning, the heroic efforts and the support programs carried out in various sectors had yielded the desired results and has attracted more private investments managed by Omani competencies. It has also strengthened the role of the private sector, and has increased its investments by focusing on investments at the promising and productive sectors. We are lucky to have such a wise leader who leads our country from great successes to greater successes.”

The birth of the Renaissance
"We are very happy to mark this glorious day," said Musa bin Mohammed Al-Alawi, owner of Musa Al-Alawi Enterprise. "This is a precious day for the heart of every Omani who has been blessed by the blessed Renaissance since the first sight of July 23, 1970, the day of the birth of life, prosperity and development on the land."

"Since the beginning of the march of development, His Majesty the Sultan has laid important principles and focused on the development of the values and heritage of the original Omani. Besides building a modern nation with high quality infrastructure interest has been shown to build the Omani human being. We now reap the fruits of what has been made throughout the past years.”

Rehabilitation of youth
Mohammed bin Ali al-Duwaiki, a businessman in the wilayat of Ibra, pointed out during his talk about the Renaissance that despite the breadth of our beloved country and the difficulty of its geographical terrain, the urban expansion and infrastructure serving the country and the citizen were of great interest to His Majesty. HM the Sultan has also shown great interest in youth development and providing Omanis with training and employment opportunities. HM also ensured providing Omanis with suitable opportunities for education, training and rehabilitation through the launch of some national projects. HM also urged the different public and private organizations to launch initiatives and projects that ensure decent future for Omanis and their families.

Tangible achievements
Najia Bint Saeed Al Rahbiya, owner of Wathaq International Establishment and a member of the Tourism Committee at Oman Chamber of Commerce and Industry said: “Oman has managed to build a strong and developed economy, thanks to the hard and sincere efforts by everyone. It also built industrial estates and facilitated the investment procedures. It also managed to attract foreign investments and enhance the performance of the various tourism, logistic, business and economic sectors.”

"The government has provided the investor-friendly environment that helped in enhancing the role of the private sector in the development process. This has played a significant role in diversifying our national economy and becoming less dependent on oil revenues. The CNN network has praised in its report published on 4th June that progress made by SEZAD and the country’s success in many infrastructure projects undertaken by the government such as Al-Batinah Expressway, which represents a qualitative leap in the transport and communications sector in the Sultanate. Work is underway to open the road linking the Sultanate to Saudi Arabia this year. The ports and airports sector has also witnessed great development. The Sultanate also signed the Silk Road Agreement with the People’s Republic of China, which will represent a qualitative leap forward in the development of the logistics support sector in the Sultanate.”
On the occasion of the **48th Renaissance day**, and our beloved country OMAN enjoys security well faire, and blessing with grace of “Allah” the almighty and then with the great efforts, abnegation and sacrifices for the sake of Oman under the wise leadership of **His Majesty Sultan Qaboos** with great proud and pleasure, **Raysut Cement Company** congratulates His Majesty Sultan Qaboos wishing him long life, good health so that the coming generations can also enjoy his care, protection and kindness for years and years.

> "The real wealth of any nation is made up of its human resources. They are the power that achieves development in all walks of life. They are indeed the power behind ever-changing ambitions. This is indeed the way towards glory, dignity and success."  

---

**His Majesty Sultan Qaboos Bin Said**
DUQM: THE GIANT LEAP

Yahya Al-Jabri: SEZAD contributes to the creation of economic partnerships between many local and foreign investors.

Interviewed by: Rabia Said Al Harthiya

The Special Economic Zone Authority in Duqm (SEZAD) was established in late 2011. In a short span of time or in six years, SEZAD managed to occupy an advanced position in terms of its advanced ability to attract domestic and foreign investments in many economic sectors, including production and services. Investors from 18 countries from around the world now invest in Duqm.

SEZAD is in the process of implementing ambitious plans to strengthen its position on the global investment map and progress in the next phase according to a timetable and plans to compete in supporting rapidly changing investment environment.

SEZD has achieved good growth in the volume of investments it has attracted since its establishment on 26 October 2011. Local and international promotions, meetings and participations have contributed to enhancing SEZAD’s position on the local and international investment map. SEZAD currently has investors from around the world such as Pakistan, Jordan, Egypt and Ireland. In total, the number of nationalities currently investing in Duqm is 18, through the usufruct contracts signed between the Authority with local and international companies. The key projects in SEZAD include Duqm Refinery and Petrochemical Industries Complex, the Chinese Industrial City, the Sebacic Oman refinery, the Automotive and Vehicle Production Plant, and many other projects.

As for the future of SEZAD and its ability to compete in attracting investments, what I mentioned earlier illustrates what SEZAD has been able to achieve over the past few years. We expect this interest from investors to continue in the coming period due to SEZAD’s good infrastructure including multi-purpose port, the dry dock for ship repair and conversion from one purpose to another, the oil refinery with a capacity of 230,000 barrels per day, the airport and the modern network of dual carriage way and single roads linking the various investment zones and linking SEZAD with the rest of the Sultanate and neighboring countries. The Sultanate enjoys many competitive edges such as

• Oman’s Wan Fang sends Omani youths to study in China to be later employed at the Chinese City projects.
• The investments help to build specialized Omani expertise in many modern technical fields.
• Reduction of fees paid by local SMEs to SEZAD services by 50%
• 18 nationalities invest in Duqm
• Kuwaiti-Omani partnerships to establish Duqm Refinery and Petrochemical Industries Complex.
• Studying similar legislations in the economic and free zones around the world to move forward to the investors’ expectations.
• Allocation of plots of industrial and commercial land to owners of small and medium enterprises to invest by usufruct agreements.
• Allocating at least 10% of the tender value for the small and medium enterprises registered in Al Wusta Governorate.
• Providing 270 job opportunities for Omani job seekers, including 140 direct jobs and 130 training coupled with employment opportunities.
• Local and international investments

After more than six years since the establishment of the Special Economic Zone Authority in Duqm, where is its location today in the map of regional and global investment? And how do you see the future of SEZD in terms of its ability to compete to attract investments, especially foreign investments?

Al Ghorfa magazine had this freewheeling interview with HE Yahya bin Saeed Al Jabri, Chairman of the Board of Directors of the Special Economic Zone Authority in Duqm on the efforts made by SEZAD to attract investors as well as the facilities provided to them. He will also highlight SEZAD’s role in creating business partnerships that promote the national economy.

Interview

Yahya Al-Jabri: SEZAD contributes to the creation of economic partnerships between many local and foreign investors.

Interviewed by: Rabia Said Al Harthiya

The Special Economic Zone Authority in Duqm (SEZAD) was established in late 2011. In a short span of time or in six years, SEZAD managed to occupy an advanced position in terms of its advanced ability to attract domestic and foreign investments in many economic sectors, including production and services. Investors from 18 countries from around the world now invest in Duqm.

SEZAD is in the process of implementing ambitious plans to strengthen its position on the global investment map and progress in the next phase according to a timetable and plans to compete in supporting rapidly changing investment environment.

SEZD has achieved good growth in the volume of investments it has attracted since its establishment on 26 October 2011. Local and international promotions, meetings and participations have contributed to enhancing SEZAD’s position on the local and international investment map. SEZAD currently has investors from around the world such as Pakistan, Jordan, Egypt and Ireland. In total, the number of nationalities currently investing in Duqm is 18, through the usufruct contracts signed between the Authority with local and international companies. The key projects in SEZAD include Duqm Refinery and Petrochemical Industries Complex, the Chinese Industrial City, the Sebacic Oman
Local and Gulf investments

What is the share of the local and Gulf investors in the total investments in SEZAD? Are there facilities and preferential treatment for local and Gulf investors?

The local and GCC investments are among the most prominent investments in Duqm. As for preferential treatment for local and GCC investors, as you know SEZAD is a special economic zone therefore the incentives, benefits and facilities offered by the Authority are for all investors. However, we have reduced the fees paid by SMEs for the services rendered by SEZAD by 50%. This reduction does not include taxes and benefits. The Authority also organizes occasional seminars on investment in SEZAD in various governorates of the Sultanate in order to meet with local investors, explain the investment climate, identify their views on the projects they want to set up and get an idea about the challenges they face.

Oman Kuwait Partnership

What is the nature of the Omani-Kuwaiti partnership for investment in Duqm? And where has that partnership reached at the moment?

The Sultanate, represented by Oman Oil Company and Kuwait, represented by Kuwait International Petroleum Company (KPC), join hands to build the Duqm Refinery and Petrochemical Industries Complex (50/50 venture). In April, the refinery’s foundation stone was laid.

Investment opportunities

What are the most important sectors and opportunities for investment in SEZAD during the current five-year plan (2016-2020)?

SEZAD has been divided into a number of investment areas including industry, tourism, trade, real estate development, logistics and other sectors. The major investment opportunities available are: refinery, oil storage and refining, petrochemical, heavy, medium and light industries, transport logistics, tourism investment, hotels and tourism, health and therapeutic services, hospitals and health centers, private schools, training institutes and colleges, residential and commercial complexes, sports facilities, mining sector and fish industries and real estate development.

Providing attractive legislative environment

What are your plans for updating the legislations and laws, as well as the procedures that regulate the investment in SEZAD? How far can such legislation meet the needs and changes in the global investment environment in the face of intense competition?

Since its inception in late 2011, SEZAD has prepared a number of regulations and legislations aimed at attracting foreign investments and providing an environment conducive to local investments. The Royal Decree No. 79/2013, issued on 26 December 2013 about the system of SEZAD is the latest regulation in this regard. SEZAD also issued a number of regulations, resolutions and other legislations regulating the investment environment in SEZAD including: the issuance of the regulation of the use of state-owned land in the SEZAD and Regulation of Urban Planning and building permits, and regulations regulating environmental permits, a list of projects registration, rules regulating tax exemptions, the customs administration system in SEZAD and other legislation dealing with the various investment sectors in SEZAD.

This legislation has been prepared following the study of similar legislations in other leading free and economic zones. Such legislations are subject to periodic review in order to keep pace with the investors’ expectations.
**Single Window Station**

What are the most prominent facilities provided by the single window station in SEZAD? How does the station communicate with investors to ensure providing high quality services to them?

The single window station is the investment portal in SEZAD. Through its branches in Duqm and Muscat, it provides the numerous services needed by the companies operating in SEZAD or the companies wishing to invest in them. It provides the necessary data for investors on investment opportunities and procedures in SEZAD. It also issues licenses to use the land of SEZAD and register land use contracts. It also issues licenses to practice activity in SEZAD, including industrial, tourist, mining, environmental and other economic activities. It renders public services such as registration of leases, issuance of building permits, renewal and modification, issuance of drilling permits, issuance of building completion certificates, permits for delivery of services such as electricity and water, issuance of licenses, health cards and other services.

The station connects with investors on a permanent basis either through direct meetings, telephone calls or via e-mail.

**Fish Industries Complex**

Fish Industries Complex can be considered among the best industrial projects and also in the field of achieving food security. What are the developments of this large project?

In May 2018, the Authority signed a technical cooperation program with the Omani Food Investment Holding Company, which is preparing a strategy for the promotion of the Fish Industries Complex and attracting investments to it.

**Economic diversification**

How do you assess SEZAD’s contribution to economic diversification?

The existing projects in SEZAD and other projects implemented during the current period, such as Duqm Port, Drydock, Duqm Refinery and Petrochemical Industries complex, fishing port, fish industries complex, Chinese Industrial City, industrial and tourism projects and real estate development projects are among the most important components of SEZAD at the present time. They contribute to enhancing economic diversification.

**Employment of job seekers**

The issue of the employment of job seekers is an important and major issue. What are the efforts made by SEZAD on this subject, especially at the present time?

SEZAD joins hands with the various departments to communicate with various companies operating in SEZAD to recruit job seekers and to oblige companies to achieve the Omanization rate approved in SEZAD. The job advertisements available in these projects are published in local newspapers periodically and after coordination with the Authority. SEZAD also organizes training programs for the rehabilitation of job seekers. The Authority organizes an annual exhibition for training and employment. During the last exhibition held at the beginning of the year, the companies operating in SEZAD presented 270 job opportunities for Omami job seekers, including 140 direct job opportunities and 130 employments coupled with training.
Oman Chamber of Commerce and Industry (OCCI) held its first evening during the holy month of Ramadan on the evening of Tuesday 22 May 2018. The event was held under the patronage of HE Yahya bin Saeed Al Jabri, Chairman of the Oman Chamber of Commerce and Industry (2018-2022), and a number of officials and decision-makers in government, private sector and other institutions as well as specialists in the logistics sector.

Abdul Azim Al-Bahrani, OCCI’s CEO, delivered a welcoming speech, pointing out that this evening was part of the efforts made by the Chamber to enhance partnership between the private sector, the public sector and the society. It also came in a bid to review the most important efforts to promote the economic sector. The evening reviewed and discussed the different challenges facing the sector to come out with recommendations that will be submitted to the concerned authorities to add value to the effort made to enhance comprehensive economic development process.

“The new thing in Ramadan Evening this year is that the themes were selected based on the suggestions of the OCCI members and followers through social media. OCCI has launched a questionnaire through its Twitter account. We have selected the proposals that have received the largest percentage of votes, which we believe meet the needs of the community. OCCI members and traders. We also believe that such themes cover an important aspect of community partnership that we seek to achieve during the current term of the Board of Director, he added.

“The Evenings of this year come in line with the changes taking place in a bid to attract the competencies and expertise of the specialists in trade and the latest developments. The most obvious example in this aspect is the introduction of the Fourth Industrial Revolution, one of the critical issues of interest for many sectors.

Panel discussion
The meeting discussed the role of Muscat International Airport in the growth of national economy, the opportunities of the private sector companies operating in logistics, the opportunities for small and medium enterprises, and the importance of local and international partnerships in developing the logistics sector in the Sultanate.

The Evening hosted by Eng. Mustafa bin Mohammed Al Hinai, CEO of Oman Aviation Group, Sheik Ayman bin Sultan Al Hosani, CEO of Oman Airports Management Company and Zuwaina Al Rashidiya, owner of Al Alamia Handicrafts. The session was promoted by Ahmed Kashoub, an economic expert.

Mustafa bin Mohammed Al Hinai, CEO of Oman Aviation Group pointed out that the group is one of the sector companies promoted by the Government of the Sultanate in mid-2016. The Government has consolidated the economic sectors in 2015 under one umbrella, including the logistics sector. In February of this year, the Group has officially announced and is developing its strategy. He noted that the Group currently consists of three main companies namely Oman Air (the national carrier of the Sultanate) and Oman Airports Company, which has national cadres in airport management and operation of airports and Oman Aviation Services Company. Oman Airports Company currently operates four airports in the Sultanate. Oman Aviation Services Company consists of five companies specialized in the services of airports and aviation. With the establishment of the Group, a complete strategy was developed for the Group. The strategy has two main sections, the first is the spaces in the aviation sector in the Sultanate in general and the growth stages of the aviation sector in the future.

Al-Hinai pointed out that the main pillars developed through the strategy are five major initiatives that have been developed based on the Sultanate’s need to empower the aviation sector. The first initiative is the restructuring of Oman Air, which has been done. He said that Oman Air has achieved growth during the first quarter of this year with an increase in revenues by 27%. With the restructuring of Oman Air, losses were reduced by 8%. The results of April and May showed an increase in the growth of Oman Air and the reduction of its losses in terms of general expenses.

Al-Hinai pointed out that the second initiative is about changing the role of the Sultanate’s airports and what is the future status of the Sultanate’s airports. This initiative will be activated during the coming period as Oman Airports Company is busy with operating Muscat International Airport. Oman Airports Company has overcome the challenges within 17 hours and the operation has been returned from 8% to 90%, with the efforts of national cadres.

Al-Hinai added that the third initiative is focused on aviation services companies so that Oman Air can focus only on aviation operations. Oman Aviation Services was established to re-centralize the aviation sector in the Sultanate. The fourth initiative is related to maximizing the capacities of the aviation sector in the Sultanate. The aviation sector has been interested in exploiting the geographical location of the Sultanate and linking Asia with Africa and Europe. The first initiative was the establishment of free zones around the airports in the Sultanate. The preliminary approvals have been obtained.
Work is underway to complete the procedures in this regard. The second initiative is related to air cargo. During 2016, air cargo handled 160,000 tons, an increased by 44,000 tons. During the first quarter of this year, the volume of cargo handled by air cargo increased by more than 18% compared to the first quarter of last year. The strategy of air freight focused on three major initiatives, the first initiative is the amount of air cargo lost in the markets of the Sultanate. It is noted that there are two types of the lost air cargo in the Sultanate, the first by road with more than 12 tons per day transported by road. This cargo can be transported by air. More than 30 to 40 tons are lost from the Sultanate market to neighboring markets; 50 tons of freight by Air.

Al-Hinai pointed out that the third sub-initiative to maximize the capabilities of Oman Air is related to promoting the tourism sector, as it has about 50 offices outside the Sultanate. The last strategy is balancing of the sector, and whether the sector will be able to continue to operate independently without government subsidy. In 2016, Oman Air was able to operate independently. Currently, the strategy of complete independence is in place. There will be a general strategy for restructuring private capital sector, which is capable of operating independently in the coming years, with some internal reforms in marketing operations, direct focus on the quality of the aircraft used in the coming period, and the focus on quality. The strategy is supposed to be implemented in 2019, and part of the strategy has been implemented -- 26% within six months, which is a success for the group.

Al-Hinai said that aviation strategy has been based on two main sectors: the logistics sector and the tourism sector. The logistics sector targets 790,000 tons in 2030 and 1.5 million tons of air cargo in 2040. In 2016, the aviation sector achieved a growth of RO 172 million in direct national income and is expected to exceed RO 210 million this year. Muscat Airport City will soon be announced. It will consist of several main ports and portals including the air cargo village, the business village, the hospitality village and aviation village. Over the past two months, there have been negotiations at the level of Asia and Africa. In the coming weeks, we will start working with local companies to link them to the markets in order to create a new economic environment capable of creating jobs and economic opportunities that enhance the value of aviation.

**Oman Airports**

Sheikh Ayman bin Sultan Al Hosani, Chief Executive Officer of Oman Airports Management Company, said: “Oman Airports Company is a government-owned company that maintains, operates and manages four airports: Muscat International Airport, Salalah Airport, Duqm Airport and Sohar Airport. The number of passengers is expected to reach 16 million passengers. At Salalah Airport, the number of passengers will reach 1.5 million passengers this year and is expected to reach 1.8 million passengers. Duqm and Sohar airports are regional airports that witness remarkable activity during the period. Duqm Airport will be opened during the current year.”

Al Hosani said that the company’s vision is to be among the top 20 airports in the world in terms of passenger service. Muscat International Airport is now ranked 74 out of 94 airports. The Vision is also to make Salalah airport among the top 20 airports. Last year it was ranked 8th place worldwide for the category of two million passengers and below. This year Salalah airport hiked four positions and will continue efforts during the coming period to achieve more.

“The company achieved more than 50% of the total net profit compared to 2016 with 37% of the total income. There are four stages of expansion at Muscat International Airport. In its first phase it accommodates 20 million passengers that will be raised to 48 million passengers in the second stage and 70 million passengers at the third stage. The capacity will be increased to 100 million passengers at the fourth stage. The tender for the second runway at Muscat International Airport is currently under preparation. The Omanization rate at Salalah Airport, which opened in 2015, now stands at 95%. The capacity is now two million passengers that can be expanded at later stages, he added.

“We will be looking for an investor through Oman Airports Group to build the passenger terminal at Sohar Airport. The opening of Ras Al Hadd Airport has also been delayed until other underway projects in the region are opened,” he concluded.

**Business woman**

Zuwaina Al Rashidiya, owner of Al Alamia Craftwork Est., spoke of the importance of the subsidy provided to small and medium enterprises to establish diversified business activities at Muscat International Airport. She highlighted her personal experience in setting up her personal project at the airport, the challenges she faced and the solutions she came with.
Second Ramadan Evening
On Corporate Social Responsibility

Oman Chamber of Commerce and Industry (OCCI) organized at its premises the second Ramadan Evening on Monday 28 May 2018 under the patronage of His Excellency Sheikh Mohammed bin Saeed Al Kalbani, Minister of Social Development.

The evening focused on the concept of Corporate Social Responsibility (CSR) and the possibility of making it more regularized in the Sultanate. It also evaluated the role of the Omani private sector and national efforts to promote social responsibility. It also presented leading models of social responsibility in the private sector and aspects of social responsibility to support the charitable work in the Sultanate.

The seminar was attended by a large number of businessmen and women CSR students and those interested in economic affairs in general and social responsibility in particular.

The session was moderated by Ishaq Al-Sheriani, CEO of Al Tamoo Al Shamikh Center.

"CSR is the responsibility of organizations to know and carry out the impact of their activities on the environment and society through transparent ethical practices in contributing to sustainable development, including health and community welfare," said Shaimaa Bint Murtadha, Founder and Director General of Destination for Sustainability and senior CSR and Sustainability Advisor. It is also related to taking into account the expectations of the stakeholders and by stakeholders we mean all members of society, individuals, associations and community institutions. It is also related to complying with the laws in force in the country and meeting the standards. We seek to ensure that these companies are the first to implement the laws."

She pointed out that CSR as defined in the international standards ISO 26000 is to benefit all affected and influential, not the practice of the system of «donations» and the treatment of recipients as dependents.

She commented on the status of social responsibility in the Sultanate of Oman, Shaimaa noted that many institutions make "financial donations" that take shape of "charitable work" but promote them as CSR projects. They lack a deep understanding of how to implement and manage long-term CSR projects. They also lack the systematic process for evaluation and studying the impact of such projects.

Social responsibility projects should be planned in advance and through communication with all parties to the society (so that it is not a random plan to cover an emergency crisis) before the idea is developed. Afterwards, we can advise all parties who have rights and obligations. These projects are long-term, with clear objectives and results, so that they have a profound and long-term impact, and the beneficiary understands the value of the support.

When we compare this system with donations system, we will find that donations create individuals dependent on others (community dependent), non-initiators who consider the benefit a part of their right, and they are more ridiculous if not repeated benefit, and most of these contributions take the form of short-term and random activities (resulting from an urgent need or an emergency crisis). They do not provide radical solutions to the challenges but rather temporary solutions (not sustainable).

Commenting on the status of social responsibility in the Sultanate of Oman, Shaimaa noted that many institutions make "financial donations" that take shape of "charitable work" but promote them as CSR projects. They lack a deep understanding of how to implement and manage long-term CSR projects. They also lack the systematic process for evaluation and studying the impact of such projects.

"Social responsibility projects are well-planned projects, and communication with the community is initiated well in advance (i.e. before the challenges arise) in order to build trust and credibility between society and the company to achieve sustainable development rather than to find "rapid solutions" for the challenges faced by the company," she added.

"Social responsibility projects are well-planned projects, and communication with the community is initiated well in advance (i.e. before the challenges arise) in order to build trust and credibility between society and the company to achieve sustainable development rather than to find "rapid solutions" for the challenges faced by the company."

She pointed out that CSR creates opportunities for the benefit of society members, so that the benefit is to the extent of their work, production and commitment to the available benefit. This responsibility stems from the need of society and aims to provide radical solutions to the challenges faced by society and contributes to having a generation of entrepreneurs.

Social responsibility projects should be planned in advance and through communication with all parties to the society (so that it is not a random plan to cover an emergency crisis) before the idea is developed. Afterwards, we can advise all parties who have rights and obligations. These projects are long-term, with clear objectives and results, so that they have a profound and long-term impact, and the beneficiary understands the value of the support.

When we compare this system with donations system, we will find that donations create individuals dependent on others (community dependent), non-initiators who consider the benefit a part of their right, and they are more ridiculous if not repeated benefit, and most of these contributions take the form of short-term and random activities (resulting from an urgent need or an emergency crisis). They do not provide radical solutions to the challenges but rather temporary solutions (not sustainable).
She added that direct communication between the institution and society is not one of the preferred ways to identify the needs of the community and linked to the strategy of the institution. We need to ensure active involvement of all sectors of the society.

She added that the Sultanate encourages social responsibility projects which seek to achieve sustainability. However, there are some challenges, including training and developing the right skills for workers in different sectors to lead the sustainability in Oman. There is also lack of laws and regulations on sustainability practices and continuous assessment for the CSR programs.

Hilal bin Ali Al Sanani, Vice CEO for Corporate Social Responsibility and Public Relations, Oman LNG, spoke about the role and experience of Oman LNG in community responsibility, noting that the company dedicates 1% of its net profits to serve the community. It also has encouraging and stimulating elements that drive the institution to serve and support the community. Among these elements is the mission of company since its inception and its continuous support to the community activities.

Al-Sanani pointed out that the company has organized more than 6,000 initiatives and projects in various sectors and in various governorates of the Sultanate. The company also has an initiative to establish large projects every five years to provide a large specialized project, including the Sur Hospital, the scientific project of turtles, 26 ambulances, autism center and various other projects.

He noted that the challenges faced by private sector institutions and companies in the implementation of CSR projects include but not limited to the inability to prioritize social responsibility programs and the absence of a single umbrella organization for CSR projects. There should be such kind of organizations to organize, monitor and evaluate such projects.

"Oman LNG has cooperated with Riyadh to develop the work of a number of small and medium enterprises in order to achieve the sustainable development of these institutions and contribute to their development and continuity."

Mohammed Bin Ahmed Al Gharabi, Director of External Affairs and Communications at PDO, also reviewed the company’s efforts in the area of social responsibility. He pointed out that the company applies many principles for adopting social responsibility projects. These principles focus on the person who is the focus of development. The success of the company emanates from the success of society. We believe that investment in society is one of the pillars of the company. He added that the company has several policies for social investment, including reducing the effects of the projects carried out by the company, which include environmental and health effects.

Al-Gharabi pointed out that the company concentrates its projects in social investment on research and development of community infrastructure, water, health and safety. He added that PDO’s social development projects include building hospitals, drilling water wells, building water desalination plants and empowering women with limited income in commercial projects. He pointed out that the company funded more than 80 projects worth about RO 18 to RO 20 million.
The third Ramadan Evening of OCCI was held on Wednesday, 06 June 2018, at the Chamber’s headquarters under the theme «The Fourth Industrial Revolution and the Future of Business». The evening was held under the patronage of His Highness Dr. Fahd Bin Al-Gulandi Al Said, Assistant Secretary-General of the Research Council (TRC) for Development. The event was attended by Qais bin Mohammed Al Yousef, General of the Research Council (TRC) for Development.

The seminar discussed the positive impact of the Fourth Industrial Revolution on the current industries, economy, training and opportunities in transforming industries to keep abreast of developments, innovation systems of developed countries. The seminar also discussed the economic impacts, fossil energy and energy technologies in the near future and their impact on industry and economy. The evening also touched on the integration of environment and climate to support the industrial revolution, and mechanisms to build the local cadres keep pace with the race in the areas of the Fourth Industrial Revolution. It also discussed the requirements to support the industrial sector and future opportunities for small and medium enterprises in the areas of the fourth industrial revolution.

OCCI Initiative
Bader bin Saif Al Oufi, OCCI Assistant Director General for Administrative and Financial Affairs, announced the launching of OCCI’s “Events” initiative – organizing the Evenings throughout the year, not only for the month of Ramadan. The Evenings will cover the economic and comprehensive sustainable development issues of interest for the society in general. He pointed out that the Ramadan evenings, which have received a positive response from the participants, mark a new stage of development in the content and concepts of Evenings in the next phase. He stressed OCCI’s continuous support for the private sector contributions to the development process and the efforts it makes to strengthen partnerships with all relevant sectors the Sultanate.

Business Future
Dr. Chris Moody, a science, knowledge and technology transfer expert, presented a working paper titled “The Fourth Industrial Revolution and the Future of Business”. He pointed out that the Fourth Industrial Revolution is essentially a combination of physics, modern techniques and artificial intelligence that helps collect, analyze and reproduce all information. He noted that Professor Klaus Schwab, founder and chairman of the World Economic Forum coined the term The Fourth Industrial Revolution and published a bestselling book by the same name in 2016. We are seeing profound shifts across all industries, including the creation of new business models, the disruption of existing businesses and the reshaping of production, consumption, transportation and delivery systems.

The second industrial revolution started with the mass production and electricity, and the third marked the age of computer and digital technologies, and paved the road to the Fourth Industrial Revolution which will be essentially a combination of machinery and industry, and will witness the maturation of physical techniques. The new Cyber-Capability enables digital analytics to achieve a new level of operational productivity, coupled with connectivity everywhere throughout the supply chain, achieving unprecedented levels of data and increasing computing capabilities.

Revolution techniques
Chris Moody also talked about the main technologies of the next industrial revolution, including auto robots in various institutions such as factories, hospitals and banks. These robots will carry out banking and other functions. The Fourth Industrial Revolution is witnessing major developments, where the individual manages his life through his mobile phone. We will also see the driverless vehicles becoming very common. The simulation technology, the 3D printing, cloud computing and storage of large information, and virtual reality areas will witness major developments.

The next industrial revolution, and cybersecurity is one of the most vital developments. Renewable energy and storage is witnessing great growth. The Sultanate is using this technology, which may affect and change life in the next 20 years. He noted that all these sectors are witnessing growth in job creation. He added that while new jobs will be created to keep abreast of upcoming events, traditional jobs will be reduced, and we need to change and prepare to keep up with the changes life requires after 20 years from now. Business owners must evolve and adapt to reality and invest in new opportunities.

He pointed out that the Sultanate is one of the countries that may use unmanned aerial vehicles, thanks to its sunny atmosphere and flat buildings. These factors make the Sultanate a suitable country for the use of modern technologies and renewable energy. He said Chris Moody: "While manufacturing automation has not had a significant impact on the Sultanate so far, but services and retail operations are growing at a rapid pace and will have a significant impact on the Sultanate, according to Moody."
Similarly, the creative arts and industries will grow quicker. High-skilled jobs will create many new opportunities, and the new automation systems are expected to eliminate the need for medium-skilled jobs and create many new high-skilled jobs. Similarly, the creative arts and industries will grow quicker.

**Future of shopping malls**

Chris Moody pointed out that the United States and Europe are struggling to close shopping malls, largely because of online shopping, and their use during the next phase of shopping centers may change to entertainment and meeting centers, or may set up offices, hotel apartments. He added that more than 80% of the oil produced is used as fuels for transportation means. Electric cars are making inroads and most major automakers are now planning to phase out gasoline vehicles over the next 10 to 20 years, and all cars are expected to be driverless. The Sultanate relies on oil revenues and the world’s shifts towards electricity in the future will affect the demand for gas. The construction industry will change from intensive labor to intensive capital, and three-dimensional printing and other automation systems will transform the building industry over the next 20 years.

**Renewable energy and storage**

He noted that solar and wind power are the cheapest forms of electricity generation now in most regions. Battery technologies are amazing. This is important for the Sultanate because the demand for fossil fuels will drop by 40% by 2035. The gas-based economy will vanish within the next 15 years and will not have a market. We should take this into account in future strategies.

Chris Moody said artificial intelligence would provide powerful diagnostic tools and most surgical operations would be performed by robots. Moreover, health support staff would be robots.

Chris Moody pointed out that the big beneficiaries of the Fourth Industrial Revolution are innovators, investors and shareholders. There is a growing wealth gap between paid employees and business owners. This creates global disappointment among workers whose real income may not increase during their lifetime and their children may not have a better life.

**Panel discussion**

The panel was moderated by Dr. Ammar Al Obaidani, Director of Research in the Energy and Industry Sector at The Research Council (TRC). He pointed out that innovation is an essential element in the second and third industrial revolution in the Sultanate. It will be the key driver of the 4IR.

**Biotechnology**

It is the latest industrial revolution since the first industrial revolution of the 18th century, and it is characterized by the integration of technologies that blur the lines between the physical, digital and biological fields, said Dr. Mohab Al Hinai, Director of the Environmental Excellence Center of Oman Holding Company for Environment Services’ (Omanex). There is a sea change in emerging technologies in a number of fields, including robots, artificial intelligence, digital chains, nanotechnology, quantum computing, Internet objects, 3D printing and driverless vehicles.

Al-Hinai added that when modern biotechnology was introduced in the late 1970s, it was applied for the first time in the health sector, with the advent of DNA. After a decade, this biotechnology was used in the agricultural and food industries to produce high productivity crops that can resist epidemics and elevated temperatures and dunes. Biotechnological scientists have begun enriching the production capabilities of many microorganisms by modifying DNA to make them produce materials of medical and industrial importance such as enzymes, drugs and biofuels. With the evolution of the biology science (Systems Biology) the methods and mechanisms of microorganisms (and even more complex living organisms such as plants and animals) have been completely changed by adding or removing genes, transforming them into bio-plants that use various raw materials and converting them into products of economic and environmental importance. Some strains have also been successfully designed to produce environmentally friendly packaging materials and many important drugs.

Biotechnology can play an active role in the so-called cyclical economy, which is an alternative to the traditional economy. We retain the resources used for as long as possible, extract maximum value from them during use, and then recover and renew products and materials at the end of their life cycles. Now consider several initiatives to use biotechnology to produce biofuels, energy and biogas from waste.

Al-Hinai noted that biotechnology plays an important role in the fourth industrial revolution of importance in industry due to its key role in medicine and economics. The global biotechnology market is estimated at 370 billion US dollars in 2016. Experts expect this value to double to about US $730 billion in 2025.

He added: “The Sultanate needs to continue development of infrastructure and the rehabilitation of Omanis human resources to utilize this technology to diversify sources of income and to create high-income jobs. This will help the Sultanate of Oman during the Fourth Industrial Revolution.”

**Development of the oil sector**

On his part, Dr. Talal bin Jamali Al Awlaki, Petroleum Engineering Sector Supervisor, Petroleum Development Oman, said: “The fourth industrial revolution started in the Sultanate for a long time, and the oil sector is one of the first sectors that applied the foundations of industrial revolution. PDO is managed remotely from the company’s headquarters in Muscat and proved to be very effective and raised the level of safety.”

**Nano Technology**

Nanotechnology has attracted a lot of interest from researchers and the private sector, so its applications enable companies to manufacture specialized materials and devices that are easy to use and cheaper than conventional manufacturing, said Dr. Mohammed bin Zeher Al Abri, Director of the Nanotechnology Research Center at Sultan Qaboos University. The new equipment enables us to have products with characteristics that cannot be obtained by traditional methods such as the manufacture of scratch resistant or self-cleaning glass, or manufacturing light-weight devices.

Al-Abri pointed out that the technology is expected to be the main engine of technology and economy in this century because it has the ability to manufacture highly efficient materials and intelligent systems. He pointed out that the SQI Nanotechnology Research Center is currently working on four programs in water treatment researches, enhanced oil recovery and manufacturing. The center seeks to engage with a wide range of researchers and the private sector as nanotechnology is based on partnership. He pointed out that in 2011 the Nanotechnology chair was inaugurated and in 2017 it was transformed into an Excellence Center, which aims to produce many scientific papers and develop academic qualifications for its employees.

**Knowledge Producing Generation**

The program is divided into two categories, the first category is the junior category – those between 15 to 17 years old and the second category from 16 to 29, said Qais bin Rashid Al-Tobi, the supervisor of the National Program for Youth Skills Development. He pointed out that the program will focus on the fourth industrial revolution with its technologies and applications.

He noted that the applications for the program have been initiated from May 29 and will continue until June 10. We seek to build a generation that can produce knowledge and adapt to the changes of the Fourth Industrial Revolution, in order to impact the modern knowledge industries to the Sultanate. HE Mohammed Al-Hajri, member of the Shura Council, stressed the need to study the impact of the Fourth Industrial Revolution not only on the material aspect, but on the culture and values of society and social communication.
Ambition does not have limits; it means to start and not to stop. It is to go beyond your dreams and achieve your goals. Many people pave their way to entrepreneurship and become owners of prestigious institutions. Others work in the private sector and have their names in the sector. In this interview, we are meeting Ibrahim bin Saeed Al Sulaimi, one of the most ambitious young people of high caliber. He started his career in a private sector institution as a commercial promoter and paved his way to become the general manager of the Technical Trading Company.

What is your opinion about working in the private sector? What opportunities are available?

Working in the private sector is the way towards wide experience; it is a clear but not easy way. There are many obstacles that may sometimes bring you down and sometimes raise you. However, every obstacle involves lessons and surprises for those who know how to catch them. There is no doubt that the path to senior management positions in the private sector is short despite the obstacles and challenges.

Do you think that the expatriate labor represents an obstacle to success?

Foreigners or expatriates are our partners in building our country and its development. We benefit from their diverse cultures that build our new personalities. Therefore, they represent no obstacle to our progress in the private sector. Many Omani youths have the belief that they would not benefit much from working in the private sector that has many obstacles. They believe that the expatriates control the work of the private sector. By such ideas, they build real obstacles that hinder their progress. Youths should take these difficulties as challenges and benefit from them in improving their situation and promoting themselves and their abilities.

Al Sulaimi adds that some people are obsessed with the fear of losing their position. This situation requires intelligence in dealing; it requires the intelligence of a businessman who wants to win and no to lose.

He adds: Through my work in the private sector in many jobs I have met many cultures and experiences. The expatriates sees him as a member of a circle and has a great role to play. The expatriates learn, teach and benefit from those who are under their administration. They have positive attitude towards their Omani colleagues. They believe that they are in Oman for a certain period and that the opportunities are for the Omani people. Therefore, they work according to this belief; they train educate and give us the experience perfectly satisfied.

The Omani youths should avoid such ideas that represent obstacles in their way. If the one proves efficiency in performing his tasks, he will move to high position and greater tasks.

How was your start at the company?

I started this company in 2009 and I was in the showroom in sales. I stayed in that job for over a year and a half, and I had set my goal and ambition ahead. I believed that there was nothing impossible. During my training, I got closer to people of positive attitude from different nationalities and benefitted from them. I also turned away from many people of negative attitude. After effort and working in a team, I was able to achieve the achievement took me to the management of showroom to became responsible for the showroom.

Then, I moved to the department of marketing and continued in this department more than a year. During that time, I gained the experience that contributed to the development of my professional skills.

I worked in the commercial development department after moving from the department of marketing, and continued there for more than three years dealing with many international products of high quality and many famous brands such as Toshiba and others. We opened several branches of the company in Nizwa and Sur, and expanded the showrooms in Sohar and Salalah.

I have by many goals to be achieved. Therefore, I communicated with the senior management, explaining to them that I am ambitious and have many goals to achieve. They gave me greater responsibilities; they promoted me to the director of technical workshops and worked there for more than eight months. During my work in that department, I had the idea of creating a new section and preparing it from A to Z in order to serve the company’s goals. I addressed the management again to study the products that can be handled by this section and what projects can be carried out and what are the risks that we would face. The section was created as the specialized projects section.

We started working in this section in June 2012 and...
started marketing for this section. In the subsequent years 2013, 2014 and 2015, the department had a large role in increasing sales to more than 40%. In addition, in 2016, I was assigned to another task represented in managing the department of air conditioning. At the same time, I was also responsible for the company’s branch in Nizwa. I have developed another strategy for the department of air conditioning. I had the ability to make the department as department of operations and maintenance of the facilities.

We achieved our goals of this department in many projects such as a project at Sultan Qaboos University Hospital and the provision of service and maintenance to four playgrounds of the Ministry of Sports Affairs during that year. The department has more than 550 workers now.

As a result of my efforts, I was promoted to be General Manager of the Technical Trading Company at the end of 2016. In this new phase, I prepared the Company’s strategic plan of 2020 to put the company in its expected rank. Therefore, in 2017, we prepared the strategic plan, and in early 2018, we began to implement.

We have started to develop the services that distinguish the company from its competitors where we started solar projects and we are about to start projects based on solar energy. This year, we will announce one of these solar power projects.

Obstacles and difficulties that the youths face

Difficulties exist in all stages of life and not only in the private sector. In my work in this company, I have turned these difficulties into challenges that require my deep thought and effort to find solutions that help me overcome them. Everyone knows that the way that have no challenges will have nothing in its end. I believe that to overcome challenges means gaining vast experience.

Do you think that there are certain nationalities try to control the top jobs in the private sector and try to hinder the Omani youths?

I have dealt with foreigners and expatriates who have educated me; I benefited from them greatly. I have never believed that foreigners and expatriates would try to hinder me. In our institution, we have many efficient Omani youths. Therefore, we should only focus on our works.

Message to the Youths

Working in the private sector is a great opportunity to gain experience and skills, especially at the beginning of your career. Youths should do their best as they have a long path to pass, and there is no gain without pain.
Labour Productivity in Oman: A Guide to Economic Diversification
A Research paper submitted to the Economic Studies Award 2016
Oman Chamber of Commerce and Industry

ABSTRACT

The purpose of this study is to calculate and analyze labour productivity at the sectoral levels in Oman. Due to limitations with respect to labour data, the study confines its attention to sectors that are entirely produced by the private sector. The findings of this study suggest that Oman’s economy-wide as well as sectoral labour productivity (output per employee) remains low and declining, suggesting inefficient production processes. The achieved gains in labour productivity have only been in few sectors, namely Mining and Quarrying, Financial Intermediation, and Transport, Storage and Communication. The growth achieved in most sectors was not driven by growth in labour productivity, but rather by increase in employment resulting from greater public spending. Labour productivity measures should, thus, be integral inputs in planning economic transformation of Oman.

1. INTRODUCTION

Economic diversification remains a top priority for Oman. Oman’s economy still relies heavily on revenues from the export of oil and gas, which accounts for nearly 50% of the country’s GDP. During the past four decades, the government has worked to enhance the business climate, increase trade and foreign direct investment, support a stronger financial sector, invest in infrastructure, and improve legal and regulatory structures. Despite these efforts, the progress toward economic transformation is profoundly sluggish. The development strategy adopted by the government relies fundamentally on the private sector to achieve economic diversification.

However, as indicated by a recent Staff Discussion Note published by the IMF (Economic Diversification in the GCC: Past, Present, and Future, published in September 2014), the "missing link" lies in the incentive structure for both firms and workers in GCC countries. To alleviate unemployment pressures, public spending has encouraged nationals to choose low productivity work due to the availability of well-paid public jobs. At the same time, to reduce their labour costs, private companies prefer to import low paid labour, rather than building the skills of the national workforce. As a consequence, poor economic diversity is strongly linked to low productivity and the latter is directly related to competitiveness.

With the working-age population in Oman continuing to grow rapidly and the dwindling employment in the public-sector, there is a growing recognition that nationals need high-productivity, high-paying jobs in the private sector. Therefore, it is imperative to analyze empirically the patterns of sectoral labour productivity to identify industries in which the country may have comparative advantage and remove constraints that impede the emergence of these industries. This may entail providing incentives and targeted support to shift labour from sectors with low productivity to those with high productivity.

Against this backdrop, the purpose of this study is to calculate and analyze labour productivity at the sectoral levels in Oman. Due to limitations with respect to labour data, the study confines its attention to sectors that are entirely produced by the private sector. The contribution of this paper comes in many folds. First, this paper is the first attempt to measure labour productivity at the sectoral levels in Oman. Industry-level labour productivity statistics provide a means for comparing trends in efficiency and in technological improvements across industries, and indicate which industries are contributing to growth in the overall economy. Second, the paper uses three alternative measures of labour productivity, which further expand the analysis and findings. Third, the paper also attempts to relate labour productivity to national employment rate. Fourth, the paper highlights the data gaps that need to be addressed by the statistical authority in order to build well-informed labour productivity database.

The findings of this study suggest that Oman’s economy-wide as well as sectoral labour productivity (output per employee) remains low and declining, suggesting inefficient production processes. The achieved gains in labour productivity have only been in few sectors, namely Mining and Quarrying, Financial Intermediation, and Transport, Storage and Communication. The growth achieved in most sectors was not driven by growth in labour productivity, but rather by increase in employment resulting from greater public spending. On the positive side, there is positive association between labour productivity and the Omanization rate (national employment as a percentage of total employment). For example, the Mining and Quarrying, Financial Intermediations, and Transport, Storage, and Communication have the highest Omanization rate and have also the highest labour productivity. It is also noteworthy that, in general, sectors with relatively higher growth in foreign employment has a negative growth in labour productivity.

The findings of this study have strong policy implications for Oman’s 2040 National Development Strategy. To improve labour productivity, Oman needs to invest in education, training, and innovation as well as reducing the attractiveness of public sector employment, to prepare a more highly-skilled and highly-motivated workforce of Omanis to compete for high-skilled jobs. The government should also focus on targeted support for industries with higher labour productivity by providing subsidies, loans, tax incentives, infrastructure, human capital development, and trade protection.

The rest of the paper is organized as follows. Section two discusses the salient features of the output and employment structure of the private sector in Oman. Section three presents a succinct review of the literature. Section four discusses the methodology and describes the data used in the calculations. Section five discusses the findings and Section six concludes and suggests possible extensions of this study.

2. BACKGROUND

The economy of Oman relies heavily on crude oil and natural gas exports, which makes it susceptible to international oil markets volatilities. These volatilities impact nearly all economic sectors and activities. Realizing that, economic diversification has long remained a top priority for Oman and is likely the biggest challenge facing Oman’s long term growth strategy. Despite the government efforts, the progress toward economic transformation is lagging behind. The dominance of the public sector in driving the economy and the insignificant role played by the private sector limited economic diversification. Public spending has focused on absorbing nationals into the public sector, thus, relieved unemployment pressures but resulted in highly segmented labour markets. Currently, the percentage of nationals in the civil service and state-owned enterprises exceed 80 per cent, while the percentage of non-national employees in the private sector reached more than 85 per cent. Public spending has encouraged nationals to choose low productivity work due to the availability of well-paid public jobs, while private companies are able to import low paid labour, rather than building the skills of the national workforce and increasing the country’s labour productivity. Additionally, private companies do not seek efficient production technologies. As a consequence, poor economic diversity is strongly linked to low productivity and the latter is directly related to competitiveness, lower productivity raises product prices and lowers potential for competition in the marketplace.

Employment distribution should generally reflect GDP distribution across sectors. In Oman (as is the case in other GCC countries), employment is not evenly balanced across economic sectors. Table 1 shows the employment and output structures in Oman for eight economic sectors that are mostly produced by the private sector, averaged for the period 2010-14. The relative share of output is calculated as the number of employees in each sector (nationals and non-nationals) divided by the total employment in the private sector. Similarly, the relative share of output is calculated as the value added divided by the GDP, both in constant prices of 2010.
The mining and quarrying sector (dominated by crude oil and natural gas production) produces 40 percent of GDP but provides employment for only 2.6 percent of the employed population (nationals and non-nationals). On the contrary, the construction sector constitutes 42 per cent of the employment, while contributes to the country’s output with only 6 per cent. The service sectors, such as wholesale and retail and hotels and restaurants contribute to employment more than to the economy’s output. The sectors with relatively balanced structure are manufacturing and real estate, renting, and business activities. Thus, by assessing the level and growth of labour productivity across sectors, we can identify productivity gaps. The latter can actually be important engines of growth, since economy-wide productivity can grow by reallocating resources to high productivity sectors, even without productivity growth within sectors.

UNCIAD (2016) assets that countries which have succeeded in achieving sustained economic growth and development are those that have been able to transform their production activities effectively from low to high productivity, and to diversify from the production and export of a single or a few primary products to the manufacture and export of finished products. IMF (2016) finds also, for the Arab oil-exporting countries, that poor economic diversification is linked to low productivity and competitiveness. Therefore, it is important for all countries to measure labour productivity in order to be able to assess themselves in terms of competitiveness and standards of living. As indicated by Syverson (2011) in his extensive review of the determinants of productivity, the majority of studies have identified technology, education, work experiences, and skills of managers and workers, and inputs and output market structures as the main determinants of enterprise/sectoral labour productivity. Few papers have looked at the relationship between economic diversification and labour productivity in Oman or in other GCC countries. Al-Khib, Ibenker, and Schubert (2007) find that economy-wide labour productivity is on a downward spiral in Oman and the GCC. Callen et al. (2014) suggest that greater diversification will lead to increased productivity and sustainable growth. They argue that improving labour productivity in the GCC will enhance competitiveness, improve resource allocation, and promote sustainable investment and growth in the non-oil sector. Mark (1988) measures productivity for service industry and suggests that the final service is that matters and not the intermediate service in boosting productivity. Jarkov, Al Khuwairiz and Kaveen (2015) is the only paper, to our knowledge, that attempts to calculate labour productivity for the construction sector in Oman. This study finds that low labour productivity is the main challenge facing the construction industry in the Sultanate of Oman. According to the results of the survey conducted on the construction industry in Oman, labour motivation, payment delay, incompetent supervisors and delays in responding to requests for information are some of the determinants of construction labour productivity in Oman.

Developing countries are generally characterized by productivity gaps between the different sectors of the economy, reflecting an inefficient allocation of resources that reduces the overall labour productivity of the economy. Thus, these productivity gaps can actually be important engines of growth for developing countries, since economy-wide productivity can grow by reallocating resources to high productivity sectors, even without productivity growth within sectors. McMillan and Rodrik (2011) find two different patterns of structural transformation: in Latin America and Africa, labour moved from sectors with high productivity growth to sectors with low productivity growth, offsetting to a large extent the large productivity growth within a sector. In these countries, structural change has served to reduce rather than increase overall labour productivity, and hence economic growth (productivity-reducing structural change). In contrast, Asian Development Bank (2012) finds that Asian countries as a whole, improved economy-wide labour productivity through sectoral productivity growth, and sectoral reallocation of labour to high productivity sectors from low productivity sectors (productivity-enhancing structural change). This shows the critical importance of both the speed and the direction of structural transformation for productivity growth in developing countries.

3. METHODOLOGY

Productivity is a measure of efficiency in production, how much output is obtained from a given set of inputs. There are several types of indicators that measure productivity, such as labour and capital, but labour productivity is the most common measurement since it is easily identified in every production process. Also, it offers a dynamic measure of economic growth, and living standards within an economy. The labour productivity can be measured using alternative methods. We discuss three commonly used methods.

4.1 Volume measure of labour productivity

The volume measure is calculated by dividing the sector’s total output (in constant prices) by the labour input, taken as the number of hours worked or the number of labour employed in the sector.

\[
\text{Labour productivity} = \frac{\text{total real output}}{\text{labour input}}
\]

where “refers to the economic sector. The volume measure of output reflects the goods and services produced by the workforce, which represent either gross value added (GVA) or gross domestic product (GDP). However, the measure of input use reflects the effort, skills and work time of the workforce. Thus, labour input can be measured either by the total number of hours worked of all employee or by the total employment. The total number of hours worked is the most appropriate measure and generally accepted, although the total employment is easier to measure than the total number of hours worked. However, total employment is less recommended as a measure of labour productivity because it neither reflects changes in the average work time per employee nor changes in multiple job holdings and the role of self-employed persons, OECD (2008). In the case of Oman, labour hours are not available, and, we thus resort to the number of labour as the input in measuring the labour productivity. The headline measure is therefore: labour productivity per total employment in persons. Also, according to OECD (2008), there is a high correlation between the number of working hours paid and the number of labour in most of OECD countries.

4.2 Labour productivity based on a decomposition of workers compensation

In general, labour income and wages rise in line with labour productivity. That is, the long run wage rate change per full-time worker can be divided into: (1) compensation for inflation, and (2) compensation for productivity changes. The latter part also includes changes in the wages and salaries due to changes in the composition or quality of labour, for example because of changes in the average level of education or the average number of years of experience. These kinds of
changes are assumed to affect labour productivity. Therefore, it is assumed that the change of the total compensation of labour in sector (i) can be decomposed into three factors: a change in the number of employees, a change due to collective agreements as a proxy for the compensation for inflation, and a change due to changes in labour productivity (Kazemier, 1991). Productivity is, thus, a residual—the variation in output not explained by observable inputs.

\[
\Delta \text{workers compensation}_i = \Delta \text{number of workers}_i + \Delta \text{cost of living}_i + \Delta \text{labour productivity}_i
\]

Where \(\Delta\) represents annual percentage change. The data on workers’ compensation and employment for each sector are readily available from the National Center of Statistics and Information. However, for the cost of living, we use the inflation rate calculated as the annual percentage change in the general consumer price index. In short, we can use equation (2) to calculate changes in labour productivity between two points in time. While this approach does not require real output data, it is, in fact, an approximation and works well in the long-term with competitive labour markets. Nonetheless, we use this measure to cross-validate the standard volume measure of labour productivity (real output per labour input).

4.3 Unit labour cost

Unit labour costs (ULC) measure the average cost of labour per unit of input. It is also equivalent of the ratio of labour compensation (per hour or per employee) to labour productivity (real output per employee). As such, a ULC represents a direct link between productivity and the cost of labour used in producing output.

\[
\text{Unit Labor Cost}_i = \left( \frac{\text{labour compensation}_i}{\text{labour input}_i} \right) = \frac{\text{labour compensation}}{\text{output} / \text{labour input}}
\]

A rise in an economy’s unit labour costs represents an increased reward for labour contribution to output. At the same time, higher labour productivity can also lower unit labour costs. However, a rise in labour costs higher than the rise in labour productivity may be a threat to an economy’s cost competitiveness, if other costs are not adjusted in compensation.

4.4 Description of data and sources

This research utilizes series of data from 2010 to 2014. The data were all obtained from the National Center of Statistics and Information (NCIS), Oman. The series pertain to output and employment. The employment data classified according to economic sectors are only available for the private sector. The employment data of the public sector is not available by economic sectors that match the classification of national accounts. For that reason, the research focuses on economic sectors that are mostly produced by private sector in order to match the data of employment. The NCIS follows the system of National Accounts (SNA 2008), which classifies institutional entities into five groups: households (as consumers or entrepreneurs), non-financial corporations, non-profit institutions serving households, general government, and financial corporations. To focus only on the business sector, we have taken the real output of each economic sector and removed the output of general government and nonprofit institutions serving households, general government, and financial corporations. To focus only on the business sector, we have taken the real output of each economic sector and removed the output of general government and nonprofit institutions serving households, general government, and financial corporations. To focus only on the business sector, we have taken the real output of each economic sector and removed the output of general government and nonprofit institutions serving households, general government, and financial corporations. To focus only on the business sector, we have taken the real output of each economic sector and removed the output of general government and nonprofit institutions serving households, general government, and financial corporations.
Al Yousef heads delegation to Arab Labor Conference in Cairo

Al Bakri: Employment issues in the Arab markets face many economic challenges

Al-Yousef: The conference is a forum for the three production stakeholders to discuss various topics

Oman Chamber of Commerce and Industry (OCCI) participated in the 45th session of the Arab Labor Conference, held in Cairo, under the sponsorship of the Egyptian President Abdel Fattah Al Sisi. Representatives of the three production stakeholders in the Arab world participated in the conference.

The Omani delegation was headed by His Excellency Sheikh Abdullah bin Nasser Al Bakri, Minister of Manpower, as representative of the government team. The delegation of the Oman Chamber of Commerce and Industry (OCCI) was chaired by HE Qais bin Mohammed Al Yousef, OCCI representing the Omani delegation also included Dr. Salem bin Sulayem Al-Junaibi, Vice Chairman of the Board of Directors for Economic Affairs and Branches, Eng. Hamoud bin Salem Al-Saadi, OCCI Board Member, Chairman of the Board of Directors of Rayyat Cement Company, Dhofar Tourism Company, Member of the Board of Directors of Dolphin International, and Sheikh Thamer bin Saeed Al Shanfari, Chairman of the Board of Directors of Dolphin Energy, Oasis Energy Company, Dr. Mohammed bin Yahya Al Shibli, Vice Chairman of Gulf Mining Group, and Majid bin Mahmoud Al Zadjali, Director of International Organizations and Relations (Rapporteur of the delegation).

The conference discussed a number of important issues related to the Arab labor market, including the report of the Director General of the Arab Labor Office on the dynamics of the Arab labor markets and other topics aimed at developing the employment system, increasing productivity and improving competitiveness in order to promote sustainable development. The opening session was sponsored by HE Abdel Fattah Al Sisi, President of the Arab Republic of Egypt, represented by HE Mohamed Mahmoud Saffan, Minister of Manpower of Egypt. HE Ahmed Abu Al Ghiet, Secretary-General of the League of Arab States attended the meeting. Afterwards, there have been meetings of the representatives of the three teams: Governments, employers and workers.

The meetings witnessed the election of the heads of teams, the election of the Vice-President of the Conference for each group and the nomination of the members of each team on the committees. At the first meeting of the Organizational Committee, the Bureau was elected and its first draft report was drawn up. The first plenary session of the Conference also witnessed the reading of the first report of the Organizational Committee, followed by statements by the members and guests of the Conference on the report of the Director General, and a number of bilateral meetings.

During the visit, the second day of the visit included the organization of bilateral meetings organized by Major General Eng. Tarek Habib, Chairman of the International Group for Management of Projects, with the Chairman and members of the delegation of OCCI.

The delegation of the Sultanate made a number of field visits, including a visit to the General Authority for Investment and Free Zones, followed by a meeting with HE Eng. Tareq Qabeel, Minister of Trade and Industry, HE Ahmed Al Wali, President of the General Union of Egyptian Chambers of Commerce.

On the sidelines of the conference, His Excellency Sheikh Abdullah bin Nasser Al Bakri, Minister of Manpower, stressed that the agenda is full of many topics related to the organization of the labor market in the Arab countries. He pointed out that the speech of the Director General of the Arab Labor Organization clarified the most prominent issues of employment in the Arab markets in light of the economic changes on one hand and the aspirations of the 4IR on the other hand. This situation requires the three production stakeholders to review other aspects of employment opportunities and linking them to the outputs of education.

Al-Bakri explained the importance of enhancing the role of CSR in supporting community issues and the importance of enhancing competitiveness so that Arab countries can compete globally.

HE Qais bin Mohammed Al Yousef, Chairman of Oman Chamber of Commerce and Industry, affirmed that the agenda of the conference reviewed a number of items that provided reports on the activities and achievements of the organization, the board of the regular committees on trade union freedoms, legal experts, Arab Women and the Committee for the Application of Conventions and Recommendations.

He noted that the conference also discussed the memorandum of the Director General of the Arab Labor Office for the 107th session of the International Labor Conference 2018. Al-Yousef added that the conference is a forum for the three production stakeholders to discuss issues of employment and employment in the Arab world. It is also a platform for open discussions...
at the dialogue table, especially employment and manpower challenges and alignment with education outputs, laws and procedures in light of the difficult economic challenges. Al-Yousef hoped that the conference will come out with practical recommendations and proposals that will contribute to advancing Arab development tracks and enhancing their horizons with a view to enhancing the objectives of the sustainable development plan.

The importance of this conference came as the Arab region faced challenges that directly affected the rates of economic growth and reflected on the performance of the labor market. Poverty rates increased and unemployment rates, especially among young graduates of institutions of higher education, increased. This requires investing the youths' energies and potentials by engaging them in programs and plans for sustainable development. This requires preparing and rehabilitating Arab labor markets to absorb youth flows.

Fayez Ali Al-Mutairi, Director-General of the Arab Labor Organization, said in a speech: "We meet again on the land of Egypt after three years to study our Arab affairs, in a country that always embraces its brothers." Al-Mutairi affirmed the role of the Arab Labor Organization in representing the three stakeholders and its keenness to continue the technological development. It completed the first stage of the Arab Network and the second phase is being conducted in order to exchange data between the Arab countries.

Al-Mutairi pointed out that the Arab world faces great challenges that imposed a difficult reality that brought the Arab countries into a development crisis due to the decreasing growth rates of the world economy and the requirements of the 2030 sustainable development plan. He pointed out that the conference will discuss several items, the foremost of which is the report of the Director General entitled "The Dynamics of Arab Labor Markets, Transformations and Progresses," which provides an unconventional vision for understanding the nature of labor markets in Arab countries.

In his speech, Al-Mutairi discussed the importance of corporate social responsibility and the need for these institutions to include environmental activities in their policies and programs to improve the conditions of society.
TRAVEL WITH THE TRAVEL365 APP

Moosa Al Alawi:

Love of travel and tourism inspired me

Oman Chamber of Commerce and Industry (OCCI) branch in Al Dhahirah Governorate is keen to highlight the passion of students aspiring to become entrepreneurs. The move comes out of OCCI’s belief in the importance of creative youth creations which constitute the solid pillar of the national economy. Al Ghorfa met with a student at the College of Technology in Ibri who has made a success story in the tourism field. The student is Moosa bin Mohammed bin Saeed Al Alawi, who managed to succeed in business world.

“I started working in the field of travel and tourism at the age of 17 and because of my love and interest in travel, I designed this Application in 2018,” said Moosa, the owner of travel365. The aim of the App is to facilitate booking and organizing tourist trips at suitable and competitive prices. Through this App, the visitor or the customer can choose the country to which he wants to travel only with the click of a button. The Application was launched on 2 February 2018 and now includes more than 10 tourist countries around the world.

“The application includes many services including airport reception, private car, tours, and hotels with breakfast, driver, tour guides and SIM cards.”

The success of the project

“Thinking and planning before implementing any economic project is very important, and it is necessary to develop appropriate plans to face the difficulties experienced by the project, especially during the establishment of the project. We need also to be patient while addressing the challenges facing the project. Moreover, seeking professional advice adds to you many ideas and knowledge and works to enrich your thinking with all that is useful in realizing your dream.”

Challenges

Regarding the challenges faced by the project, Al Alawi said: “At first, the first thing I encountered to establish this project was to find the seed capital. I had a humble beginning until the project developed and became what it is today. I also found it difficult to find credible tourism companies in some tourist countries I can say that with perseverance and diligence, I achieved what I aspired to.”

“I participated in the Arab Travel Market in Dubai this year. The exhibition provides a unique opportunity for all industry professionals to meet, communicate, negotiate and do business that covers many destinations, flight program design, airlines, cruises, hospitality, car rentals, health resorts and tourism facilities. This facilitated entering into contracts with these companies rather than travelling to the countries to sign contracts with them. This saved me a lot of efforts and funds as well. I signed a contract with GIM, which specializes in travel and tourism in the state of Kerala, India. I became their agent in the Sultanate. I also launched an Office in Azerbaijan in order to facilitate bookings for outbound customers visiting Azerbaijan, he added. I have been conferred the award for excellence in its first course in entrepreneurship.”

Future Plans

“I am seeking to increase the number of tourism countries in the application and also increase services at very competitive prices. I am also trying to obtain accredited tourist agencies for a number of international companies.”

“Every big company was once a small project done by only one or two people. It is not impossible for these institutions to become big companies in the future. Those who have the will, the patience and the determination will achieve their goal,” he says.

Start and continue

“Failure is the stepping stone of success. When you want to succeed in a job that you do to satisfy yourself and rejoice in your family, you have to go through stages and ways that allow you to get to the thing you want. If you fail at the first experience, do not stop and continue because what happened to you is not a failure but an error that can be corrected. The first plane crashed and the first ship sank and many machines became disruptive. They learnt from mistakes and produced high quality products later on,” he added.

“Do not stop when you encounter some mistakes in your life and learn from them. Continue to make things to the best and surely you will reach the top and satisfy yourself and your family with your success. You may face many difficulties, but with persistence and hard work you will inevitably reach the top,” he concluded.
EMPLOYING THE DIFFERENTLY-ABLED

The challenges did not isolate people with disabilities from working in the private sector

We seek to integrate people with disabilities into TVET programs or vocational colleges

1268 persons with disabilities work in the private sector

North Batinah Governorate hosts the largest number of national manpower in the private sector, Al Mutawaa says

By Rabia bint Said Al-Harithiya

The employment of persons with disabilities in the private sector is a major challenge, due to the lack of commitment of some private sector establishments on the one hand, and the lack of rehabilitation programs for these individuals on the other hand. The private sector institutions focus more on productivity and profit therefore the employment of this category may affect their profitability. It is alleged that disabled suffering from sensory, physical or mental abilities due to genetic factors, diseases or accidents may have limited ability to perform as their healthy peers. Therefore, such persons need care and rehabilitation programs to help them play an active role in life.

Disability is the lack of sensory, physical or mental abilities of the person for any reason such as blindness, deafness, inability to move, learning difficulties, speech disorders, behavioral and emotional disorders, autism and other disabilities. These disabilities require care and rehabilitation to enable the disabled to be independent and cope with his/her environment.

However, these challenges have not isolated people with disabilities from working in the private sector. The disabled people are participating in the economic development process in the country and contributing to the development of the labor market by taking various roles and responsibilities.

Al Ghofa has this freewheeling interview with Yousef Al Mutawaa, Assistant Director General of Employment at the Ministry of Manpower. He talked about the job opportunities available for this category; the legislation and the challenges facing it, in addition to identifying the characteristics of such employment.

Providing job opportunities

Yousef Al Mutawaa said that the Ministry, as part of its continuous efforts is focusing attention on the employment of the persons with disabilities. Coordination is maintained with the Ministry of Social Development to provide specialized staff in this aspect. We seek also to integrate persons with disabilities in the programs of education and vocational training or vocational colleges. The job seekers from this category can benefit from the services provided by the Ministry such as direct employment or employment coupled with training or on the job training or in the integration of persons with disabilities in vocational colleges.

Legislation for the employment of this category

As for the legislations set by the Ministry for the employment of persons with disabilities, Al-Mutawaa pointed out that Article 17 of the Labor Law stipulates that the employer who employs 50 or more workers shall appoint the persons with disabilities, by the competent department, at the jobs that fit their conditions and within the limits of the percentage determined by a decision of the Minister.

Second: The Ministerial Decision No. 125/2005 was issued to calculate 2% of the total number of workers employed by the employer who have 50 workers or more. The Ministerial Decision No. 362/2005 stipulated that persons with disabilities are to be calculated at the Omanization rates stipulated for the private sector.

Article 113 of the Labor Law stipulates that anyone who contravenes the provisions of Article 17 shall be punished by a fine not less than 50 Rials and not more than RO100 per worker. This penalty shall be doubled when the offense is repeated.

Characteristics of Persons with Disabilities

The Assistant Director stated that the Ministry of Manpower has classified these cases, which are as follow as of the end of 2017. Down Syndrome cases, of which 468 males and 59 females, 299 cases with epilepsy, including 241 males and 58 females, 280 cases of motor disability, including 237 males and 43 females, and 50 cases with cartridge problems, including 41 males and nine females, and 36 cases with other disabilities of which 32 males and four females.

Al-Mutawaa added: “The statistics indicated that the number of hearing disabilities cases stood 36 of which 27 were males and nine females. The number of cases of hearing impairment was 11 males, and the number of physical disability cases was 11 cases, eight males and three females. The number of mentally handicapped stands at four, all men. The total national workforce with multiple disabilities was four cases, one female and three males. During the past year there were four cases of speech disabilities, one female and three male, one autism case, and one case of deficiency in growth.”

Al-Mutawaa pointed out that the total number of national manpower with disabilities in the private sector by type of disability until the end of last year reached 12,68 cases, of which 1,081 are males and 187 females.

Challenges and difficulties

Al Mutawaa said: “The Ministry has conducted a study on the employment of persons with disabilities in the private sector. This study aims to identify the reality of the employment of persons with disabilities in private sector establishments and the difficulties they face in their employment.”

He added: “The results of the study showed some of the challenges that these people may face include but not limited to the difficulty in obtaining jobs and the difficulty of carrying out the daily work tasks of people who got jobs and the lack of access to training or rehabilitation programs to support them in the performance of their jobs. The study came out with a number of recommendations, the most important of which is the creation of joint working mechanisms through which employers, private sector institutions and the labor community will work together to provide employment opportunities for persons with disabilities that fit their interests and abilities. The private sector organizations should comply with the engineering specifications for the working places, roads, buildings, parking and other facilities.”

Statistics

Al-Mutawaa pointed out that the total number of national workforce with disabilities in the private sector between the ages of 18 and 24 years until the end of last year were 87 people including 78 males and nine females.

They comprise 235 people of 25-29 age group including 200 males and 35 females. 269 of them (229 males and 40 females) are between the ages of 30 and 34, 267 males and 42 females with a total of 309 individuals are at the 35-39 age group.

Al-Mutawaa pointed out that the statistics indicated that the
number of persons with disabilities in the age group (40-44) working in the private sector stood at 198 individuals, including 161 males and 37 females. Their number at the age group 45-49 stood at 79 including 67 males and 12 females. 33 of them are also at the age group 50-54 including four females and 29 males. As for the age group 55-59, they are 29 including 26 males and three females. At the age group 60 and above, the number is 29 including 24 males and five females.

Educational levels

Al-Mutawaa also spoke about the number of national workforce with disabilities in the private sector by educational level until the end of 2017. The number of people at the level below the general education diploma was 717, of which 618 males and 100 females. The number of those with general education diploma or equivalent stood at 460 including 395 males and 65 males. The number of males having university diploma stood at 37 compared to 11 females. The number of holders of university diploma stood at 48 and 41 with university degree including 30 males and 11 females. Only one disabled person working for the private sector has an MA degree.

Geographical distribution

As for the geographical distribution of Omani disabled persons working in the private sector Al-Mutawaa pointed out that the governorate of North Al Batinah has the largest number of the national labor force in the private sector with 331 people, of whom 277 males and 54 females compared to 285 people, 220 males and 65 females in Muscat Governorate, 164 including 155 were males and nine females in the Al Dakhiliyah Governorate. The number at South Al Batinah stood at 138 including 128 males and 10 females. In Dhofar Governorate, they stood at 114 including 90 males and 24 females. The number in North Al Sharqiya stood at 79 including 72 males and seven females compared to 72 in Al Batinah, including 65 males and seven females. The number of South Al Sharqiya stood at 60 including 53 males and seven females. The number of Al Baniyas stood at 54 including 10 males and four females. There are nine such people in Musandam.

Economic sector

The number of workers at the construction sector stood at 323 including 280 males and 43 females, compared to 302 at the manufacturing sector including 265 males sand 37 females. The number of those working in mining stood at 46 including 44 males and two females. The number of workers at the other administrative services stood at 46 including 40 males and six females compared to 39 in the transport and warehousing sector including 34 males and four females. The number of workers at the financial services and insurance sector stood at 34 including 27 males, seven females. The number of workers at the vocational, technology and scientific activities stood at 25 including 17 males and eight females compared to 22 in the higher education sector including 12 males and 10 females. The number of workers at the public administration, defense and social security stood at 25, all of which are males. Only one female is working for the IT&C sector compared to 15 males. Seven are working for the health and social services sector of which four are males and three are females. Six males work in the real estate sector and six also work in agriculture and fishing, including four males and two females.

Five persons work in the electricity, gas, steam and air conditioning supply sector, and five others work in the water and sanitation activities, waste management and treatment sector. Two others work in the arts, and entertainment sector.
Industry Committee holds its first meeting of 2018

Oman Chamber of Commerce and Industry (OCCI)’s Industry Committee held a meeting at OCCI’s headquarters, chaired by Husain bin Haithem Al-Itrahi, Board Member and Chairman of OCCI branch in Dhofar. The meeting reviewed the features of the committee’s work plan, discussed the challenges facing the sector, means of coordinating with the concerned parties to develop appropriate solutions and utilize the industrial investment opportunities. It also followed up the reasons for closing a number of Omani factories and highlighted the importance of supporting the Omani industrial products and preparing feasibility studies and raise them to the concerned parties to reach the desired goals.

OCCI delegation visits India

OCCI, represented by the Business Council, organised a visit to India during 15-16th May 2018. The delegation was led by Qais bin Mohammed al Youf, Chairman of OCCI. The delegation held meetings with Indian officials and businessmen and visited a number of private and public establishments. They also met with the officials in-charge of the Omani delegation and discussed the cooperation and investment opportunities between the two countries. The Indian Prime Minister invited the delegation to attend the Gujarat Economic Conference that will be held early next year. He stressed the importance of cooperation in the field of food security, agriculture, alternative energy and encouraged entrepreneurs to be creative and keep pace with modern technology.

B2B meetings between Omani and Thai businessmen

Oman Chamber of Commerce and Industry hosted a Thai trade delegation representing 60 Thai companies specializing in food, seafood, traditional medicine, cosmetics, accessories and jewelry. The meeting was attended by Anwar bin Hamad al Sinani, Chairman of OCCI Board in South Al Sharqiyyah, Ali bin Hassan Al Ajmi Board member, OCCI executive staff and a number of OCCI staff. The delegation was headed by Abdul Latif bin Mohammed Al Arfaiz, Chairman of the Ihsaa Chamber Board of Directors of and member of the Saudi Chambers. The Chamber held B2B meetings between Omani businessmen and their Thai counterparts. The meetings aimed at strengthening trade relations between the two friendly countries, activating cooperation and investment partnerships in different sectors and taking advantage of the opportunities offered by the two sides.

Ihsaa Chamber Delegation Reviews OCCI’s Services

OCCI hosted a delegation from Ihsaa Chamber of Saudi Arabia. The delegation was received by Rashed bin Amer Al-Mesrefi, Deputy Chairman of OCCI for administrative and financial affairs. The meeting was attended by Anwar bin Hamad al Sinani, Chairman of OCCI Board in South Al Sharqiyyah, Ali bin Hassan Al Ajmi Board member, OCCI executive staff and a number of OCCI staff. The delegation was headed by Abdul Latif bin Mohammed Al Arfaiz, Chairman of the Ihsaa Chamber Board of Directors of and member of the Saudi Chambers. The meeting reviewed the roles of both chambers and facilities offered to Gulf and foreign investors. The meeting also discussed means of developing the cooperation and commercial relations between the two chambers and ways to develop the private sector’s work in various economic, commercial and investment fields. The two sides shared views and experiences on a number of issues.

IT & Service Committee Holds Second Meeting

OCCI IT & Service Committee held its second meeting at OCCI’s HQs under the Chair of Ali bin Hamadan Al Ajmi, OCCI board member and chairman of the committee. The meeting reviewed the roles of both chambers and facilities offered to Gulf and foreign investors. The meeting also discussed means of developing the cooperation and commercial relations between the two chambers and ways to develop the private sector’s work in various economic, commercial and investment fields. The two sides shared views and experiences on a number of issues.

Al Ajmi stressed the importance of integrating the work of the teams of the committee in order to reach results that contribute to increasing the efficiency of services, marketing, translation and information technology sectors.

Eng. Hussain bin Haithem Al-Itrahi, member of the OCCI board of directors and chairman of OCCI’s branch in Dhofar Governorate, stressed the importance of activating the role of the committee in developing the industrial sector and helping the factories to introduce modern technologies in addition to benefiting from the available opportunities. He highlighted the importance of coordinating between members of the Industry Committee as all OCCI branches throughout the Sultanate. He called on factories and industrialists to interact with the committee in all that would achieve the objectives of the committee and the industrial sector in the Sultanate.

The committee reviewed the features of the committee’s work plan, discussed the challenges facing the sector, means of coordinating with the concerned parties to develop appropriate solutions and utilize the industrial investment opportunities. It also followed up the reasons for closing a number of Omani factories and highlighted the importance of supporting the Omani industrial products and preparing feasibility studies and raise them to the concerned parties to reach the desired goals.

At the end of their visit, the delegation met with Prime Minister Narendra Modi. They underscored the need for boosting bilateral relations and fostering economic cooperation between the two countries. The Indian Prime Minister invited the delegation to attend the Gujarat Economic Conference that will be held early next year. He stressed the importance of cooperation in the field of food security, agriculture, alternative energy and encouraged entrepreneurs to be creative and keep pace with modern technology.

It should be noted that this visit follows the visits of Narendra Modi, Prime Minister to the Sultanate and his invitation to organize a visit for Omani entrepreneurs to India.
OCCI Education Committee Meets

The Education Committee of Oman Chamber of Commerce and Industry branch in South Sharqiyyah held its second meeting for the year 2018 under the chairmanship of Ali bin Hamad Al Hashmi. The meeting was attended by a number of members of the Committee and representatives of some government agencies including the General Directorate of Education for Private Schools, the General Directorate for Social Development in South Al Sharqiyyah and the Dg of Manpower.

The meeting discussed the social insurance for private educational institutions. Many questions were raised, such as finding a suitable solution on the decision issued by the Ministry of Manpower regarding the daily wages of workers in educational institutions. These institutions operate in certain months of the year and not throughout the year. They also discussed the mental centers and nurseries. The Committee proposed to communicate with the committee formed by the concerned authorities such as the inspection office in the Ministry of Manpower and the Public Authority for Social Insurance on monitoring the status of mental centers and nursery schools. The Committee proposed to carry out a field visit to the Public Authority for Social Insurance (PASI) to discuss the most important challenges and difficulties facing the educational institutions at the Governorate.

The meeting also discussed the validity of the approval of the appointment and consider this subject with the relevant parties. It also discussed the proposal to invest children’s corners and associations for private schools so that they can serve as sources of income for such institutions.

A proposal was submitted by the Education Committee on the possibility of transferring the children's corners that are currently under the Ministry of Social Development to the Ministry of Education as this will guarantees the child's right to have good education. It will also guarantee the right of the educational staff to recruit and find a financial source for these corners. The Committee recommended having a representative from the Committee to follow up the implementation and activate recommendations on the ground.

German Delegation reviews investment opportunities in Oman

OCCI received a German trade delegation, representing many commercial and industrial sectors, aimed at discussing ways to activate trade and economic relations and view the investment climate and opportunities between the private sector in the two friendly countries.

The delegation met with Ahmed bin Abdul Karim Al-Hooti, member of OCCI Board of Directors who welcomed the delegation and praised the friendly environment that ensures quick servicing of services and proposals related to removing obstacles and facilitating procedures for investors. It also reviewed methods and mechanisms of attracting foreign investment and recruiting job seekers.

Economic Committee Discusses New Fees and Taxes

OCCI’s Economic Committee held its third meeting for the current year at the Chamber’s headquarters under the chairmanship of Ahmed Abdulkarim Al-Hooti, Board member and chairman of the committee.

The meeting discussed the work plan of the committee during the current year, which will discuss the current duties and taxes and their impact on the competitiveness of the private sector. It also discussed the current business environment and proposals related to removing obstacles and facilitating procedures for investors. It also reviewed methods and mechanisms of attracting foreign investment and recruiting job seekers.

Dr. Abdul Salam Faraj Yahya, Economic Advisor to the Chamber, presented a working paper on the Chamber’s vision towards the new fees and taxes and its impact on the working environment.

Seminar on arbitration

OCCI and Mohammed Janbash Law Office in cooperation with the Omani Society of Engineers organized at its premises a three-day free of charge arbitration course under the theme “Arbitration in Contract Disputes”. Rashid bin Amer Al Meshtih, OCCI Vice Chairman of the Board of Directors for Administrative and Financial Affairs, stressed the importance of holding such specialized courses in the settlement of disputes over construction contracts through arbitration. The course helps in identifying the best methods and experiences related to solving this kind of disputes by a panel of arbitrators. He stressed the need of all stakeholders to join hands to establish a center for Commercial Arbitration to support of the Omani judiciary under the umbrella of OCCI, with the official representative of the private sector. The need for this center has been highlighted by local and international foreign investors who seek an investor-friendly environment that ensures quick settlement of disputes.

It is imperative for us to respond to this reality and to be aware of our society, whether through intellectuals or through the recipient, the consumer and the beneficiary. It is necessary to know what arbitration is, its nature, procedures and disadvantages. Arbitration has become a reality that must be absorbed, he furthered.

During the session, Eng. Salim Al Ruqueishi, member of the Board of Directors and the representative of the Omani Society of Engineers, delivered a speech in which he explained the Society's efforts to find the suitable environment for contractors and finding solutions for the problems facing the contractors. Dr. Abdul Harun Bin Mohammed Al Essa, Contracts representative of Mohammed Janbash Law Firm delivered a speech about construction contract disputes.

The course included a reading of the engineering contracts in the Sultanate in the light of the Federation Internationale des Ingenieurs-Conseils (FIDIC) contracts, the variation orders and claims according to the Standard Documents for Building and Civil Engineering Works of Oman.

The company gave its views and vision on the issue. The Committee called on the private sector to increase economic activity in the country, enhance state revenues and stimulate economic activity. The committee will crystallize these ideas, visions and initiatives and put them into practice during the next phase.

The course is part of the social responsibility efforts done by OCCI and the private sector with the aim of spreading the culture of arbitration and preparing qualified cadres in resolving disputes arising from the implementation of construction contracts in the Sultanate.

OCCI, its role and objectives. He highlighted the economic importance of the Sultanate and the opportunities and incentives provided to investors.
Today, the global economic forums focus on a number of issues related to the Fourth Industrial Revolution (4IR). Although Germany is the first country to automate the industry, many countries are currently making vigorous efforts to cope with the radical changes leading to the Fourth Industrial Revolution. It is like a faster train that helps developing and developed countries to lead and cope with change in the systems of the global economy and the labor market.

The 4IR starts from the principle of integration between the digital revolution and renewable energy as well as the biological side. Its most important characteristics are that it is a very fast and comprehensive revolution. It is as comprehensive as possible to the beneficiaries and is of low cost. The most important applications are Artificial Intelligence, Block Chain Technology, Internet of Things and Biotechnology, while the reason for the growing and accelerating interest in a large number of States towards the Fourth Industrial Revolution is that the revolution will create a new concept for the global economy, the activities of transnational corporations are also expected to increase.

The traditional methods of production in the labor market must be modernized and developed in line with the future of the business. The educational systems in schools before universities should use the tools and means that lead to being part of the 4IR -- the knowledge-based economy and the promotion of innovation, design, programming and scientific research.

Our coping with the 4IR is not related to whether we are not in line with the 1st, 2nd and 3rd industrial revolution. We do not have to return to zero point to catch up with the new revolution. The most prominent example of this is China, which has moved from the agricultural economy to a modern economy that keeps pace with technological developments. China is also expected to be the leader of the Fourth Industrial Revolution through the manufacture of the largest number of smart robots. It should be noted that the great emphasis on jobs and traditional employment will have a very negative impact on the economy because it is a rapid revolution that does not depend on production and strategic location. You may control the production from a remote area therefore the traditional production methods will be much affected by this development.

In the Sultanate of Oman, the fourth industrial revolution can bring real gains if we rely on the strengths of Oman, which were outlined by Chris Moody, the economic expert in the transfer of science and knowledge and technology while delivering his working paper on the 4IR in the OCCI’s Evening. At his presentation, he noted that the Sultanate has large areas and flat houses suitable for the use of UAV technology. He also pointed out that a large section of the Sultanate population is in the youth category that excels in the use of modern technology. The traditional jobs may see a drop in the number of manpower especially in construction and industrial sector, where there is a large concentration of expatriates.

In this context, I would like to commend the initiative of the National Youth Skills Development Program of the Diwan of the Royal Court, which aims at creating a generation that keeps pace with the developments of the 4IR.

The efforts exerted by both the government and the private sector institutions to keep abreast of the Fourth Industrial Revolution are still very slow. These efforts need to accelerate, create new paths and, establish projects and companies that keep pace with the trends of the Fourth Industrial Revolution and innovation. We should reduce service jobs as well as traditional projects. We need to shift from revenue-based economy to a modern digital economy in a practical and carefully studied way. Many economists stressed that the fact that 4IR will lead to the decay of the role of small and medium enterprises.