

THE NATIONAL PROGRAM FOR ENHANCING ECONOMIC DIVERSIFICATION -“TANFEEDH”

20th of December 2016



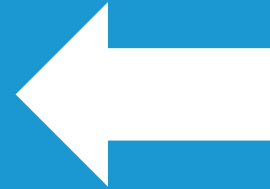
AGENDA

1 Program overview

2 Step 2 – The LABS

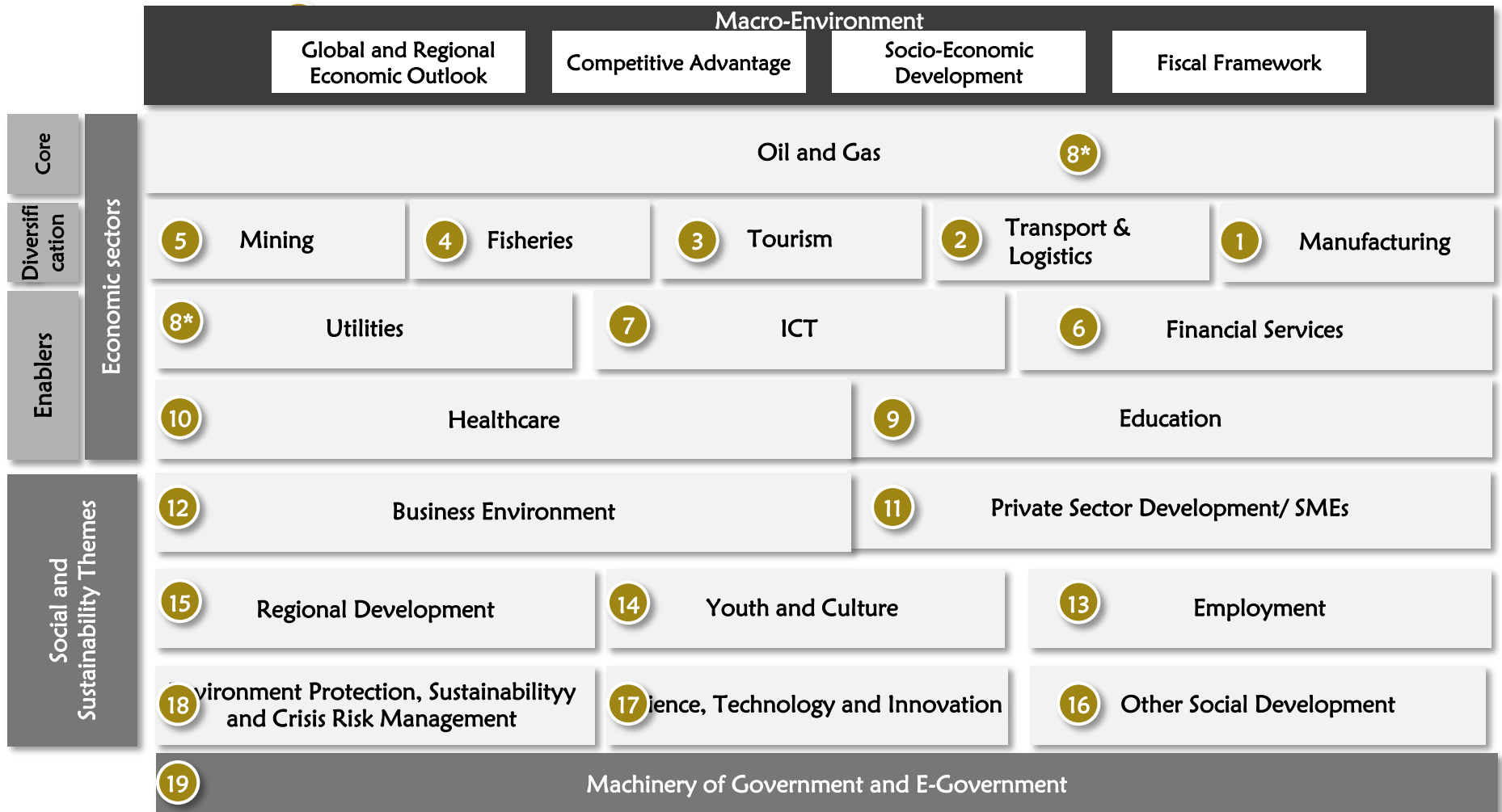
AGENDA

1 Program overview



2 Step 2 – The LABS

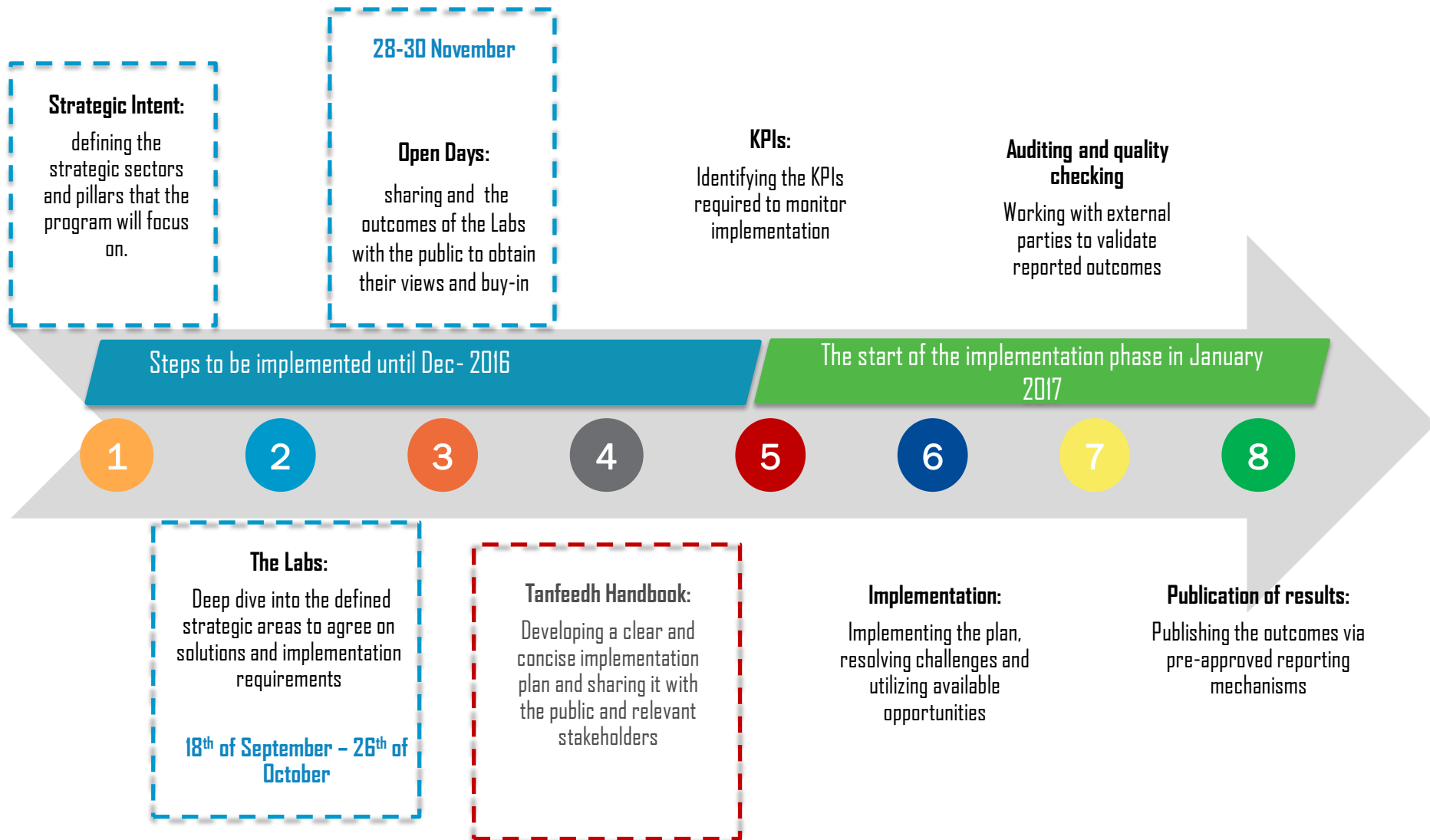
The 9th 5 year development plan was defined with clear objectives and targets for 2020 ...



... With the need for accelerating and enabling implementation

Hence The National Program for Enhancing Economic Diversification (Tanfeedh)

.. an 8 steps methodology

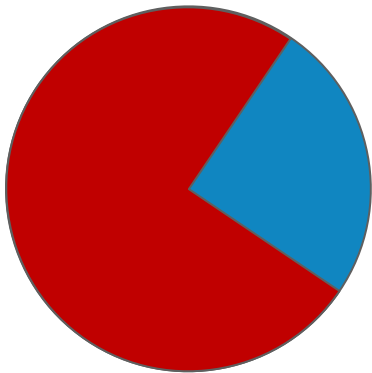


Hence The National Program for Enhancing Economic Diversification (Tanfeedh)

The 9th 5 year development plan

Tanfeedh Program

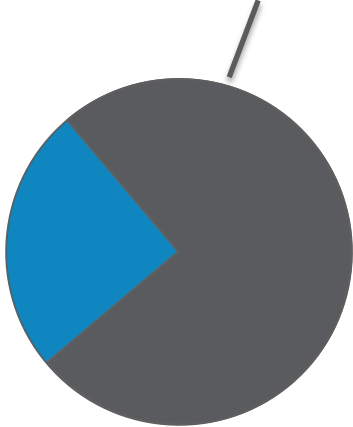
Initiatives & Projects of the 9th 5 year development plan



Some initiatives & projects within the 9th 5 year development plan



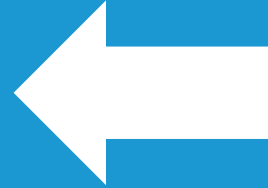
New initiatives and programs during the LABS



AGENDA

1 Program overview

2 Step 2 – The LABS



Step 2 – The Labs one of the critical steps of the program – a new approach and NOT a typical workshop

6 Weeks

The duration of the workshops

3 Syndication Meetings

At the level of their excellences the Ministers

5 Fact Packs

That aim to establish a common ground and to clarify the challenges and trends in all sectors

250 Participants

From various government and private sectors, academia and civil society

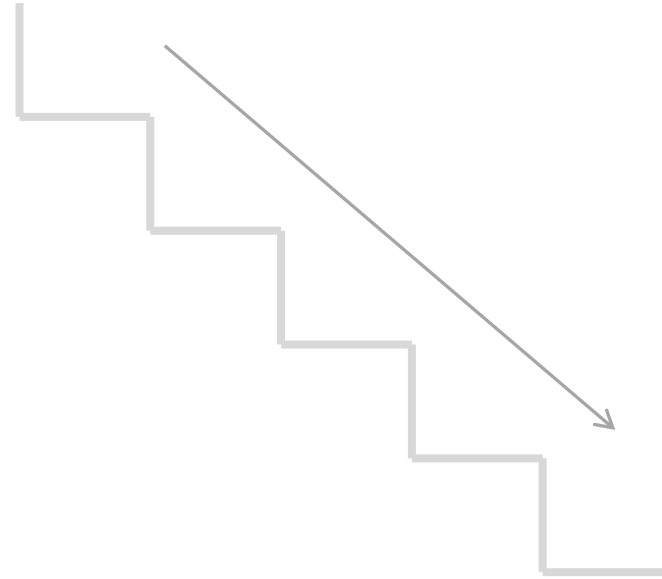
6 Cross Syndication Meetings

Between the labs to ensure alignment

Many plans are beautiful but lack detailed programs

Plan (30,000 feet)

- Strategic intent
- Strategic plan
- Blueprint
- Strategy document



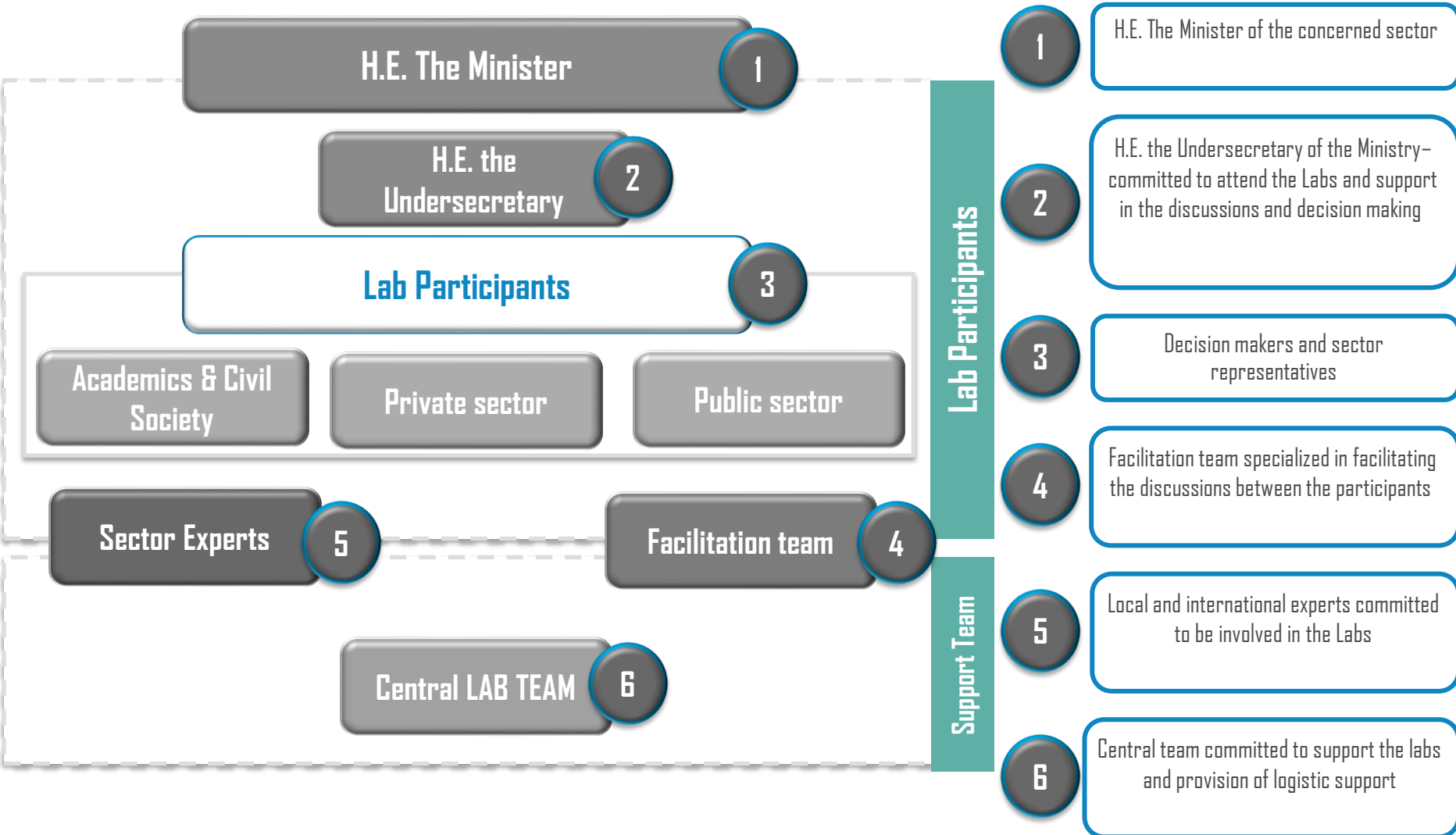
- Projects
- Action items
- Timeline
- Project owner
- KPIs & Targets

“A plan without a budget and 3ft plan is a draft”

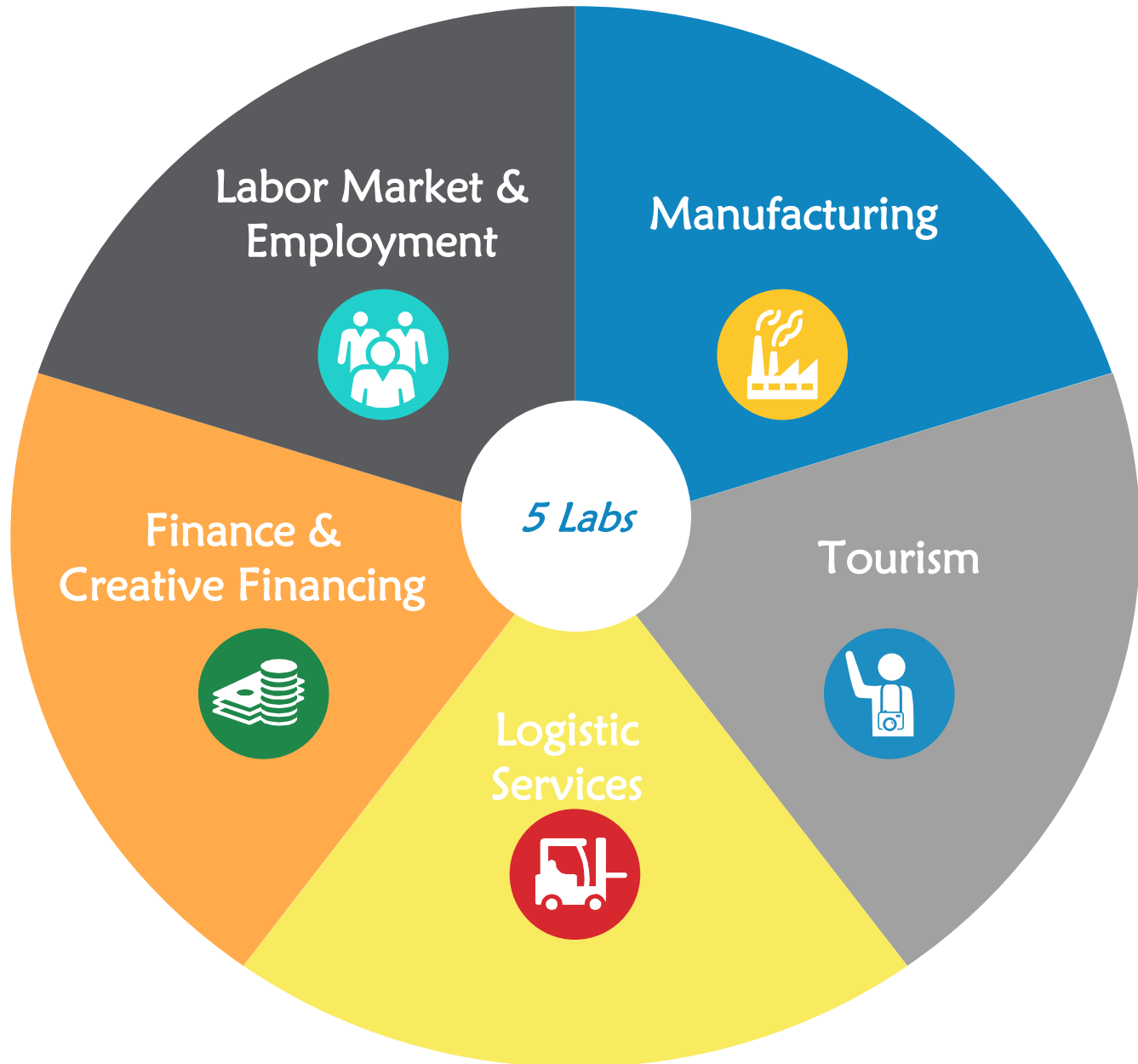
Program (3 feet)

The Labs were structured in a way to ensure effective communication with participants and involvement with decision makers

Labs will include multiple participants representing various entities



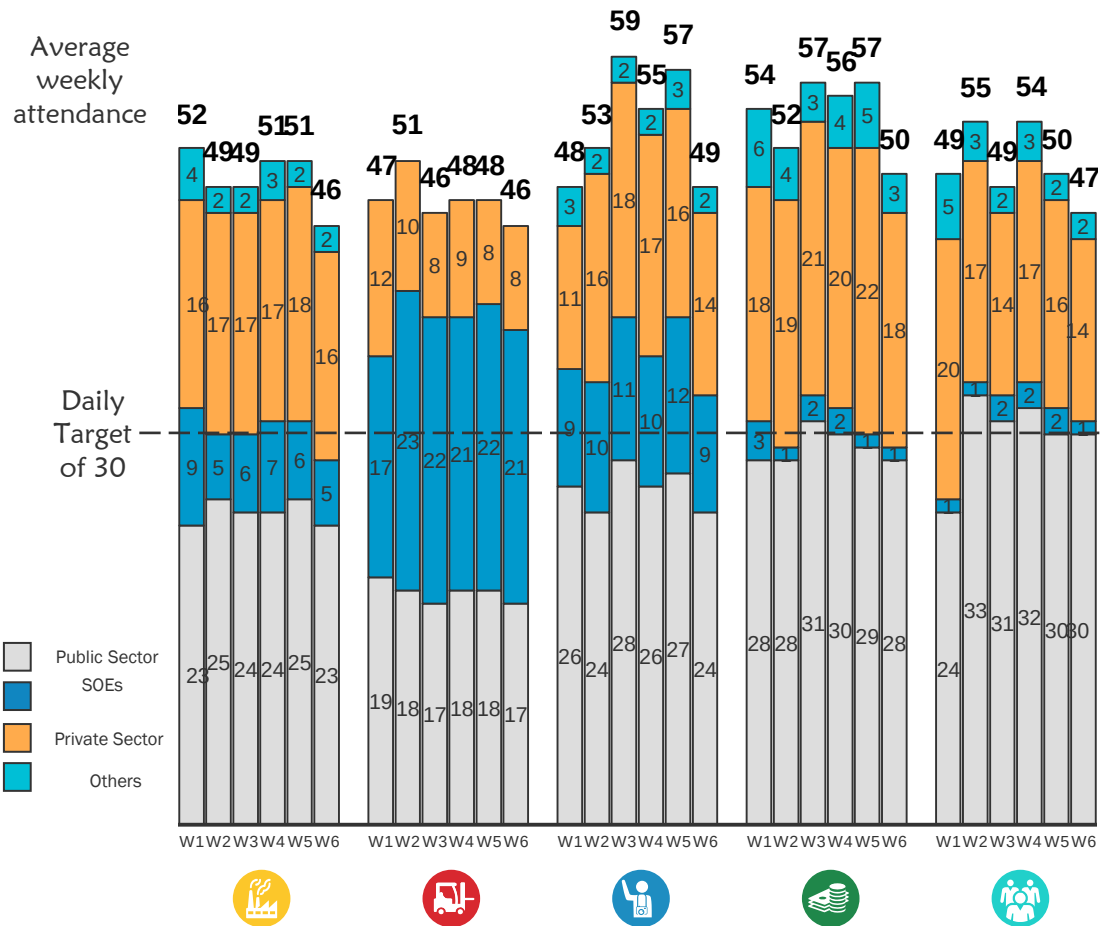
The Labs focused on 3 Economic Sectors and two enabling sectors that are key to enhance the Sultanate's economic diversification



The Labs participation rate and numbers

The Participants numbers have exceeded the expected number of 30 per LAB on daily basis

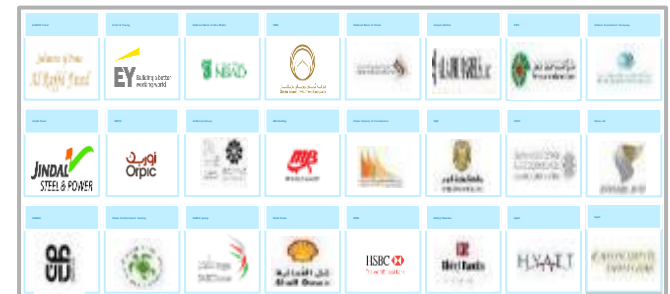
More than 160 Organisations participated in the Labs



Public Sector



SOEs, Private Sector, Civil Society, Academics and the youth sector



Manufacturing

- Catalyzing Petrochemical downstream
- Ammonia Fertilizer Plant
- PET Preform and Bottles
- OCTAL PET Capacity Utilisation Enhancement
- Bituminous Waterproofing Membrane
- Expansion of Sohar Aluminium for production of liquid metal
- Fabrication of scaffolding and scaffold parts
- Manufacturing of downstream aluminum and steel products: a. Alloy wheel b. Valves c. Flanges
- Establishment of facility for design and manufacturing of dies and Moulds
- Increase local cement production: a. Two New cement plants b. One White cement factory c. Two Cement grinding unites
- Development and innovation of date products
- Integrated dairy farm
- Enhance the poultry production business
- Vegetables processing factory
- Seafood processing and canning
- Establish National Environmental Policy for the Energy Sector (NEPES)
- Energy Diversification
- Advanced Manufacturing Research Centre (AMRC) in Oman
- Strengthening of Existing Industrial Innovation Centre (IIC)

31

Tourism

- Management of nature sites and protected areas
- Enable niche nature / adventure activities
- Management of heritage sites
- Develop a year round calendar of events
- Creation of cultural and F&B precincts
- Creation of iconic tourism projects
- Facilitate delivery of ITCs / hotels / themed attractions
- Expedite cluster plans for Musandam / Nizwa / Muscat / Sur
- Set up a client service center for tourism related approvals
- Extending usufruct lease options
- Introduce visa facilitation for new target markets
- Establish a centralized infrastructure board
- Establish the Oman Tourism & Convention Bureau
- Activating Tourism Development Fund
- Introduce a Labour solution package

45

Logistics

- Develop rail connectivity to unlock additional trade and economic activity
- Complete land connection with GCC countries
- Salalah Port Development Project
- Establish One Stop Shop for inspections with full adoption of Bayan
- Improve efficiency in Air Cargo Clearance Process
- Increase competitiveness and service deliverables of local logistics entities
- Accelerate the movement of imports and exports across borders to build volume by implementing the Port Community System at all ports, airports and borders
- Establish a level playing field for Free Zones
- Cargo Village
- Proliferate bonded warehouses for goods in transit
- Extend cold chain networks to improve exportability and reduce wastage
- Build Oman as a new e-Commerce logistics hub
- Air Cargo Business Development
- Improve the quality of services offered by Oman's ports
- Expand and strengthen current feeder connectivity around the region

15

Finance

- Allow for the existence of REITs
- Build project evaluation capacity in the government and release government projects for public-private projects
- Establish a Project Management Corporation to oversee all government project implementation to ensure projects are implemented within time and budget
- Eliminating conflicts of interest in public employment
- Strengthen Government's accountability and transparency
- Integrate all Government entities in the e tendering platform
- Establish a Credit Bureau by the private sector
- Privatization of a number of state owned enterprises
- Expedite the Investment Law with Proposed By-laws
- Unify Investment Promotion Efforts and Align Investment facilitation role
- Develop Roadmap for invest easy to complete licensing process simplification

16

Labour

- Part-time, flexible, temporary employment policies
- Gradualized Omanization policies by sector
- Labour clearances systemization
- Develop occupational standards
- National accreditation & qualification framework
- Middle & senior management training program
- Enhancement of training institutes governance
- Alignment employment efforts as to support job seekers employment
- Private sector attractiveness initiatives
- Putting in place a mechanism to enhance the Labour resolution process
- SME employment development
- Sectorial representation
- Aligning jobseeker definition with ILO

14

The six weeks included various syndication meetings

Week one (18/09-22/09)



Week three (02/10-06/10)



Week five (16/10-20/10)



Week 1



Week 2



Week 3



Week 4



Week 5



Week 6

Week two (25/09-29/09)



Week four (09/10-13/10)



Week six (23/10-26/10)



Open days in order to obtain feedback from the Omani society



Date:
28-30 November 2016
Location:
Oman Convention &
Exhibition Centre





Petrochemical

- Initiative 1: Catalyzing petrochemical downstream
- Initiative 2: Ammonia fertilizer plant
- Initiative 3: PET preform and bottles
- Initiative 4: OCTAL PET capacity utilisation enhancement
- Initiative 5: Bituminous waterproofing membrane



Metal

- Initiative 1: Expansion of Sohar Aluminium for production of liquid metal
- Initiative 2: Fabrication of scaffolding and scaffold parts
- Initiative 3: Manufacturing of downstream aluminum and steel products:
 - a. Alloy wheel
 - b. Valves
 - c. Flanges
- Initiative 4: Establishment of facility for design and manufacturing of dies and Moulds



Non- metal

- Initiative1: Increase local cement production:
 - a. Two New cement plants
 - b. One White cement factory
 - c. Two Cement grinding unites



Food

- Initiative 1: Development and innovation of date products
- Initiative 2: Construction of integrated dairy farm
- Initiative 3: Enhance the poultry production business
- Initiative 4: Vegetables processing factory
- Initiative 5: Seafood processing and canning

Energy



- Initiative 1: Establish National Environmental Policy for the Energy Sector (NEPES)
- Initiative 2: Energy Diversification

Innovation



- Initiative 1: Advanced Manufacturing Research Centre (AMRC) in Oman
- Initiative 2: Strengthening of Existing Industrial Innovation Centre (IIC)

Scaffolding materials are in large demand in the world



Initiative concept/details/highlights:

Upstream

Midstream

Downstream



80% Oman
raw
materials



20%
Imported
materials

- Production capacity of 20 to 50 kt/year
- Revenue of OMR 9.5mil

Materials

System
Scaffolding
(Cuplock)

Shoring or
False work

Tubes and
fittings
Scaffolding

Mobile
Scaffolding

Access
Scaffolding

Frame
Scaffolding

Services

Manpower
supply

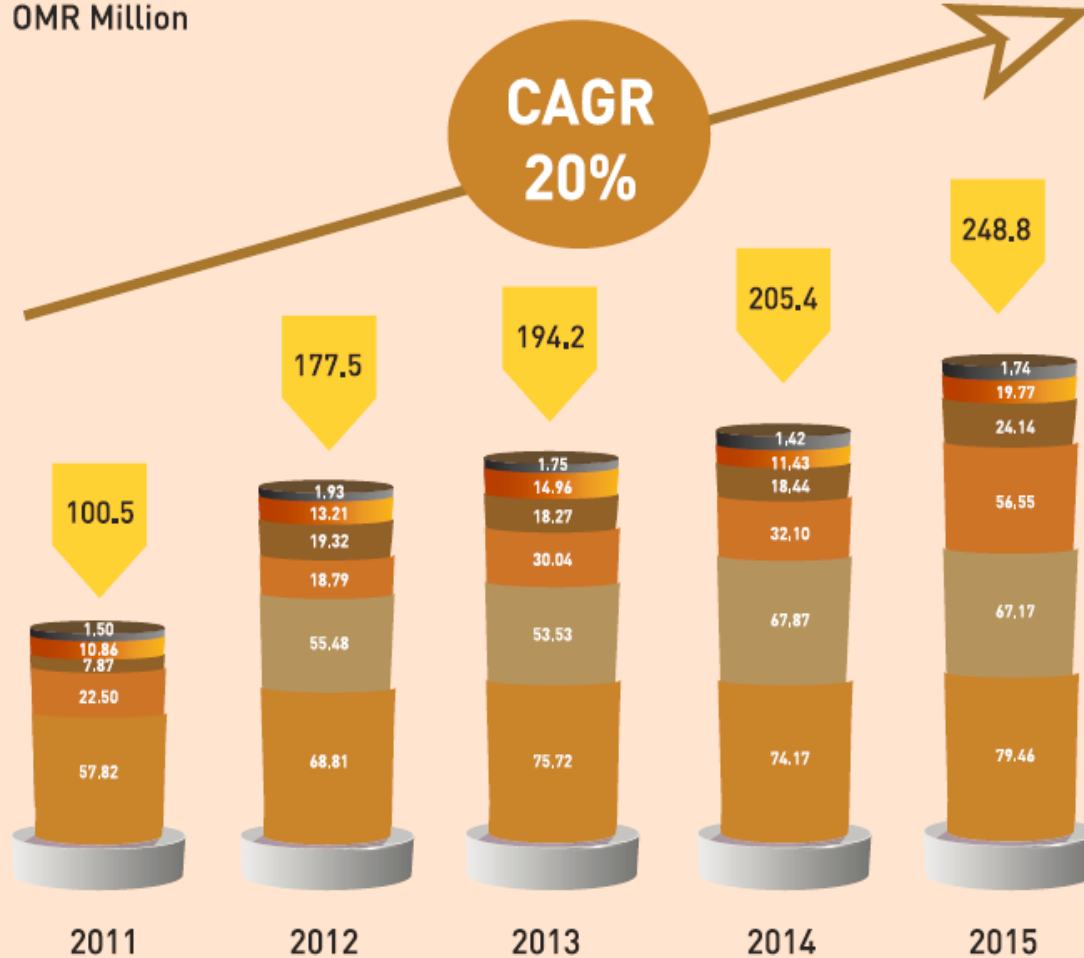
Training &
Certification

- Creation of OMR 6.4 mil investment
- 70 operational jobs and 73 development jobs

The import value of scaffolding within the GCC over the last 5 years has shown an annual increase of 20% indicating a constant demand



Import of scaffolding within GCC
OMR Million



The increase imports shows a promising market for scaffolding manufacturing in Oman.

Oman currently imports 80% of scaffolding parts from UAE, and 15.4% from China and India



To achieve the True North, the Tourism Sector focused on developing the following projects and initiatives:



2020 Targets

Attract private investments of at least 1.8B OMR
Increase international tourist arrivals from 1.9M to at least 2.7M
Create 10,000 jobs for Omanis in the tourism sector

Nature and Adventure



- 1 Private management of nature sites and protected areas
- 2 Enable niche nature / adventure activities

Culture and Heritage



- 3 Private management of heritage sites

Events Meetings, Incentives, Conventions and Exhibitions



- 4 Develop a year round calendar of events

Leisure and Recreation



- 5 Creation of cultural and F&B precincts
- 6 Creation of iconic tourism projects
- 7 Facilitate delivery of ITCs / hotels / themed attractions



Regulations

- 8 Expedite cluster plans for Musandam / Nizwa / Muscat / Sur
- 9 Set up a client service center for tourism related approvals

Marketing

- 13 Establish the Oman Tourism & Convention Bureau

Employment

- 15 Introduce a labour solution package

- 10 Extending usufruct lease options
- 11 Introduce visa facilitation for new target markets
- 12 Establish a centralised infrastructure board

- 14 Activating Tourism Development Fund

Source: Targets: Arrivals + Value Add: NCSI,
 Investment: MOT Tourism Strategy 2040, Jobs: Lab Analysis



Oman has over 500 forts/castles and ~850 cultural/heritages sites, with 20% situated in the A'Dakhiliyah Governorate

The cultural network of heritage sites in Oman:

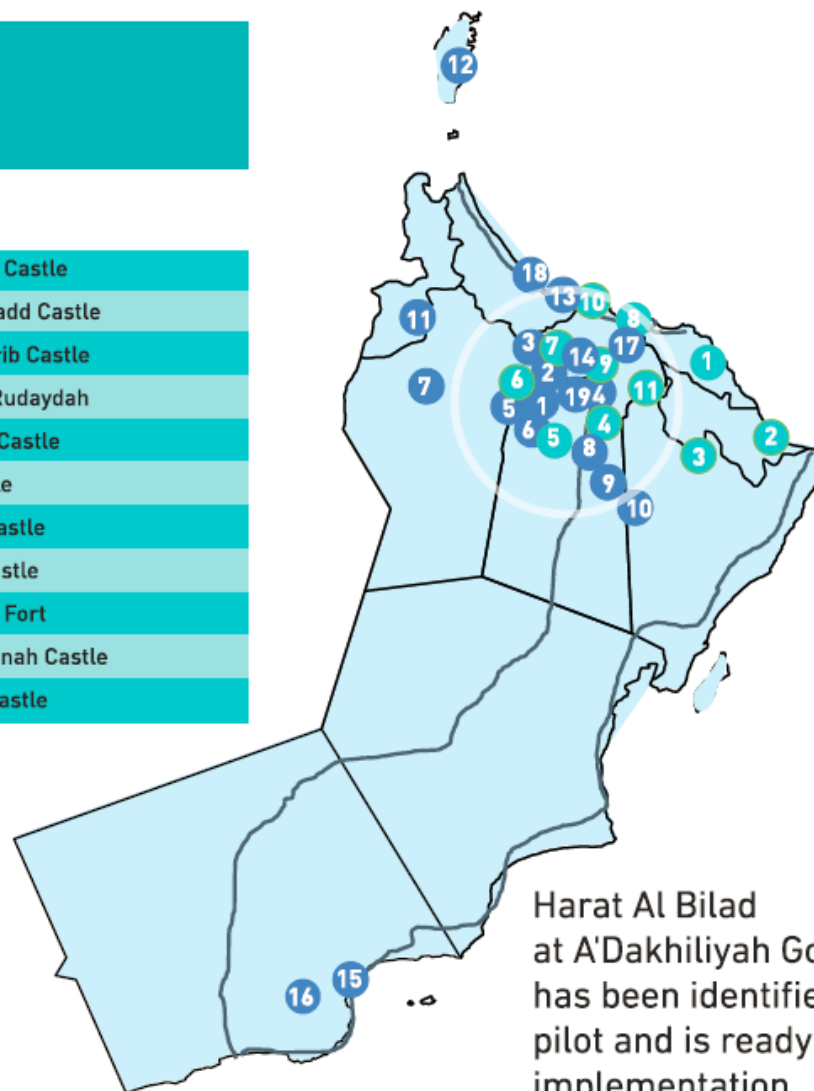
Forts, Castles, & Heritage villages

Traditional heritage villages:

1	Harat Al Jama'i, Adam
2	Harat Al Bilad, Manah
3	Masfat Al Abreen, Al Hamra
4	Harat Al Yamin, Izki
5	Harat Al Aqir, Bahla
6	Harat Al Aqir wa Sibani, Nizwa
7	Harat Al Ramel, Ibri
8	Harat Al Brashid Wa Sawafiya, Mudhaibi
9	Harat Al Qanatir Wa Munzafa, Ibra
10	Harat Al Mudhaireb, Al Qabil
11	Harat Hamasa, Al Buraimi
12	Harat Al Ala Wa Salamiyat, Khasab
13	Harat Mashaiq, Al Suwaiq
14	Harat Qasra Wa Al Hasha, Rustaq
15	Harat Murbat, Murbat
16	Harat Al Haffa, Salalah
17	Harat Fanja, Bidbid
18	Harat Sanaa bani Ghafir, Al Khaboura
19	Harat Wadi Bani Habib wa Saab, Al Jabal Al Akhdar

Castles:

1	Qurayyat Castle
2	Ras Al Hadd Castle
3	Al Mintarib Castle
4	Bayt Ar Rudaydah
5	Jabreen Castle
6	Ibri Castle
7	Yanqul Castle
8	Barka Castle
9	Arrustaq Fort
10	Al Mussanah Castle
11	Samail Castle



Harat Al Bilad at A'Dakhiliyah Governorate has been identified as a pilot and is ready for implementation.

The project will include 40 units offering complementing amenities to the heritage hotel. These amenities will be run by local communities and local SMEs and will include coffee shops, crafts and souvenir shops, restaurants, museums, beauty salons, etc.



Proposed Amenities

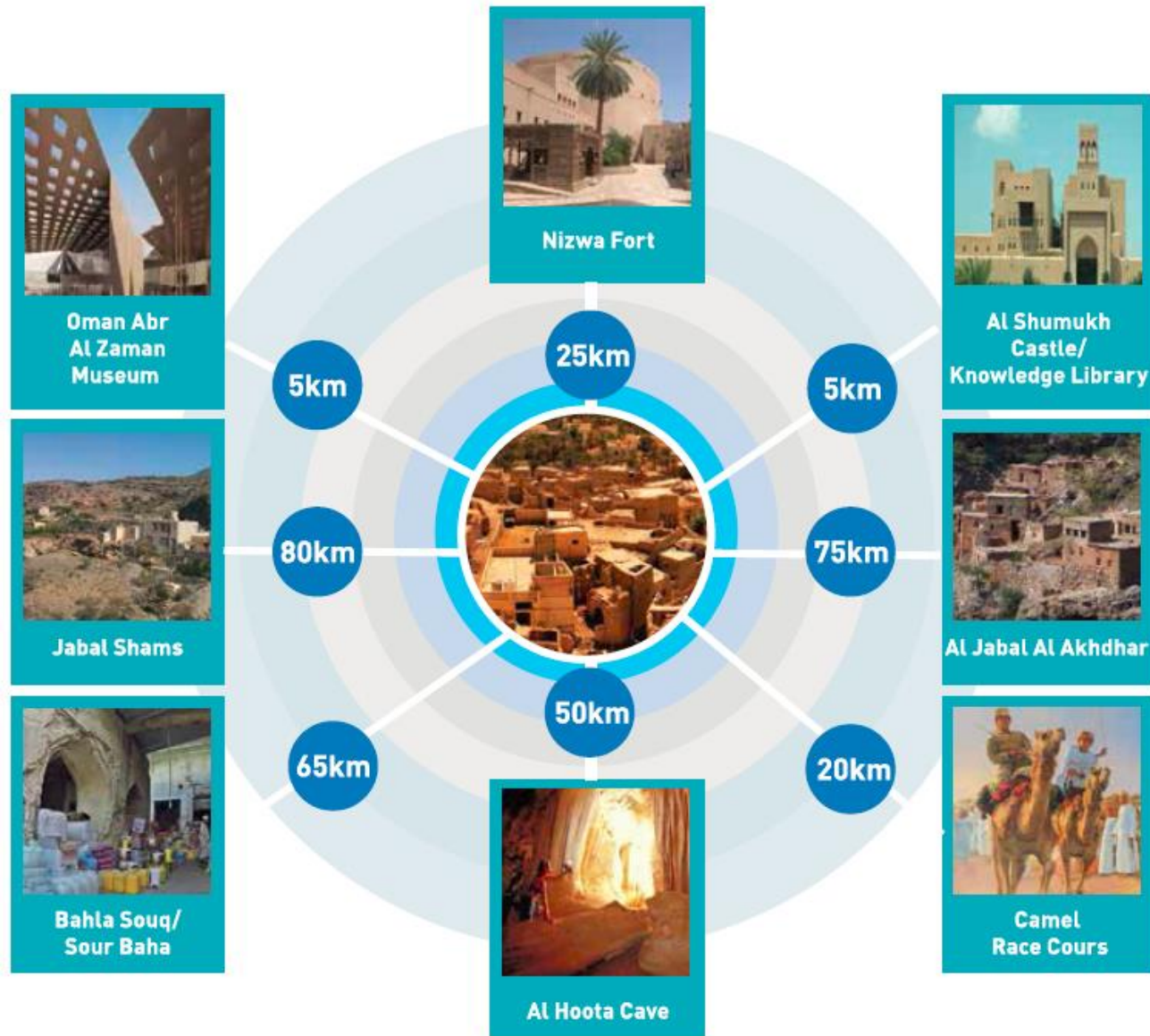
-  Room / House to rent
-  Information Desk
-  Fort / Museum Places of interest
-  Coffee Shop
-  Restaurant



Cultural Activities



Harat Al Bilad will compliment A'Dakhiliyah Governorate rich cultural tourism offerings





- 1 Develop rail connectivity to unlock additional trade and economic activity
- 2 Complete land connection with GCC countries
- 3 Salalah Port Development Project
- 4 Establish One Stop Shop for inspections with full adoption of Bayan
- 5 Improve efficiency in Air Cargo Clearance Process
- 6 Increase competitiveness and service deliverables of local logistics entities
- 7 Accelerate the movement of imports and exports across borders to build volume by implementing the Port Community System at all ports, airports and borders
- 8 Establish a level playing field for Free Zones
- 9 Cargo Village
- 10 Proliferate bonded warehouses for goods in transit
- 11 Extend cold chain networks to improve exportability and reduce wastage
- 12 Build Oman as a new e-Commerce logistics hub
- 13 Air Cargo Business Development
- 14 Improve the quality of services offered by Oman's ports
- 15 Expand and strengthen current feeder connectivity around the region



Cargo Village

Lack of storage facility prior to import/export/re-export activities discourages transshipment reducing overall throughput.

Initiative Proposal

Create an international cargo terminal optimizing and integrating the terminals in airports

Cargo Village Concept



1. Freight Forwarders Office Complex
2. Multiple Cargo Storage / Break Bulk Facilities
3. Packaging & labeling complex
4. Equipment Maintenance Complex
5. Central Control Building

Benefits

Facilitate transshipment, imports, exports, re-exports and express courier cargo in Oman airports

Increase operational efficiency by locating freight forwarders within a geographical location

Generate space for additional economic activities like relabeling, cold room/chiller, bonded warehouse, etc.

Decongest the airport by allowing for scalability of cargo operations

Support the cargo handling

100%

Increase in cargo handling capacity

30k
sqm

Creation of cargo storage & handling space

30M
OMR

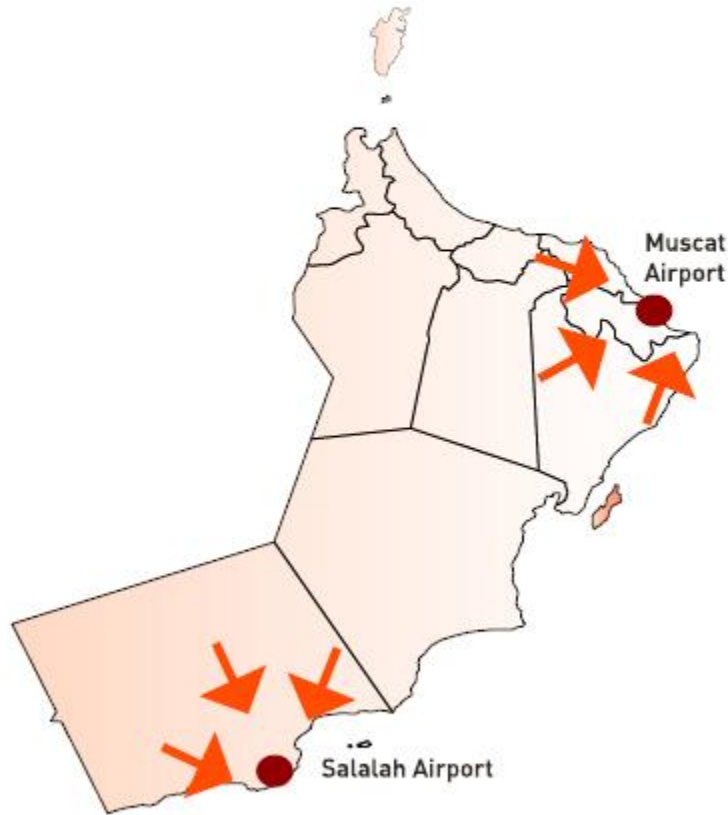
Cargo handling revenue by 2020

Unlock and boost cargo volumes and revenue by ~30.0M OMR in 2020 and Improve efficiency of freight forwarders



Cargo village in Muscat aims to handle 250,000 tons of cargo and provide multiple services within cargo village

Airports in Oman



Potential 2nd Phase

Potential Location Within Muscat Airport



Potential Services Within Muscat Airport Cargo Village

30k ft

Creation of cargo storage & handling space

250k tons

Cargo handling Capacity

1 Bonded Warehouse

- Stock goods that are not yet cleared by customs
- Free zones activity
- Re-export activities

2 Cold Storage / Cold Chain

- Handling Pharma products
- Temperature controlled flows

3 Repackaging Area

- Additional revenue through auxiliary activities

4 Integrated Courier Services

- Break & bulk distribution
- Air to land & land to air services

5 Perishable Stock and Distribution

- Vegetables & Poultry
- Frozeb products

Multiple economic activities connected to airport through other means of transportation



Project Finance has three major focus areas



A

Allow for the existence of REITs



B

Build project evaluation capacity in the government and release government projects for public-private projects



C

Establish a Project Management Corporation to oversee all government project implementation to ensure projects are implemented within time and budget



Object : Be the top ranked GCC country by 2020 in Getting Credit & Starting a Business indicators under Ease of Doing Business ranking

A

Strengthen Government's Accountability & Transparency

1. Reducing conflicts of interest in public employment
2. Strengthen Government's accountability and transparency
3. Integrate all Government entities in the e tendering platform

B

Improve Access to Credit

4. Establish a Credit Bureau by the private sector
5. Privatization of a number State Owned Enterprises

C

Attract Foreign Investment and Enhance Business Facilitation

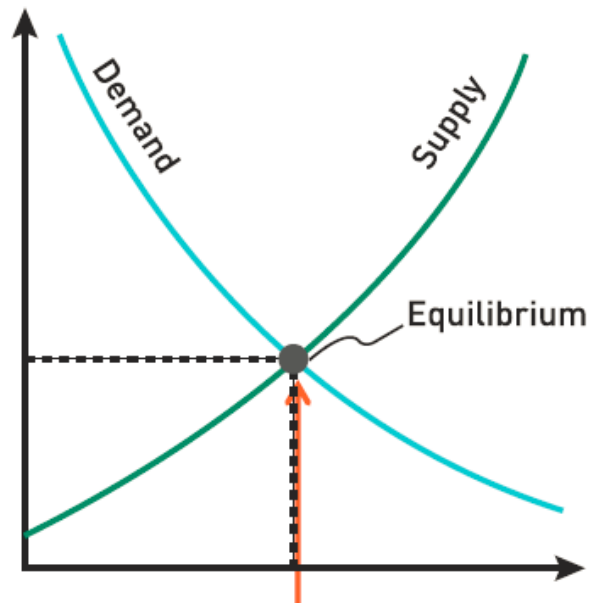
6. Expedite the Investment Law with proposed by-laws
7. Unify Investment Promotion Efforts and align Investment Facilitation Roles
8. Integrate all Government entities in the Invest Easy platform

In order to bridge demand for and supply of labour in Oman, a comprehensive package of solutions has been developed



A Unlocking Demand Employer-Side Issues

- Part-time, flexible and temporary employment policies
- Gradualized Omanization policies by sector
- Labour clearances systemization



B Strengthening Supply Jobseeker-Side Issues

- Develop occupational standards
- National accreditation & qualification framework
- Middle & senior management training program
- Enhancement of training institutes governance

C

Coordinating Demand and Supply Labour Market Optimisation

- Alignment of efforts to support job seekers
- Private sector attractiveness initiatives
- Enhance Labour dispute resolution processes
- SME employment development
- Sectorial representation
- Aligning jobseeker definition with ILO

Thank You