



SULTANATE OF OMAN  
MINISTRY OF COMMERCE & INDUSTRY  
**ACTION PLAN**

Roadmap for the Implementation of the Manufacturing Strategy  
2040 “Manufacturing for Well-being”

MoCI-UNIDO Strategy Team

MINISTRY OF COMMERCE & INDUSTRY  
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

## Contents

List of figures .....	3
List of tables .....	4
I. INTRODUCTION .....	5
II. DIAGNOSTIC .....	6
1. Background.....	6
1.1. Economic and social development in the Sultanate of Oman 1970-2017: oil dependency.....	6
1.2. Manufacturing development 1990-2017: diversifying into industrial commodities .....	7
1.3. The Sultanate of Oman’s manufacturing in comparative perspective .....	10
III. M4WB Vision Guidelines .....	12
IV. INDUSTRIAL PLANNING .....	16
1.1. Industrial planning for effective implementation .....	16
1.2. The role of the Action Plan in M4WB.....	17
1.3. How the Action Plan is Organised and Presented.....	18
V. <b>The Action Plan</b> .....	29
PROGRAM 1. NEW AND HIGH-TECH INDUSTRY CREATION .....	29
<b>1.1. Invest in new priority and high-tech industrial clusters (pharmaceutical, recycling and others)</b> .....	29
<b>1.2. Use tax incentives, promotional incentives and regulations for new priority and high-tech industry development</b> .....	33
<b>1.3. Broaden and deepen capabilities through education and technical and vocational training (TVET)</b> .....	35
<b>1.4. Review the incentives available for public and private sector workers</b> .....	37
<b>1.5. Use Public Procurement to foster new and high-tech industries</b> .....	39
<b>1.6. Apply trade measures to promote infant industries</b> .....	43
<b>1.7. Create ecosystems that allow information and advanced knowledge exchange, learning spill overs and skills sharing</b> .....	45
<b>1.8. Ensure investment and finance for new industries</b> .....	45
<b>1.9. Cluster-specific interventions</b> .....	47
PROGRAM 2. ENTREPRENEURSHIP AND INNOVATION.....	58
<b>2.1. Promote entrepreneurship, start-ups and doing business</b> .....	58
<b>2.2. Improve the performance of the innovation system</b> .....	60
<b>2.3. Encourage R&amp;D investment</b> .....	61
<b>2.4. Use Public Procurement to foster local innovation and entrepreneurship</b> .....	62
<b>2.5. Ensure finance for new manufacturing ventures</b> .....	64
PROGRAMME 3. UPGRADING AND MODERNIZATION .....	64

3.1.	Access skills and technology for manufacturing and 4IR .....	64
3.2.	Improve General Education and Technical and Vocational Training (TVET) level .....	66
3.3.	Improve SME operation conditions .....	75
3.4.	Increase use of domestic resources by increasing local content and the role of local suppliers in manufacturing .....	78
3.5.	Start a New Made in Oman Campaign .....	82
3.6.	Restructure Public Procurement to foster local industry .....	83
3.7.	Expand free zones, industrial parks and estates .....	85
3.8.	Use trade to support manufacturing development .....	88
3.9.	Increasing Energy Efficiency in Manufacturing .....	88
3.10.	Provide fiscal incentives and measures for local industry development .....	91
3.11.	Ensure Finance for manufacturing industry .....	93
PROGRAMME 4. GOVERNANCE AND MANAGEMENT OF INDUSTRIAL DEVELOPMENT .....		95
4.1.	Upgrade key laws and regulations governing the Manufacturing Strategy 2040 "Manufacturing for Wellbeing" .....	95
4.2.	Introduce an Effective Manufacturing Strategy 2040 "Manufacturing for Wellbeing" Governance .....	99
4.3.	Create new governance mechanisms in support of the Manufacturing Strategy "Manufacturing for Wellbeing" 2040 .....	103
4.4.	Restructure MOCI-DGI and manufacturing related areas of MOCI to be able to take on the tasks of implementation of the Manufacturing 2040 "Manufacturing for Wellbeing" strategy .....	108
4.5.	Expand the data and statistics collection, processing, analysing and reporting functions .....	110
4.6.	Commit MOCI's implementation of the Manufacturing 2040 "Manufacturing for Wellbeing" strategy to the highest standards of Governance .....	112
Annex I: Action plan with detailed actions .....		113
Annex II: Action plan with detailed costs .....		210

## List of figures

Figure 1: The Sultanate of Oman: Structure of economic activities (1970-2016, US\$ constant 2011, UNSD) .....	6
Figure 2: The Sultanate of Oman export trends (US\$, billion) .....	7
Figure 3: The Sultanate of Oman: MVA and GDP real growth index .....	8
Figure 4: Sultanate of Oman: Structural change within manufacturing (change in shares).....	10
Figure 5: The relationship between “Manufacturing for Well-Being” and the Industrial Policy Instruments and Action Plan .....	18
Figure 6: Structure of Industrial Policy Instruments and Action Plan .....	19
Figure 7: Programmes’ Policy Guidelines.....	21

## List of tables

Table 1: Comparative Indicators (2016).....	11
Table 2: Natural resource-based industries by cluster .....	14
Table 3: Action Plan Indicators by Programme .....	22
Table 4: Action Plan Responsibilities by Institutions.....	24
Table 5: Deployment of operational actions over time. ....	25
Table 6: Action Plan Programme Costs 2021-2040 (in bn OMR) .....	27
Table 7: Action Plan Programme Costs 2021-2025 (in bn OMR) .....	27
Table 8: Action Plan Institutional Costs 2021-2040 (in bn OMR).....	28

## I. INTRODUCTION

Since the assumption of power of His Royal Highness Sultan Qaboos bin Sa'id in 1970 the Sultanate of Oman's economy and society experienced a significant progress. The country's GDP per capita in constant terms grew at an average annual rate of 1.3 percent or 2.2 percent between 1970 and 2016, according to the United Nations Statistical Division and the World Bank database, respectively.

Between 1970 and 1999, Oman was heavily dependent on the mining sector—predominantly oil and gas—with the share of mining persistently accounting for over 70 percent of GDP. Economic growth in this period was led by oil production and exports, while the rest of the economy, followed this industry. Productive structure of the economy, therefore, had very little change. By the beginning of the new millennium, a significant structural transformation has started in production away from mining into transport, manufacturing and construction, which has brought the manufacturing sector to become the one with the fastest growth. As a result, manufacturing increased its share of GDP from around 2.8 percent in 1998 to 9.3 percent in 2016.

This plan is aimed at strengthening and promoting manufacturing growth and economic diversification, reducing reliance on the oil industry. *"Manufacture for Wellbeing"* Oman's strategy for manufacturing development till 2040 is the starting point for the design of this plan. It sets a vision for the manufacturing sector of 2040, where knowledge-driven industries focused on health and environmental clusters produce goods that will enhance welfare of Omani peoples. This will sustain diversification, innovation and high-tech development in the Sultanate of Oman which will be supported by an expanding, modern capital-intensive industry, heavily involved in the emerging Fourth Industrial Revolution. Oman's manufacturing sector will continuously adopt the most advanced production and communication technologies and the accompanying cutting-edge sets of skills, causing natural resource-based industries to evolve gradually away from their formerly dominant role to one of supporting other industries and sectors. By 2040 Oman's manufacturing sector will be able to compete globally and will serve not only local Omani or GCC markets, but the entire world.

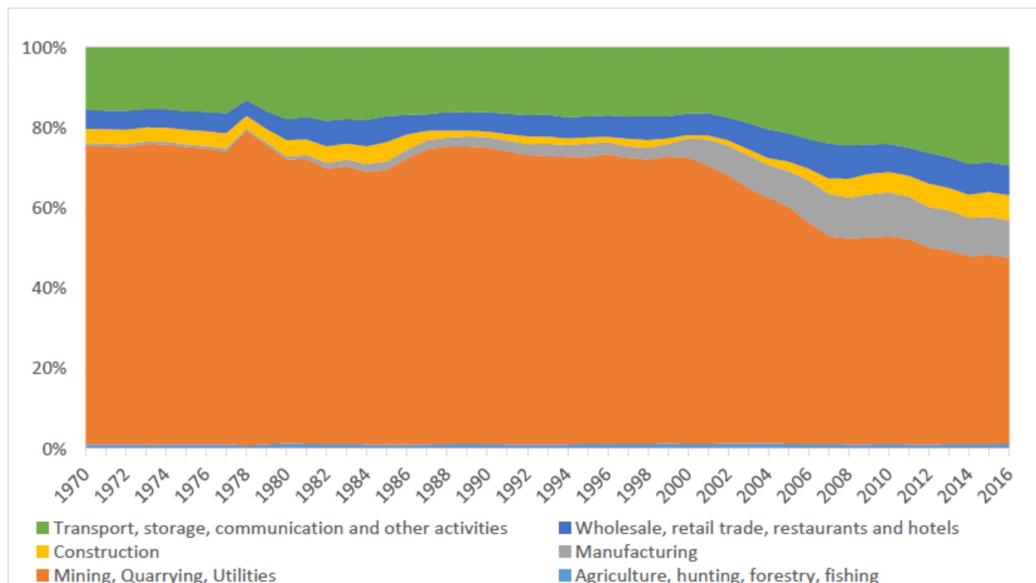
## II. DIAGNOSTIC<sup>1</sup>

### 1. Background

#### 1.1. Economic and social development in the Sultanate of Oman 1970-2017: oil dependency

While the economy has been characterized by steady growth over the last 46 years, two distinct trajectories emerged from a structural transformation perspective. The first one, which roughly spanned the years 1970 to 1999, was heavily dependent on the mining sector—predominantly oil and gas—with the share of mining persistently accounting for over 70 percent of GDP. During this period, Oman’s economic growth was largely dictated by the production and export of oil, with the rest of the economy, simply following the developments in the oil and gas industry. The second trajectory, which commenced at the beginning of the new millennium, has been characterized by a significant structural transformation in production away from mining into transport, manufacturing, and construction. The fastest growing sector has been manufacturing, which increased its share of GDP from around 2.8 percent in 1998 to 9.3 percent in 2016.

Figure 1: The Sultanate of Oman: Structure of economic activities (1970-2016, US\$ constant 2011, UNSD)



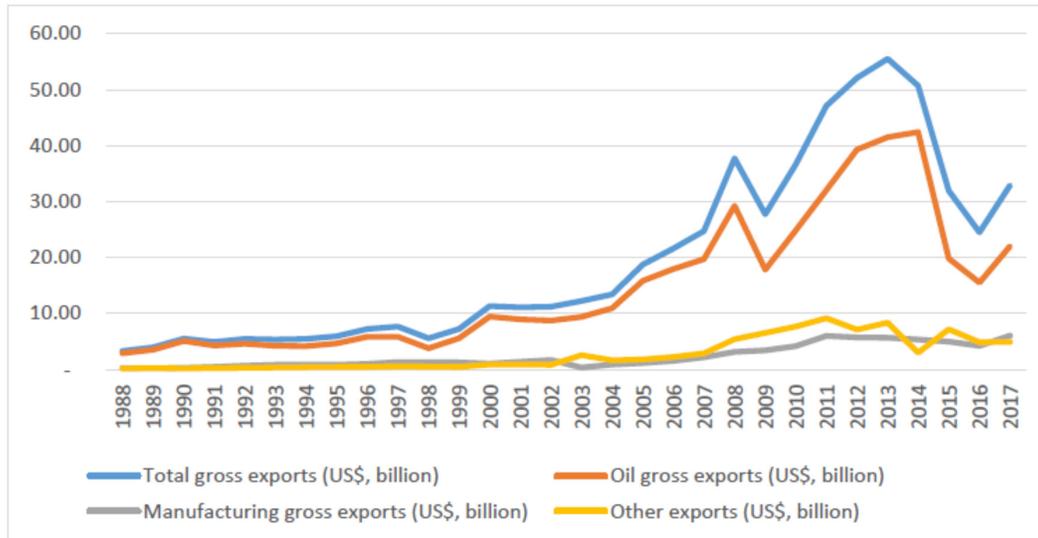
Source: UNIDO elaboration based on UN Statistics Division (2018)

Export figures seem to confirm this structural break and at the same time indicate a change in the composition of commodity exports. The bulk of the Sultanate of Oman’s exports consisted of oil and gas until 1998, with other mineral commodities such as copper, iron ore, gypsum and limestone as well as manufactured goods contributing very little to total exports. With the advent of the new millennium, new commodities as well as manufacturing exports have increased their share in total exports, suggesting that structural change has not only occurred towards other sectors of the economy, but also within the mining sector. Oil and

<sup>1</sup> This section heavily draws on the diagnostic section in the Diagnostic and Vision document. For further details and references please consult this document.

gas, nonetheless, by far remain Oman’s most important export averaging more than 70 percent of total exports over the last few years.

Figure 2: The Sultanate of Oman export trends (US\$, billion)



Source: UNIDO elaboration based on UN Comtrade (2018)

One of the most important transformations in the Sultanate of Oman in recent decades has been the upgrading of the country’s economic infrastructure. Major investments have been made in roads, ports, airports, telecommunications, electricity and water. Improvements have not only been recorded in economic wellbeing but also in social welfare. Between 1970 and 2010, the Sultanate of Oman had the fastest growth in the Human Development Index (HDI), with significant improvements in education and health, particularly in gross enrolment in school, literacy rates and life expectancy. Today, Omanis have access to a variety of social services, pensions and health insurance, all of which ensure a dignified life and old age.

In parallel to —and to some extent underlying the economic and social progress achieved thus far— has been the progressive establishment of a modern state. From a regionally and institutionally fragmented country in 1970, the Sultanate of Oman now has a partially elected consultative council, which has some legislative and regulatory powers, a relatively independent judiciary and several oversight institutions.

## 1.2. Manufacturing development 1990-2017: diversifying into industrial commodities

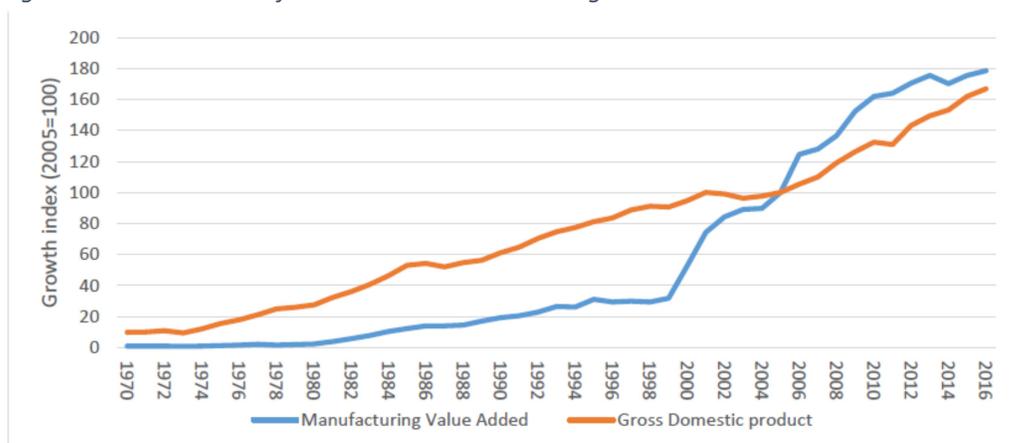
### 1.2.1. Early industrialization

The initial years of industrial development in the Sultanate of Oman were fairly modest. A 1978 industrial survey found that the country’s manufacturing sector consisted of 357 establishments employing 3,926 workers. The main activities included cement and cement products, food and beverages, wood and wood products, textiles, jewellery and some basic metal products. Basic foods, housing and commercial buildings were the main drivers of industrial demand during that period. Between 1970 and 1979, the share of manufacturing value added in GDP remained at under 1 percent of total GDP.

The 1980s saw the consolidation of the first stage of industrial development and the onset of the processing of natural resources. The government invested heavily in the food industry by

establishing a cattle feed facility with a capacity of 60,000 tonnes, and fishing processing facilities. Other large government metal and mining natural resource processing projects included the oil refinery in Muscat, and a copper refining project in Sohar. Private investors expanded the food industry by opening water, juice, and vegetable oil facilities as well as small chemicals, plastics and packaging plants. The increase in natural resource processing capacity meant that the manufacturing share in GDP grew from 0.8 percent in 1980 to 2.8 percent in 1989.

Figure 3: The Sultanate of Oman: MVA and GDP real growth index



Source: UNIDO elaboration based on United Nations Statistics Division (2018)

### 1.2.2. Shifting policy direction

The emphasis on natural resource-based industrialization was picked up in the Fourth Five Year Plan 1991-1995, Fifth Five Year Plan 1996-2000 and the Strategy 2020, published in 1995. Manufacturing, together with tourism, was to become one of the leading sectors of the economy through natural resource processing, including natural gas-based hydrocarbons such as ammonia, urea, fertilizers, methanol and petrochemicals; by increasing domestic value added; by promoting exports; by attracting foreign capital; by streamlining investment procedures; and by stimulating technology transfer.

The policy efforts of the 1990s did not, however, bear immediate fruits. During 1996-2000, 40 firms were established in Rusail, 34 in Sohar, 22 in Raysut, 12 in Al Buraimi and 4 in Nizwa. The firms included chemicals, food processing, pharmaceutical, marble, and mechanical engineering. The large LNG plant, as well as other planned investments in natural resource processing did not gain momentum until the following decade. As a result, the manufacturing share in GDP hardly changed, from 2.8 percent in 1990 to 3.2 percent in 1999.

### 1.2.3. Structural transformation towards industrial commodities

Policy measures to accelerate industrialization continued unabated with the arrival of the new millennium. The Sixth Five Year Development Plan (2001-2005) expanded some of the already existing investment incentives for investment in manufacturing. The Seventh Five Year Plan (2005-2010) and the Eighth Five Year Plan (2011-2015) focused on knowledge and technology. Entrepreneurship and particularly youth entrepreneurship were to be promoted, and support for companies facing difficulties due to external factors was introduced. Equally important was to be the development of industrial SMEs, given their employment generation potential.

There has been no lack of resolution by the government to bring about diversification and industrial development. The key objective of the Ninth Five Year Plan (2016-2020) is the reduction of the share of oil activities and the increase in the manufacturing share in GDP. Compared to previous plans, it focuses on spatial and regional aspects of development and on government performance. The most novel policy mechanism introduced by the plan was the National Program for Enhancing Economic Diversification. Tanfeedh, as it is known, meaning implementation, aimed to address the challenges and difficulties both the public and the private sector as well as civil society face in achieving the objectives of the Ninth Five-Year Development Plan. While Tanfeedh a number of projects in petrochemicals (polyethylene terephthalate - PET and ammonium), basic metals (aluminium expansion), non-metallic minerals (cement expansion), castings and structural metal products (metal dies and moulds, scaffolding and its parts, downstream steel and aluminium products), and food (processed vegetables, seafood, dairy, poultry and dates) followed.

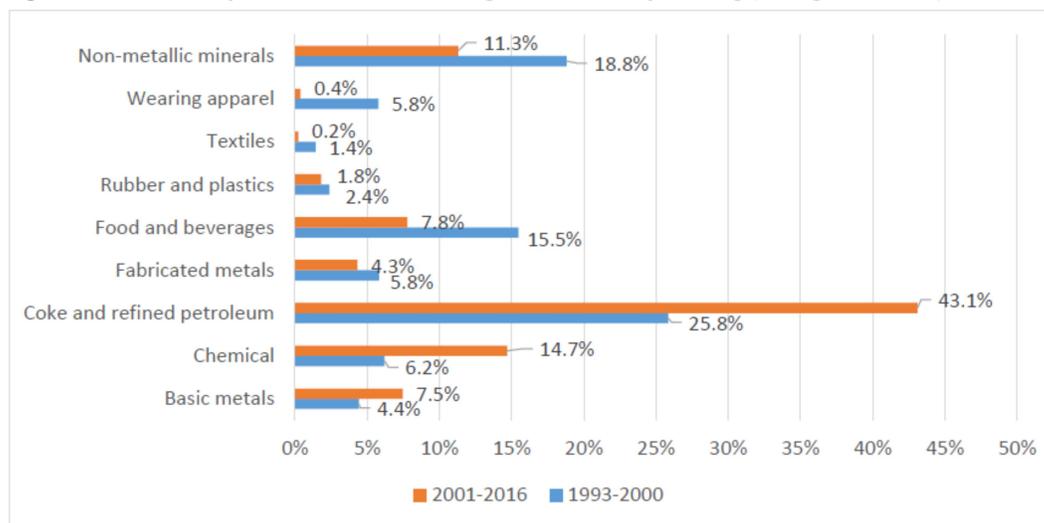
The early years of the new millennium have been associated two notable trends. The first one is the manufacturing sector's very rapid growth rate. It grew at an annual constant compound rate of around 10.7 percent between 1999 and 2016. The rate has decelerated in recent years, turning negative in 2014 as the entire economy slowed down. The long run rate has, however, been very impressive. The share of manufacturing value added peaked at 11.4 percent of GDP in constant terms in 2011, although it has dropped since to 9.7 percent of GDP in 2016 as prices of industrial commodities began to falter. The second notable trend has been the significant change in the composition of manufacturing value added. A major retrenchment took place in the textile and garments, non-metallic minerals, and food industries, although the latter began recovering in 2014. The largest increases were observed in the refined petroleum, chemical and basic metals industries, which at their peak accounted for nearly two-thirds of total manufacturing value added and in 2016, still accounted for more than 50 percent of total manufacturing (Figure 4).

While these trends are clearly positive they face large risks. The biggest risk by far is for Omani manufacturing to become heavily dependent on industrial commodities. Industrial commodities are manufactured goods that are identical to those being produced by the competition and are therefore interchangeable in the production process. Producing industrial commodities requires large amounts of fixed assets and energy to turn raw materials into finished products, and factories must achieve economies of scale to keep costs low. The price of industrial commodities is driven by the prices of their underlying raw materials, which normally constitutes a large share of their total costs. Profitability per unit of output is exceptionally low and depends on the volumes sold, and competition is based on the extent of investment in plants, equipment, and related technologies to achieve efficiency.

Insofar as a large proportion of Omani industry is based on oil and gas either as a source of raw material or of energy, the problems associated with oil dependency will continue to affect the performance of the Sultanate of Oman's manufacturing sector and of the economy as a whole. Some types of plastics which have become commodities are facing severe scrutiny from environmentalists. Diversification into other industrial commodities has helped reduce dependency on oil and gas prices, but they are nonetheless commodities. Steel and aluminium are characterized by widespread over-capacity around the world and some countries have already started invoking protectionist measures to shield their failing local industries. The profitability and competitiveness of industrial commodities is becoming even more sensitive to

minor variations in the prices of their underlying raw materials and the economic conditions surrounding them.

Figure 4: Sultanate of Oman: Structural change within manufacturing (change in shares)



VA shares: [Value added (US\$ current prices) / manufacturing value added (US\$ current prices)] x 100

Source: UNIDO elaboration based on INDSTAT2 rev.3 (UNIDO, 2018)

### 1.3. The Sultanate of Oman's manufacturing in comparative perspective

Of the GCC countries, the Sultanate of Oman's industry has been the fastest growing in the region since the beginning of the millennium, more than doubling the growth rates of Kuwait and the UAE (Table 1). Oman's manufacturing sector is the second smallest after Bahrain's and the second smallest after Kuwait in terms of manufacturing share in GDP, producing US\$ 16.6 BN (OMR 6.4 BN) in 2016. Of the GCC countries, Saudi Arabia has the largest manufacturing sector, producing US\$ 80.5 BN in 2016. Normalizing by population, however, the Sultanate of Oman's industry becomes the smallest in size among the GCC countries, accounting for 4.4 percent of the GCC's total manufacturing value added. The productivity of Oman's industry is lowest in the region at around US\$ 48,511 per worker and less than half of the productivity of Qatar, Saudi Arabia and the UAE

Compared to Costa Rica, a country with small population and substantive agricultural exports, and to Norway, rich in oil-based exports, set at two quite different levels of income, the Sultanate of Oman's manufacturing sector trails behind in absolute and relative size and export share. Oman's manufacturing productivity is higher than Costa Rica's due to the latter's relatively higher levels of manufacturing employment.

Norway has a similar endowment structure to the Sultanate of Oman, yet a hugely different industrial base. A very high-wage economy which, nonetheless, is able to employ nearly double the amount of people in manufacturing than the Sultanate of Oman and also employ them much more productively. Norway's industry covers the metals, pulp and paper, chemical and petroleum industries, where the work is carried out in large companies, with a vibrant textile and ready-made clothing, wood products, mechanical engineering, machine tools and graphic industries based on SMEs.

At the other end of the industrialization scale, measured by manufacturing value added as a percentage of GDP, countries like Jordan, Ireland and Singapore can be identified. These countries are currently at different stages of development but have made manufacturing the cornerstone of their development strategy. Jordan, which has by far the lowest income per capita of all comparator countries, is building a relatively large and highly productive industry focused on fertilizers, including potash and phosphates; as well as other industrial products such as cement, clothes, pharmaceuticals, and general-purpose machinery. Singapore and Ireland are notable for the large employment the manufacturing sector has generated in the former and the tremendous productivity in the latter associated with the high-tech industry.

Table 1: Comparative Indicators (2016)

	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	United Arab Emirates	Costa Rica	Jordan	Ireland	New Zealand	Norway	Singapore
Population (Total, WDI)	1,425,171	4,052,584	4,424,762	2,569,804	32,300,000	9,269,612	4,857,274	9,455,802	4,755,335	4,693,200	5,234,519	5,607,283
Total employment (headcount, UNIDO elaboration)	698,370	2,023,410	2,331,000	1,832,210	10,300,000	3,950,180	2,912,240	1,550,350	1,794,780	2,266,850	2,900,000	3,775,000
Manuf. employment (headcount, UNIDO elaboration based on ILO and other sources)	83,791	116,487	131,000	126,026	753,164	305,869	254,538	119,230	194,303	251,388	252,547	559,495
Manuf. employment share (UNIDO elaboration, based on ILO and other sources)	12.0%	5.8%	5.6%	6.9%	7.3%	7.7%	8.7%	7.7%	10.8%	11.1%	8.7%	14.8%
Income per capita (US\$, current, WDI)	22,561	27,368	15,102	59,324	19,982	38,518	11,733	4,088	64,100	40,332	70,890	55,243
Income per capita (PPP, constant 2011, WDI)	43,643	68,862	39,884	118,207	50,423	67,706	15,195	8,390	63,227	35,777	64,160	82,622
GDP growth 1999-2016 (US\$, constant 2011, UNSD)	4.8%	4.3%	3.7%	9.9%	3.9%	4.6%	4.2%	4.9%	4.8%	2.7%	1.7%	5.3%
MVA (US\$ M, current, UNSD)	5,835	6,679	6,355	13,792	80,505	32,230	6,968	6,191	97,967	20,475	25,009	54,497
MVA share (US\$, constant 2011, UNSD)	15.5%	3.9%	9.3%	9.5%	11.0%	8.5%	14.0%	17.0%	33.1%	11.4%	7.1%	17.6%
MVA growth 1999-2016 (US\$, constant 2011, UNSD)	5.7%	0.5%	10.7%	7.7%	6.2%	5.3%	1.8%	6.3%	7.6%	0.7%	0.8%	4.8%
MVA per worker (US\$, current, UNSD)	69,642	57,340	48,511	109,436	106,889	105,371	27,376	51,925	504,200	81,446	99,025	97,405
Oil export share (SITC rev.3, UN Comtrade)	46.9%	89.6%	63.4%	81.6%	78.9%	15.3%	0.0%	0.1%	0.6%	1.4%	53.0%	11.1%
Manuf. export share (SITC rev.3, UN Comtrade)	29.5%	8.6%	17.1%	0.4%	17.7%	24.0%	52.1%	74.7%	87.6%	21.1%	23.0%	76.4%
Other export share (SITC rev.3, UN Comtrade)	23.6%	1.8%	19.5%	18.0%	3.4%	60.7%	47.9%	25.2%	11.8%	77.5%	24.0%	12.5%

Source: UNIDO elaboration based on International Labour Organization (2018), UN Comtrade (2018), United Nations Statistics Division (2018) and World Development Indicators (2018)

The Sultanate of Oman's industry clearly has a long road ahead, but much can be learned from these comparator countries. Size, income levels and high wages were not obstacles to a modern productive industry. Comparator countries that undertook extensive measures in technology, research and skills achieved exceedingly high levels of industrial productivity. High levels of manufacturing employment were also possible by selecting appropriate industries. Large resource processing plants could be combined with an efficient ecosystem of internationally competitive SMEs. Clear strategic direction and industrial policies have come a long way in these countries to achieve sustainable industrialization.

### III. M4WB Vision Guidelines

Based on the above section and drawing on the diagnosis and vision document and the ambitions of Oman's Vision 2040 the following Vision statement was developed:

*'By 2040, the Sultanate of Oman will have a modern and technologically advanced manufacturing base, fully utilizing the creativity of the Omani population together with the most innovative production techniques and focused on improving the wellbeing of the peoples in the region and the world at large'.*

To translate the above vision into specific policies, programmes, and actions M4WB set the resulting strategic objectives:

- To *diversify* the Sultanate of Oman's manufacturing sector into technology and knowledge-driven activities.
- To develop unique products focussed on *improving people's health and welfare*.
- To expand Omani industry into *regional and new markets*.
- To upgrade the Sultanate of Oman's manufacturing sector to include *'state-of-the-art' technologies*.
- To create an *industrial innovation culture*.

#### 3.1.1. International trends

Reaching the vision and strategic objectives in the coming years will be profoundly affected by a number of global trends that will also influence the Sultanate of Oman's economy. These trends are pervasive in that they will affect all aspects of manufacturing and have been considered when preparing M4WB. Among these trends are:

- Shift of markets away from the U.S. and Europe towards Asia and Africa due to population trends. By 2030, the world population will amount to 8.6 bn, rising to 9.8 bn by 2050. Africa and Asia are expected to account for around 80 percent of the global population by 2050, with 55 percent of the global increase expected in Africa.
- Growing demand for healthcare products due to global ageing of the population. By 2050, due to the rapid increase in life expectancy over the last decades, there will be over 2.1 bn people—over one-fifth of the global population—aged 60 or older.
- Rising calls for healthier and sustainable environments. Calls for 'circular economy' approaches are increasingly being heard around the world. It will not suffice for manufacturing to reduce emissions, but it will have to gradually redesign products and processes so that they are less resource and energy intensive, it will have to use more environmentally friendly materials that can be easily disassembled and recycled.
- Globalization, despite temporary setbacks. Globalization has been a prevailing trend over the last decades and many of its achievements cannot be easily overturned. International production systems and value chains have progressively become more integrated over the years. Specific activities in value chains have reached such degrees of specialization (upstream activities) while other downstream activities cannot be disentangled without causing major corporate disruptions.
- Technological change and the Fourth Industrial Revolution (4IR). 4IR involves the convergence of a number of technologies, including cyber-physical systems that allow real time interaction between machines and computers (thanks to very fast sensors and actuators and related software), the internet of things, big data or very large databases,

artificial intelligence that allows the use of data to make decisions and learn and advanced automation (3D printing, automation technologies and robotics). These technologies are rapidly diffusing within manufacturing industry.

### *3.1.2. Strategic or priority industries*

The vision and strategic objectives demand from the Omani economy to structurally transform the manufacturing sector so new activities emerge in more technologically advanced manufacturing sub-sectors. It also requires from existing prioritised sub-sectors, to invest in new factories and to enhance the quality and production efficiency of existing products.

M4WB identifies 30 industries or activities at the Industrial Standard Industrial Classification (ISIC) 4-digit level as those that will provide strategic direction by 'pulling' the whole of the manufacturing sector towards the achievement of the vision (Table 2). These are the driver or priority industries and they are grouped into three types of activities based on the nature of their main inputs: knowledge, capital, or natural resources.

Knowledge-driven industries include six industries grouped in two activity clusters, namely health and environment (Table 2). The industry is characterised by being R&D intensive, employing skilled labour and professionals and paying higher wages. The working environments tend to be clean, except perhaps parts of the recycling industry, involve expensive equipment and are normally connected to laboratories for quality control.<sup>2</sup> Data is available for health industries only, which account in 2015 for a negligible 0.6 percent of total manufacturing value added.

Capital-intensive industries include nine industries that are grouped into an electromechanical and a transport equipment cluster (Table 3). These are the clusters increasingly adopting 4IR production and communications technologies and develop cutting-edge skills. Structural metal products and the building and repair of ships industry also tend to be labour intensive. Electric motors, electricity equipment and other electrical equipment include a family of very similar products often produced under the same roof, so they are grouped together as a single industry (they make up a single industry in ISIC rev.4, the most recent industrial classification). Two industries, structural metal products and insulated wires and cables, account for more than 80 percent of the total of capital-intensive industries. Other key products in the electromechanical cluster are air-conditioning and pumps and valves. These industries accounted for 10.8 percent of manufacturing value added in 2015.

Natural resource-based industries include 15 industries whose main input is either agricultural, oil, gas, aluminium, steel, or any other mineral. The industries are grouped into three clusters: food, oil and gas and other metals and minerals, with furniture remaining as a separate activity.<sup>3</sup> The largest industry group by far among these clusters is oil and gas, accounting for

---

<sup>2</sup> The environmental cluster includes solar panels and recycling of metal and scrap and recycling of non-metal products. While the former is relative R&D intensive the latter are not. They have been kept in the knowledge-driven industries because their establishment will involve a major population educational and awareness effort and will require significant industrial research prior to their establishment.

<sup>3</sup> While the furniture industry was considered a priority neither data was found, nor a study or report prepared about it. Hence, it was not possible to make any proposals regarding this industry and is not part of the plan.

82 percent of the total, followed by other minerals accounting for 11 percent of the total, and the food industry accounting for 6 percent of the total. With the exception of basic chemicals, these industries are low-tech or medium low-tech industries according to the OECD classification of technological intensity by industry. They accounted for 58 percent of total manufacturing value added in 2015.

*Table 2: Natural resource-based industries by cluster*

<b>Nr.</b>	<b>Description</b>	<b>ISIC Rev.4</b>	<b>ISIC Rev.3</b>	<b>Industry group</b>	<b>Cluster</b>	<b>Technology</b>
1	Processing/preserving of meat	<b>1010</b>	1511	Resource-based industries	Food	Low-tech
2	Processing/preserving of fish, crustaceans and molluscs	<b>1020</b>	1512	Resource-based industries	Food	Low-tech
3	Vegetable/animal oils and fats	<b>1040</b>	1514	Resource-based industries	Food	Low-tech
4	Dairy products	<b>1050</b>	1520	Resource-based industries	Food	Low-tech
5	Grain mill products	<b>1061</b>	1531	Resource-based industries	Food	Low-tech
6	Bakery products	<b>1071</b>	1541	Resource-based industries	Food	Low-tech
7	Refined petroleum products	<b>1920</b>	2320	Resource-based industries	Petrochemicals	Medium-low-tech
8	Basic chemicals; except fertilizers	<b>2011</b>	2411	Resource-based industries	Petrochemicals	Medium-high-tech
9	Soap, detergents, cleaning and polishing preparations, perfumes and toilet preparations (fragrances)	<b>2023</b>	2424	Knowledge-driven industries	Health	Medium-high-tech
10	Pharmaceuticals, medicinal chemicals and botanical products	<b>2100</b>	2423	Knowledge-driven industries	Health	High-tech
11	Plastic products	<b>2220</b>	2520	Resource-based industries	Petrochemicals	Medium-low-tech
12	Glass and glass products	<b>2310</b>	2610	Resource-based industries	Metals and Minerals	Medium-low-tech
13	Cement; lime and plaster	<b>2394</b>	2694	Resource-based industries	Metals and Minerals	Medium-low-tech
14	Articles of concrete; cement and plaster	<b>2395</b>	2695	Resource-based industries	Metals and Minerals	Medium-low-tech
15	Basic iron and steel	<b>2410</b>	2710	Resource-based industries	Metals and Minerals	Medium-low-tech
16	Basic precious and non-ferrous metals	<b>2420</b>	2720	Resource-based industries	Metals and Minerals	Medium-low-tech
17	Structural metal products	<b>2511</b>	2811	Capital-intensive industries	Electro-Mechanical	Medium-low-tech
18	Electric motors; generators and transformers	<b>2710</b>	3110	Capital-intensive industries	Electro-Mechanical	Medium-high-tech
19	Electricity distribution & control apparatus	<b>2710</b>	3120	Capital-intensive industries	Electro-Mechanical	Medium-high-tech
20	Insulated wire and cable	<b>2732</b>	3130	Capital-intensive industries	Electro-Mechanical	Medium-high-tech
21	Other electrical equipment n.e.c.	<b>2790</b>	3190	Capital-intensive industries	Electro-Mechanical	Medium-high-tech
22	Pumps; compressors; taps and valves	<b>2813</b>	2912	Capital-intensive industries	Electro-Mechanical	Medium-high-tech
23	Electronic valves and tubes and other electronic components (solar panels)	<b>2813</b>	3210	Knowledge-driven industries	Environment	Medium-high-tech
24	Other general purpose machinery	<b>2819</b>	2919	Capital-intensive industries	Electro-Mechanical	Medium-high-tech
25	Automobile bodies; trailers & semi-trailers	<b>2920</b>	3420	Capital-intensive industries	Transport Equipment	Medium-high-tech
26	Building and repairing of ships	<b>3011</b>	3511	Capital-intensive industries	Transport Equipment	Medium-low-tech
27	Furniture	<b>3100</b>	3610	Resource-based industries	Other	Low-tech
28	Medical and surgical equipment and orthopedic appliances	<b>3250</b>	3311	Knowledge-driven industries	Health	High-tech
29	Recycling of metal waste and scrap	<b>3830</b>	3710	Knowledge-driven industries	Environment	Low-tech
30	Recycling of non-metal waste and scrap	<b>3830</b>	3720	Knowledge-driven industries	Environment	Low-tech

### 3.1.3. Vision enablers

For the industries to achieve their M4WB strategic objectives by 2040, some challenges will have to be addressed. While the Sultanate of Oman is blessed with a young and well-educated population, private sector employment for the Omani population has been rather elusive. There is a wide convergence of Omani opinions in terms of the huge difficulties faced associated with low labour productivity and emerging 4ir and digital technologies. An overall consensus exists on specific shortcomings observed in the national innovation system, which act as barriers to the digitalization of Oman's manufacturing sector. There is some way to go develop a modern governance system that delivers on developmental outcomes in general and that promotes inter-sectoral linkages and the operation of efficient domestic supply

chains. Three types of challenges, therefore, must be dealt with: people, technology, and governance.

As far as people are concerned by far the biggest challenge is to provide them with the skills necessary for manufacturing. This includes improving the quality of education at all levels of schooling and specially, focusing more on practical experience and getting it closer to the workplace. The quality of training provided at private universities and colleges seems to be mixed, hence extra standardization and certification efforts will be necessary. Significant improvements are also needed in technical and vocational training (TVET). Enrolment in TVET is marginal and TVET education is perceived to be secondary to academic education. Progress must be made in updating the curricula and in adopting new methods of training. The supply of technical training courses must be increased while revaluing the role and social standing of manual labour in Omani society. Company involvement in skill formation must be highly encouraged.

Addressing innovation system shortcomings entails higher R&D expenditure by firms coupled with more substantial efforts by universities to integrate digital manufacturing concepts and themes into their syllabus and research. Over the next 20 years, improving technological diffusion will involve establishing mechanisms to spread knowledge and 4IR demonstration examples from which industry can learn. This can be initiated by establishing expert networks/ forums/ communities. Technology deployment need to be enabled by making labour and labour legislation not only more flexible to changes in the pace of technological development but also by involving workers in shaping the use and development of available technologies.

Turning to governance, changes are needed in government laws, procedures, incentives, institutions, and regulations to deliver on development outcomes based on modern public management principles and practices. A particularly intractable difficulty is to establish mechanisms of policy coordination that will bring all relevant stakeholders together to achieve the synergies required to achieve the M4WB's objectives. A related challenge is the plethora of institutions with similar mandates. Not only has the rapid growth of government over the last years led to weak interinstitutional coordination, it has also led to different institutions being assigned or taking over mandates that are not in their remit. The Ministry of Commerce and Industry (MoCI) has evolved into an important player shaping the destiny of manufacturing development in the Sultanate of Oman. Transforming MoCI into a modern-day ministry that efficiently leads manufacturers in achieving the manufacturing strategy's objective will be a key task in coming years. Finally, there is the need to improve the quality of the public incentives so that they can achieve intended results as well as introducing monitoring, evaluating and learning processes to learn from past experiences and best international practices.

## IV. INDUSTRIAL PLANNING

### *1.1. Industrial planning for effective implementation*

Planning is a valuable and powerful tool for organizing resources and for coordinating actions to realize some of the desired outcomes, in this case associated with manufacturing sector development. Planning consists not only of preparing a technically well-designed plan but requires the establishment of an organisational system capable of coordinated and timely action to effectively implement the plan. The system does not only feature the necessary organizational needs to effectively execute the planned actions, but also to support efficient and timely decision making, monitoring and evaluation. Moreover, the planning process involves many stakeholders, with some of them supporting the plan and others opposing it. It is therefore important for the plan's formulation process to involve all stakeholders to overcome differences in views, approaches, and even of particular interests. Involving all stakeholders and building consensus around the Plan's content will further allow to gain acceptance and legitimacy, as well as the commitment of those who will be in charge of executing it. It is crucial to involve business organizations since local entrepreneurs will be the main beneficiaries of industrial development.

The Action Plan of the M4WB Strategy covers the period 2021-2040, i.e. it is a long-term plan. There is generally no set period for defining the short, medium, and long term. Usually, the short term covers one year but may extend up to 2 years. Medium term commonly refers to a 5-year period but may extend up to 10 years. Long term typically covers a period of more than 10 years, and long-term plans can be developed for 20, 30 and even 50 years.

Development plans feature some important differences depending on the timeframe chosen. Longer term plans are more policy oriented, while shorter term plans are usually more operational. A long-term plan is typically more policy oriented as it entails the strategic objectives and the path that medium- and short-term plans must follow. As such, a long-term plan—alongside the long-term objectives—also includes those programmes and projects that require a longer-term implementation.

Medium-term plans, around five years, must follow the same course and include actions consisting of programmes and projects that require more than one year for implementation. Since there is increasing uncertainty with actions being projected into the more distant future, it is usually recommended to only define targets for the final year of the plan. This is the major difference between long- and medium-term plans, i.e. medium-term plans include targets to be achieved by the end of the period.

Short-term plans, usually one or two years, are more detailed and contain operational actions, which is a requirement for budget allocation. Short-term plans include detailed targets linked to specific actions. The connection between short-term plans, targets and budget allocation is essential to ensure that the necessary financial resources are available to execute the plan. The M4WB's Action Plan is unique, however, in that it includes operational actions for the short-, medium- and long term.<sup>4</sup>

---

<sup>4</sup> Development plans, or sectoral development plans like this manufacturing one, should not be confused with institutional operational plans. For example, in the case of M4WB, the actions included in it address developments to take place in the manufacturing sector, not in MoCI. While MoCI has a leading role in implementing the manufacturing sector plan, its operational tasks are not reflected in the manufacturing sector plan but in its own MoCI institutional, operational, or working plan.

### *1.2. The role of the Action Plan in M4WB.*

M4WB comprises of a diagnosis and vision document that provides the rationale for the strategy and what wants to be achieved in the long run. It provides the vision and strategic objectives to be achieved by 2040 as well as the KPIs or targets to be met. M4WB also includes the Industrial Policy Instruments (IPI) paper, which identifies and integrates the policies and measures to be applied and provides the justification for their use. Its main purpose is to provide an understanding of how the full set of policies will work together to meet the vision and strategic objectives. And, M4WB contains this Action Plan (AP), which focusses on the activities and operational actions that need to be undertaken. Its aim is to provide some detailed guidelines of what is required for successful implementation. It performs the role of a roadmap or implementation manual.

There are many different approaches to how an AP should be designed. For this plan, The selection has been for an eclectic approach mostly influenced by the “Logical Framework”, a very well-known method for planning and project design.

The main point of the Logical Framework - LF is the idea of focussing on results at different levels which are connected to each other in a chain-linked sequence, and the use of verifying indicators objectively measured to control the expected results. The most detailed level is called Activities or Actions. Completing the Actions, therefore, will lead to attaining the Programs Objectives, called Outputs in the Logical Framework, and this will lead to the achievement of the purpose of the plan or the Strategic Objectives. A great advantage of the LF is the definition of indicators which help not only to verify the reaching of the expected results but also to monitor and control the Plan’s implementation.

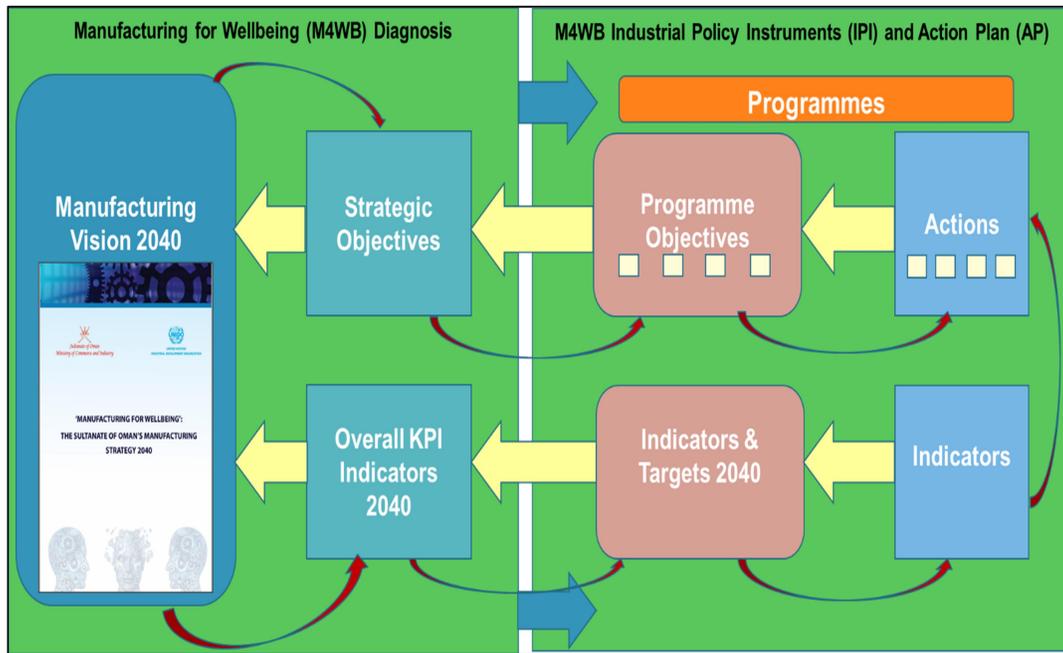
Figure 5 portrays the interactions between diagnosis and vision, industrial policy instruments and action plan in M4WB. The diagnosis and vision document sets the Vision, Objectives and KPIs for the AP. On the basis of this framework, a set of specific actions have been presented in the 35 expert reports prepared for M4WB. The arrows from the diagnosis to the IPI and AP represent the overall framing provided by the diagnosis and vision to the proposed policies and actions.

To ensure tractability the actions proposed by the experts have been grouped into four Programmes, defining their corresponding indicators and targets. Each programme contains a set of coordinated policy instruments which are designed to achieve the programme objectives and targets. Following the Logical Framework guidelines, completing the Actions leads to sound use of policy instruments, therefore allowing to achieve the Programmes’ Targets and Objectives. Achieving the programme targets and objectives allow to achieve the M4WB Targets set for the KPIs, and the Strategic Objectives in the M4WB 2040 Vision. This connection is shown by the arrows going from the IPI and AP to the diagnosis.

It must be noted that actions can be controlled by the fulfilment of the expected outputs and also by checking out their respective indicators and targets. On the other hand, programs can be controlled by the outcomes they should reach and by using their corresponding indicators and related targets. As has been previously said, indicators are essential for monitoring and evaluation purposes and for making it possible to continuously follow up the Plan progress. Finally, M4WB overall KPI indicators and their targets represent the impact this Plan intends to produce in Oman’s manufacturing sector.

In practice, the interaction between the three parts of M4WB, should not be applied linearly. It must involve continuous and timely feedback loops between actions, policies, programmes, strategic objectives and KPIs. The policy making and implementation process is about assessing whether objectives are being achieved, and if not, why. It is a learning and uninterrupted adjustment process driven by sustained monitoring and evaluating the successes and failures met during the implementation process.

Figure 5: The relationship between “Manufacturing for Well-Being” and the Industrial Policy Instruments and Action Plan



### 1.3. How the Action Plan is Organised and Presented

#### 1.3.1. Actions and Activities

The essence of the plan are its actions or activities. The M4WB Action Plan presents actions organised in five levels and, in a few cases, even six levels. The first level is for Programmes, second level for Strategic Policy Guidelines, third level for Policy Instruments, fourth level for Plan’s Actions, fifth level for Operational Action or Activities. In some cases, some Plan Actions, are further divided into Action Components, adding one more level. The last level, Operational Actions or Activities, is the most specific one since it lists the concrete tasks that need to be done for achieving Programme’s Objectives and Targets.

Figure 6 shows the structure of the IPI and the AP. Essentially the AP is a ‘deeper’ or lower level version of the IPI. The latter reaches until the level of policy instruments, the third level in the hierarchy. As pointed out before there are four programmes, which is divided into 32 strategic policy guidelines and 97 Policy Instruments. The AP starts at the level of Plan’s Actions, of which there are 247, and 20 are divided into components. There are 1113 operational actions.

The AP is presented in a matrix form, with a total of 1513 rows including all six levels and showing in the columns the information for four dimensions: indicators, responsibilities, deployment, and costs. The description of actions is done at the level of Plan's Actions. Indicators and the deployment of the actions are shown at the level of operational action, while responsibilities and costs at the level of Plan's Actions.

It is worth noting that the AP plan does not end with the operational actions. There are 35 expert reports that provide further details to the operational actions. These include explanations of the actions, often additional details, and in some cases logical frameworks for a set of actions. Further, consultant reports include descriptions or references to descriptions of international application of actions, so that one can have an idea of what has worked and what has not in other contexts as well as benchmark.

Despite all this information available it also must be stated that the AP is not fully exhaustive. It would be impossible to list all possible operational actions that will take place in the next 20 years. The environment changes and some policies may work, some may work better than others and some may not work. As pointed out before policy making and the implementation of this plan will be a learning and adaptative process, so essentially the role of this AP is to provide enough information to get started. It is the people implementing, based on their technical, organizational and managerial capacities, who will write the final version of the plan.

Figure 6: Structure of Industrial Policy Instruments and Action Plan

	<b>Indicator</b>	<b>Responsibilities</b>
<b>Programme 4</b>		
	Measures to track targets and success of the strategy	Allocation of duties to relevant public organizations, as well as within MOCI's Directorate of Industry
<b>Policy Instruments Guideline 32</b>		
	<b>Existing/new metrics</b>	<b>Primary/secondary responsibility</b>
<b>Policy Instruments 97</b>		
	<b>Deployment</b>	<b>Costs</b>
<b>Plan's Actions 247</b>		
	Time for implementation of each action.	Cost of measures in OMR mn.
<b>Actions' Components 20</b>		
	<b>Plans per 1, 5, 10 and 20 years</b>	<b>Capex, Opex, Financial</b>
<b>Operational Actions 1113</b>		

### 1.3.2. Programmes

The Plan's actions have been grouped into the four programs previously introduced. Every objective and the corresponding set of targets in the M4WB Strategy requires the implementation of a number of actions which we can put together into a program, so that a program is the set of actions that need to be implemented together in order to achieve a specific objective aimed to bring into reality a certain strategic objective. Sometimes a Programme may include a number of projects consisting of the construction of physical infrastructure, such as an industrial park, a training institute, or a laboratory. In principle, not every programme needs to be carried out for 20 years, given that some programs might last 10 or 5 years, or even less, and the long-term Plan should only include actions to be implemented in more than the 5-year period. This is not the case of this Plan, however, since the programmes devised are projected to be implemented in the short, medium, and long term and therefore have components that will have to be implemented throughout the entire period.

The programmes also make it easier to connect M4WB's vision and strategic objectives directly and easily with the policy areas and to make M4WB's implementation tractable. The advantage of grouping into programmes is that the policy guidelines and their specific instruments can be systematically organized around clear-cut strategic objectives. It allows to sharpen better the focus of individual plan actions and of their specific aims, which can then be linked to the strategic objectives. The programmes also made it easier to make sense of the wide range of actions, sectoral and cross-cutting, being proposed by experts.

The four programmes are shown in Figure 7 at the level of policy guidelines. The programme names and their aims are:

- **The New Firm and Knowledge-driven Industrial Cluster Creation Programme (NEFKICP)** focusses on the development of new priority activities and high-tech industries. It invites new, mainly large firms, to invest in existing low-tech priority clusters such as food, mining and metals and shipbuilding as well as in the recycling industries. It actively seeks investors for the more technologically advanced clusters, such as the health cluster, which includes pharmaceuticals and medical instruments, and the environmental cluster, which includes solar energy equipment. Since developing these clusters requires new proprietary technology, foreign investors will be key players, although partnerships with local investors will also be forged. The main policy instruments will be investment attraction by offering an attractive package of incentives.
- **The Entrepreneurship and Industrial Innovation Programme (EIIP)** seeks to stimulate the emergence of new and innovative local firms. EIIP focusses on all individuals at the beginning of the enterprise cycle, providing potential entrepreneurs with all the necessary initial support to establish a new company. It delivers a range of incentives and grants to encourage firms that would otherwise not risk investing in new products or production processes to invest in innovation and forge relationships with other relevant stakeholders. EIIP pursues the promotion of not only individuals and firms, but of the Omani innovation ecosystem on the whole, composed of universities, research centres, technology and innovation institutes and other key actors.

- The Programme for Industrial Upgrading and Modernization (PIUM)** The PIUM seeks to transform Omani manufacturing into a technologically advanced, internationally competitive, and environmentally sustainable force. The programme aims to support all industrial firms but will pay special attention to SMEs. The objective is to help improve all aspects of enterprise activity, including, among others, skills, labour, technology, energy, and financing. It also seeks to make local firms more export oriented so that they can bring additional foreign currency. PIUM envisages policy instruments to increase interactions between large and small firms and an extension of the role, efficiency and quality of products of Omani SMEs so they can become active players in the achievement of the Manufacturing Strategy 2040's objectives. Overall, PIUM is a comprehensive approach aiming to use whatever legal, organizational, or managerial policy instrument the government has at its disposal to transform Omani manufacturing.
- The Programme for Governance and Management of Industrial Development (PROGMID)** cuts across the other three programmes as it concentrates on ensuring effective and efficient governance and management of the M4WB implementation process and more generally of the entire industrial development process. PROGMID focusses on all levels of governance and management. At the legal level, proposals are made to modify several laws that impede the modern management of government services for manufacturing. Recommendations are made for institutional changes in the way MoCI interrelates with the private sector as well as the way cross-government initiatives are coordinated. Suggestions are also made to structure the relationship between MoCI and institutions under its jurisdiction and how to hone the mandates of industrial development support institutions. Ways of improving the structure and organization of MoCI to align it with M4WB are also provided.

Figure 7: Programmes' Policy Guidelines.

1. New Firm and Knowledge-driven Industrial Cluster Creation Programme	2. Entrepreneurship and Industrial Innovation Programme	3. Programme for Industrial Upgrading and Modernization	4. Programme for Governance and Management of Industrial Development
<ol style="list-style-type: none"> <li>Invest in new priority firms and high-tech industrial clusters</li> <li>Use tax incentives, promotional incentives and regulations</li> <li>Broaden and deepen capabilities through education and technical and vocational training (TVET)</li> <li>Review the incentives available for public and private sector workers in new industries</li> <li>Use Public Procurement to foster new industries</li> <li>Apply trade measures to promote infant industries</li> <li>Create ecosystems that allow information and advanced knowledge exchange, learning spillovers and skills sharing</li> <li>Ensure investment and finance for new and high tech industries</li> <li>Cluster-specific interventions</li> </ol>	<ol style="list-style-type: none"> <li>Promote entrepreneurship, startups and doing business</li> <li>Improve the performance of the innovation system</li> <li>Encourage R&amp;D investment</li> <li>Use Public Procurement to foster local innovation and entrepreneurship</li> <li>Ensure finance for new manufacturing ventures</li> </ol>	<ol style="list-style-type: none"> <li>Access skills and technology for manufacturing and 4IR</li> <li>Improve General Education and Technical and Vocational Training (TVET) level</li> <li>Improve SME operation conditions</li> <li>Increase use of domestic resources by increasing local content and the role of local suppliers in manufacturing</li> <li>Start a New Made in Oman/Buy Omani Campaign</li> <li>Restructure Public Procurement to foster local industry</li> <li>Expand free zones, industrial parks and estates</li> <li>Use trade to support manufacturing development</li> <li>Address Energy Efficiency and Gas Allocation in Manufacturing</li> <li>Provide fiscal incentives and measures for local industry development</li> <li>Ensure Finance for manufacturing industry</li> </ol>	<ol style="list-style-type: none"> <li>Upgrade key laws and regulations governing the "Manufacturing for Wellbeing"</li> <li>Introduce an Effective "Manufacturing for Wellbeing" Governance</li> <li>Create new governance mechanisms in support of the "Manufacturing for Wellbeing"</li> <li>Restructure MoCI-DGI and manufacturing related areas of MoCI to be able to take on the tasks of implementation of "Manufacturing for Wellbeing"</li> <li>Expand the data and statistics collection, processing, analysing and reporting functions</li> <li>Provide capacity building for MoCI and lead agencies personnel</li> <li>Commit MoCI's implementation of "Manufacturing for Wellbeing" strategy to the highest standards of Governance</li> </ol>

### 1.3.3. Indicators and targets

Indicators are measures to track a particular initiative and targets are the assigned values to the indicator representing desired levels of achievement, which when met, points at success. There are different types of indicators and the most useful are those that represent the results or output of actions or activities. These are normally numerical counts, so there are measurable and readily determined. But there are also indicators of processes, focussed on assessing whether the activities programmed are proceeding as planned or there are delays or any other situation compromising the achievement of expected results. Money, time, staff, expertise, methods, and facilities the organization commits to bring about the intended results are among these process indicators. We can call these process indicators 'input' indicators, which are not actually the results we want to achieve but the means to achieve desired results. This kind of indicators are more suitable for an action plan and are especially useful for monitoring activities. Process or input indicators are focussed on knowing the progress of specific tasks which, if correctly implemented, will lead to achieving the planned output. There is also another type of indicator, the outcome indicator. These refer to something that follows as a result or consequence and it is often what wants to be achieved. All three types of indicators have been used in the AP.

Indicators have been initially proposed by sectoral experts. Because of differences in perspectives, specialities, and approaches there has been significant heterogeneity in the indicators presented and there have been cases where it was difficult to find an any indicator. Hence, the contribution from individual experts was revised by a planning expert and by the strategy team in order to homogenise the outcome. While input indicators are straightforward, although repetitive, output and outcome indicators are often difficult to differentiate between each other because outcomes take place at different levels. Hence, the approach has been to keep outcome indicators as close as possible to output. As a result, the Plan includes a large number of indicators input, output, and outcome indicators that in principle allow following specific operational actions. This will allow to set specific operational action targets in accordance with the amount of resources the highest authorities in the government may be willing to allocate.

*Table 3: Action Plan Indicators by Programme*

Programme	Input	Output	Outcome	Total
1	1338	541	695	2574
2	310	157	147	614
3	1609	743	715	3067
4	875	391	377	1643
	4132	1832	1934	7898

There are two issues to consider in relation to indicators. First, defining indicators and targets is an overly complex task as it not only requires in-depth knowledge of the subject matter, but also determines the budget amount and efforts the authorities will need to allocate to each programme and set of actions. This is why identifying indicators and particularly setting targets must be based on a negotiated process between those responsible for the Plan and those responsible for the specific actions. Furthermore, to ensure that the targets are met, the involvement of all stakeholders in the discussions and negotiations is crucial. The widespread involvement of stakeholders helps align differences in views, approaches and interests, and makes it easier to arrive at a consensus. Second, building a large database of indicators

requires massive efforts by both the public and the private sector in terms of collection and processing of data. Establishing base lines for targets requires not only one data point in time, but several years, which involves even more exhaustive data collection and treatment.

There is still additional work to be done in this regard. In preparing their reports experts found that the information to derive indicators was not available or institutions were reticent to provide the data. Accessing data is a major challenge in The Sultanate of Oman, not even with the highest of backing data is provided to consultants or institutions. Further, when data is made available it often does not match the request, so it is difficult to work with it. Since participation of officers and institutions directly involved in undertaking specific tasks will help a great deal to define better operational actions' indicators and specially to define targets, one of the early tasks of PROGMID will be to collect the data and establish the necessary targets. This task will be one of the major immediate MOCI activities. The AP's indicators should then be thoroughly and completely reviewed to define the best operational indicators and targets. A broad negotiating process with relevant stakeholders should also start around building the indicators and targets, as they will be the basis for monitoring and evaluation of the Plan and for obtaining resources from the Ministry of Finance.

At this stage it is important to remember that even medium and short-term targets are subjected to monitoring and evaluation which may lead to target adjustments during plan's execution. Therefore, there is no point in pretending to define yearly targets for a long-term plan, since we know in advance that these targets will be changed in accordance with the results actually obtained. As we can deduct by now, yearly or bi-annual short-term plans will have to be elaborated in the future, providing operational actions that should be connected to the process of budget allocation. The connection between short-term plans and the budget allocation is essential to ensure the Plan will have available the necessary financial resources to be executed.

#### *1.3.4. Responsibilities in the Action Plan*

Bringing a plan into actual execution requires every action or activity to be assigned a responsible institution. Since this is a government plan, responsible entities must be public institutions. As it happens overall responsibility for this plan falls under the MOCI, and their correspondent departments. However, a manufacturing development plan deals with an extraordinarily complex reality and so an intricate approach is required. This complexity means that many other public institutions will be required to engage as responsible for some of the actions and activities. Such is the case of ministries like MOE, MOHE, MOG, MOH, and others that must play important roles for the success of this plan. Further, since one of the aims of Vision 2040 and M4WB is to increase the role of the private sector, it will be necessary also to include private companies and private sector representatives in the responsibilities.

For every operational action in this plan a public institution responsible is selected. Three levels of responsibility have been identified. Direct responsibility refers to situations when the institution has the mandate and the budget to implement an action or has only the budget. Indirect responsibility stands for when the institution has the mandate or obligation to fulfil an action but can only do it with someone else's budget or significant support. Direct and indirect responsibility is allocated to the institution directly concerned with the activities conducive to the achievement of the operational targets. In some cases, there may be not only one, but more than one institution directly or indirectly concerned with the activities included in the Plan.

Co-responsibility refers to situations where in addition to direct and indirect responsibility, the participation of those institutions is required for a smooth process of implementation. These are included as co-responsible due to their involvement which may not be concerned specifically with bringing the plan to actual success, but nevertheless, they have a role to play in the execution of activities planned. These institutions are mostly public ones, but in some cases they are also private entities, like business associations or private companies, playing a key role for the plan success.

The AP, therefore, identifies the main institutions responsible for ensuring the implementation of the actions and for meeting the targets. Clearly establishing responsibilities at whatever level will be helpful not only for monitoring and evaluation, but also for the negotiation process to set up the targets for indicators.

As can be expected, the main institution responsible for the plan success is MOCI, in nearly 36% of the Plan's Actions MOCI has a direct responsibility and in 41% an indirect responsibility. Other agencies with significant direct responsibility in the success of the AP are Riyada; the Special Economic Zone SEZA that groups Madayn, ASYAAD, SEZAD; the Ministry of Manpower, Be'ah, Tender Board and the newly created Oman Investment Authority. This reflects the concentration of priority areas on SMEs, TVET, environment, public procurement, and investment. Around 76 institutions (ministries, agencies, and companies as a grouping) will be involved in ensuring the AP success and between them will be co-responsible 580 times. A large amount of coordination activity lies ahead.

*Table 4: Action Plan Responsibilities by Institutions*

Entity	Primary	Secondary	Involvement	Total
MOCI	87	100	52	239
Others	66	53	187	306
Be'ah	31	17	23	71
MOF;TaxAuthority	0	3	23	26
IIC	1	8	22	31
EducationCouncil	6	5	21	32
Universities	0	7	20	27
MOF	0	0	18	18
NBC	1	2	15	18
MOG	0	9	15	24
MOH	0	1	15	16
PAM	11	12	14	37
Riyada	0	2	14	16
ODB	0	4	14	18
MOM	0	3	14	17
MOE	2	1	13	16
MadaynAcademy	0	1	12	13
SEZA	10	1	11	22
TenderBoard	0	0	11	11
OIA	7	3	10	20
ITHRAAexp	6	1	10	17
ITHRAAinv	0	4	10	14
MTC	0	0	10	10
Post Office	7	2	9	18
	<b>242</b>	<b>242</b>	<b>580</b>	1064

### 1.3.5. Deployment

The AP is a multi-term plan, since it covers the short, medium, and long-term periods. Although this is not a usual way to elaborate a Plan since more often plans are prepared separately for short, medium, and long-term periods, so de-facto the AP is ‘three plans in one’. Deployment in this AP is therefore presented annually for the first 5 years, and then it is presented aggregated for the next 5 and 10 years (2026-2030 and 2031-2040). This is due to the growing level of uncertainty in the detailed planning as the time horizon moves farther away. Initially it had been decided to only have two periods of ten years but then a request was made to link M4WB to the Tenth 5-year Plan 2021-2025. Annual implementation of actions over the first 5 years provides the “roadmap” for the implementation of medium-term industrial policy in the Sultanate of Oman.

Depending on the type of operational activities, some are only executed in the short run, such as study elaboration or regulations and law preparation. Whilst in some other cases deployment runs into the medium or long term like the construction of a research centre. Many actions are running for the full period of the plan.

Deployment data is useful because it allows to depict a time-path for all the operational activities to be developed. This allows to identify a beginning and ending date and the time span of each operational action. It also allows to examine the spread of activities over time. It therefore is a powerful tool in the allocation of resources. One of the responses to the COVID-19 Pandemic and resulting financial strictures has been to examine the concentration of finances in the early stages of the AP and postpone and smooth expenditure until the financial conditions improve. Again, it is important to note that the specific timing of activities needs to be revised by operative stakeholders, given the fact that they should know better the time required to start and complete a particular set of activities.

Where possible, quick wins are also shown in the AP. Quick wins refer to measures that can be quickly introduced or results that can be rapidly achieved in 2021 and 2022, the first two years of AP. The rationale is to make a rapid impact on manufacturing and generate awareness and interest by stakeholders in the AP. Many of the plan actions during the first year of the AP are quick wins. Quick wins were identified for MoCI as well as for other institutions.

Table 5 presents the deployment over time of the AP’s operational actions. From a total of 1113 actions, 71% will be initiated in 2021-2022. The years 2023-2025 are the ones where most of the operational actions of the plan will be active and will be where most of the work will be concentrated. Indeed, there already be lots of demand for work in 2022. By the end of the plan about half of the initiatives should be ongoing and the other half completed. The bulk of actions indeed are completed during the decade of 2031-2040.

*Table 5: Deployment of operational actions over time.*

	Deployment							
	2021	2022	2023	2024	2025	2026-2030	2031-2040	Total
No. initiatives starting	363	430	166	107	34	12	1	1113
No. initiatives ongoing	363	779	883	924	889	839	798	
No. initiatives ending	11	60	58	79	65	42	798	1113

### 1.3.6. Costs

AP costs are calendarized in line with deployment and consist of three components: operational expenses, investment, and funding. These costs are for the whole plan and all the institutions involved in the AP, not only MoCI. Operational costs comprise salaries and goods and services used as inputs for the activities. Goods include office supplies, paper and miscellaneous, and services range from utilities and basic services, such as cleaning and maintenance, the costs of hiring consultants and organizing events, to travel expenses. Investment costs comprise construction and public works, and in some cases, public capital commitment to private ventures. Some of these investments may be recovered, for example, when the government sells its private sector shares once the business has matured. Funding consists of public budgets allocated to fund loan programmes, mostly working with preferential interest rates, scholarship awards and other grants. In many cases, such funding consists of revolving funds which are then allocated as loans that are eventually paid back. Cost estimates included in the AP are indicative estimations of the amount of funds necessary and will have to be revised at the time of implementation. Not all actions generate costs, however, as many actions can be implemented as part of the existing institutions' current tasks.

Cost calculations were provided by the experts on the basis of international experiences. Like with indicators there was great heterogeneity in the calculations and not a lot of the underlying detail was provided. The overall estimation of costs for the AP during this first round was of around 11bn OMR, for the period 2021-2040. After a first attempt at homogenizing the approach of the experts by the strategy team at MoCI, by simply providing the same lowest costing to similar activities, the overall cost of the AP was reduced to around 5bn OMR. A further exercise introducing an assumption for labour costs and homogenising the number of employees for similar activities resulted in an estimation of 3.3bn OMR.<sup>5</sup> This seems the lowest estimate possible although these figures should be taken only as referential as precise calculations will be necessary at the moment of initiate an action and circumstances will change over the next few years, and so will costs. The costs presented here are gross estimations of the required budgets to run the activities which should be reviewed periodically, particularly as part of the process of budgeting.

Table 6 shows the programme costs for the years 2021-2040. As indicated the total expenditure was around 3.3bn OMR, roughly equally divided between the three periods shown in the table. The costliest programme is the new and high-tech industry creation which accounts for more than 50% of the expenditure by all programmes. The top ten initiatives, irrespective of programme account for 61% of all expenditure. This is due to the heavy infrastructure and funding requirements. The Governance programme is the one that requires the lowest expenditure as it is essentially about investing in new people and/or skills. By type of investment the largest expenditure is in funding, more than 53% of total expenditure, given the sizeable funds that will be required in order to attract foreign and domestic investors into manufacturing. Availability of finance is indeed one of the key incentives to be used to lure new investors into Omani manufacturing. Financial efforts to increase entrepreneurship and

---

<sup>5</sup> Cost Assumptions. Civil service: 20000 OMR pa including goods and services. Executive agencies, other government agencies, researchers at 30000 OMR pa including goods and services. Experts: 40000 OMR pa only salary.

innovation will take place from 2031 over as it is expected to focus first on creating new and upgrading existing industry.

Table 6: Action Plan Programme Costs 2021-2040 (in bn OMR)

	Actions	Total Costs 2021-2040				2021-2025				2026-2030				2031-2040			
		Operational	Investment	Funding	Total	Operational	Investment	Funding	Total	Operational	Investment	Funding	Total	Operational	Investment	Funding	Total
		OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn
1	New and High-tech Industry Creation	288.4	428	1003	1719.4	62	122	413	597	89.5	143	384	616.5	136.9	163	206	505.9
2	Entrepreneurship and Innovation	247.3	12	350	609.3	51.8	4	90	145.8	65.3	4	110	179.3	130.2	4	150	284.2
3	Upgrading and Modernization	306.7	206.4	430	943.1	47.2	47.9	267.5	362.6	86.8	66.5	62.5	215.8	172.7	92	100	364.7
4	Governance and Management of Industrial Development	52.5	4.5	0	57	13.2	4.5	0	17.7	13.3	0	0	13.3	26	0	0	26
		894.9	650.9	1783	3328.8	174.2	178.4	770.5	1123.1	254.9	213.5	556.5	1024.9	465.8	259	456	1180.8

Table 7. presents the programme costs for the years 2021-2025. The bulk of expenditure during the quinquennia takes place in the during the last two years (59%). Note that hardly any expenditure is incurred in 2021. This was the result of an explicit effort to postpone expenditures to 2022 and beyond as it is not expected that Ministry of Finance will release any funding beyond what is strictly necessary. Expenditures in 2021 are the minimum necessary for preparation of plan implementation. Even in 2022 only the investment funds are activated as other operational and investment activities are kept to a minimum.

Table 7: Action Plan Programme Costs 2021-2025 (in bn OMR)

	Actions	2021				2022				2023			
		Operational	Investment	Funding	Total	Operational	Investment	Funding	Total	Operational	Investment	Funding	Total
		OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn
1	New and High-tech Industry Creation	0.8	0	0	0.8	5.3	3	96	104.3	12.8	19	99	130.8
2	Entrepreneurship and Innovation	1	0	0	1	11.4	0	35	46.4	13	1	10	24
3	Upgrading and Modernization	0.9	0	0	0.9	1.9	0	50	51.9	10.4	4.5	72.5	87.4
4	Governance and Management of Industrial Development	2.6	0	0	2.6	3.3	2	0	5.3	2.4	2	0	4.4
		5.3	0	0	5.3	21.9	5	181	207.9	38.6	26.5	181.5	246.6

	Actions	2024				2025			
		Operational	Investment	Funding	Total	Operational	Investment	Funding	Total
		OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn	OMR mn
1	New and High-tech Industry Creation	18	37	109	164	25.1	63	109	197.1
2	Entrepreneurship and Innovation	13.1	1	45	59.1	13.3	2	0	15.3
3	Upgrading and Modernization	16.5	24.2	72.5	113.2	17.5	19.2	72.5	109.2
4	Governance and Management of Industrial Development	2.3	0.5	0	2.8	2.6	0	0	2.6
		49.9	62.7	226.5	339.1	58.5	84.2	181.5	324.2

Table 8 illustrates expenditure by institution. As was said before, the plan costs estimate the expenditure for all institutions involved. By far the Oman Investment Authority (OIA) would have to contribute the highest to the AP, with nearly 50% of the total expenditure, albeit be it in funding. Interestingly, MoCI is not the next institution in the expenditure list but the Special Economic Zone Authority, as it is expected heavy investment in infrastructure in free zones and industrial estates. MoCI's large expenditure arises from grant support to innovation it is expected to provide. Another institution with significant expenditure is Riyada, due to the

great emphasis that is being put in delivering a broad range of services for SMEs, including specialised services for rapidly growing SMEs. The immense financial effort that will have to be undertaken to prop up innovation in the Sultanate of Oman is underscored by the large expenditure to be undertaken by the Industrial Innovation Center (IIC) on well-equipped technical and research centres of excellence.

Table 8: Action Plan Institutional Costs 2021-2040 (in bn OMR)

Main Responsible	Operational 21-40	Investment 21-40	Funding 21-40	Total 21-40	Operational 21-25	Investment 21-25	Funding 21-25	Total 21-25	Operational 26-30	Investment 26-30	Funding 26-30	Total 26-30	Operational 31-40	Investment 31-40	Funding 31-40	Total 31-40
be'ah	28.2	11	93	132.2	8.7	9	53	70.7	7.5	2	34	43.5	12	0	6	18
EducationCouncil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IIC	49.2	110	0	159.2	6.4	32	0	38.4	17.1	39	0	56.1	25.7	39	0	64.7
ITHRAAexp	67.5	0.5	0	68	8	0.5	0	8.5	20	0	0	20	39.5	0	0	39.5
ITHRAAinv	5.7	0	0	5.7	1.2	0	0	1.2	1.5	0	0	1.5	3	0	0	3
MadaynAcademy	57.7	60	0	117.7	13.2	24	0	37.2	20.3	12	0	32.3	24.2	24	0	48.2
MOCI	254.6	2.5	0	257.1	55.3	2.5	0	57.8	66.8	0	0	66.8	132.5	0	0	132.5
MOE	11.4	64	0	75.4	3.6	24	0	27.6	3	16	0	19	4.8	24	0	28.8
MOF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MOF,TaxAuthority	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MOG	19.2	7	10	36.2	3.7	5	10	18.7	5.9	0	0	5.9	9.6	2	0	11.6
MOH	33.1	10	0	43.1	6.1	8	0	14.1	9	0	0	9	18	2	0	20
MOM	99.5	21	0	120.5	18.5	9	0	27.5	27	6	0	33	54	6	0	60
MTC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NBC	12.4	53	0	65.4	3.4	3	0	6.4	4	20	0	24	5	30	0	35
ODB	1.8	0	100	101.8	0.3	0	37.5	37.8	0.5	0	12.5	13	1	0	50	51
OIA	22.5	0.4	1580	1602.9	4.5	0.4	670	674.9	6	0	510	516	12	0	400	412
PAM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Post Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Riyada	182.3	59.5	0	241.8	30.8	4	0	34.8	50.5	28.5	0	79	101	27	0	128
SEZA	39.6	251	0	290.6	9.3	56	0	65.3	12.8	90	0	102.8	17.5	105	0	122.5
TenderBoard	7	1	0	8	1	1	0	2	2	0	0	2	4	0	0	4
Universities	3.2	0	0	3.2	0.2	0	0	0.2	1	0	0	1	2	0	0	2
	894.9	650.9	1783	3328.8	174.2	178.4	770.5	1123.1	254.9	213.5	556.5	1025	465.8	259	456	1180.8

## V. The Action Plan

The Action Plan is formed by 4 Strategic Programs every one of which contains a set of Strategic Actions aimed to achieve the Strategic Objectives of the M4WB Strategy 2040. Strategic Actions, in turn, include their respective Specific Actions, and also a number of Operational Actions. Since Programmes, Strategic Actions, and Specific Actions have been previously explained, here we will focus only on the description of Operational Actions and Activities. This last level, Activities, has been included because of a specific request from Oman's industrial authorities.

For every operational action we include some indicators and define the main institution responsible to ensure the correspondent activities are carried out, and also other institutions that must collaborate with the main responsible in order to execute activities. We also have defined a period for deployment of the activities throughout the plan's period which is an estimation of what would actually happen. Here we need to remember that the plan is a management tool projected into the future, being it uncertain by definition. Therefore, we can only suggest a course of action but by no means an imperative rule. This means that monitoring and evaluation must consider when, on light of what actually has happened, it is necessary to reformulate targets, actions and activities, and their deployment. Finally, an estimation of the costs involved is provided so that an order of magnitude is considered for knowing the amount of financial resources required. Again, actual undertaking of activities will let us know what the real demand of financial resource is, being it complemented with monitoring and evaluation, because that will call for reallocating resources where they are most needed or where they are most probably more effective.

In the following section we do not deal with Strategic and Specific Actions and instead go directly onto describing Operational Actions and Activities.

### PROGRAM 1. NEW AND HIGH-TECH INDUSTRY CREATION

#### 1.1. Invest in new priority and high-tech industrial clusters (pharmaceutical, recycling and others)

##### 1.1.1. Target and proactively pursuit FDI

Next, Operational Actions and Activities are described:

**1.1.1.1. Identify key international 'anchor' firms in strategic industries and attract them to Oman.** This is aimed to attract key international high-tech firms as "anchors" to settle in Oman and establish a basis for the development of prioritized clusters. Activities here involve preparing a target list of 10 established high priority companies to be approached, from which at least with 3 of them MOU should be signed, providing financial incentives such as tax breaks, low tax rates and investment grants. Succeeding is defined by signing a contract with 1 anchor firm which if happening early, could also be publicised as a Quick Win. This should happen in no later than the first 5-year period. Main activities' indicators are the number of MOU

signed, the contract signed with the first anchor firm, and the amount of FDI attracted. The main responsible institution here is the IPA and must collaborate MOCI. Activities need to be deployed all through-out the Plan's period and so the correspondent costs. Lastly, costs for plan's execution are formed mainly by operational expenses of setting up a team of high salary professionals and consultants, preferably trained overseas, to study and identify high-tech firms potentially interested to invest in Oman, and to approach and negotiate with them the required conditions, and incentives needed.

**1.1.1.2. Develop a value proposition or unique selling points and build a negotiating capacity.** A successful Investment Promotion Agency is contracted for a 5-year period, renewable for 5 additional years, for guiding Oman's effort to attract FDI. This can be publicised as a Quick Win, and a way to declare Oman's commitment with the Manufacturing Plan. Main indicators are the IPA contract signed, and the investment teams set. Main responsible is IPA and MOCI Min. Tourism have a collaborating role. The effort to attract FDI in Oman must be deployed along the Plan's period and, therefore, operational costs are incurred until 2040. Costs here are the foreign IPA contract and operational.

**1.1.2. Build cluster linkages and institutions for new and high-tech industries**

**1.1.2.1. Build an ecosystem: develop a health manufacturing working group that can identify opportunities for linkages and synergies for the domestic sector.** The working group should map Oman's pharmaceutical industry and identify potential ancillary linkages. Other activities involve facilitating dialogue between existing domestic industry and suppliers, coordinating suppliers with anchor firms on the input requirements of the latter, and encouraging existing SME programs, accelerators, VC, vendor development programs etc., focussing on firms that supply the existing domestic industry, the emerging pharma MNE industry, and new firms tying into the cluster through horizontal linkages. Main indicators here are the Working group and Platform dialogue set, and the maps ready for pharma industry in Oman identifying ancillary and horizontal linkages. IPA is the main institution responsible for these activities and collaborate MOH, Muscat Pharma, OPP, Phelix, IPA, SGRF, and NPI. These activities are to be deployed throughout the whole period of the Plan, and costs involved mainly include equity investment in SME.

**1.1.2.2. Expand accelerator and SME capacity building programs to focus on healthcare manufacturing (horizontal linkages).** Activities here include expanding programs specifically targeted at 'health manufacturing', and create an accelerator program like OTF for health-related fields: the program should incorporate elements of the PhazeVentures, SparkLabs Energy Accelerator (foreign accelerator, partnership with PDO) and Start-up Chile models. Other activities involve facilitating interaction amongst accelerators, the Industrial Innovation Centre, and existing firms, and building domestic firms for generic pharmaceuticals through more sizeable funding from OIF, OTF, PhazeVentures, and SGRF. Main indicators are the setting of programmes for capacity building, the talent program, and the accelerator programme. Deployment of these activities is continued during the whole plan's period, and costs mainly consist of investments for SME expansion. MOCI is the main responsible institution and must collaborate SCP, IIC, TRC, PhazeVentures, IDO, Riyadh, SparkVentures, SGRF, OIF, MOM, and IPA.

**1.1.2.3. Identify complementary industries for development (medical devices, pharma, biotech, diagnostic services, IT) and synergies for local firms, start-ups and R&D.**

Developing indigenous enterprises in the areas of, for example, the medical tourism, medical services and universal health insurance industries. This also includes attracting FDI and foreign SME to complement industries and to strengthen horizontal interactions within firms in the cluster. Indicators for these activities are the N° of new indigenous enterprises formed and number of the FDI landed in Oman. MOCI and IPA are also responsible for these activities, and deployment runs throughout the plan's period until 20140. No significant costs are incurred.

**1.1.2.4. Expand and increase vertical linkages with 'domestic' economy.** Involves promoting partnering with MNE for increasing FDI by generating demonstration effects and aftercare services. Activities here are broad and include institutionalizing training programmes connecting the private sector with educational facilities, increasing domestic activity by starting supplier businesses, SME development programmes, provision of venture capital funding, and promoting associations of cluster participants. Also, upgrading basic industry-specific and social infrastructure. Indicators here are the N° of training programmes institutionalized, the N° of venture capital agreements, and the issuance of new rules. The responsible authority is MOCI and must collaborate MOT, OMRAN, MOM, OSC, OAAA, NTI, and IPA. These activities are to be deployed in the short, medium and long term, and the associated costs require budgets for operational, investment and funding expenses.

**1.1.2.5. Support the cluster to become self-sustaining.** Facilitating development of complementary industries, and a vibrant R&D and innovation domestic sector, the increase in domestic manufacturing, and also building a culture and environment attractive to the target demographic segment. This will also involve MOH in the cluster development and governance. Main indicator is the N° of joint training programs provided by Omani educational institutions, co-financed centres and research labs. Responsible is MOCI and collaborating institutions are MOH, TRC, IIC, and SQU. Deployment of these activities runs throughout the plan's period, and most expenses involved are of the operational type.

**1.1.2.6. Boost R&D efforts through increased expenditures, public-private research labs/centres, and university programmes.** Includes activities to increase R&D expenditure in medical/pharma related industries, co-finance public-private research labs and centres to enable upgrading into medical/pharma R&D, identify degrees and certifications that should be available at Omani educational institutions (Programmes should meet a minimum threshold for graduates), and liaison with firms to assess opportunities for R&D investments. Indicators here are the amount of expenditure in Med/pharma industries and N° of laboratories upgraded into med/pharma R&D. Main responsible is MOCI and the universities are collaborating institutions. Deployment of activities starts in some cases by 2023 while some others at the beginning. On the other hand, costs involve mainly operational expenses and some funding to co-finance public-private research labs and centres.

**1.1.3. Develop infrastructure and amenities**

**1.1.3.1. Coordinate with the investor community to select the ideal location for the cluster, based on industry requirements and existing infrastructure; ensure institutional**

**alignment on the outcome.** Involves liaison with anchor firms selected to accommodate their requirements for landing in Salalah, and settling the cluster upon discussion with the anchor firm. Indicators are the meeting of companies' requirements to land in Salalah and the decision made on the cluster's location. MOCI is the main responsible institution and ASYAD, Madayn e IPA also have to collaborate. Deployment of runs until 2030, and costs are not significant and can be covered by MOCI's current budget.

**1.1.3.2. Coordinate spatial and geographic planning for the various infrastructure requirements in the selected location.** Activities include connecting the Ministry of Health and universities for research transfer within industry; determining the need of other industry-specific infrastructure based on coordination between MOH, universities, industry and future MNEs; developing social infrastructure attractive to the target employee demographic (talented young professionals and skilled foreign expats) that value social amenities, culture and environment; mapping infrastructure industry requirements; and starting the development of basic infrastructure in selected locations. Indicators are the N° of University-MOH projects running; the N° of infrastructure projects built. Responsible institution is MOCI and must collaborate MOH, Universities, OMRAN, and M. of Housing. Deployment is for the full plan's period and there are significant cost for investment in infrastructure.

**1.1.4. Establish a waste collection and transport mechanism for recycling**

**1.1.4.1. Register and certify collectors.** Involves establishing a registration scheme for collectors of: a) construction and demolition material (C&D); b) Waste Electrical and Electronic Equipment (WEEE), with the requirement for producers to hire only registered handlers for moving WEEE; c) End of Life Tyres (ELT) specifying the requirements to become specific waste carriers. Indicators here are the setting up of the 3 registration schemes, and deployment of activities last the first ten years of the Plan. The main responsible is be'ah with collaboration of MOCI and MECA. Deployment is for the full plan's period and main costs are operational.

**1.1.4.2. Drive collection and transport actions.** Relevant activities are designing, consulting and implementing of a registration scheme for businesses collecting and carrying waste of all types in Oman, and make it illegal for waste producers to move their waste using unregistered businesses (C&D). The setting up of segregation regulations designating which materials need to be separated at the source of generation (C&D), also regulations and oversight of waste collection businesses and ensuring compliance with proper disposal after collection, preventing illegal dumping on public lands (C&D). Here it is also included education for C&D waste producers to improve segregation and recycling, and monitoring of transportation vehicles. Indicator for these activities are the registration scheme set and regulations passed, the percentage of recyclers reached by education project, and monitoring in place. Deployment is varied along the plan's period, since some activities such as setting regulations are for a few years whilst others continue during the whole period. Institutions responsible is be'ah with collaboration of MOCI and MECA, and costs are mainly operational ones.

**1.1.4.3. Support Co-Collection and Other Waste Streams.** Involves fostering co-collection and co-processing of other waste materials, particularly SM and plastics, alongside

the development of these other waste streams or piggy-backed on existing programs (e.g. collection of Lead Acid Batteries) (WEEE). Here be'ah is responsible with collaboration of MOCI and MECA. Deployment starts by 2022 and continues till the end of the Plan. Costs are not significant.

## **1.2. Use tax incentives, promotional incentives and regulations for new priority and high-tech industry development**

### **1.2.1. Set an attractive corporate tax and promotional incentives to attract both foreign and domestic investment**

**1.2.1.1. Set up a Corporate Income Tax holiday to attract both foreign and domestic investment.** The CIT holiday must target all new firms in the Medium-high tech or strategic priority industries investing more than 1Mn OMR outside Muscat. This incentive should be improved in Oman: (i) maintaining the current 5-year CIT holiday to all industries (between 2021- 2025); and (ii) targeting the 5-year CIT holiday (with 10-year renewal) only to firms in the medium/high- tech or strategic priorities industries (between 2026-2040). Also, the effectiveness of the existing CIT rate for prioritized industries must be assessed in order to avoid undesired differences. Deployment of these activities runs throughout the whole period, except the assessment that must be carried out at the beginning of the Plan. Indicators are the CIT holiday improved and the assessment and corrections applied. Institutions responsible are MOF and the Tax authority, and MOCI collaborates. There are no significant additional costs for these activities.

### **1.2.2. Access to the local market**

**1.2.2.1. Allow access to producers in free zones to the local market.** Allowing for 10% of sales to local markets by firms in Free Zones without duty in exchange for 20% purchases of non-imported goods and services in local markets (excluding water, oil, fuel, gas or electricity). Although there may be some economic costs partially or totally compensated by other economic benefits, additional operational, investment and funding costs for this activity are not significant. Deployment lasts for most of the period, and main responsible institutions are MOF and the Tax authority, with a collaborating role for MOCI.

### **1.2.3. Provide recycling fiscal and financial incentives and introduce recycling regulation**

**1.2.3.1. Fiscal Instruments and financial Support for New Infrastructure.** Activities include increasing the demand for C&D recycled products by levying a tax on virgin aggregates. Using the tax revenue to finance grant funding or low-cost loans for investment in processing capacity (C&D). Setting up a funding scheme for the additional capacity required to recycle increased waste and the waste that has been stockpiled (C&D). Making investments more attractive and fostering investors' confidence on the availability of enough feedstock and the existence of demand for their products, by means of providing support for the development of new infrastructure through low cost loans and/or subsidies (C&D). Incentivizing investment in capacity to increase the production of recycled aggregate, ensuring that enough waste is attracted into the

legitimate recycling sector, away from illegal activities, and also a quality product that will consistently meet the requirements of customers (C&D). Indicators are the percentage of increased demand for C&D recycled products; the percentage of tax revenue allocated to low-cost loans; the setting up of the funding scheme; and the percentage of waste attracted to the legal recycling sector. Deployment starts by 2023 and lasts for the whole period. be'ah is again the responsible institution with collaboration of MOF, the Tax Authority, MOCI and MECA. Costs include a small amount to co-fund incentivizing investments.

**1.2.3.2. Taxation to Fund Centralized Collection & Treatment.** Involves introducing a tax on every new tire sold in the country to fund the collection and treatment of ELTs (This is an alternative to EPR). The indicator is the tax approved and be'ah is the responsible institution with collaboration of MOF, the Tax Authority, MOCI and MECA. Deployment is for the whole period and there are no significant costs.

**1.2.3.3. Financial Incentives to Convert to Alternative Fuels (TDF).** Involves creation of a fiscal incentive scheme to increase the economic advantage of using Tyre Derived Fuel (TDF), such as a simple payment per tonne of carbon avoided or, alternatively, a carbon trading scheme through a cap-and-trade program. Also, awarding financial incentives to support converting major fuel users to TDF (e.g. tax increases, credits with associated trading scheme, etc.). Developing a funding scheme for CAPEX investment in recycling facilities and converting to TDF. Indicators are the fiscal scheme running, the N° of major users changed to TDF, and the funding scheme set. The main responsible id MOG and MOF, the Tax Authority, MOCI and MECA are collaborating institutions. Since creating the instruments mentioned takes time, deployment starts by 2023, and while the fiscal incentive is for the whole period, incentives to conversion and CAPEX investment are for the medium term only. Main costs are the funding for investments.

**1.2.3.4. Regulatory Control and Seed Funding of WEEE Treatment.** Main activities are setting up regulations to protect human health and the environment; promoting long term investments, national and foreign, for WEEE treatment and recycling facilities; strengthening surveillance and enforcement against illegal waste carriers and exporters; and setting up a grant scheme for investments in infrastructure such as impermeable surfacing, drainage, personal protective equipment, training for staff and responsible persons, and upgrading the treatment capacity applying best practice in Oman. Main indicators are the regulations approval, the N° of WEEE treatment and recycling facilities built, and also the funding, permitting and grants schemes set. Main responsible es be'ah, with collaboration of MOCI and MECA, and deployment in some activities is for the medium term and in some others for the longer term. Costs are partly operational, but also for funding investments.

**1.2.3.5. Regulatory Control of Exports.** Includes introducing controls, or potentially a ban on the export of whole WEEE for recycling; and also increasing the demand for WEEE dismantling capacity within Oman to stimulate the sector, and allow only exports of higher value, separated materials, to recycling facilities overseas. There is one indicator and it is the ban setting, with MOCI as main responsible and ROP (Customs), MECA, and be'ah as collaborating institutions. Deployment for the ban is throughout the whole period, and there are no significant additional costs.

#### **1.2.4. Extend Recycling Producer Responsibility**

**1.2.4.1. Producer Responsibility and Take-Back Schemes.** Involves introducing producer responsibility with a phased approach and focussing on one or two items or categories of WEEE that are commonly produced in Oman. then, expand it to include more items/categories as the scheme is proven to be successful. Establishing “take-back” schemes requiring obligated businesses to fund collection and processing for the selected WEEE items/categories, where consumers can return unwanted items to retailers (whether or not they are purchasing a replacement), and funding WEEE collection and treatment by municipalities at public waste sites. Use the take-back schemes to generate the feedstock required to justify investments in formal WEEE collection and treatment for re-use and recycling. Also, introducing Extended Producer Responsibility (EPR) legislation for tires in order to ensure funding for the collection and treatment of ELT, and the requirement for companies to provide data on the number and type of tires placed on the market annually, and to provide evidence that they have met their obligation. In addition, this includes ensuring availability of enough capacity in the country to legally recycle ELTs or produce TDF to ultimately recover their embodied energy. Finally, the government must provide support to industry for the development of Producer Responsibility Organisation (PRO), and set up a dedicated enforcement resource to manage obligated producers and identify and enforce against ‘free-riders’. Main indicators are EPR introduced for WEEE and tyres, the N° of take-back schemes set, the data and capacity requirements set and the enforcement resource in place. Most of these activities run for the whole period with MOCI as responsible institution and MOG, MECA and be'ah as collaborating entities. Main costs here are operational.

#### **1.3. Broaden and deepen capabilities through education and technical and vocational training (TVET)**

##### **1.3.1. Build the basic educational knowledge and infrastructure**

**1.3.1.1. Introduce vocational secondary schools in the priority sectors and high-tech industries.** Activities include development of the TVET curricula in cooperation with industries, and combine technical and vocational with general education to ensure good quality of vocational secondary schools as an important vehicle for a sustainable provision of a highly qualified workforce. Provision of certifications that allow for access to tertiary education and ensure that training comprises a high share of work-based learning. Using the skills requirement assessments in priority sectors to define the specialisations required for the creation of vocational secondary schools (e.g. chemical engineering, mechatronics, electrical engineering etc.), and also the assessments to design curriculum proposals in dialogue with the industries, and feed them into discussion with the respective education authorities. Setting up new vocational secondary schools in the priority and high-tech sectors. Activities also include providing advice and incentives for priority sector industries in order to make them enter into cooperation with the respective schools (for the placement of internees, for participation in school advisory boards etc.), to provide regular internship possibilities and supervise students adequately. Indicators are a new TVET

curricula developed, curriculums revised with industry & set, the N° of new schools set, and the N° of Priority industries cooperating with schools. Deployment is for most of the plan's period, and responsible authorities are MOHE, MOM and MOE. Main costs include investment in 4 new schools in priority and high-tech sectors and the corresponding operation expenses.

**1.3.1.2. Carry out or commission skills assessments including digital skills, and surveys on training practices, including digital training, in the priority sectors.** Activities involve conducting skills assessments and skills requirement assessments in the priority and high-tech sectors with a particular focus on digital skills to allow the elaboration of a detailed Skills 4.0. Strategy, and also survey training practices and connect to Oman's Future Skills project. Using the assessment results in the immediate term and publish them in a comprehensible way online to facilitate information exchange about skills availability and requirements in the manufacturing sector, and to elaborate specific training programmes that shall fill most pressing skills gaps. Also, in the short term results will be used to elaborate proposals to set up secondary vocational schools in the specialisations most required, and fed the results into the dialogue with the education sector stakeholders, in particular with the Education Council, the Occupation Standards Centre (OCS), and the National Training Fund (NTF). For the medium term and in case of establishment of a TVET Council, results will be used as a baseline for the elaboration of a National TVET strategy and a Skills 4.0 Strategy. Responsibility of these activities falls under MOM, MOE and MOHE, with MOCI, NTF, OCS and OAAA as collaborating institutions. Deployment is both in the medium and long term while costs are mostly operational.

### **1.3.2. Advance TVET for the priority sectors and high-tech industries**

**1.3.2.1. Develop collaborations with public and private training institutions.** This includes establishing collaborations with Madayn Academy to provide TVET in industrial areas, with Riyada to train SMEs, and with private technical institutes to fill gaps in areas not covered by public establishments. Also, institutional specialization and diversity must ensure the provision of all necessary technical skills in industrial areas. Finally, FDI and large domestic investors as well as relevant government educational and labour institutions must be enlisted in the decision-making process of content and delivery forms. Indicators are the N° of collaborating programs running, the N° of training programs set for SME and for collaboration with private institutes the N° of collaborating programmes running. MOCI is the main responsible and Riyada, Madayn, MOM, Private institutions, MOHE and MOE are collaborating entities. Deployment covers almost the whole plan's period and additional costs are not significant.

**1.3.2.2. Set up TVET trainings.** Activities are the development of technical trainings at basic, intermediate and advanced levels for priority sectors and high-tech industries; the application of strict educational and relevance standards based on occupation standards, upcoming skills and international trends; and the introduction of training programmes for in-company trainings and expansion of the number of internships and apprenticeships programs. Also, activities must ensure the relevance of training programs for demanding companies. Indicators are the N° of trainings provided at basic, intermediate and advanced level for priority sectors, and the N° of in-company training programmes running. MOM is the responsible institution and MOCI, OCS,

OAAA and MOHE must collaborate. Deployment of activities runs the whole plan's period and costs are operational ones, somewhat higher due to the intense training activity to be deployed.

**1.3.2.3. Identify and build facilities with industry partners to meet existing and future skills needs (after MNE establishment).** Involves creating and funding an industry-specific training centre and coordinate with companies to attend their specific training needs; also establishing pharma/medical as a priority sector for Occupational Standards and Testing Centre OSTC. Additionally, increasing networking amongst firms & universities to recruit new workers and facilitate research transfer (e.g. direct internship and recruitment programs). Indicators are the specific training Centre set, and pharma/med industry set as priority for the OSTC. MOM is the main responsible in this activity and MOCI, OCS, OAAA, MOHE, Universities, and the Private sector must collaborate. Deployment of these activities is for most of the plan's period and there is only an investment cost for building the training centre.

### **1.3.3. Educate and guide in support of Best Recycling Practice**

**1.3.3.1. Establish formal guidance to support Best Practice.** Consists of setting up formal guidance on how to maximize waste for re-use and recycling whilst limiting landfill, so as to increase the tonnage and quality of materials suitable for processing by the emerging sector. The indicator is the setting of formal guidance and deployment is for a couple of years. Main responsible is be'ah and collaborating institutions MOCI and MECA. This activity does not create significant additional costs.

**1.3.3.2. Education and Awareness.** Involves undertaking educational campaigns to ensure awareness and acceptance of all stakeholders along the whole value chain of the WEEE waste stream, such as waste producers, suppliers and importers of WEEE products. Ensuring stakeholders not only know there are potential risks (i.e. both regulatory and environmental) but also that they may have a role, influence and potential obligations in minimizing such risks. Providing effective guidance for reuse, refurbishment as well as recycling initiatives to stimulate the market for reused products, materials and components. Targeting for WEEE Education campaigns waste producers, waste carriers, end users of WEEE products, WEEE businesses, and stakeholders within the EPR scheme. be'ah is the main responsible with collaboration of MOCI, MECA, MOE and MOHE.

## **1.4. Review the incentives available for public and private sector workers**

### **1.4.1. Provide incentives to attract skilled workers and build training facilities**

**1.4.1.1. Incentivize Omanis and private sector firms to invest in Omanis through incentive-based grants, with leeway for the MNE firm to facilitate high-skilled foreigners working in Oman and transferring their knowledge to locals.** Includes liaison with Ministry of Manpower to: (a) propose grants for encouraging employment in the private healthcare manufacturing sector; (b) alleviate limitations to receiving skilled foreigners from the international MNEs in priority sectors; and (c) set up incentives for

exceeding Omanization requirements. Providing existing private sector firms in prioritized industries with grants to cover allowances for skilled occupations at the same rates offered to public sector workers with similar credentials. Incentivizing companies exceeding Omanization requirements by offering fiscal incentives and a chance at winning a newly created national award. Campaigning for attracting skilled pharmacists/pharmaceutical industrialists, allowing for the strategic integration of foreign high-skilled workers from anchor firms to be welcomed and integrated into the local community. Lastly, continuing implementation of programs in the long term with potential expansion into other complementary industries. Indicators are the N° of grants awarded, the setting up of the national award, and the N° of programmes continuing in the long term. MOCI is the main responsible and collaborate MOM, Private sector firms & associations, and IPA. Deployment of activities runs for most of the plan's period and costs are mainly for the first 10 years and result high for operational ones due to intense campaigning. Funding costs are also high because of the grants to be awarded.

**1.4.1.2. Encourage upskilling of Omani workers, including through incentivizing foreign and local investor.** Involves connecting with National Training Fund to setup agreements regarding the future pharmaceutical companies; the NTF investment promotion visits, and Scholarship and Apprenticeships programs for existing domestic pharma companies. Also, ensuring liaison between NTF and anchor firms, setting up training centres in Oman by anchor firm and MNE, and rolling out broader scholarship and apprenticeship programs by MNEs. If a training centre is established by and anchor firm in the first 2 years of the plan, this also should be declared as a Quick Win Indicators are the NTF agreement set, the N° of training centres set by anchor firms and MNE, and the N° of Programs rolled-out. MOCI is the main responsible and MOHE, MOM, NTF, OSC, OAAA, IPA. Deployment is mostly in the first 10 years, and costs are formed mainly by the matching funding of the training centre, while operational costs can be covered by institutions' current budgets.

**1.4.1.3. Adjust and integrate education, labour market, migration, and social policy in tandem in a manner conducive to investment attraction and domestic skills formation.** Activities here include unifying migration policies with education policies and policies that seek to encourage the interest of employers in taking up domestic labour. Also, unifying social policy with labour market policy that seeks to encourage the interest of domestic labour in working in the private sector. In addition, enhancing productivity of domestic labour as a means to increase wages, and making national workforce more appealing to manufacturing companies by improving the education and training system and better prepare new graduates for the skills and knowledge demanded by the private sector, so as to have an increasingly productive and therefore competitive Omani workforce. Finally, making manufacturing more appealing to the national workforce by a stepwise change of incentives aimed to make more attractive to work in the private sector, especially in manufacturing; and by changing social policy to address the benefit differential between working for the private and public sector. Indicators are the unified policies issued, the percentage of productivity increase, and the percentage increase in average manufacturing salary. MOCI is the main responsible with collaboration of MOE, MOHE, MOM, MOFA and

MSD. Deployment lasts for most of the plan's period and there are no significant additional costs since activities can be carried out on current budgets.

## 1.5. Use Public Procurement to foster new and high-tech industries

### **1.5.1. Introduce public procurement regulations specifically aimed at knowledge-driven industries**

**1.5.1.1. Use public procurement regulations to support production of Pharmaceuticals and Medical Devices through promotion of this production by SME and FDI.** Here activities are changing the Tender Law 2008 to reflect e-tendering facilitating for shorter timeframes (E.g. 1 week – 10 days announcement period); supporting SME participation in tender announcement by reducing requirements to SME; and allocating only to SME contracts for services such as cleaning, landscaping, laundry, maintenance. Also, strengthening supervision and implementation capacities to ensure stricter offset enforcement of Circular 2001 Buy Local requirements by the Ministry of Labour; and ensuring the fulfilment of the 60% GCC pooled procurement requirement of pharmaceutical produce and expand it to include targeted medical devices. Lastly, implementing Purchasing commitments by MOH to guarantee stable customers for Omani medical device and pharmaceutical industry; and involving foreign investment in pharmaceutical manufacturing processes to improve knowledge and production and gain scale effects improving the competitiveness of Omani production. Indicators are the new tender law passed, the N° of SME participations in tendering announcements; the 60% GCC pooled procurement fully achieved; and the N° of foreign investments involved. MOCI is the main responsible with collaboration of MOM, MOH, IPA, Tender Board and Riyada. Deployment is for short, medium and long term, and there are no significant additional costs.

**1.5.1.2. Promote the local fragrances industry's participation in public procurement tenders.** Involves establishing strict implementation of offsets requiring specified local content levels for Omani produced essential oils and odoriferous substances and mixtures. Setting up guaranteed public procurement purchasing commitments to offer security to local frankincense producers and manufacturers for off-the-shelf products, such as hygiene and cleaning equipment directly used by government institutions. Using splitting lots for SME fragrances industry's encouragement and using splitting lots for SME fragrances industry's encouragement. Also, providing technical assistance and capacity building for encouraging new and established SME producers of essential oils and odoriferous substances and mixtures to tender for public contracts, and advocating international standards and specifications for high quality frankincense matching local standards. Indicators are the new rules setting, N° of purchasing commitments, splitting lots for fragrances set in place, N° of SME joint bids, and the N° of oil & fragrances SME participating in public tenders. Main responsible is MOCI and collaborate PAPP, Tender Board and Riyada. Deployment of activities is for the whole plan's period and costs are mainly operational.

## **1.5.2. Introduce public procurement regulations in support of environmental industries**

**1.5.2.1. Stimulate industrial development in the solar panels industry by utilising public procurement rules and processes.** Includes increasing the demand for solar panels using “market-enhancing” mechanisms that either create a market or increase the certainty of market transparency and competition. Awarding tax reductions and financial incentives for local companies to foster firms by providing funds and inputs and reducing the costs. Applying offsets or local content requirements (LCR) through public procurement contracts by requiring a certain percentage of project cost (e.g. solar power projects) or certain components (e.g. solar photovoltaic (PV) cells and modules) to be supplied by Omani firms. Also, introducing net-metering to allow small renewable energy self-producers to send excess electricity to the grid and deduct it from the monthly bill. Setting up FiT\* programmes to reward small power producers with premium prices for each unit of renewable energy electricity produced. And establishing a quality assurance programme to avoid that offsets lead to a reduction in quality of solar panels. Indicators are the percentage increase in demand for solar panels, the setting of tax reduction and financial incentives, the number of offsets applied, the net metering introduced, and the quality assurance programme set. MOCI is the main authority responsible with collaboration of MOG, MOF, Tax Authority, PAPP and AER. Deployment of activities is for most of the plan’s period and costs are mainly operational.

**1.5.2.2. Provide conditions through public procurement that stimulate the development of new products from waste management/Recyclables.** This operative action includes many activities, among them creating a market for recycled products by including regulatory targets in technical specifications for procurement contracts, such as minimum requirements for public offices, in the form of percentage of recycled materials. Setting criteria and requirements in procurement Technical specifications for the extension of product life spans, efficiency and/or intensity of use, and efficient recycling of biological or technical materials, as well as for the securing of clean and non-risky recycles. Also, defining a market for recycles by including in technical specifications quality standards for recycles/certification schemes for recycles. Fostering a market for recyclable waste by enforcing a waste legislation setting specific targets for the collection and recovery of selected waste fractions and types. Supporting the market for recyclable waste by setting up performance requirements such as extended producer responsibility schemes requiring firms, which manufacture, import and/or sell products and packaging, to be financially or physically responsible for such products after their useful life: life cycle approach, and life cycle costing, as well as criteria concerning reuse and recycling of materials. Promoting a market dialogue and cooperation between procurers and actors in the supply chains for the future development of circular procurement. Defining sustainability and circular targets in public procurement regulations, strategy and policies. Undertaking public awareness campaigns by public authorities on sustainability and the circular economy. Building-up management capabilities and procurement skills in the Tender Board for circular public procurement. And commissioning the Tender Board to collect research data and life cycle assessment–based information when identifying significant environmental and circular aspects and goals in their procurement. Indicators are the new regulation on technical specifications for procurement contracts enacted, the

procurement technical specifications set, so as the Quality Standard & Certification Schemes for Recycles. Also, the sustainability and circular targets set, and the N° of campaigns for public awareness on sustainability and the circular economy. MOCI is the main responsible and Tender Board, MECA and be'ah must collaborate. Deployment varies for each activity throughout the plan's period, and costs are mainly operational.

**1.5.2.3. Green Procurement and Product Standards.** Activities include supporting the market for recycled aggregates, creating the 'pull' required to draw this material through the recycling infrastructure and away from landfill/illegal dumping, by using fiscal policy interventions (C&D). Implementing a Green Procurement Plan for government bodies, specifying the use of recycled aggregates in all public works and projects (where suitable and where materials are available) (C&D). Using this Plan to spread the message that the government has confidence in the recycled C&D materials and products. Developing public standards and specifications for commonly used grades of recycled aggregates with the construction and recycling sector (C&D). Setting up a certification scheme identifying both the application and the percentage of virgin materials to be substituted by the recycled materials, to ensure continuing compliance and give additional security to end users (C&D). Influencing on improving segregation and increasing the quality of waste used in recycling processes. Developing requirements for increasing shredded ELT in government infrastructure projects such as road constructions. Also, investing in ELT shredding facilities. These facilities and recycling infrastructure, if constructed the first 2 years of the plan could be considered also as Quick Wins. Indicators are the recycling infrastructure for aggregates built, the green procurement plan being implemented, the standards and specifications scheme for recycled aggregates set, the certification scheme to regulate the percentage of virgin material that can be substituted by recycled materials, and setting of requirements for increasing shredded ELT in government infrastructure such as road constructions. Main responsible is be'ah with support from MOCI; MOF; and MECA. Deployment goes from short to medium and the long term, and costs include operational and investment expenses for building recycling infrastructure.

**1.5.2.4. Supporting the Re-Use and Refurbishment Industry.** Activities involve using take-back schemes' obligations to promote the establishment of an industry for repairing and refurbishing domestic items of WEEE for re-use, including IT equipment such as mobile phones, laptops and domestic white goods. Also stimulating the market for reused products, materials and components; and awarding seed funding and grants to charities and not-for-profit organizations to fund their operations in the repair and refurbishment of WEEE, particularly domestic goods, and to meet the capex required to set up businesses, when the benefits can be proven. Indicators are the setting of an industry for reuse, and the N° of new NFP organisations operating in repair & refurbishment of WEEE. be'ah is the main responsible and MOCI and MECA must collaborate. Deployment of these activities runs for most of the plan's period and major costs are for funding equipment and infrastructure for recycling, but there are also operational costs.

### **1.5.3. Introduce public procurement regulations to promote capital intensive industries**

**1.5.3.1. Foster the development of the Air Conditioning, Insulated Wires and Cables, Structured and Fabricated Metals industries, by means of public procurement rules and processes.** Includes ensuring strict enforcement of local content requirements and SME subcontracting requirements: mandatory ICV plan and stronger penalties for non-compliance. Basing technical requirements for public procurement on International Electrotechnical Committee (IEC)/international standards. Introducing guaranteed purchase commitments based on international standards. Using lot splitting to attract smaller SMEs following international harmonised safety and product standards, and allowing for entry into global value chains and export markets. Allowing joint bids to attract groups or cooperatives of SMEs and local community companies. Providing a better standing for the local manufacturer of air conditioners and optic fibre cables by monitoring the implantation of the ICV development efforts of the major private sector players, including the telecom service providers. And providing through Ithraa a base level market intelligence for the private sector about potential export markets in collaboration with local manufacturers who scan potential markets. If allowing lot splitting and/or joint bids could bring SMEs or cooperatives of SMEs or community companies to win procurement contracts or entering export markets, this also could be informed to the public as a Quick Win. Indicators are. MOCI is main responsible and Tender Board, Riyadh, and Export Agency must collaborate. Deployment is for the whole plan's period, and there are no significant additional costs. Main responsible is MOCI and MOH, MOE, MOHE, Tender Board and Riyadh must collaborate. Deployment runs throughout the plan's period, and costs are mostly operational.

**1.5.4. Introduce public procurement regulations to develop a healthy foods industry**

**1.5.4.1. Promote the health food industry, particularly in schools, hospitals and government institutions through procurement policies.** This involves many activities such as establishing an intersectoral working group, public procurement, agriculture, education, public health, economic development and technology, to design a systematic action plan that includes: a) market research; b) practical, flexible catalogue of foods: list and description of products; c) categorization of products: defining simple measurable quality criteria; d) availability on the market: Seasonal calendars. Promotion of local products and offer of secure markets for small producers that conform to sustainability and food standards requirements. Designing clear tender specifications related to freshness, low sugar and low-fat contents, not including unhealthy preservatives or additives, and promoting fresh fish consumption as a healthy alternative to meat. Offering price preferences for local SMEs and Local Community Companies to supply government catering and other food requirements. Establishing offsets through local content requirements for locally produced food set out in reliable catalogues. Using lot splitting to allow small farmers, fisheries and food producers to supply produce rather than relying on large agroindustry and imports. Providing examples of relevant procurement tenders that have addressed the standards - preparation of procurement templates. And the provision of educational training for institutions and individual workers, training of local primary producers and local community companies (LCC). Indicators are the intersectoral working group set, the new tender specifications and price preferences set, the offsetting requirements established, and the N° of trainings delivered. MOCI is the main responsible with

collaboration of MOH, MOE, MOHE, Tender Board and Riyadh. These many activities are deployed during the whole plan's period and costs are basically operational.

## **1.6. Apply trade measures to promote infant industries**

### **1.6.1. Increase tariff barriers**

**1.6.1.1. Raise tariffs to their WTO bound rate.** Includes coordinating with Customs and domestic firms the implementation timing for the tariff increase. Raising tariffs until the bound rate by an average rate of 9.74%, ranging from a 3% to a 20% increase: the MFN average tariff rate will increase 0.11% while the effective weighted tariff will increase 0.49%, from 3.76% to 4.25%. Selectively being applied to products coming from non GCC countries. Communicating to GCC partners and WTO the new tariff schedule and coordinating its implementation. Monitoring production, imports, exports and prices. Additionally, evaluating and reducing tariffs after three to five years. An increase in tariffs can be enacted relatively rapid so as to be also presented as a Quick Win of the Plan. Indicators are the setting of tariff raise, and the adjustments after evaluation also set. Main responsible is MOCI with collaboration of MOFA and Customs (ROP). Deployment of tariff raisings is for the whole period, so as the monitoring and evaluation. There are no significant additional costs for these activities.

### **1.6.2. Use non-tariff barriers to stimulate domestic production**

**1.6.2.1. Use non-tariff barriers to stimulate domestic production.** Activities involve coordinating with Standards and Metrology and domestic firms to define the new Standards. Using Sanitary and Phytosanitary Standards - SPS to protect the following industries: 1010 Processing/preserving of meat; 1020 Processing /preserving of fish, crustaceans and molluscs; 1040 Vegetable/animal oils and fats; 1050 Dairy products; 1061 Grain mill products; 1071 Bakery products; 2023 Manufacture of soap, detergents, cleaning and polishing preparations, perfumes and toilet preparations. Also, using Technical Barriers to Trade - TBT to protect the following industries: 2394 Cement, lime and plaster; 2395 Articles of concrete, cement and plaster; 2511 Structural metal products; 2710 Electric motors generators and transformers; 2710 Electricity distribution & control apparatus; 2732 Insulated wire and cable; 2790 Other electrical equipment n.e.c.; 2813 Pumps, compressors, taps and valves; 2813 Manufacture of electronic valves and tubes and other electronic components (solar panels); 2819 Other general-purpose machinery; 2920 Automobile bodies; trailers & semi-trailers; 3011 Building and repairing of ships; 3100 Furniture. In addition, implementing SPS and TBT must be carried out in deeper coordination with government entities and private sector actors and negotiating with GCC partners and Gulf Standards Office. This is to be complemented with monitoring production, imports, exports and prices and evaluating results for the adjustment of Standards. Indicators are the new sanitary and phytosanitary standards set, the new technical barriers to trade set, the negotiation with GCC partners carried out, and the evaluation and adaptation of standards done. MOCI is the main responsible and MOH, MAF,

Municipalities and MECA must collaborate. Deployment is for the short, medium, and long term, and costs are not significant.

**1.6.2.2. Ensure and enforce compliance with rules of origin in Free Trade Agreements to enhance protection of Omani industry.** Includes engaging in dialog with GCC partners and creating a forum to discuss origin certificates inside GCC countries. Using careful negotiations through diplomatic efforts to set up new institutional arrangements, both explicit and tacit, needed to achieve a more effective implementation and control or even unilateral enforcement of rules of origin. Granting preferential treatment in tariff and non-tariff measures only to those goods that are effectively produced in the partner economy, defined by the value added according to each agreement. Identifying and closing the loopholes that could allow foreign exporters to benefit unfairly from preferential treatments. Ensuring strict enforcement of rules of origin. And collecting and sharing data on prices, imported quantities, local production and exports. Indicators are the renegotiation process opened, and the new regulations issued. Main responsible is MOCI with MOFA as collaborator. Some activities are deployed in the medium term while others in the long term. These activities do not generate significant costs.

**1.6.2.3. Implement Contingent Trade Measures to protect Omani industry.** Involves identifying industries disproportionately affected by foreign competition and that merit a case on WTO. Taking Antidumping or Safeguards cases to WTO through the corresponding GCC office. Implementing CTM remedies when allowed by WTO. Evaluating trade policies for recalibration, and lifting barriers when industry is competitive enough or when no efficiency improvement is gained. And collecting and sharing data on prices, imported quantities, local production and exports. Indicators are the antidumping safeguards placed, the CTM established, and the lifting of barriers after evaluation. Main responsible is MOCI with cooperation of MOFA. These activities are deployed in the medium and long term and cause no significant additional costs.

**1.6.2.4. Apply Quantitative Restrictions to imports.** Activities are introduction of Non-Automatic licensing for imports. Evaluating which regulation implementation could be enhanced by further screenings and introducing licensing mechanisms. Monitoring and evaluating production and exports performance for the lifting of barriers when industry is competitive enough or when no efficiency improvement is gained. Indicators are Non-automatic licensing for imports introduced and the new licensing mechanism set. Main responsible is MOCI with MOFA cooperation and there are no significant costs. Deployment is for the medium and long term and there are no significant costs.

**1.6.2.5. Use additional instruments to substitute imports and promote exports.** Activities are implementation of subsidies and tax Incentives to substitute imports and promote exports without contradicting WTO ruling and be subject to claims on WTO. Awarding local content incentives in special economic zones to increase the percentage of local value added, in order to grant the certificate of origin which will grant those goods duty free access to GCC and the other FTA partners. Reassessing the decision of being part of the General Procurement Agreement in order to keep the option of using Public Procurement rules to promote domestic production. Indicators are the N° of additional instruments implemented to substitute imports and promote exports, the

N° of SEZ with local content incentives, and the reassessment of being part of the General Procurement Agreement carried out. MOF is the main responsible with collaboration of MOCI and MOFA. Deployment of these activities is for almost the complete period of the plan and there are no significant costs involved.

## **1.7. Create ecosystems that allow information and advanced knowledge exchange, learning spill overs and skills sharing**

### **1.7.1. Establish facilities or areas that supports and promotes technological development, including through research and attracting technology-based companies**

**1.7.1.1. Provide science and technology parks' facilities next to concentrations of new high-tech industries) that are conducive to innovation, knowledge-based work and R&D activities.** Activities are ensuring that both public and private actors are involved in the whole range of activities of the facilities. Bringing together a variety of stakeholders, including firms, research institutes and universities. Providing an effective leadership and professional management to facilitate networking among the entrepreneurs, researchers, investors, and others within and around the research park's innovation ecosystem. Designating and sustaining public funding and active private participation accompanied by public support to companies that seek to innovate. The implementation of bridging institutions that identify and foster key research areas for the parks. Identifying committed champions that can sustain the long-term requirements of the park while attracting high level of attention. And encouraging continuously an entrepreneurial culture and the presence of networks among professionals. Inaugurating a science and technology park in the first 2 years of the plan can also be publicised as a Quick Win. For that HM Sultan Haitham bin Tariq Al Said might lead the park opening. Indicators are the N° of parks' facilities set, the amount of public funding allocated, and the N° of bridging institutions established. Main responsible is MOCI with collaboration of Universities, Innovation Park Muscat, Madayn, IIC and ASYAD. Deployment is for medium term with some activities going further until 2040. Main costs are investment in parks and funding support for private companies, with also some operational costs.

## **1.8. Ensure investment and finance for new industries**

### **1.8.1. Widen the availability of sources of finance for new investments**

**1.8.1.1. Create a Manufacturing Development Fund to involve local investors in new and high-tech industries.** Involves establishing a new manufacturing fund in OIF dedicated to new ventures in Oman with the purpose of channelling equity capital into new industries through co-investment. Sourcing the fund through a joint public-private investment of 50-50% or 33-67%. Setting up a "Domestic Investor Unit" as part of the Investment Promotion Agency ("IPA") of Oman. And using the fund to attract large

foreign manufacturing investors by reducing the risk of their new ventures. Indicators are the new fund set, the Domestic Investment Unit in place, and the N° of large FDI settled in Oman. MOCI is the main responsible and collaborate OIF, IPA and MOF. Deployment is for most of the plan's period, and the main cost is the funding for channelling equity capital to new ventures. This money though is recoverable by selling the shares.

**1.8.1.2. Use an Equity Co-Investment Fund (ECF) to attract foreign companies operating priority industries (begin with within the health/wellness space).** This involves activities of implementing a program for attracting smaller firms in key niches, particularly those which could have linkages with the larger MNE attracted previously, so as to support the cluster development. The only indicator is the programme setting and responsible institutions are IPA and collaborate SGRF, OIF, and Tanmia. These activities are to be carried out until 2040, and its costs include a significant amount of yearly investment and also some small funding to attract these companies. However, since investment is based on equity this funding is recoverable.

**1.8.1.3. Attract International Venture Capital Firms that may be interested in investing in new foreign ventures in Oman.** Activities are scanning the international financial scenery to identify VC firms that may be able to invest in Oman. Channelling foreign VC investment into second tier or supplier firms to entice them relocate in Oman. And cooperating with local VC companies. The only indicator is the N° of international VC firms attracted to settle in Oman. Main responsible for these activities is IPA, with cooperation of MOCI, Phaze, SparkEnergy, OTF and IDO. Deployment if for the whole plan's period and there are no significant additional costs.

#### **1.8.2. Involve the network of domestic family houses as investors into new industries**

**1.8.2.1. Raise investment funds from large domestic investors.** Includes establishing a national forum for Public-Private sector dialogue aimed to promote Oman's manufacturing growth and investments into the sector, and promoting industrial business opportunities among large Omani private investors. The only indicator is N° of new investments from large domestic investors. IPA is the main responsible with collaboration of MOCI. Deployment is for the whole period and there are no significant costs for these activities.

#### **1.8.3. Reduce red-tape and correct infrastructure deficiencies**

**1.8.3.1. Conduct ISFU-ISC co-led simplification of the licensing and permitting system for new investors.** Involves elaborating a detailed diagnosis of the limiting licensing and permitting procedures and the setting up of a program to redesign the limiting regulations. Indicators are the diagnostic published and the programme to redesign regulations set. Main responsible is MOCI and ISFU must collaborate deploying activities in the medium term with no significant additional costs.

**1.8.3.2. Make speed and costs of internet more in line with international prices.** Activities are reducing internet prices to international levels, and ensuring all areas have access to fast non-interrupted internet. Indicators are the percentage of price reduction and the

assured access in all areas. Responsible is MTC, deployment is for the medium term, and no significant additional costs are generated.

## 1.9. Cluster-specific interventions

### 1.9.1. Health manufacturing

**1.9.1.1. Establish governance framework that prioritises health manufacturing.** Setting up a HEALTH working group with: MOCI (DGI); MOH; Phelix; NPI; OPP; Salalah Medical Gloves; Muscat Pharmacy; SGRF; IDO; Ithraa. Targeting foreign multinationals and/or contract manufacturers to establish and/or acquire production facilities for health manufacturing in Oman. Focus on branded pharma products and biosimilars (pharma); and medical instruments, i.e. minimal invasive instruments, endoscopes or single-use instruments (Medtech). Place pharmaceutical products and medical instruments as a strategic priority with the Investment Promotion Agency and NTF. Indicators are the health working group established, and NTF and IPA priority set for pharma/med products. MOCI is main responsible with cooperation from MOH, Phelix, NPI, OPP, Salalah Medical Gloves, Muscat Pharmacy, SGRF, IDO and IPA. Deployment is for the medium term and no significant costs are created.

**1.9.1.2. Introduce education and training programmes for health manufacturing Establish governance framework that prioritises health manufacturing.** Collaborating with educational institutions, international and domestic manufacturers to develop/improve training (and later: degree) programmes for pharmaceutical industrialists. Organizing a campaign for attracting skilled pharmacists/ pharmaceutical industrialists. Collaborating with educational institutions and international manufacturers on the development of medical-specific degree and vocational training programs. Initially, focus on local programs for technician jobs, while university-level positions can be recruited from abroad given the time to develop curriculum. Deploying a "train the trainer model" if local trainers are not available. Select potential trainers and send them abroad to receive the necessary skills and training. These trainers then return to train others allowing for knowledge to diffuse to workers more efficiently. Indicators are training programmes for pharma industry created, campaign for attracting pharma industrialists held, and N° of trainers available. MOH is main responsible and MOCI, MOHE and MOM collaborate. Deployment is for medium and long term, and costs are mostly operational.

**1.9.1.3. Introduce administrative incentives for facilitating the faster establishment of pharma/medtech, while also continuing Oman's policy of high standards.** Building alliances with friendly and high-quality regulation countries, to align Oman with best practices and facilitate sharing of knowledge towards a more standardized regulatory approach to industries. Introducing policies for approving drugs if conducted in a JV with a company whose product was approved by an allied country. Creating a fast track approval for drugs produced (totally or partially) in Oman so as to decrease the time to market. Indicators are N° of alliances created, and fast-track approval set. Main responsible is MOH and MOCI collaborates. Deployment of one activity is for a few years at the beginning of the plan whilst the other activity starts late and goes till the

end of the plan's period. There are no significant additional costs to implement these activities.

**1.9.1.4. Create infrastructure specifically needed for starting the biosimilar industry.**

Establishing bio-equivalence centre(s) (laboratories to test biosimilar drugs). (Short term). Creating centres of excellence that conduct R&D on the country's common diseases that can develop bio-equivalent products and drugs with a different route of administration (e.g. improving production with injectable). Indicators are the bioequivalence centre created, the N<sup>o</sup> of excellence centres created and innovations patented. Responsible institution is MOH and universities must collaborate. The setting up of the bioequivalence centre is a quick win that can help to call the interest of investors on Oman's biosimilar industry. The other centres are to be deployed in the medium and long term. Main costs are matching funds for investments to set up the centres, and operational costs throughout the plan's period.

**1.9.2. Fragrances**

**1.9.2.1. Establish a governance framework that prioritises end-to-end fragrances cluster development.**

Setting up a FRAGRANCES working group with: Royal Court of Diwan; MOCI (Standards, DGI); Public Authority for Craft Industries (PACI); Ministry of Heritage & Culture and/or Tourism; MAF; Nizwa University; SQU; Oman Animal & Plant Genetic Resources Centre (TRC); Environment Society of Oman; Oliban; Amouage; Salalah Frankincense Factory; Riyada. Making fragrances a priority in (i) investment attraction; (ii) obtaining funds and land; (iii) capacity building efforts; (iv) innovation and R&D; and (v) export promotion efforts. Focus on end-to-end development of the fragrances industry: (1) attract foreign brands and/or contract manufacturers; (2) build domestic capacity for raw material development (frankincense, rose, myrrh, packaging) and/or contract manufacturing. The attraction of one foreign brand could also be considered as a Quick Win. Indicators are the working group set and the N<sup>o</sup> of foreign brands attracted. MOCI is main responsible and there many entities to collaborate: IPA; NTF; Housing ministry; Madayn; Royal Court of Diwan; MOCI (Standards, DGI); Public Authority for Craft Industries (PACI); Ministry of Heritage & Culture and/or Tourism; MAF; Nizwa University; SQU; Oman Animal & Plant Genetic Resources Centre (TRC); Environment Society of Oman; Oliban; Amouage; Salalah Frankincense Factory; Riyada. Deployment of activities is for the whole period and costs are mainly operational.

**1.9.2.2. Introduce end-to-end capacity building programmes and education on fragrances.**

Creating a public-private training institute for manufacturing/innovation within the fragrances industries - equivalent to the College of Banking and Financial Studies. Creating a programme for technical assistance and formation of production associations of raw material producers (frankincense, rose, myrrh) to ensure stable supply, sustainable production and agglomeration). Using the export agencies' membership of IFRA to create and conform to international standards; and receive trainings/assess for compliance of domestic firms with global standards. Introducing programmes to promote spill over of R&D centres to domestic entrepreneurs, enhancing innovative capacities. And creating incentives for technology transfer within domestic companies (from handicraft to manufacturing). Main indicators are the institute created, and the N<sup>o</sup> of programmes created to promote spill over of R&D centres. MOH is the main responsible and MOM, MOCI, Investors, NTF, SQU Centre

Tech transfer are to collaborate. Deployment runs the whole period but in a diverse timing for each specific activity; and costs are mainly operational with some amount for investment.

### **1.9.3. Healthy foods**

**1.9.3.1. Establish governance framework that promotes health foods consumption and production.** Implementing "healthy foods" strategy focussed on three levels: consumer; industry; and public health - i.e. to shift from the current eating habits towards healthier lifestyles, to increase the production by food industry of healthy foods, and to promote Omani health, preventing and controlling Non-communicable Diseases (NCD). Setting up a FOOD working group comprising the following stakeholders: MOCI (DGI); MAF; IIC; MOH-TRC; OFIC; Municipality Food Standards; agricultural and fishery companies. Main indicators are the strategy being implemented and the working group set. MOCI is the main responsible and collaborate MAF, IIC, MOH-TRC, OFIC, Municipality Food Standards, agricultural and fishery companies. Deployment is for the short term and costs are mainly operational.

**1.9.3.2. Use fiscal and financial incentives to encourage demand and production of healthy foods.** Imposing levies on some specific ingredients (e.g. sugar, tobacco) to reduce their contents in food and thus encourage healthy eating habits. Subsidising producers/traders of health food (e.g. fruits and vegetable producers, processors of unrefined flours) to decrease the selling price to consumers and promote the consumption. Offering financial incentives for advertising the high content of healthy ingredients; opening of healthy food shops and restaurants; processing units able to produce healthy products. Main indicators are the levies enacted, the subsidy established and financial incentives in place. MOF and Tax Authority are the main responsible and MOCI, MAF and Municipalities must cooperate. Deployment of these activities is for the medium term and there are no significant additional costs for the administration of taxes and subsidies. On the other hand, they are neutral to the national budget since this taxes and subsidies even out.

**1.9.3.3. Encourage the production of healthy foods. (industrial level).** Identifying possible partners for the production of healthy food overtaking the reluctance to invest in innovation in a small-scale market. Implementing vocational courses based on food practices for young unemployed, funded by the government via MOCI. Sponsoring producers to attend Food Processing shows, particularly the Gulfood Manufacturing Exhibition, Dubai-UAE, and major EU based food exhibitions. Finalizing the agreements with international producers of healthy food products to improve the availability of healthy food in the local market. Developing regulation that provide shelf at supermarkets for local producers of healthy foods. Supporting and assuring the adoption by producers of Higher Quality Systems such as: HACCP, ISO 9001:2015, ISO 22000:2005, Good Agriculture Practices (GAP), Good Manufacturing Practices (GMP), Good Hygiene Practices (GHP). Supporting and assuring the adoption by producers of Higher Quality Systems such as: HACCP, ISO 9001:2015, ISO 22000:2005, Good Agriculture Practices (GAP), Good Manufacturing Practices (GMP), and Good Hygiene Practices (GHP). Positioning Oman as a regional centre of excellence in healthy food production of the region and gauge possibility to develop Halal products for non-Muslim consumers (through marketing tests and awareness). Establishing an

agriculture college, with OFIC in the Board and in collaboration with NTF, that forecasts future trends. This resolves issues such as: food technology, outdated food processing curriculum (and teachers), and lack of smart manufacturing training. Main indicators are the N<sup>o</sup> of fairs attended, agreement with healthy food producers set, regulation issued, N<sup>o</sup> of companies with accreditation, and the agriculture college established. Main responsible is MOCI and IPA, MOM, MAF, OFIC, Municipalities and NTF must collaborate. Deployment is mostly in the medium term with some activities being continued in the long term. On the other hand, costs are mainly operational.

**1.9.3.4. Encourage the consumption of healthy foods. (consumer level).** Improving (in accordance with MOCI and MOH) the food labels with clear information about nutritional facts, helping consumers to make the right choice. Stop delivering snacks and soft drinks at high calories content due to sugar, preservatives, colorant, and carbonates, responsible of obesity to young people. Indicators are the regulation on labels and regulation on contents enacted. MOCI is the authority responsible and collaborate MOH, MAF and Municipalities. Issuing the new regulations is for the short term but implementation and enforcement is for the medium and long term. There are no significant costs involved.

**1.9.3.5. Strengthen the government's efforts in promoting a healthy lifestyle. (public health level).** Preparing strategic plans for healthy food development, jointly by MOH, MAF, MOE, MOCI. Encouraging the relevant authorities (MOH, municipalities) to establish a campaign that promotes health at all levels. The campaign targeted at children ought to be part of the curricula (tailored to the various age of students) to increase the awareness of young people about food properties and diets. Organizing Healthy Food Awards. Increasing MOCI-MOH dialogue with processors to agree on global reformulation of food recipes (focused on reducing unhealthy ingredients and revise standards). Distributing books of receipts on how to prepare meals using healthy food. Promoting healthy products production and consumption through tenders issued by Public Administration for the provision of healthy products (e.g. meals, drinks) to public institutions (e.g. Ministries, Hospitals) manufactured by local industry. Signing agreements with international producers of healthy food products to improve the availability of healthy food in the local market. Consolidating the framework for food control, in order to avoid regulatory burdens for the industry (currently ca. 10 entities are involved at some level). Strengthening monitoring of food laws by scrutinizing imported foods, updating laboratories (and their accreditation) and equipment, technical staff and analytical methods. Revising food standards and phytosanitary regulations to promote healthier foods, for example by reducing the range and maximum level of some ingredients (e.g. less sugar, salt saturated fats and richer in fibre). Main indicators are the N<sup>o</sup> of plans approved, the N<sup>o</sup> of tenders for healthy local food products held, N<sup>o</sup> of agreements with international healthy food producers signed, and phytosanitary regulations promoting healthier food issued. Main responsible is MOCI with collaboration of MOH, MAF, MOE, Tender Board and IPA. Since activities are varied, they run throughout the whole period, whilst costs are mainly operational. Deployment runs for the whole period and costs are mainly operational.

#### **1.9.4. Solar panels**

**1.9.4.1. Establish governance framework that prioritises solar manufacturing.** Catalysing, in the short term, the solar panel manufacturing industry through either Manufacturing of secondary (low-tech) components for PV and CSP systems; Capital-intensive raw materials for PV (i.e. polysilicon). Develop solar manufacturing, long term, through (1) manufacturing core (high-tech) components for PV and CSP; (2) making Oman a testbed for next-generation PV and CSP components and systems. Adopt an FDI-intensive approach, making Oman a prime destination of international PV and CSP investment. Setting up a single institution responsible for recommending and implementing measures to address perceived gaps in Oman’s business environment, incl. regulatory barriers, access to finance and infrastructure upgrading, for both the deployment of renewable-energy technologies and related manufacturing activities across the renewable-energy value chain. Ensuring governance institution coordinates and aligns government ministries, departments and agencies related to both the deployment of renewable-energy technologies and associated manufacturing activities. Main indicators are VA of solar panel manufacturing industry, N° of high-tech solar manufacturing industries, and creation of the institution for development of renewable energy technologies and production in Oman. Main responsible is MOCI with collaboration of MOG, EDO/PDO, SGRF Rakiza Fund, HTC, Solar companies, AER and Oman Energy Development. Deployment is for the whole period and there are some operational expenses involved.

**1.9.4.2. Introduce local content requirements for solar energy.** Ensuring that manufacturing promotion forms a key part of any renewable-energy policy through procurement processes that promote local content. Establishing higher local content factors for solar energy systems and components made in Oman (like KSA), based on a thorough mapping of existing domestic supply-chain capabilities. Identifying or conducting a study that assesses whether domestic raw material (silicon quartz) is sufficiently pure to use as a raw material for solar panels. Designing supplier development programmes to increase capabilities of local firms and create awareness regarding value-chain opportunities for manufacturing in the solar energy sector. Main indicators are the local content requirements established, and N° of support programmes set. Main responsible is MOCI and collaborating entities are Tender Board, PAM, Riyada, and ICV at MOG. Deployment is mostly in the medium term and costs are only operational.

**1.9.4.3. Encourage human capital formation in the solar industry.** Supporting the development of skills across all levels of the industry, through the establishment of higher-education programmes linked to industry needs, for producing “industry-ready” professionals, setting up job placements and technical apprenticeship schemes. Creating capacity building programmes for all stakeholders such as a) factory technicians, engineers and company managers and directors; b) government officials and regulators; financiers; and d) solar project developers and installers. Indicators are the N° of higher education programmes set and the N° of trained persons in each category. MOM and MOHE are min authorities responsible, with collaboration from Min Civil Service; MOCI; and College of Banking. Deployment is for the medium term and costs are mainly operational.

**1.9.4.4. Encourage innovation and R&D formation in the solar industry.** Ensuring governance institution liaises with academic and research institutions to create capability-

development programmes for the solar energy sector, in collaboration with private firms from upstream (manufacturing) and downstream (energy-generation) segments. Having the governance institution to coordinate with national research and innovation authorities (TRC) to inform them on the relevant renewable-energy priorities to be included in the national research agenda, including manufacturing for the solar energy sector. Supporting the development of new initiatives/programmes/ institutions responsible for building innovation and R&D capabilities: increase the funding available for innovation, and to make any future research projects more business-oriented. Creating intermediate research and technology organisations (RTOs) to ensure the critical mass of innovation capabilities and funding have an impact. RTOs are organisations linking public and private innovation efforts, that can also make a contribution beyond R&D in different areas (skills; expertise; testbeds; stakeholder engagement and network formation; FDI attraction). Indicators are the platforms for dialogue established with academic and research institutions and with national research and innovation authorities, N<sup>o</sup> of business-oriented research projects, and the N<sup>o</sup> of RTOs created. Main responsible is MOCI, with cooperation from TRC Solar energy; Universities; EJAAD. Deployment is partly for the medium term and part for the longer term, and costs are mainly operational.

#### **1.9.5. Airconditioning**

**1.9.5.1. Establish a governance framework that prioritises A/C manufacturing.** Setting up a ELECTRO-MECH working group comprising the following stakeholders: MOCI (DGI, Standards); Existing companies; engineering and TVET schools and institutes; OCCI; others. Strengthening domestic capacity for manufacturing (beyond assembling) air-conditioning units, through: (1) alignment with high international standards (incl. energy efficiency); (2) some protectionist corrections against dumping (China, UAE); (3) strengthening add-on services. Making A/C a priority within the IPA: domestic firms can then become sub-contractors to big brand names, or suppliers of parts and components to the global value chain of A/C industry. Here also a Quick Win may be achieved if A/C units start to be manufactured in the first 2 years of the plan. Indicators are the working group established, full manufacturing of A/C units started, and IPS priority established. MOCI is the main responsible with cooperation of MOCI (DGI, Standards); Existing companies; engineering and TVET schools and institutes; OCCI; IPA; and MOFA. Deployment is for the medium term and costs are operational.

**1.9.5.2. Education and skills.** Expediting and sponsoring the development of a continuous program for upgrading skills on wire winding, blade testing, metal cutting, welding and brazing, working closely with sector specialists. Including elements of quality, safety, environment, etc. in the training program, working closely with sector specialists. Indicators are the program for upgrading skills created and modules in the training created. Main responsible is MOM and MOCI collaborates. Deployment is for medium to long term while main costs here are operational.

**1.9.5.3. Set Omani AC/producers apart through a strategy focussing on quality (rather than cost).** Incentivizing firms to produce high quality (rather than cheap) A/Cs by complying with international quality regime. Adopting standards that prevent spurious and cheap A/C components from entering channels of distribution in Oman, in addition to eco-labelling norms. Adopting standards that prevent spurious and cheap A/C components

from entering channels of distribution in Oman, in addition to eco-labelling norms. Promoting formation of alliances with compressor suppliers, fan and blower suppliers, etc. and finance them training Omani RAC/PAC segments on prompt service after sales. Indicators are the standards established for A/C components, N° of campaigns held, and N° of alliances set. Main responsible is MOCI with collaboration from MOF/Tax Authority, and MECA. Deployment is mostly the first ten years and costs are operational.

#### **1.9.6. Electro-mechanical cluster**

**1.9.6.1. Establish governance framework that prioritises electro-mechanical cluster.** Setting up a ELECTRO-MECH working group comprising the following stakeholders: MOCI (DGI, Standards); Existing companies in Oman; engineering and TVET schools and institutes; OCCI; others as necessary. Strengthening domestic capacity for manufacturing (instead of merely assembling) pumps, through: (1) product differentiation; (2) some protectionist corrections against dumping (China, India); (3) strengthening add-on services. Leveraging domestic companies' networks with international players to expand the product base from focussing on pumps assembly for oil & gas and municipal use, towards pumps manufacturing by F&B, chemical processing and other sectors (including through, potentially, international players acquiring or establishing domestic firms). Indicators are the working group established, and protection measures in place. MOCI is the main responsible with collaboration from Existing companies; engineering and TVET schools and institutes; OCCI; IPA; and MOFA. Deployment is for the whole period and there are some moderated costs.

**1.9.6.2. Introduce programmes for human capital formation.** Develop TVET training programmes and finance on-the job training for nationals, including through collaboration with domestic manufacturers. Main indicator is the N° of training programmes set. MOM is the main responsible with collaboration of MOCI and MOHE. Deployment is for the whole period and costs are mainly operational.

**1.9.6.3. Incentivize modernization of product and services by Omani companies.** Establishing ICV requirements and standards to counter dumping by Chinese and Indian companies. Using this as a temporary measure until the infant industries have been established. In the short term, encouraging pumps manufacturers to strengthen the quality of their add-on services through incentives (e.g. financially supporting training programs). In the longer term, integrating pumps industry with local raw materials industries (steel & aluminium sheet; electrical switches; electrical; sheet panels; wires; glass boards). Incentivizing upgrading from assembly to component manufacturing or local manufacture of breakers, switches, bus-bars, etc with a focus on exports to MENA and focus on ICV (electrical products). Incentivizing expansion into electrical cables and wires (HV cables, cables for renewable energy applications etc.). Incentivizing adaption of the cabling industry to the changing energy & data management industry, towards renewable energy generation, decentralized power generation, difficulties in expansion of grid structures that have led to building of smart grids, booming of data centres, changing scenario of LAN and WAN systems. Conducting 'technology audits' to assess whether and where there is potential for automation in electro-mechanical industries - potentially in collaboration with international partners. Supporting through Government purchases (Nama holding): Enforcing the 10 % price preference clause in

the provisions of the tender board. Support through in Government purchases (Nama holding): Enforcing the 10 % price preference clause in the provisions of the tender board. Monitoring implementation of ICV development efforts of the major private sector players (including telecom) to provide better standing for local fibre optic cables. Establishing collaboration between stakeholders in the power generation /transmission and cable industry in order for the latter to provide an integrated, effective solution to the end users electrification, digitalization and automation needs. (especially for High Voltage project). Main indicators are ICV requirements established, N° of training programmes supported, percentage of local content increased in electrical products, and size of government purchase to domestic companies. Main responsible is MOCI with collaboration of Nama and AER. Deployment is for the short, medium and long terms, and costs are mainly operational.

**1.9.6.4. Support exporting by Omani companies to GCC and beyond.** Export promotion agency (EPA) to look for markets beyond the GCC, and to provide market intelligence about potential export markets. Indicator here is the N° of new export markets, and main responsible is the Export Promotion Agency. Deployment is for the whole period and costs are not significant.

**1.9.6.5. Support development of the downstream to increasingly access local raw materials.** Involves integration of existing projects in the copper mining and processing sector to the level of producing products required, following the shift of copper to aluminium rods. Examining the potential of producing glass preforms from the locally available silica. Indicators are the projects integrated, and the study of potential published. Main responsible is PAM with support of MOCI, and deployment is for medium to long term, not causing significant additional costs.

#### **1.9.7. Metals and minerals cluster**

**1.9.7.1. Establish governance framework that prioritises metals and minerals cluster.** Involves 2 activities for the industries described below. Main responsible for both specific activities is MOCI with support of MECA; OCCI; companies in the relevant sector; and PAM. Deployment for both specific activities is for medium term and costs are not significant.

**1.9.7.1.1. Fabricated and structural metals, glass, other building materials.** Setting up a METALS AND MINERALS working group comprising the following stakeholders: MOCI (DGI); MECA; OCCI; and companies in the relevant sector. Indicator is the group set.

**1.9.7.1.2. Cement.** Adopting a strategy for cement (and other building materials) focussed on (1) reduce, if not eliminate, the import deficit through import substitution; and, (2) explore opportunities for regional and global exports. Indicator is the strategy being implemented.

**1.9.7.2. Incentivize modernization of product and services by Omani companies.** Involves 2 specific activities, both under MOCI's responsibility and support from TRC; IIC; MOF / Tax Authority; OCCI; associations; and MADAYN. Deployment if mostly in the medium term with some specific activities going further. Costs are mainly operational.

**1.9.7.2.1. Fabricated and structural metals, glass, other building materials.** Providing incentives for the steel sector to change the product mix (enter less cost-competitive product category: flat steel products). Sponsoring quality conformance training and certification for steel sector upgrading. Providing government and foreign support in R&D and technological collaborations for investment in developing new product lines for flat steel (ship building, automobile, fabrication, consumer durables, etc.) It will require heavy R&D investments and technological collaborations. Funding training (vendor development) programmes on international standards (steel purchased by quality conscious sectors; vendors required to pass very stringent testing procedures). Creating with TRC a chair at the National University of Science and Technology with an endowment fund for research partly funded by the steel sector. The chair identifies areas of future research, institute fellowships for young researchers, monitor ongoing research on material sciences at university level, create a framework by which university research output could be used by the steel industry for commercial purposes. Chair (with TRC, Steel industry) to conduct studies on patent application trends in the steel sector and selected technological themes, assist in the development of R&D and intellectual property (IP) strategies. TRC to strive to raise awareness on IPRs among the industry by organising information sessions and training courses on innovation and IP systems; ICT applications for business management, productivity improvement and new product/service development; subsidize MSMEs investment in ICT in cooperation with financial institutions; and provide a regulatory and policy framework to reduce the cost of communications for business. Providing financial support for technological upgrading: e.g. exhibitions of interest, holding conferences with speakers from the various specialized fields of fabrication / presentation by machinery manufacturers etc. (joint effort by the industry / PEIE / OCCI / MOCI). Main indicators are flat steel production ongoing, N° of training and certifications for upgrading the steel sector, Chair at university created.

**1.9.7.2.2. Cement.** Providing industry support and training programs and workshops aimed at transferring know-how to the industry. The government can provide such programs to:

- Inform BM manufacturing companies on the significance of exporting despite dollarization
- Train companies on: export marketing strategies, quality management and capacity building
- Train companies on: export marketing strategies, quality management and capacity building.
- Carry out market research on behalf of BM manufacturing companies so that they disseminate current and accurate information.
- Encourage companies to be visible in international markets by participating in both regional and international trade fairs and exhibitions.
- Train companies to profitably benefit from the use of trade maps and product maps.
- Advise companies on the importance of manufacturing internationally certified quality BM products.

Indicator is the N° of training programmes delivered.

**1.9.7.3. Support cluster development initiatives.** The next 2 specific activities are under MOCI's responsibility and are to be deployed with different timing, these do not create significant additional costs.

**1.9.7.3.1. Fabricated and structural metals, glass, other building materials.** Arranging for steel producers enter into alliances, partnerships and buy outs with mining companies to exercise control over the supply of raw materials, and supporting backward integration. Setting up a SPV (Special Purpose Vehicle) in Sohar for Steel Sector to ensure all the factors of production market extension services, distribution and logistics, are in one place. Nurturing the engineering base for providing spares and other support services for Glass Industry in Oman. Identifying potential sites for mining Silica Sand and establishing a processing unit in Oman. Establishing R&D facilities for Light Weight Glass (LWG) production. Regarding glass containers: exploring import substitution in the Raw materials and value chain overall (Silica Sand and Glass Containers for Cosmetics and Personal Care industry). Regarding Other Glass Products (Flat / Toughened Glass / Fiberglass / GRP based products: identifying and supporting potential projects for setting up manufacturing units for processing and supplying raw materials to the glass industry, including Silica Sand, Soda Ash and other chemical based additives. Main indicators are N° of steel producers' alliances set, SPV being produced in Oman, N° of suppliers of spare parts, processing unit for silica sand set in Oman, and the N° of manufacturing units set for processing and supplying materials to the glass industry.

**1.9.7.3.2. Cement.** Encouraging and ensuring better public and private stakeholder's interaction locally and at a regional and even global level. Also, encouraging availability of loan and credit facilities from local banks to manufacturers (old and new) in this sector. And providing support programs to local manufacturers to assist them with exporting their products. Main indicators are the setting up of the dialogue platform, support programmes for exports set.

**1.9.7.4. Adjust FDI and trade policy.** The next 2 specific activities are under MOCI's responsibility with support from MOFA; PAM; IPA; Customs (ROP). These are to be deployed with different timing, and cause mostly operational costs.

**1.9.7.4.1. Fabricated and structural metals, glass, other building materials.** Elaborate a tariff differential between primary, secondary and tertiary goods to incentivise local production. (steel). Elaborate a tariff differential between primary, secondary and tertiary goods to incentivise local production. (steel). Lower Border Charges in Oman for exporting products, to avoid companies paying double Charges for moving materials to Saudi Arabia via UAE. Monitor the implementation of the ICV development efforts of the major private sector players including the oil and gas projects, as regards fabricated metal products. Review FDI Policy with focus on Mining & Steel Sector: spelling out mining rights of iron ore and coal as package deal for setting up integrated steel plant so as to allow backward integration, with assured supply of primary inputs. Main indicators are the differential tariff set, border charges reduced, and the new FDI policy enacted.

**1.9.7.4.2. Cement.** Monitoring price levels of cement especially when there is strong growth in demand locally, regionally or globally. Assessing the possibility of production

capacity expansion. Implementing tariffs on cheap or sub-standard imports of building material products. Ready-mixed concrete manufacturing: regularly monitor regional distribution of local manufacturers and construction activities within their geographical region. Providing training in International Trade and Markets of Building Materials. Encouraging construction companies in Oman in conjunction with Associations of Building Contractors to have preference of Omani BM produced products instead of sub-standard imported products. Main indicators are tariffs to cheap or sub-standard BM implemented and N° of trainings on international trade and markets of BM.

**1.9.7.5. Introduce programmes for human capital formation.** The following specific activities are under responsibility of MOM with support from MOHE and MOCI. Deployment is for the first 5 years, and creates some operational costs.

**1.9.7.5.1. Fabricated and structural metals, glass, other building materials.** Establishing courses in metallurgical engineering, creating a facility for training blast furnace technicians and establish training institutes for metallurgists and lab technicians. Creating workshops for those in the steel sector to keep abreast of the technological changes, quality, safety, environment, etc. Expediting the preparation and training module of steel sector TVET (trained machinists, furnace operators, metal cutters, tool-makers, welders, and lab technicians). Mapping the existing turnout and the requirement of metallurgist, production engineers, mechanical engineers and technicians with a focus on the expansion of steel sector. Based on this, decide financial allocation for interface between research and training institutes and schools, OCCI, etc. and disseminate information on available training courses. Including a Glass Industry specific course curriculum in the technical training institutes. Government can work to provide accredited training for specialized skills in collaboration with international training institutes either through local institutes or through overseas facilities. This could be a collaborative effort between the stakeholders of industrial development including National training Fund (NTF), Ministry of Manpower, PEIE and MOCI. Key manpower required for this industry lie in the Production and Operations Department. There is a lack of skilled Omani manpower in this area. The industry currently faces challenges in acquiring the following skill set operators from the local workforce: Instrumentation Engineers; Dye Correctors; Machine Operators; Fitters; Technicians. In addition to skills the national workforce needs to be trained in key areas of work ethics and attitude building. Main indicators are the N° of courses and training institutes created, N° of workshops created in steel sector, mapping produced, the specific course on glass industry set, and specialized training set.

**1.9.7.5.2. Cement.** Filling the anticipated skills gap through collaboration in public and private partnerships, where the public education system in Oman must be able to provide knowledge and skills for the private sector to expand on through their own programs. Increasing access to material science, which is behind developing future construction materials and setting-up research programs in local higher education institutions to: (1) better understand patterns and developments in this sector, (2) identify gaps in research, and (3) address the importance of hot areas such as Nano and Biotech technologies and the gap between research and actual commercial

market use of BM products. There are 2 indicators, the N° of public-private partnerships to anticipate skill gaps, and the N° of research programmes set.

## PROGRAM 2. ENTREPRENEURSHIP AND INNOVATION

### 2.1. Promote entrepreneurship, start-ups and doing business

#### 2.1.1 Create three stratified level of services and widen access to them

##### 2.1.1.1 Differentiate the services infrastructure for SME through the creation of three levels of service

**2.1.1.1.1 Level 1. Basic.** Open capacity building: open courses to support general capacity building for any person interested in starting a business, including basic issues of cash flow, marketing, exports, etc. and disseminate information on permits and steps to open a business as well as to access financing and equity from available sources. E-commerce for SME services: provides information about reliable e-business services such as e-mail, website builders, office services, CRM software, accounting and invoicing, (create alliances for special fairs with global carriers). Business spaces: provides information of potential areas to locate a business, such as office, back office, warehouse, and manufacturing areas available in the market. Also, of those business space providers that may have a special alliance with Riyada. Market information: Riyada should provide a robust database of buyers (local), importers, distributors. This database must be globally oriented, targeting potential markets (Africa, India, GGC; Europe, USA, among others). Financing: build alliances with private banks to provide better financing opportunities such as special SME financial packages for entrepreneurs who are, by fact, part of the ecosystem but not Riyada cardholders. Indicators are the N° of capacity building courses provided, E-commerce for SME services provided, the buyers database published, and the N° of banks offering better financing to SME. Main responsible is Riyada with support from MOCI; Commercial banks; and Al Raffd. Deployment is for the whole period and costs are mainly operational.

**2.1.1.1.2 Level 2. Intermediate.** This level is exclusively for Riyada Card holders and involves providing access to one-off procurement projects (Tendering Program I) and for Medium Enterprises creation and growth. Keeping Al Raffd Fund financial packages. Establishing vouchers for capacity building: Riyada card holders are entitled to automatic 30% discount in any capacity building course or program within the ecosystem. Based on their situation and project they can apply for 50%, 70% or even 100% discount. Priority access to commercial infrastructure: commercial infrastructure (shopping centres) specially designed to host Omanis' SME products in good attractive locations and modern architecture need to be built or improved. Riyada card holders should have priority access to it, and special rent discounts from 25% to 75% or even special grants (free of rent for limited time framework) could be applied to them. A Quick Win may be achieved if at least one bank agrees to make available better financing to SME. Indicator is the scheme of vouchers set. Riyada is the main responsible and MOCI; Al Raffd; Ministry Housing, and Madayn must

provide support. Deployment is for the whole plan's period and there are no significant costs.

**2.1.1.1.3 Level 3: Advanced.** Specially designed to support the creation and development of Medium Size enterprises able to engage in long-term tendering (Tendering Program II). Promoting Joint Ventures of medium sized companies with foreign companies for the attraction of FDI. Supporting advanced capacity building: create special programs to support technology transfer and increase sophistication of skills. Encouraging SME participation in special projects for clusters development: to boost clusters dynamics. A rapid formation of any Joint Venture can also be considered as a Quick Win. Indicators are the N° of Joint Ventures set, and the N° of SME participating in special projects. IPA is the responsible authority with cooperation of MOCI. Deployment is for the whole period and costs are mainly operational.

#### **2.1.1.2 Improve access to the entrepreneurial ecosystem for all potential entrepreneurs**

**2.1.1.2.1 Expand open services to all possible entrepreneurs.** Facilitating access to the entrepreneurial eco-system for both employed and unemployed individuals in order to capture all potential entrepreneurs (necessity and opportunity driven). Introducing a simple mechanism to graduate Omanis to the next level of services (intermediate), e.g. making use of basic Riyada services, approving some of the trainings or already starting/running an SME. Indicator is the setting of the mechanism for graduating Omanis to the next level of services (intermediate). Responsible is MOCI with Riyada support. Deployment is for the whole period and there are no significant costs.

**2.1.1.2.2 Provide access to all nationals employed in the public sector.** Allowing full access of Omani public sector employees to benefits of Riyada, enacting a conflict of interest regulation to facilitate transparent participation of public officials in Riyada's benefits (access to Riyada Card). Changing the policy of one-year paid work permits for public servants that enter the entrepreneur ecosystem to allow employees to fully participate in the ecosystem, encouraging or accompanying paid work permits with early retirement. Indicators are the new regulation issued, and policy of one-year paid work permit changed. Riyada is the main responsible with MOCI and Ministry Civil Service as collaborators. Deployment is for the full period and there are no significant additional costs.

**2.1.1.3 Establish a business incubator to promote entrepreneurship in the industrial sector.** Focus specifically on promoting the development of industrial enterprises in prioritized sectors identified in the industrial strategy 2040. Support innovative entrepreneurs with materials testing laboratories, electromechanical equipment, industry, 4.0 models among others to facilitate the development of industrial products' prototypes. Support universities and research centres that provide services to these incubators, e.g. Advance Manufacturing Centre at Sohar University. Provide training and advice in business management and marketing of the products developed. Build on the National Bureau Centre (NBC) skills and expertise and the Industrial Innovation Centre. Succeeding in creating some new enterprises in priority sectors is also a Quick Win. Indicators are the N° of new enterprises in prioritized sectors, the creation of new funding scheme to support innovative entrepreneurs, and the N° of universities and research centres being supported. Main responsible is MOCI with support from Riyada; AMC Sohar; and NBC. Deployment is for the full period and main costs are operational

for promotion and supporting activities, training and funding of universities and research centres.

### **2.1.2 Establish New Mentorship Services and Advanced Capacity Building**

**2.1.2.1 Improve e-business guiding.** Providing detailed information on how to start a new business project to every person with legal residence in Oman: this includes registration process & licenses, selection of business legal form, market demand data base, easy templates of business plan, module to calculate capital and financial requirements, information of open courses provided by Riyada, potential areas to rent an office or warehouse, general sources of equity and finance. Indicator is the setting of the mechanism for e-guiding. Riyada is main responsible with support from MOCI. Deployment of activities is for the full plan's period, and there are no significant additional costs.

**2.1.2.2 Set up an Advanced Mentorship Program.** Increasing the probability to connect good projects with right people through building up, at national level, a network of mentors to support entrepreneurship, offering free counselling to those interested in doing business. Indicator is the setting of the mentors' network and main responsible is MOCI with support from Riyada. Deployment is for the full period and costs are operational.

**2.1.2.3 Offer advanced capacity building services.** Connecting Riyada capacity building activities to vocational education networks in Oman. Certifying training schools. Providing through vocational training centres a set of courses where potential entrepreneurs can improve their knowledge and skills. Courses: building up e-commerce businesses, export process, accounting, financing, technical short-term courses in different fields. Opening these courses to all people in Oman. Allowing Riyada card holders to apply for educational vouchers of 30%, 50% 70% or 100% cost coverage. Indicators are N° of training schools certified, N° of new courses offered, and the educational voucher scheme set. Main responsible is MOM with support from MOCI and Riyada. Deployment is for the full period and there are some operational costs.

## **2.2. Improve the performance of the innovation system**

### **2.2.1. Conduct innovative activity at firm level**

**2.2.1.1. Establish Manufacturing Innovation Factories in all industrial areas.** Attracting young inventors and engineers searching for ideas and a place to experiment with their designs. Providing material and equipment that will allow for making and testing prototypes for new products. Allowing access to anyone that comes with an idea and needs support. Staff should include a multidisciplinary team in different engineering areas. Cooperating with the Industrial Innovation Centre. Supporting projects with immediate industrial application. Indicators are the N° innovation factories set and N° of projects supported. Main responsible is MOCI with support from IIC; Innovation Park Muscat; Madayn; TRC and EJAAD. Deployment is for the full period and costs are operational ones.

**2.2.1.2. Set up a mechanism of innovation vouchers consisting of small grants for SME to purchase services from external sources such as universities and public research centres, in order to improve firm's innovative performance.** Using this program to fund business advisory and technology extension services in the framework of university-firms collaborative projects, or through engagements with research and technology organisations (RTO). Persuading non-innovative and moderately innovative SMEs to start collaborating with knowledge organisations and providers to engage in innovation activities that could increase the sophistication of their operations. Targeting innovation vouchers at strengthening core business operations of Omani SME through the sourcing of consultancy from external knowledge providers. Opening this scheme to all manufacturing-related SME, with particular focus on non-innovative and moderately innovative firms. Focusing innovation vouchers on manufacturing firms from all sectors and not on R&D projects, but rather technology adoption, process improvement, operations management or business/management innovation. Using dissemination activities such as workshops and marketing to make SME aware of the program. An early setting up of innovation factories can also be shown as a Quick Win. Indicators are N° of collaborating agreements between SMEs and knowledge organisations and providers, and N° of manufacturing SME participating in the innovation vouchers scheme. MOCI is main responsible with collaboration from EJAAD; TRC; and IIC. Deployment runs over the full period and there are operational costs for this activity.

## **2.3. Encourage R&D investment**

### **2.3.1. Develop fiscal incentives for R&D**

#### **2.3.1.1. Establish a R&D tax credit to increase innovation in the manufacturing sector.**

Awarding a 50% R&D tax credit, for the cases where the manufacturing firm partners with a local SME or local university; and a 40% standard R&D tax credit for all the other cases. Beginning by targeting knowledge-driven prioritized industries identified in Oman Industrial Strategy 2040; then, by 2026, target all manufacturing industries that invest in corporate R&D for improving existing products or developing new products. Indicator is the setting up of the tax credit for R&D. MOF and Tax Authority are main responsible with collaboration from MOCI; TRC; and IIC. Deployment is for the full period and there are no significant costs.

### **2.3.2. Provide grants to support the development of new product or production process in Oman**

#### **2.3.2.1. Provide grants for business R&D and innovation in a competitive application process, to help companies to de-risk, enable and support innovation.** Support technology development from mid to high technology readiness levels (TRLs 3-8). Finance specific expenditures of innovation projects, including proof of concept, prototyping, testing,

machinery, technical assistance, etc. Incentivise collaboration with other firms and innovation service suppliers in Oman and internationally. Target manufacturing-related SMEs and large firms, and allocate funds through a competitive application process: 1.5M OMR (30,000 X 50) for SMEs and 6M (600,000 X 10) for large businesses. Give preference to innovation projects within firms in sectors that align with MOCI's manufacturing strategy 2040 goals. Do not limit grants to particular technology areas. Award grants to projects that can provide evidence for considerable potential to gain market share, generate economic diversification impact and exports. Work with The Research Council, EJAAD, the Industrial Innovation Centre and other public and private organizations in the selection of submissions. Indicators are the N° of innovation projects supported, N° of collaboration agreements set between firms and innovation service suppliers, total amount of funding awarded for R&D to SME and large firms, N° of innovation projects funded, and N° of grants awarded to projects with considerable potential to prosper. MOCI is main responsible and collaborate MOF; EJAAD; SQU Centre; and TRC. Deployment is for the full period and costs include operational expenses and funding for R&D companies development.

## **2.4. Use Public Procurement to foster local innovation and entrepreneurship**

### **2.4.1. Target entrepreneurship through public procurement**

**2.4.1.1. Prioritize a set of strategic manufacturing SME.** Prioritizing a set of manufactures from those identified in the first phase of the industrial strategy where public procurement can effectively catalyse their development. Developing business plans defining the level of investment required, type of technology, training required, and conditions to access procurement contracts. Identifying people and managers who can carry out the development of these enterprises. Linking these managers and projects to the Tendering Program II in order to obtain supply contracts guaranteeing a 10 years horizon. Indicators are Prioritized manufacturing SME identified, N° of business plans developed, and N° of Tendering supply contracts. Tender Board is main responsible with collaboration of MOCI and Riyada. Deployment is for the full period and there are no significant costs.

**2.4.1.2. Set up Long-term Tendering Program (Tendering Program II).** Boosting SME's 10-years procurement contracts tendering over 3 M OMR per year conditioned to: 51% Omani ownership, management committee approved by board members where chair and CEO are appointed by the board of Tender Program II. The company should comply with established Omanization rates and other parameters such as: (a) employment generation; (b) capacity to engage other SMEs in the manufacturing process, and (c) geographic location of the company. Appointing a Mentor to follow up and monitor implementation of the project who should report every quarter the implementation process of these manufactures to the board of the Tendering Program II. Granting space, energy and other standard facilities provided by Madayn (Industrial States Authority). Creating a SME Tendering Committee charged with the management of the process of awarding contracts to companies and projects. This Committee may involve: Tendering Board, MOCI, Riyada, Al Raffs Fund, and a guest member of the recipient ministry. The success in establishing a number of tendering supply contracts, could

also be a Quick Win. Indicators are the N° of SME 10-year procurement contracts, N° of projects with mentors, N° of projects with facilities provided by Madayn, and the SME Tendering Committee set. Main responsible is the Tender Board with participation of Madayn; MOCI; Riyadh; the Tendering Board, MOCI, Riyadh, Al Rapps Fund, and a guest member of the recipient ministry. Deployment is for the full period and there are some operational costs.

**2.4.1.3. Offer Advanced Capacity Building Services.** Organising training programmes for projects approved within the Tendering Program II. Offering grants of 5.000 up to 10.000 OMR per young student to participate in this training. Prioritizing technical and management training required for specific manufacturing processes. Main responsible is MOCI with support from MOF. Deployment is for the full period and there are operational costs and a finance fund for loans to SME for machinery and constructions and also for current expenses such as training costs and consultancy.

**2.4.1.4. Provide project financing to participants in Tendering Program II.** Offering finance within a range of 0.5 million OMR to 20 million OMR per SME, and require down payments from 10% to 30%. Finance is to cover the following investment costs: Machinery and equipment, Plant construction (building infrastructure), training workers, Technical and management consultancy. Providing grants for training people up to OMR 5,000 per worker. Indicators are N° of projects financed and N° of grants awarded. Main responsible is MOCI with support from MOF, deployment is for the full period, and there are substantial costs for the funding needed to offer loans to SME. There are also some operational costs.

#### **2.4.2. Target innovation through public procurement**

**2.4.2.1. Support innovations through public procurement.** Giving preference to tenders or suppliers able to demonstrate innovation in their product. Regulating tender specifications and performance requirements to encourage the diffusion and adaptation of 'leading edge' technology. Including in request for proposals the desirability of products and systems that go beyond the state-of-the-art – pre-commercial – including the use of defence procurement. Using guaranteed purchasing commitments in public procurement to encourage innovation as an early adopter and market leader demanding new technologies/ solutions. Indicators are N° of tenders won that include innovation, New regulation on tender specifications issued, and N° of purchasing commitments. Tender Board is the main responsible with support from MOCI. Deployment is for the full period and there are no significant costs.

**2.4.2.2. Apply OECD practices for the use of public procurement to support innovation.** Embedding policy strategies with defined targets within national innovation policy. Setting up a legal framework, including understandable definitions, guidelines and templates to facilitate its implementation. Promoting professionalisation by providing specific training to build staff capabilities and skills, setting up multidisciplinary teams and competence centres focused on public procurement for innovation. Raising awareness by publishing good practice cases, creating a dedicated knowledge-sharing platform and/or hosting workshops and seminars to share and build success. Undertaking risk management and measure impact to reduce possible loss and damage, and increase trust. Defining test standards, methods and quality certificates,

using standardisation as a catalyst for innovation. Using appropriate e-procurement and information technology (IT) tools to carry out a proper risk assessment to measure impact. Indicators are the setting of a new legal framework based on OECD practices for public procurement use to support innovation, N° of trainings provided, N° of good practices awareness events, and the standardization scheme enacted. Main responsible is the Tender Board with support from MOCI. Deployment is for the full period and there are no significant costs.

## 2.5. Ensure finance for new manufacturing ventures

### 2.5.1. Introduce Venture Capital Finance

2.5.1.1. **Engage in Government Venture Capital (GVC) defined as government-financed equity investments.** Locate the unit responsible as a department in the industrial development bank division. Use GVV as co-investment with other private financiers. Focus on innovative and high-tech start-ups. Ensure an exit horizon from investments of around 5-7 years. Draw on the expertise and second staff from similar organizations in Oman or abroad. Indicators are unit at industrial development bank created, N° of projects financed, and N° of innovative start-ups financed. Main responsible is OIF with support from MOCI; SGRF; IDO; and OTF. Deployment is for the full period and costs are a significant amount for funding ventures. This is not money given away since government investments in equity in ventures can be recovered by selling the shares.

2.5.1.2. **Promote and Participate in Corporate Venture Capital (CVC), defined as corporate-financed equity investments.** Expanding awareness among local businessmen of the role and importance of CVC. Coinvesting with large local or foreign corporations in the establishment of more Omani manufacturing focused CVCs. Drawing on the expertise and second staff from similar organizations in Oman or abroad. An early setting up of a co-investment CVC project is a Quick Win. The only indicator is the N° of co-investment projects. OIF is responsible with MOCI, SGRF, IDO, and OTF cooperation. Deployment is for the full period and there are no significant costs.

## PROGRAMME 3. UPGRADING AND MODERNIZATION

### 3.1. Access skills and technology for manufacturing and 4IR

#### 3.1.1. Facilitate the adoption of large-scale advanced and 4IR technologies

3.1.1.1. **Stimulate large-scale technology upgrading and deployment of advisory services to move away from labour-intensive, low productivity patterns of production in Oman.** Raising awareness of the value of new production technologies and automation. Developing partnerships with local support organisations to create aligned ecosystem. Providing specialist advice and technology audits to support implementation of new technology. Also, providing specialist training (both technical and operations management), and providing 100% funding for technology acquisition and access to training. Targeting non-innovative and moderately innovative Small and Medium Size

Enterprises (SMEs). Developing partnerships with local support organisations to create aligned ecosystem. Providing consultancy advice for technology and business assessment, improvement of plan design and implementation, and for supplier and vendor sourcing and matching of technology. Opening these services to SMEs from all sectors, focussed on all production technologies, automation and operations management (e.g. lean operations). Using dissemination activities such as workshops and marketing to make SMEs aware of the program in collaboration with the Industrial Innovation Centre. An early execution of training programmes can also be shown as Quick Wins. Indicators are N° of partnerships with local support organisations, N° of trainings provided, N° of projects funded for technology acquisition, and N° of no-innovative and moderately innovative SME funded. Main responsible is MOCI with support from Riyada and IIC. Deployment is for the full period of the plan and costs are mainly operational plus funding for technology acquisition.

**3.1.1.2. Bridge knowledge and expertise gaps within the Omani manufacturing sector by helping manufacturers to access the right technology and innovation expertise, and innovators to manufacture.** Includes knowledge exchange and networking to link new ideas and opportunities with expertise, markets and finance through a network of businesses, universities, funders and investors. Aim to help manufacturers to improve their products, processes, and practices by connecting the right partners and funding source. Use knowledge gathered from industrial engagements to inform national strategies and initiatives. Provide access to expert innovation advisors dedicated to map out firms' needs and capabilities and make introductions to connect them to a network of businesses, academics and other innovation support providers. Organise intra- and inter-sectoral events to build connections and disseminate knowledge. Undertake knowledge dissemination of activities and outcomes through website, newsletters, emails and social media. Open to all manufacturing, innovation and technology related stakeholders in Oman such as firms; higher education institutions; research centres; technology suppliers; financial institutions; venture capitalists; and business angels. Indicators are N° of manufacturers assisted to improve their products, processes and practices, N° of intersectoral events held to build connections and disseminate knowledge, and the N° of means used for knowledge dissemination. Main responsible is MOCI with cooperation of EJAAD and IIC, deployment is for the full period, and costs are mainly operational.

### **3.1.2. Develop a state-of-the-art public R&D and technological infrastructure**

**3.1.2.1. Create a "Next Generation Manufacturing Centre" to catalyse the future growth and success of Omani manufacturing by helping to de-risk, accelerate and scale-up new concepts to commercial reality without companies incurring significant capital costs.** **The Centre must:** Promoting best practice adoption within manufacturing sector. Expanding on the experience of the Advance Manufacturing Centre at Sohar University. Promoting the creation of new products, processes and business models. Providing knowledge services to the manufacturing community. Encouraging productivity improvement across the manufacturing sector in Oman. Acting as a tool for investment attraction and an agent for sector coordination. Providing innovation services: competence development, access to technology and equipment, technical advice and consultancy, network linkages development, thought leadership,

collaborative and contract applied R&D. Targeting all manufacturing related firms with special emphasis on supporting non-innovative and moderately innovative SMEs. Prioritizing 1. Natural resource-based industries; 2. Capital-intensive industries; 3. Knowledge-driven industries; and cross sectoral groups: a. Automation; b. Digital manufacturing; c. Value-added product design; d. Skills-development in technical and business areas. Indicators for these activities are guidelines for best practice adoption issued, knowledge services available and innovation services available. Main responsible is MOCI with support from Sohar University AMC and EJAAD. Deployment is for the full period and costs are mainly operational with some investment for setting up the “Next Generation Manufacturing Centre”.

## **3.2. Improve General Education and Technical and Vocational Training (TVET) level**

### **3.2.1. Improve the general quality of education and training**

**3.2.1.1. Increase the length of schooling and change the approach to learning.** Expanding the provision of early childhood care and education and the school year to increase student time on learning. Strengthening learner-centred and participatory teaching/learning methods into the curriculum of all schools in order to strengthen students’ performance in analytical, creativity-based, social and communicational skills. Introducing learner-centred and participatory teaching/learning methods into the curriculum of pre- and in-service training, and establishing support services for teachers. Indicators are N° of school days per year, and new approach for teaching/learning being applied. Main responsible is MOE with collaboration from MOCI; MOHE; Education Council; MOM; TRC; and OAAA. Deployment is for the full period and there are no significant costs.

**3.2.1.2. Develop a long-term National TVET Strategy.** Linking the National TVET strategy to the existing National Strategy for Education 2040, as well as to other strategies. Building upon the skills related policies of existing strategies, systematise them and develop them further into a coherent TVET strategy. Drafting a TVET position paper by MOCI to feed the drafting process of the TVET Strategy. Involving all relevant TVET stakeholders in the country, including business and industry as well as civil society and/or employee representative bodies, in the drafting of the TVET strategy. Starting from acknowledging the wider skills dynamics in the Omani labour market triggered by the high share of expatriate workforce. Basing the TVET strategy on a thorough analysis of the current skills situation in Oman, especially in the manufacturing priority sectors, and including the analysis of the Omani TVET system, its governance regime and the socioeconomic context it is embedded in, as well as past reform efforts and their impact. Avoiding copying international TVET reforms that do not fit the Omani context and might lead, in the medium to long term, to reform failure. Including in the TVET strategy a focus on the Fourth Industrial Revolution (4IR) and a coherent set of policies on lifelong learning linking the public and the private sector. Providing in the TVET strategy for adequate international linkages, first at the regional level of GCC, and second with other appropriate countries. Including a research agenda on TVET developed in cooperation with the Research Council, MOHE and the institutions in the higher education sector, and targeting and setting up TVET capacities (ideally units or departments) at universities and institutions of higher education. Indicators are paper

drafted on TVET education, TVET strategy approved, and agenda on TVET set. Main responsible for these activities is the Education Council with support from MOCI; MOHE; MOE; MOM; NTF; WEF Future Skills Initiative; OAAA; and OCS. Deployment is for the full period and there are no significant costs.

#### **3.2.1.3. Develop a coherent Skills 4.0 Strategy as part and cross-cutting issue of the National**

**TVET Strategy.** Organising the strategy elaboration as part of a coordinated effort of stakeholders from the education, higher education and economic sectors, and lead by the highest-level coordinating body dedicated to TVET. Assess existing digitalisation and education strategies and use this together with broad digital skills assessments among students and in priority sectors, as a basis for the strategy. Setting up a team of experts to draft the strategy and discuss it at the National TVET Council and at the Education Council. Delegating an expert on industrial skills development with a focus on skills 4.0. to the permanent secretariat of the TVET Council. Commissioning skills 4.0. assessments in the priority sectors and using results as a baseline for the Skills 4.0. Strategy. Indicators are skills 4.0. strategy approved, and the N° of skills 4.0. assessments in priority sectors. Main responsible is the Education Council with support from MOCI; MOHE; MOE; MOM; NTF; WEF Future Skills Initiative; OAAA; and OCS. Deployment is for the full period and there are no significant costs.

#### **3.2.1.4. Draw up a coherent Lifelong Learning (LLL) Strategy as part of the National TVET**

**Strategy.** Aligning this strategy with the Oman Qualification Framework (OQF) in order to provide learners with access to universally accepted accreditation. Comprising in this strategy four pillars: a) skills training for employment; b) catch-up education and training leading to certifications and providing access to the formal education system (e.g. access to tertiary education for early school leavers); c) entrepreneurship training; and d) adult literacy. Using in this strategy skills assessments and skills requirements assessments, including skills 4.0, as a baseline for curriculum development, taking care to devote appropriate consideration to the transmission of foundational skills (including literacy, numeracy and digital literacy), since these are long-term assets for people to access the labour market and to be able to re-adapt to it. Standardising training provided by private institutions and align it with public LLL opportunities, including a focus on SME. Indicators are LLL Strategy designed and Standardization Regulations issued. Main responsible is the Education Council with support from MOCI; MOHE; MOE; MOM; OAAA; OCS; WEF Future Skills initiative; and Riyadh. Deployment is for most of the full period and there no significant costs.

### **3.2.2. Strengthen existing TVET institutions and relations**

**3.2.2.1. Build-up TVET capacities at MOCI.** Recruiting of a TVET expert at MOCI knowledgeable about: the country's TVET system as well as about relevant laws and regulations (including labour laws); local and international practices in TVET with a special focus on Skills 4.0.; the institutional environment in Oman and able to network with relevant stakeholders; skills requirements in the priority sectors of the Manufacturing Strategy 2040; able to develop guidelines, tools, materials and campaigns to mobilise and support the involvement of companies in TVET. Creating the unit of MOCI for TVET (medium term). Coordinating MOCI's skills activities with other public (ministries and ministerial bodies) and private sector stakeholders (chambers, associations). Cooperating with Madayn Industrial Academy (MIA) to elaborate an organisational development plan and with the Occupational Standards Centre (OSC) and the National

Training Fund (NTF) on the development of occupational standards in the priority sectors. Approaching the Education Council, Tanfeedh Education Lab, MoM, MOE (Ministry of Education), MOHE (Ministry of Higher Education) and other education stakeholders to include the MOCI in the current dialogue on the envisaged restructuring process of the national education and TVET system. Also, approaching the NTF to gain an understanding about their activities in the manufacturing sector and to establish cooperation. Approaching companies and associations to support their skills activities and to lobby for their involvement in the national dialogue. Carrying out or commissioning skills assessments and skills requirements assessments in the priority sectors with a particular focus on skills 4.0. Engaging in the structured dialogue with BMOs to support their involvement in TVET activities. In the medium term, the TVET unit at MOCI should develop a TVET strategy for the industrial sector in alignment with other existing strategies. Indicators are N° of skills assessments, Training levy and incentive scheme set, and N° of information campaigns. Main responsible is MOCI with support from Universities; OCS; Madayn; Education Council; MOE; MOHE; MOM; MOH; Tanfeedh; NTF; SQU; Manufacturing Association; OCCl; and Engineer Assoc. Deployment is for most of the plan's period and costs are mainly operational.

**3.2.2.2. Further Develop Madayn Industrial Academy (MIA).** Focussing on the delivery of TVET, establish a TVET unit at MIA staffed with at least three TVET experts with similar qualifications to those outlined for the MOCI TVET expert. Elaborating an organisational development plan to turn MIA into a stand-alone agency that serves as a TVET knowledge and development hub for the industrial sector. Elaborating an organisational development plan to turn MIA into a stand-alone agency that serves as a TVET knowledge and development hub for the industrial sector. Charging MIA with the following duties: a) Establishing TVET advisory services at MIA and elaborating information material on TVET addressed to companies; b) Implementing information and awareness campaigns addressed to the wider public and to particular stakeholders (companies, BMOs); d) Elaborating programmes to strengthen in-company training schemes and to expand work-based learning opportunities; e) Cooperating with education sector stakeholders and with BMOs and act as an intermediary between TVET and educational institutions and companies; f) Establishing a contact point at MIA for the placement of TVET teachers and students in internships in the manufacturing sector; g) Supporting BMOs to develop TVET activities. Indicators are TVET Unit at MIA set, MIA organisational development plan approved, and MIA duties expanded. Main responsible is Madayn with support from MOCI; MOM; OAAA; NTF; OCS; Manuf Assoc; OCCl; and Engineer Assoc. Deployment is for the whole period and there are some operational costs.

**3.2.2.3. Develop TVET advisory and support services at MIA, elaborate information materials as well as awareness raising campaigns addressed to companies and BMOs.** Launching awareness raising campaigns to convince companies and BMOs of the benefits to engage in TVET and use a variety of channels (website, brochures, lectures and seminars). Using companies with successful training schemes and established relations with educational institutions (e.g. Sohar Aluminium, Oman Fibre Optic, National Pharmaceutical Industries) as good practice examples and change agents. Disseminating among companies the benefit of engaging in TVET: Reduced (re)training costs; Secured supply of qualified staff; Higher productivity; Lower recruitment costs; Increased loyalty; Standards and curricula based on business and industry

requirements; Better company image. Establishing advisory and support services at the MIA TVET unit that can be contacted by companies, aimed specifically at supporting companies in setting up or improving in-company training schemes. Elaborating a TVET handbook in cooperation with MoM and BMOs containing a description of the national TVET system, an explanation of the benefits for companies that conduct in-company training, information about subsidies and support services, as well as good practices and examples of other companies that have already established well-functioning in-company training schemes. Distributing and marketing the handbook through MIA, BMOs and other stakeholders as well as online. Indicators are N° of awareness raising campaigns, MIA advisory & support services set, TVET Handbook published. Main responsible is Madayn with support from MOCI; MOM; OAAA; MOH; NTF; OCS; Manuf Assoc; OCCI; and Engineer Assoc. Deployment is for the full period and costs are mostly operational.

**3.2.2.4. Standardise and align the public and private education sectors.** Putting in place a strong system of standardisation and certification to avoid fragmentation and quality decrease. Improving regulations for teacher training at private training institutes and impose the mandatory requirement for teachers to dispose of work experience and adequate knowledge about practical work processes. Enhancing regulatory capacities, employing additional staff and ensuring professional development of staff at ministerial level. Standardising private TVET teacher education and requiring them to abide by national standards and be aligned with public sector regulations. Indicators are the standardization & certification system set, regulations issued for teacher training at private institutes, and private TVET education standardised. Main responsible is the Education Council with collaboration from MOCI, TVET Council; MOH; MOM; MOE; and MOHE. Deployment is for most of the plan's period, and there are no significant costs.

**3.2.2.5. Set up technical training programmes for SMEs in cooperation with Riyada.** Offering SME targeted MIA training programmes at the managerial and administrative level, in cooperation with Riyada. Negotiate a Cooperation Agreement between MIA and Riyada. Collect and systematise SME's technical skills requirements through Riyada. Elaborate specific technical training programmes for SME staff. Promote training programmes (websites, brochures) and advisory services by Riyada and MIA. Indicators are N° training programmes at managerial and administrative level, Cooperation agreement between MIA and Riyada signed, N° of specific technical trainings. Madayn is main responsible with collaboration from MOCI and Riyada. Deployment is for most of the plan's period and main costs are operational.

**3.2.2.6. Establish working relations with the Education Council and seek membership.** Involving systematically MOCI and BMOs in education and TVET policy making to ensure that the national TVET system is able to supply, in a sustainable way, a skilled workforce in congruence with the requirements of the manufacturing sector. In the longer term and depending on the evolvement of BMOs at the level of TVET activities, MOCI could also seek for membership of BMOs in the Education Council. Improving the quality of TVET by strengthening the linkages between educational institutions and the world of work. Organising MOCI lobbying with the Education Council and the respective education stakeholders for the short-term implementation of policies to improve the quality of TVET by means of strengthening the linkages between

educational institutions and the world of work. Establishing vocational secondary schools and expand internships and other short forms of work-based learning. Developing work-based learning for TVET teachers. Seeking in the medium term MOCI membership with the Education Council to ensure that the industrial sector's skills requirements are adequately and systematically considered in education and TVET policy making. Lobbying in a longer-term, and depending on the involvement of BMOs at the level of TVET activities, for membership of BMOs in the Education Council. Promoting a structured dialogue between MOCI and the education sector stakeholders for the establishment of a TVET Council where MOCI has membership and industry is involved with a view to the 4IR and technological innovation. Indicators are the N° of BO in Education Council, N! new Vocational secondary schools set, and MOCI becoming member of Education Council. Main responsible is MOCI with collaboration from Education council; Manuf Assoc; OCCI; Engineer Assoc; and MOM. Some activities run the whole period while others start in the medium term. Main costs are investments for building up new vocational schools.

**3.2.2.7. Cooperate with the Occupational Standards Centre (OSC) in developing National Occupational Standards (NOS) for the manufacturing sector.** Setting up a cooperation agreement with OSC and provide it with active support for the development of National Occupational Standards - NOS in the manufacturing sector. Ensuring that, at the initial stage, MOCI (after recruitment of a TVET expert) in cooperation with OSC, design an appropriate plan for the implementation of NOS development and setting up of Sector Skills Units - SSU in the manufacturing sector, responsible of being one voice of the industry, assessing skills gaps and on this basis develop occupational standards with the support of OSC, and control all affairs of skills development in the sector, including assessments and quality assurance. After having developed their TVET capacities, MIA must initially assume the leading role of coordinating standardisation processes in the manufacturing sector, while supporting BMOs in the medium term in order to enable them to play this role in the future. Elaborating an information campaign addressed to BMOs and companies on SSUs and NOS (brochures, websites, social media, lectures, workshops. The early setting and enforcement of National Occupational Standards – NOS in manufacturing sector could also be seen as a Quick Win. Indicators are National Occupational Standards in manufacturing set with MOCI participation, and N° of information campaigns addressed to BMOs. Main responsible is MOCI with cooperation from OSC and Madayn. Deployment is for most of the plan's period and there are no significant costs.

**3.2.2.8. Negotiate a cooperation agreement with the National Training Fund (NTF).** Setting as general objective of this agreement to establish a sustainable and long-term TVET culture in the manufacturing sector, but also consider the covering of immediate training needs of single companies. Designing carefully the NTF's role in this agreement for complementing rather than duplicating MIA's role. Ensuring in the cooperation agreement releasing NTF funds for programmes designed by MIA so as to sustainably cover skills requirements of the priority sectors and to further a training culture in the sector rather than providing gap filling. Elaborating an information campaign (brochures, websites, social media, lectures) on NTF offers addressed to BMOs and companies in the priority sectors. The only indicator is the agreement with NTF signed. Main responsible is MOCI with support from NTF and Associations (engineer, manufact, OCCI). Deployment for negotiating the agreement is for the first

years and activities run for the rest of the period. This activity courses no significant additional costs,

**3.2.2.9. Support Business Membership Organisations (BMOs) and foster their involvement in TVET.** Strengthening BMOs with a view to capacitating them in the medium to long term to fulfil the task of intermediaries between companies and TVET institutions. Providing capacitating workshops for BMO staff to strengthen BMO service offers (e.g. provision of market and business data and information, to consultation services in areas such as import, export and labour laws). Engaging on information and awareness raising campaigns to encourage companies to seek membership in BMOs (brochures, websites, social media, workshops, lectures). Using MOCI website to share information on BMO's services and organise common information and discussion forums with MOCI and BMO representatives. Providing tax incentives to companies for joining BMOs that have been approved by MOCI for this purpose. Encouraging companies to seek membership in BMOs and support, In the long term, the establishment of sectoral BMOs. Organising seminars and workshops to raise BMO awareness about the importance of private sector TVET involvement. Undertaking information campaigns, seminars and workshops, in cooperation with OSC to raise BMO awareness about the establishment of stakeholder dialogue forums on skills and training issues and about the development of National Occupational Standards (NOS). Organising capacitating workshops to enable BMOs to offer TVET-related services (information, advisory services, skills assessments, networking etc.) to their members and to represent the industries' voice at the level of policy making (e.g. drafting BMO TVET Position Papers, participating in cooperation bodies, networking). Providing subsidies to BMOs for offering TVET services. Indicators are N° of trainings for BMOs, N° of workshops to strengthen BMO service, tax incentive set for companies to join BMOs, N° of sectoral BOMs formed, subsidies allocated to BMO for offering TVET services. Main responsible is MOCI with cooperation from Associations (engineer, manufact, OCCI) and OCS. Deployment of these activities is for the full period and costs are mainly operational.

**3.2.2.10. Establish TVET research capacities at existing universities and other research institutions.** Establishing a TVET related research unit at the education or economics departments of Sultan Qaboos University or any other university dedicated to basic research. Promote applied research with the industries' involvement at Universities of Applied Science, Technological Colleges or specifically set up research institutions. Establish intermediate research and technology organisations (RTOs), governed and financed by the public and private sector, linking public and private innovation efforts to conduct research on skills development and act as networking hubs. Indicators are TVET Unit at Sultan Qaboos University Set, N° of research projects running, N° of RTO set. Main responsible is MOCI with cooperation from Universities (MOHE; MOH). Deployment is for the whole period and costs are mainly operational to fund universities' activities.

### **3.2.3. Promote TVET efforts and ensure they are as close as possible to the workplace**

**3.2.3.1. Design training programmes for in-company trainers.** Making MIA to design, in the short term, training programmes for in-company trainers to develop specific didactical skills and incentivise participation. In the medium term, set by MIA in co-operation with MOM, OSC and NTF, standards for in-company trainers' skills as a means to secure training quality in the whole sector. Developing minimum standards, based on

surveys of existing training practices, as a first step to obtain quick results helpful for raising skills levels in SMEs. Indicators are N° of training programmes for in-company trainers, Minimum standards set for training practices. Madayn is responsible with support from MOCI; MoM, OSC and NTF. Deployment is for the short to medium term and there are some operational costs.

**3.2.3.2. Develop work-place learning opportunities for TVET teachers.** Including in the TVET teacher education curricula mandatory training at workplaces, ideally already at pre-service level, also including in regular in-service teacher training stages at workplaces and exchange with companies. At an initial stage, enhance TVET teachers' work-place experience with company visits and projects at companies. At a later stage, make compulsory longer internship. At medium to longer term, make previous work experience as an employee compulsory for TVET teacher and trainer applicants. Standardise and align regulations for private institutions with those for public sector TVET teaching in order to improve TVET teacher training quality at private institutions. Cooperating with MOHE and MOM in designing the curricula for TVET teacher education (including those of private institutions), and lobbying for mandatory workplace training units in this curriculum. Establishing a contact point at MIA for the placement of internees in companies and to act as an intermediary between companies and colleges for internships and other forms of work-based learning (company visits, practice projects etc.) for TVET teacher candidates. Elaborating an information campaign (including brochures, websites, social media, workshops, seminars etc.) to make companies cooperate with educational institutions in offering internship places for TVET teacher candidates. Providing incentives for companies that enter into systematic cooperation agreements with colleges, including company internships. Developing schemes that make attractive employment as TVET teachers for company employees, including schemes that allow for company employees to work part time as TVET teachers. Indicators are Workplace training made mandatory for TVET teacher education, and Longer internships made compulsory. Madayn is main responsible with support from MOCI; MOM and MOHE. Deployment if for the short to medium term and some operational costs are involved.

**3.2.3.3. Expand internships for work-based learning and improve their quality.** In the first stage prefer short forms of work-based learning over longer-term apprenticeships. Making internships in appropriate work places mandatory in vocational and technical colleges from the first year on, lasting one to three months per year. Integrating into the curriculum all other types of secondary schools, short forms of work-based learning, such as company visits, practice projects etc. Ensuring that work-based learning initiatives are fruitful, avoiding that students just spend their time at the workplace without any linkage to their school programmes, and integrating work-based learning initiatives meaningfully into the curricula. Establishing a contact point at MIA for the placement of internees in companies which should act as an intermediary between companies and TVET institutions for internships and other short forms of work-based learning (company visits, practice projects etc.). Elaborating information and mobilisation campaigns to convince companies to provide internship places, and introducing incentives for companies that adequately train internees. Assessing existing internship schemes in priority sectors in terms of their lengths, attractiveness and effectiveness. Also, cooperating with education authorities to develop minimum standards for internships, including the requirement of a qualified

supervisor, definition of learning outcomes, and adequate integration of the internship in the school curriculum. Cooperating with education authorities to develop guidelines for companies, including general information about the country's TVET system, tasks and competencies (knowledge, skills and attitudes) expected from HR managers and in-company trainers who supervise trainees and internees, relevant legal frameworks about work-based learning programmes, and information regarding the assessment and certification of trainees. Cooperating with education authorities to develop guidelines for participating students providing information about the specific learning outcomes, duration of the work-based learning phase, roles and responsibilities of the different parties involved in the programme, as well as workplace regulations. Through dialogue with education authorities, ensuring suitable follow-up measures at school level, and integrating learning processes at the workplace into the school programmes, including the definition of learning outcomes and documentation of students' experience at the workplace. Indicators are Internships made mandatory, MIA contact point set for placement of internees in companies, Minimum standards for internships set, guidelines for students developed and set. Guidelines for companies developed and set. Madayn is main responsible with cooperation from MOCI; MOHE; MOM; Universities; and Education Council. Deployment is for the full period and there are no significant additional costs.

**3.2.3.4. Enhance other forms of work-based learning.** Developing other possibilities of bringing schools and work places closer, including integration of experts from companies and work places into school and school-based TVET, establishment of advisory boards at vocational and technical colleges, company visits, small projects and so on. Taking advantage of OMA's openness for short forms of work-based learning to help the opening of industrialist's mind towards TVET involvement at a later stage. Making the contact point for internships and work-based learning at MIA to develop information material, in cooperation with BMOs, and providing advice to companies on how to support schools: include lectures by company experts as guest teachers in schools, small projects, company visits by students, and workshops. Establishing advisory boards at vocational and technical colleges comprising representatives of companies, and assigning them an important role in helping TVET institutions to adopt more demand-oriented curricula, and for strengthening the work-based component of their curricula and improving their management. Charging MIA with elaborating information material and providing advice to companies. Indicators are N° of advisory boards set and information material developed. MOCI is main responsible with cooperation from Madayn; OCS; MOF; Tax Authority; MOM; Assoc (Manuf, Engineer; and OCCI). Deployment is for the full period and costs involved are not significant.

**3.2.3.5. Develop incentive schemes.** Commissioning a study to elaborate a proposal of incentives for in-company training and technological upgrading and lobbying with the Ministry of Finance for its approval. Granting subsidies for specific training of in-company trainers, following minimum standards elaborated by MIA which can be combined with the requirement for technological upgrading). Managing the incentive schemes (tax, grants, subsidies) comprising in-company training and technological upgrading combined with mandatory recruitment of Omani workforce. Establishing in-company training programmes that include technological upgrading and are aligned with the curricula of TVET colleges, aimed to ensure that trainees are trained beyond the immediate work processes of the respective companies and hence receive a more

standardised training. Using the National Occupation Standards (NOS) in the medium term to serve as a basis for in-company training curricula. Establishing cooperation schemes with Vocational and Technological Colleges covering mandatory internships of TVET teachers and TVET students. Making BMOs that develop TVET activities eligible for subsidies. Ensuring that subsidies do not cover a high share of or all training expenses, to avoid that companies implement training primarily because of the subsidies available and not because of their self-interest. Main indicators are Study and proposal for incentives to in-company training presented, N° of grants awarded, N° of in-company training programmes, and N° of BMOs receiving subsidies for TVET activities. Main responsible is MOCI with support from Madayn; OCS; MOF; Tax Authority; MOM; Assoc (Manuf, Engineer; and OCCI). Deployment is for most of the period and there are some expenses associated to the funding scheme.

**3.2.3.6. Launch awareness raising campaigns to improve the public reputation of TVET and manual work.** Designing and launching awareness raising campaigns to improve the public image of TVET and careers in the industrial sector. Utilising different communication channels, e.g. career fairs at schools, colleges and universities with industry experts; media appearance, social media, websites and brochures. Using success stories from TVET alumni to show that TVET graduates are highly employable and that TVET helps in establishing one's own business. Indicator is the N° of awareness raising campaigns launched, MOCI is main responsible with support from Madayn; MOM; and Education council. Deployment is for the full period and costs are not significant.

#### **3.2.4. Ensure Sufficient Funding for TVET**

**3.2.4.1. Introduce a training levy.** Negotiating a training levy scheme within government and with stakeholders (BMOs) that requires all registered companies in Oman, above a certain annual payroll (t.b.d.), to pay a percentage of their payroll (e.g. between 0.3% and 0.5%) into a training fund. Exempting smaller firms and SMEs from the training levy. Redistributing the funds as subsidies to companies that engage in training activities (including SMEs). Making MOCI responsible of collection and administration of the levy in the manufacturing sector: in the medium-term administration may be handed over to a body that allows for stakeholder involvement (e.g. the Chamber of Commerce) in order to increase acceptance. Defining eligible activities for subsidisation as those linked to an incentive scheme in order to avoid improper and misuse of the funds. Elaborating an information campaign (including brochures, website, social media, lectures and seminars) addressed to BMOs and companies to raise awareness about the purposes of a training levy and to increase acceptance among companies. Indicators are the training levy scheme set, and the N° of companies subsidised. Main responsible is MOCI with support from MOM; Riyada; MOF; Associations (OCCI; Manuf; Engin). Deployment is for the whole period and no significant costs are involved.

**3.2.4.2. Pool public and private resources by establishing national TVET centres of excellence.** Assessing jointly (MOCI and MIA) the priority sectors in order to determine in which sectors centres of excellence would make sense and whether there are companies with high quality in-house training facilities that could serve as hosts for the centres. Deciding the funding model for centres between two options: a) a public-private-partnership agreement where the public sector provides the training facilities, while

the entire operation of the centre is taken over by business and industry; b) government funding and operation, but with extensive mobilisation of additional resources from business and industry. Elaborating a detailed implementation plan by MOCI, MIA and TVET experts, in cooperation with other stakeholders. Indicators are the N° centres of excellence set, and the implementation plan elaborated. MOCI is the main responsible with support from Madayn; PAPP; MOM; MOF; Educ Council. Deployment varies in the plan's period and costs involved mainly investment budgets for building the centres of excellence.

**3.2.4.3. Require Foreign Direct Investors to fund TVET Training in order to meet their investment project's skills demands.** Requiring FDIs, as legally registered companies in Oman, to pay the training levy. Drafting and monitoring agreements by MOCI once TVET capacities have been established, including specific requirements to set up in-company training facilities or to fund training. Charging MIA to act as a point of contact for designing and setting up concrete training facilities and to offer advice and counselling to companies for setting up in-house training facilities or act as an intermediary for companies in finding adequate training partners. Establishing that requirement to fund TVET training must include the provision of technology and machines required to prepare students or existing workers for the specific tasks they will perform in the investment project. Indicators are the amount collected by training levy, and the N° of monitor agreements signed. MOCI is the main responsible with support from MOF; Madayn Academy; Tax Authority. Deployment is for the full period and there are no significant costs.

### 3.3. Improve SME operation conditions

#### 3.3.1. Support easy technology transfer and proof of concepts

**3.3.1.1. Make available Turnkey Business Projects.** Providing assistance to interested parties to update these projects and to follow Riyada and Al-Raffs Fund's procedures for accessing finance. Disseminating information on turnkey projects as example guides for developing good business plans (short and with robust information): classic turnkey projects are bakeries, factories of bottled water and juices, pharmaceutical factories, etc. One turnkey project working could be a Quick Win. Indicators are the N° of projects updated, and the N° of projects working. Main responsible is MOCI with support from Al Raffd; Riyada. Deployment is for the full period and there are some operational costs.

**3.3.1.2. Make available information on Technology and Commercial Packages.** Disseminating information on the type of technology more adapted to pre-defined small businesses, potential costs involved and the amount of finance required: classic examples are production of biscuits, bottling machines, pharmaceutical factories, grocery stores, retail store implementation, etc. Indicator is technology information disseminated with MOCI as responsible, deployment is for the full period and costs are not significant.

**3.3.1.3. Provide funding for Proof of Concepts.** Provide funding for a maximum value of OMR 30 thousand to innovative proposals requiring to carry out a proof of concepts. Indicator is the funding mechanism set, and sole responsibility is for MOCI, being activities deployed the full period with a budget required for funding innovative proposals.

**3.3.1.4. Establish accelerator programs to support manufacturing companies.** Identifying a potential partner in Oman and a potential partner in a strategic commercial country to set the accelerator. Establishing the application criteria and selecting the companies to participate in the program. Defining the terms of participation: shareholding, grants, financing that the government of Oman agrees with those accelerators. Indicators are the accelerator set, N° of companies participating, terms of participation defined. MOCI is main responsible and collaboration from OTF; Riyada. Deployment is varied and budget is required for funding accelerating companies.

### **3.3.2. Introduce hard and soft marketing infrastructure**

**3.3.2.1. Support the creation of commercial infrastructure (retail areas) in attractive commercial locations for local SME in order to facilitate market access.** Provide at special prices attractive business premises for SME, close to large consumer markets (location and infrastructure), in particular for micro entrepreneurs with traditional activities. Access based on their participation in training and improvement processes such as marketing and commercialization issues. Indicator is the N° of premises made available at special prices for SME. MOCI is main responsible with support from OMRAM. Deployment is for the whole period and costs are mainly to build premises, but these costs are almost fully recoverable.

**3.3.2.2. Create a Marketing Board for the support of development and improvement of SME products.** Providing capacity building and professional advisory for the improvement of SME's marketing and trade capabilities, in: Brand design, brand positioning; Packaging enhancement; Mass marketing, network marketing, etc. Research markets to identify specific products with potential to be produced by SME in Oman and making this information available to the business community. Indicator is the setting up of the marketing board. MOCI is responsible with support from Riyada and deployment is for the whole period. Costs are mostly operational.

**3.3.2.3. Develop a Sales Promotion Program.** Organizing BtoB and BtoC networking events to present incubated new products and services to potential clients. Performing sales campaigns i.e. promotion of new commercial centres for SME. Promoting products and sales points through advertisement, as part of Marketing Board activities and strategies. Indicators are the sales promotion programme running and the N° of sales campaigns. Main responsible is the Marketing Board with support from the export promotion agency (Ithraa). Deployment is for the full period and costs are operational ones.

**3.3.2.4. Create a program of itinerant Pop Up Stores.** Establishing itinerant stores available to Omanis' SME within short periods, in strategic locations, and open to exhibit and sale products on specific dates in certain streets and cities with a high demand for consumer goods. Indicator is the N° of Itinerant Stores opened. MOCI is responsible with support from Riyada. Deployment is for the full period and costs are operational.

### **3.3.3. Improve access to foreign markets**

**3.3.3.1. Perform an Easy Export Program.** Allowing everyone to export products from post offices in Oman: requires online availability of export forms and/or physically in each post office, and size and weight regulations. Indicator is the value of exports using post offices. Achieving a significant value of exports by using post offices can also be shown as a Quick Win. Main responsible is the Post Office with support from Riyada. Deployment is for the full period and costs are not significant.

**3.3.3.2. Facilitate E-Commerce for SME.** Stimulating SME development by promoting market expansion through e-commerce: offering basic orientation in e-commerce activities, including fully or partially paid induction courses, advanced courses, and special training provided by Riyada with expert partners. Integrating the Easy Export programme with the National Post: working with Oman Post on e-commerce solutions, delivery and returns (national and international) as well as pick and pack services. Facilitating access to e-payment services: through Riyada negotiate lower costs with current payment platforms such as PayPal, Stripe, and others. Indicators are the N° of courses offered, the Easy Export programme running, and access to e-payment services assured. Main responsible is Riyada with support from MOCI and deployment is for the full period, while costs are mainly operational.

**3.3.3.3. Promote logistics services for SME in foreign markets (Common Bonded Warehouses).** Encouraging setting up services of common bonded warehouses in foreign markets. Providing support to create alliances with fulfilment companies on specific countries and negotiating special rates for services. Setting up government managed, owned or leased, bonded warehouses when necessary. Indicators are the N° of common bonded warehouses set, the N° of alliances with fulfilment companies, and the N° of government managed bonded warehouses. Responsible is MOCI and deployment is for the full period. Costs are mainly operational to manage the warehouses.

**3.3.3.4. Create Foreign Exhibition Centers.** Setting up exhibition centres in strategic countries to display Omani SME products and services for BtoB and BtoC clients. Indicator is N° of exhibition centres set. Responsible is MOCI with support from OTF; Riyada. Deployment of activities is for the full period and exhibition centres require a considerable budget.

**3.3.3.5. Set up an Internationalization and Export Oriented Program in partnership with accelerator.** Establishing alliances with accelerators and agencies promoting SME's development in order to boost SME internationalization. Indicator is N° of alliances established. Responsible is MOCI with support from Export promotion agency; Riyada. Deployment is for the full period and there are some operational costs to be covered.

### **3.3.4. Improve SME productivity and quality.**

**3.3.4.1. Set up a Business Digitalization Program.** Providing consulting services, grants and financing for companies to invest in business digitalization. Consulting services include: E-commerce services and consulting, Design services, Crowd funding solutions, CRM tools, Electronic banking and global money transfer solutions, Data security and cyber-crime, Digital administration (documents, etc). indicator is Business digitalization set.

MOCI is the main responsible with support from Export promotion agency; Riyada. Deployment is for the full period

**3.3.4.2. Set up an SME Business Platform for information access and exchange and dealings.**

Platform to be dedicated for the use of SMEs as a source of information, networking and for doing business, specially with other SMEs (B2B). In order to develop the platform it will be necessary to consult with possible users and prepare a feasibility study on the platform. It will be necessary to raise the funding from the Ministry of Finance prior to develop the programmes. The program itself will have to be tested and a support team established. Once the platform is running awareness must be created among users, who will also have to be trained in its use.

**3.3.4.3. Create a Process Optimization Program.** Offer assessment and process improvement advise through consultants focussing on increasing SME's productivity in production and sales: production and sales process evaluation, evaluation of technological state, improvement plan proposal, financing proposal for technological investment.

**3.3.4.4. Create a program of Standards and Quality Assurance.** Evaluate SME participant's quality of strategic processes. Implement improvements of quality processes. Support quality improvement processes among SME. Certify companies for the Supplier Development Program and for tendering programs when required.

**3.4. Increase use of domestic resources by increasing local content and the role of local suppliers in manufacturing**

**3.4.1. Start a manufacturing national In-Country Value (local content) initiative.**

**3.4.1.1. Ensemble policies and government activities aiming at implementing an industry wide minimum level of local content.** Initially target the 30-50 largest companies (more than 100 employees) to require meeting the minimum local content level. Hiring a dedicated small staff of experts required to run the program, familiar with a diversity of topics, from economic and statistical analysis to functioning of supply chains and the management of small businesses. Adapting governance process and models from ICV program headed by MOG to MOCI program, learning the lesson from the governance and implementation process of the existing ICV program. Meeting with stakeholders to ensure support for the program. Establishing a budget for MOCI to finance all the programmes and their related activities, and to ensure the proper implementation of the programme. Indicators are N° of companies meeting local content level, Team of experts hired. Main responsible is MOCI with support from Companies; MOG ICV; MOF; SCP. Deployment is for the full period and costs are operational.

**3.4.1.2. Build the legal and analytical infrastructure to implement successfully the Local Content Program.** Conducting a detailed legal analysis on WTO and GCC trade agreement restrictions and implications of the proposed policy. Identifying the 30 largest manufacturing corporations in Oman. Selecting 3 large manufacturing companies for the pilot program, preferably state owned, to test if all the processes are functioning correctly. Building a complete database of manufacturing SMES to centralize the information and facilitate the reach of SMEs by large corporations, and in the future by new investors. Conducting a survey of SMEs capabilities for pilot

project. Undertaking GAP analysis of 3 large corporations from pilot program to learn the difference existing between the products offered by the local SMEs and the requirements of the large corporations, vis-à-vis a set of metrics including price, design, volume, quantity, sales service, and even social and environmental impacts. Calculating minimum local content requirements each corporation should achieve per year (expressed in %) and submit it for comments and suggestions from each large corporation. Conducting a series of meetings with participating corporations in the pilot program to capture comments suggestions and eventually ensure agreement on the minimum local content value per year and its rate of growth, the formula used, the data required, etc. Developing the digital tools for Large Corporations to share the local content data with MOCI. Develop the tools to be used by the suppliers/ SME to measure the value of their local content, based on a set of common formulas and definitions. Main indicators are Legal analysis carried out, Pilot programme set, Database built, GAP analysis of corporation carried out, and agreements on local content reached with corporations. Main responsible is MOCI with support from Companies and MOFA. Deployment is for the short term and there are some additional costs to cover.

**3.4.1.3. Implement the pilot program.** Negotiating and signing a Memorandum of Understanding (MoU) with the 3 selected Large Corporations. Analysing the data submitted by Large Corporations and evaluating the pilot program. - Evaluate the pilot program after 3 years based on the indicators selected for success. One indicator is 3 MOU signed. Main responsible is MOCI with companies' participation, deployment is for the medium term, and there are no significant costs.

**3.4.1.4. Roll-out the Local Content Programme.** Doing the gradual roll-out of the local content program after the pilot program is completed in year 3 and involving a group of 7 corporations entering the program every 3 years. Selecting Large Corporation by batches prioritizing those corporations with the largest volume of imports. Conducting a larger survey of SMES (apprx 300 to 500 SMEs) focused on manufacturing activities with the purpose of obtaining important data on SMES capabilities to supply large manufacturing activities, and thus assess local content policies and help design suppliers development programs. Conducting GAP analysis to identify the GAP between Omani SME ecosystem to support participating large corporations' supply requirements. Calculating Minimum local content requirement based on an agreed formula for the minimum level of local content to be met by each participating large corporation. Consulting with participating Large Corporations the local content values to be submitted to MOCI, and the implementation and process of the Local Content Program. Also, asking the large organizations to sign a MoU expressing their commitment to adhere to the program and the agreed values. Using data from the large corporations reporting of implementing their agreed local content objectives to evaluate the impact of the program. Based on the results and data reported to MOCI, identify which corporations have met the results and their cost structure, and therefore can access fiscal incentives. Using the data gathered by Large Corporations to assess the results of local content according to KPIs. Indicators are N° of corporations involved, survey of SMEs carried out, N° of MOU signed with large corporations.

**3.4.1.5. Update and improve SANAD Services.** The SANAD network of offices providing services accessing government to SMEs has contributed significantly to the efficiency of firms. However, over recent years their delivery may have deteriorated so it is necessary to review the Status of the SANAD offices in the country, in particular whether their mandate to help the public to process government applications (linked to government departments through the e-government) is being fulfilled adequately. The review should be conducive to a program to enhance quality, standardise services and improve customer satisfaction and it should be accompanied by efforts to train promoters and employers in customer care, systems, and procedures.

### **3.4.2. Introduce a Suppliers Development Programme**

**3.4.2.1. Implement a Supplier Development Program (SDP).** Promoting linkages between SME and Large Enterprises (LE), targeting specific SME and LE in order to increase commercial ties. Selecting three large corporations to participate in the pilot SDP preferably from the same industrial activity or closely related industrial activity. Meeting with the selected large corporations to explain the objectives, functioning, implementation process and expected outcomes of the SDP. Signing a MoU with the selected corporations to ensure their commitment to the program. Selecting one consultant for managing and implementing the SDP in each large corporation (total of 3). Selecting participating suppliers by large corporation: Requirements to qualify for the SDP: a) Being in Oman, b) Large share of their products processing activities is done in Oman. Explaining to large corporations and suppliers invited the functioning and objectives of the program and consult them for the agreement on the roles and responsibilities of suppliers' management and staff. Hiring consultants to complete a detailed analysis and diagnostic of each of the suppliers from their assigned large corporation and use this information to guide the implementation of the SDP to each supplier. Providing support to increase SME's capital endowment (capacity building and technology acquisition - financing). Setting up SDP centres in Special Economic Zones for the promotion of linkages between SME and LE. Selection of 3 large enterprises in the Supplier Development Programme and signing at least one MOU could also be included as a Quick Win. Indicators are N° of SME participating, N° of MOU signed with corporations, and N° of SDP centres in SEZ. MOCI is main responsible and collaborate Riyadh; Asyad. Deployment is mainly for medium term, and there are some operational costs.

**3.4.2.2. Implement a Pilot SDP.** Setting requirements for the graduation and certification of suppliers that have completed the cycle of activities programmed by the consultant in coordination with the large corporation: the supplier will graduate and MOCI will grant a certification assuming that a set of requirements have been met. Asking each consultant to submit a progress report to MOCI, at the end of the program, analysing the outcomes based on pre-identified KPI. Indicator is the Pilot SDP in implementation. Main responsible is MOCI with Riyadh support. Deployment is for medium term and costs are not significant.

**3.4.2.3. Roll-out the Suppliers Development Program.** Selecting large corporations to enter the SDP from each batch being the same as the ones entering the Local Content program. Consulting with each large corporation entering the program to address any issue regarding the functioning of the program, agreement to the roles, responsibilities and commitments from management and staff. Asking each corporation submit to

MOCI the list of suppliers invited to participate in the SDP. Selecting and hiring consultants to manage each SDP with Large Corporation and its list of invited suppliers. Asking each consultant to conduct a detailed diagnostic to their group of assigned suppliers and submit the analysis to their large corporation management. Implementing the SDP program in accordance with the design proposed by the consultants and agreed by the management of the large corporations, their suppliers and MOCI. Indicators are Corporations to enter the SDP selected, SDP programme in implementation. Main responsible is MOCI with Riyada support. Deployment is for the full period, and costs are not significant.

**3.4.2.4. Establish a SME Certification and Monitoring Program.** Creating within Riyada a management area for certification and monitoring involving: identification of participant's main products and services on offer, their production capacity, identification of demanded products and their characteristics, establishment of compliance parameters such as delivery periods, labour standards, taxes, etc. Certifying SME involved in SDP and monitor their performance. Identifying potential local SME that could develop the skills and capacities to become suppliers of new investors in Oman on enterprises focussed on knowledge industrial activities such as pharmaceuticals, electronics, etc: some of those SME may not exist yet, but their business plans and ideas can be guided in a business incubator or accelerator to evolve into real businesses with high growth potential

**3.4.2.5. Provide initial financial support to the Supplier Development Program.** Subsidizing the overall program with government funds for the first 2 years of the implementation by large corporation, and asking the corporation to fund itself the program if they would like to extend the SDP beyond the 2 years agreed. Offering to certified SMEs an entitlement to preferential access to lending for working capital or assets when requiring to finance capacity expansions or new product developments. Granting preferential access to lending for a period of 10 years. Indicators are Subsidy awarded, and N° of SME granted preferential access. Main responsible is MPCI with support from Riyada; Oman Development Bank; Commercial Banks. Deployment is for the full period and there are some operational costs.

### **3.4.3. Stimulate increasing local content through backward linkages**

**3.4.3.1. Local Content program for retailers.** Increasing the shelf space available, and the visibility of products made in Oman, to provide an opportunity for local companies to expand their sales to Omani consumers. Inviting large retailers operating in Oman to assign up to 10% of their shelf space for products made in Oman: this will be applied only to locally owned Omani companies with a production process above 60% made in Oman. Foreign brands are not included even if produced in Oman. Launching a pilot program for a period of 3 years once there is agreement with the largest retailers and a list of local SMEs is identified to participate. Benefitting these SMEs with support from the SDP and other capacity building activities offered by MOCI and its related agencies. Cancelling the program and compensate retailers if after 3 years retailers can show a loss of revenue consistently on a monthly basis, and local brands do not show any increase in sales or acceptance by local consumers, or are still unable to capture market share from imported goods or foreign ones produced in Oman. Re-activate the "Buy Omani" campaign to support this program, addressing some of the issues that resulted in its limited impact before. Indicators are N° of MOU with large retailers, Pilot

programme launched, N° of SME benefitted. Sole responsible is MOCI and deployment is varied throughout the implementation. There are no significant costs.

### **3.5. Start a New Made in Oman Campaign**

#### **3.5.1. Revise the framework created**

**3.5.1.1. Evaluate the previous Origin Oman Campaign.** Assessing the governance and coordination mechanisms put in place. Examining the degree of involvement of public and private partners and their commitment to the initiative. Evaluating whether a unified message about the origin and quality of Omani products was being communicated. Understanding why the first initiative was discontinued or was not pursued domestically forcefully enough after its initial launch. Assessing whether the previous Campaign Logo was retained or a new Logo may be necessary. Indicators are Assessment carried out and Logo selected. Main responsible is MOCI with support from Export promotion agency and Madayn. Deployment is for the short term and there are no significant costs.

#### **3.5.2. Launch a Made in Oman Campaign**

**3.5.2.1. Launch a new Made in Oman Campaign.** Launching the new campaign as a government wide campaign in support of domestic industry. Leading by MOCI but running it is a whole government effort. Ensuring that every single government office at all levels promotes local produce to ensure buy in, not necessarily only industrial. Accompanying the campaign with a massive media effort, using all available mass and social media. Sending a simple unified message promoting local produce because it gives local jobs. Hiring a marketing company to design the campaign and identifying catch words to attract the attention of consumers, e.g. Made in Oman ('the MOM campaign'). Avoiding running Made in Oman as a campaign only for participant firms as it is a public good that can benefit any company producing in Oman. Having a clear definition, widely publicised and acknowledged, of what does MOM mean so that local companies, specially SMEs, can identify with it. Repeating the campaigns every 2-3 years to generate a consciousness of buying local and also link them to efforts to increase local content and build supplier networks. Made in Oman campaigns' effect can only be gauged in the long run. Connecting MOM campaigns to specific Omani products promotional campaigns, opening of Omani products shops, fairs, exhibitions, pop-up stores or markets and/or online promotional efforts. Possibly dedicating one day in the year to buy only Omani products. Evaluating the impact of the campaign on consumers and business to business trade. Indicators are the campaign launched, and campaign impacts evaluated. Main responsible is MOCI with support from Export promotion agency; Madayn. Costs are mostly operational expenses.

#### **3.5.3. Use a Logo that can be retained by consumers and use the campaign to highlight the importance of quality, branding and packaging**

**3.5.3.1. Use a Logo that will last over time.** Introducing a simple Logo that can be easily reproduced by any firm. Announcing the initiative to the productive sector with enough time so that companies can produce their own MOM logos and stickers. Disregarding a 100% homogenisation in its design as it will be unattainable. Only firms

that conform to the definition of MOM can use the Logo. Firms that are not entitled should not be allowed to use them and penalised if they do. Indicator is Logo introduced, main responsible is MOCI with support from Export promotion agency; Madayn. Deployment is for the full period, and there are no significant costs.

**3.5.3.2. Use the opportunity to generate awareness among Omani industry, specially SMEs, on the importance of quality, branding and packaging.** Introducing competitions in selected Omani products for the best quality (also in the B2B segment), branded or packaged product. These can be linked to the consume Omani national day, once a year. Using the MOM campaign to highlight the roles of the certification and standards activities within MOCI. Promoting the Omani Quality Mark and certification. There is no indicator for this activity. Responsible is MOCI with support from Riyada; Export promotion agency; Madayn. Deployment is for the full period and costs are not significant.

#### **3.5.4. Expand Overseas Promotion**

**3.5.4.1. Build on already undertaken foreign fairs and exhibitions of Omani products.** Expanding the number and scope of Omani product fairs and exhibitions abroad, especially in Africa and Asia. Develop a network of commercial attaches as part of the embassies, which should include in selected embassies MOCI personnel. Tasking commercial attaches with identifying foreign firms that could act as agents for Omani companies. Setting up a central procurement platform to provide access to Omani firms about international tenders and procurement notices by foreign governments. Indicator is N° of fairs with Omani participation, Commercial attaches placed at embassy's located on important countries and procurement platform set. Main responsible is MOCI with support from Export promotion agency; MOFA. Deployment is for the full period and costs are mainly operational.

#### **3.5.5. Develop long term allegiance to Omani products**

**3.5.5.1. Make use of a range of enablers to develop consumer and user loyalty to local products.** Making extensive use of ICT support and tools, online platforms as well as social media to promote Omani products. Collaborating with universities and colleges to do market research and identify new marketing channels. Ensure better visibility of Omani products in retail shops. Considering the creation of a marketing board that would promote and distribute Omani products abroad working with Omani embassies and locally through local distributors and retail stores. This would include having the Omani products day both locally and abroad. Indicators are the N° of new marketing channels, and the Marketing Board set.

### **3.6. Restructure Public Procurement to foster local industry**

#### **3.6.1. Set up a SME oriented Tendering Program**

**3.6.1.1. Set up SME focused Tendering Program (Tendering Program I).** Tendering Program for SME focused on small procurement processes with average contracts from OMR 30 to 300 thousand, and annual contracts below OMR 3 million per enterprise. Identifying tenders that can be covered by local SMEs and charge Riyada to develop a database of Omani SMEs that are potential suppliers. Training and certifying supply companies and

establishing an evaluation system of their performance. Establishing a SME Tendering Committee bringing together relevant institutions. Main indicators are N° of contracts with SME, N° of trained and certified companies, and tendering committee set. Main responsible is MOCI with cooperation from Riyadh and the Tender Board. Deployment is for the full period and there are some operational costs.

**3.6.1.2. Implement an SME Leader scheme.** Recommending leader SMEs that meet the specific criteria to partner banking institutions for low cost financing opportunities. Criteria may include no debts to the Tax Office, Social Security or other government bodies; a specific focus on pursuing growth and competitiveness strategies; a risk profile that meets the standards of the different banks' internal systems for credit ratings. Additional performance conditions may be: positive financial outcome in period under review; earnings before interest, taxes, depreciation, and amortization positive in the two years under review; a minimum percentage of equity in assets in period under review – e.g. 30%; a minimum turnover in period under review; a minimum number of employees (e.g. 5 full time) as an autonomous company, in period under review. Indicator is N° of SME participating. Main responsible is MOCI with Riyadh cooperation, deployment is for the full period and there are no significant costs.

**3.6.1.3. Ensure advance and prompt payments to qualifying small businesses.** Simplifying the documents necessary for making payments, including simplified controls. Providing advanced payments to qualifying small businesses. Requesting the procuring entity to pay penalties to suppliers. Indicators are the Average N° of Days for payment, and penalties enacted to be paid by procuring entities. Main responsible is MOCI with support from the Tender Board. Deployment is for the full period and there are no significant costs.

**3.6.1.4. Offer financial assistance to SMEs seeking to bid for contracts.** Helping SME to access capital they might otherwise struggle to receive, and providing low cost financing opportunities with lower interest loans. N° of SME with access to capital and N° of SME with low cost finance. Main responsible is MOCI with support from Riyadh, deployment is for the full period, and funding for finance is needed but other existing funding will be used.

**3.6.1.5. Strengthen capacity building and awareness.** Allocating Riyadh further resources to provide more technical assistance and training services specific to SME interested in participating in the procurement process. Including in the assistance outreach, managerial training, financial management, understanding the public procurement process, access to contract opportunities, etc. Reinforcing a competition approach to public procurement by establishing a memorandum of understanding between the Tender Board and the Competition and Monopolies Prevention Centre to share market information and prevent potential cases of bid rigging or abuse of dominance relevant to tendering. Ensuring that bidders sign a non-collusive tendering certificate to certify they have not been involved in any collusion with other bidders to, for example, allocate bids by agreeing tender prices between themselves. Indicators are N° of technical assistance and trainings provided to SME, and the non-collusion certificate enacted. Main responsible is MOCI with cooperation from Riyadh; Tender Board and the Competition and Monopolies Prevention Centre. Deployment is for the full period and there are some operational costs.

### **3.6.2. Improve the tendering process to encourage local firms to get involved**

**3.6.2.1. Simplify the process of contract awards.** Using in public procurement a Single Procurement Document, based on self-declarations and only ask original documentation in the event of winning. Streamlining the bidding documentation and information, particularly for small bids, for helping to further reduce transaction costs. Increasing SME participation in public procurement tenders by waiving or reducing registration costs for small businesses. Removing for SME the requirement of providing security equivalent to 1% of the total value of the bid with their tender, subject to a certain cap on the contract value (contracts less than 250K OMR). Exempting SME from bidding, registration and tender documentation fees. Making the registration process simple and easy for SMEs. Ensuring that tenders up to 250 thousand Omani riyals are reserved only for SME competition. Requiring companies in the tender bid documentation to be approved for participation in an ICV plan with a list of purchases for local products and a list of SME companies that have been assigned. Establishing a mechanism for implementation of all tender rules as well as effective penalties in cases where the awarded bidders do not use national products or support SME companies. Main indicators are N° of SME participations, N° of SMEs exempted from registration and tender fees, reservation enacted for allocation only to SME tenders up to 250 K OMR. Main responsible is the Tender Board with cooperation from MOCI and Riyada. Deployment is for the full period and there are no significant additional costs.

**3.6.2.2. Increase transparency of public tendering.** Using digital technology, including block chain, in the public sector to enhance efficiency and support the effectiveness of transparency policies by enabling more open, transparent, innovative, participatory and trustworthy procurement system. Indicator is the web page set with all relevant information. Main responsible is the Tender Board with cooperation from MOCI. Deployment is for the full period and there are no significant costs.

**3.6.2.3. Framework Agreements and Contracts.** Using framework agreements to set out the terms and conditions governing contracts with suppliers who are appointed to the framework during the life of the agreement. Using frameworks for the procurement of generic groups of goods, which can range from office supplies to vehicle parts; or services such as financial and legal services, design or management consultancy services; or works that can include road maintenance or construction works; or a combination thereof. Using framework agreements appointing more than one supplier when convenient, and promoting SME participation. Main responsible is the Tender Board with support from MOCI. Deployment is for the full period and there are no significant costs since current budgets of the institutions involved can cover the expenses.

### **3.7. Expand free zones, industrial parks and estates**

#### **3.7.1. Support cluster development growth.**

**3.7.1.1. Invest in SEZ's Common Facilities and Utilities.** Developing common facilities (waste treatment facilities, fluids management, business centres, etc) to boost the attraction of investments from medium-sized companies required to drive industrial diversification. Indicator is the N° of SEZ with facilities built. Main responsible are

ASYAD; Madayn; SEZAD Duqm, with support from be'ah and MECA. Deployment is for the full period and costs are for investment in infrastructure.

**3.7.1.2. Enhance SEZ's attractiveness by providing services and infrastructure.** Attracting anchor corporations to lead a cluster and anchor institutions that can significantly boost the development of a cluster (i.e. hospitals with high quality services, training and education institutes). Implementing adequate employee transport services and good transport infrastructure. Investing in green areas and landscape infrastructure. Indicators are N° of cluster with a lead anchor, N° of SEZ with transport infrastructure and services set, and also N° of SEZ with green areas and landscape infrastructure. Main responsible are ASYAD; Madayn; and SEZAD Duqm, deployment is for the whole period and there are no significant additional costs (most of costs are considered in 3.7.1.1.).

**3.7.1.3. Implement Economic Zones Sustainability Programs.** Promoting programmes to minimize environmental impact of industries, waste management and emissions. Promoting solar energy use for certain locations and recycling management, among others. Indicators are N° of environmental programmes running and N° of SEZ using solar energy. Main responsible is ASYAD; Madayn; and SEZAD Duqm with support from be'ah and MECA. Deployment is for the whole period and there are some operational costs.

### **3.7.2. Increase productivity of special economic zones**

**3.7.2.1. Develop a Cluster Information System.** Creating a Cluster Information System of SZE, for the improvement of management and generation of investment and development opportunities in them. Promoting companies' voluntary provision of information in a digital way, collect and integrate it into the information they already provide monthly or annually to MOCI. Primary information to be captured should be: Production data, Employment data, Information on labour needs, Information on providers that could be served locally or nationally, Information of new facilities and infrastructure available, Companies profitability, freight data, Import-export data, etc. Indicators are the information system set and the N° of companies providing information voluntarily. Main responsible are ASYAD; Madayn; SEZAD Duqm and support must be provided by MOCI and Sanad offices. Deployment is for the full period and there are no significant costs.

**3.7.2.2. Develop an E-Customs System to enhance SEZ productivity.** Creating an E-Customs system to facilitate SEZ trading, accelerate the speed of transactions, and to increase SEZ's efficiency. Indicator is the N° of shared warehouses implemented. Main responsible is ASYAD; Madayn; SEZAD Duqm with support from MOCI; Riyadh; Manufacturing Assoc; OCCI; Engineers Assoc. Deployment is for the full period and there are no significant costs.

**3.7.2.3. Establish Warehouses and Facilities for SME and Business Associations.** Implementing basic infrastructure to promote integration of SME into production clusters, such as: shared warehouses, business centres, Backoffice services, conventions and networking centres for business associations that work with the cluster, if applicable, shopping centres for exhibition and sale of products. Indicator is the N° of warehouses implemented. Main responsible is ASYAD; Madayn; SEZAD Duqm with cooperation from MOCI; Riyadh; Manufacturing Assoc; OCCI; Engineers

Assoc. Deployment for medium to long term and costs are for basic infrastructure investments.

### **3.7.3. Develop strategic industry projects within cluster**

- 3.7.3.1. Develop Strategic Clusters Projects.** Giving impulse to the development of high linkage industrial projects in sectors prioritized by the manufacturing development strategy. Following these steps: Define at least one strategic project per cluster and Identify and attract foreign direct investment for that project, set up joint ventures with majority participation of Omani's capital, and implement offsetting agreements, if applicable. Indicator is the N° of high linkage projects implemented. Main responsible is IPA with MOCI's cooperation. Deployment is for most of the plan's period, and there are no significant costs.
- 3.7.3.2. Attract FDI by offering procurement contracts to joint ventures.** Attracting foreign direct investment with high technological content, inviting Omani companies in joint venture with FDI to tender for ten-year procurement contracts. Tendering must indicate: annual demand to be supplied in accordance with procurement contracts, minimum investment amounts required, maximum percentage of foreign company shareholdings up to 49%, commitment to keep a percentage of Omani workers, and the standard benefits of access to industrial spaces and tax exemptions. Indicator is N° of FDI in JV tendering for procurement contracts. IPA is the main responsible with cooperation from MOCI, deployment is for most of the plan's period and there are no significant costs involved.
- 3.7.3.3. Promote Offset Agreements.** Encouraging investment agreements for technology transfer in prioritized sectors. Agreements must involve: investments for the use of modern technology, specific and advanced training for productive areas, dissemination of best manufacturing practices, internships, 2% and 5% of profits investment in research and development in Oman, starting in year 6 after company creation. Indicator is the N° of offset agreements signed. Main responsible is MOCI with cooperation from IPA. Deployment is for the full period and there are no significant costs.

### **3.7.4. Increase R&D and improve the quality of human capital within clusters**

- 3.7.4.1. Create a Procurement Information Centre.** All clusters should have a Procurement Information Centre with the following characteristics: acting as focal point for the supplier development program, produce and disseminate a database of products demanded by companies that are part of cluster, being able to coordinate activities of training, certification, and monitoring of the quality of products and services provided. Indicator is the N° of Procurement Information Centres (PCI) set. MOCI is main responsible with support from the Tender Board. Deployment is for the full period and costs are mainly for operations of the PIC.
- 3.7.4.2. Establish Employment and Training Centres.** Creating a focal point within each cluster to support employment generation and skills development. Charged with: collecting information on the demand for employment in each cluster, disseminating

this information to local and regional employment and training centres, coordinating with companies in the cluster for the improvement of personnel supply mechanisms, supporting identification of potential employees for current demand, training should be carried out with the support of vocational training centres. Indicator is the N° of employment & training Centres. Main responsible is MOCI, deployment is most of the plan's period, and costs are not significant.

**3.7.4.3. Create R&D and Technology Centres in new Economic Zones.** Implementing R&D initiatives and technological upgrading to promote clusters specialization and/or diversification and to scale up their competitiveness.

### 3.8. Use trade to support manufacturing development

#### **3.8.1. Rationalise existing trade instruments**

**3.8.1.1. Eliminate all current duty exemptions for industrial firms.** Eliminating all tax exemptions including raw materials, machinery and spare parts (list approved by MOCI). Indicator is tax exemptions eliminated. Main responsible is MOCI with cooperation from MOF; Tax Authority; and Customs (ROP). Deployment is for the full period and there are no significant costs.

**3.8.1.2. Examine the possibility of import substitution some large import products not included in priority or high-tech industries.** Evaluating the top import products not in priority or high-tech industries and ranging from auto parts and light machinery to food products with the view of producing them locally for both domestic and foreign markets. Assessing top imports' potential gains from import substitution in terms of output and employment as well as possible short-term costs of doing so. Indicators are evaluation of top imported products completed, and potential gains from import substitution assessed. Main responsible is MOCI, deployment is only in the short term, and there are no significant costs.

### 3.9. Increasing Energy Efficiency in Manufacturing

#### **3.9.1. Introduce energy reporting and auditing**

**3.9.1.1. Establish mandatory Energy Reporting for energy intensive industries.** Requesting energy intensive facilities to maintain an Energy Register at the facility. Including, in data collected, information on industrial production (e.g. total production of different industrial products), information on energy consumption (e.g. quantity and value of different types of energy commodities), self-generated electricity from renewable sources, and if relevant in specific industrial sectors, include information on waste heat (i.e. its sources and amount released) in order to facilitate identifying prospects for heat recovery. Specifying methodology for data compilation and identifying procedures for review, assessment, analysis and follow-up. Setting up reporting to be digital and at least every 3 years (36 months), and considering also yearly reporting. Using data collected from new facilities applying for industrial register as the baseline to which both the facility and the regulator refer, each for its own purposes. Requiring in its report to identify any discrepancies in comparison to

the baseline, or previous period, or throughout the current period as the case may be, and their possible reasons. Undertaking verification, including audits, to ensure the reliability of data reported by the facilities. Indicators are the Energy Register enacted, N° of reporting companies, verification and audit system for data reliability set. Main responsible is MOCI with cooperation from MOG and AER. Deployment is for most of the plan's period and there are operational expenses.

**3.9.1.2. Set up Mandatory Energy Audits, Planning and Reporting.** Preparing audit guidelines, identifying procedures for review, assessment, analysis and follow-up, and consult with target community. Requiring periodic energy audits for facilities every 3 years, in conjunction with the renewal of the environmental permit and the industrial register. Requiring that companies develop a plan for implementing priority energy efficiency measures identified through the audit: the energy efficiency plan must take into account technical factors (e.g. impact on production schedule) and financial factors (e.g. payback period of investment or availability of finance). Facilities should be allowed to tailor their plans according to their needs and capacities, however, all technically viable interventions which pay back is less than a specific number of years should be implemented over a reasonable period of time. Using for pay back a period of 3 years at the initiation of the policy and make it incrementally longer to reach a ceiling of 5 years according to a transparent schedule. Taking ISO 50001 as a base for energy audit standards in order to induce companies to voluntarily obtain the ISO 50001. Ensuring personnel capacity building (regulators and industries) for compliance of these regulations. Indicators are the setting of requirement to conduct periodic energy audits, the setting of requirement for companies to implement planned energy efficiency measures, and the N° of regulators and industries' personnel trained. Main responsible is MOCI with support from MOG and AER. Deployment is for the full period and costs are not significant.

### **3.9.2. Establish energy related technological requirements and performance standards**

**3.9.2.1. Develop Minimum Energy Performance Standards - MEPS to be applied to industry.** Gathering market data regarding the current distribution of industrial equipment being used by industrial facilities (type and size). Identifying key equipment to phase policy accordingly. Building on experience with Gulf Technical Regulation for Low Voltage Electrical Equipment and Appliances. Compiling international standards and assessing applicability to the Omani market to identify the most suitable set of standards. Developing communication plan, especially indicating energy savings resulting from use of more efficient equipment. Issuing MEPS in phased batches covering product definitions, performance levels, test method requirements (the test method, performance measures and test materials), and registration requirements, and specifying the lag needed for policy activation. Focussing MEPS on equipment which a) are high on Potential Energy Saving (priority is to those of higher potential); and b) are used across a large number of industries utilizing it (most cross-cutting is a priority). Indicators are the most suitable set of standards for Omani market identified, and N° of MEPS issued. Main responsible is MOCI with AER support, deployment is for medium term, and no significant additional costs are created.

**3.9.2.2. Set up Mandatory Phasing out of selected low efficiency equipment.** Agreeing on replacement levels (beyond specific age and size to be reduced incrementally with a lower bound, as a safeguard for SMEs, as well as equipment recently acquired) and

conditions for exemption (e.g. efficiency higher than 80% of MEPS). Analysing current data to categorize equipment according to these criteria. Focussing on cross sector equipment, i.e. equipment used in different industrial sectors; such as motors, pumps, air compressors, boilers, etc. Do not mandate replacement for all equipment at the same time, start by older larger capacity equipment, for savings to be larger. Negotiating with suppliers or commercial banks a protocol to schedule payment according to expected energy savings. Developing communication plan, especially indicating energy savings resulting from the use of more efficient equipment, as well as means of financing. Setting a grace period before mandatory implementation to allow voluntary implementation. Preparing decree including transparent action plan. Indicators are protocol to schedule payment according to energy savings agreed, communication plan indicating energy savings developed, mandatory phasing out of equipment enacted. Main responsible is MOCI, deployment is for medium term and there are no significant additional costs.

**3.9.2.3. Introduce EIA requirements for BAT implementation.** Studying implementation experience in Duqm, and identifying specific supporting activities to accompany this policy. Introducing the concept of EIA and BAT to industrial associations, making available a digital portal to international BAT documents, and identifying local cases which demonstrate viability. Investigating the need for certain time lag before implementation. Setting BAT as a requirement for EIA approval of new and expansions/modifications/rehabilitation or replacement activities within existing high intensive projects. Specifying needs for capacity building of regulatory personnel. Developing communication and awareness campaigns in which local cases which demonstrate viability will be reflected. Preparing legally binding guidelines for introducing BAT in EIA requirements for projects. Indicators are the study of Duqm experience completed, requirement of BAT and EIA enacted, N° of communication and awareness campaign launched, and guidelines for introducing BAT in EIA issued. MOCI is main responsible with support from Manufacturing Assoc; OCCI; Sand EZAD Duqm, and deployment is for the full period. No significant costs are created.

### **3.9.3. Allow feed-in into the electric grid**

**3.9.3.1. Encourage grid-connection of green-electricity generated by industrial facilities.** Requesting offers from current generators and consider offers (including price requested and schedule proposed). Setting rules and operational practices for VRE generators and all actors to ensure that electricity service for consumers is secured while deploying and integrating variable sources of power. Developing general pricing scheme, and specify zone of possible agreement on price through an assessment of the cost of supply by industrial facilities and that of alternative sources to the Grid. Consulting with industrial community and prepare communication plan. Preparing and issue Directives governing the relation with generators of power from waste heat. Revisiting current contracts with industrial facilities injecting electricity to the Grid to assess its compatibility with the proposed approach. Indicators are new regulations passed, the pricing scheme set, and directive issued. Main responsible is PDO with support of MOG, deployment is for most of plan's period and no significant costs are created.

### **3.9.4. Generate energy efficiency awareness**

**3.9.4.1. Establish a knowledge and awareness platform for IEE.** Raising awareness and knowledge sharing, by means of AER awareness seminars related to energy efficiency and renewable energy, so as providing training on Energy Auditing on buildings as well as supporting a number of trainees to become certified auditors. Investigating the viability of using existing knowledge platforms (e.g. EJAAD) to communicate with stakeholders. Assessing the potential reach and choosing different platforms to communicate with various stakeholders (e.g. website, round-table discussions, publications). Developing an annual communication plan that dictates when activities will be done and on what platforms. Designing a plan to incrementally develop the platform. Developing a communication plan, including the launch announcement. Indicators are N° of seminars and trainings provided, and communication plan developed. MOCI is main responsible with collaboration from MECA; AER and EJAAD. Deployment runs throughout the whole period, and there are some operational costs

### **3.9.5. Ensure proper gas allocation to manufacturing companies**

**3.9.5.1. Clarify the allocation of gas for use in manufacturing.** The government has been working on and finally established a set of criteria to allocate gas to companies that request it. This provides clarity to companies and is welcomed but it is necessary too to review regularly, every 2-3 years, the gas allocation criteria to align it with manufacturing strategy implementation.

## **3.10. Provide fiscal incentives and measures for local industry development**

### **3.10.1. Introduce fiscal incentives to stimulate investment in manufacturing firms**

**3.10.1.1. Introduce a new 20% tax credit for capital expenditures targeted to medium-high tech industries.** Aiming this measure at increasing capital expenditures within existing firms, so as to complement the selective CIT holiday (which seeks to attract investment in new firms). Targeting the Tax credit to medium-high tech (capital intensive) industries. For new investments in strategic and high-tech industries subject to a CIT holiday the tax credit is applicable only after eight years of having received the CIT holiday and can be claimed against future profits. Indicators are the percentage increase in firms' capital expenditure, and N° of medium-high tech industries receiving the tax credit. Main responsible are MOF and the Tax Authority, and MOCI cooperates. Deployment is for the full period and additional costs are not generated.

**3.10.1.2. Promote the use of the accelerated depreciation among all industries (including new goods that could be demanded by the medium/high tech sector).** Start by promoting the currently available (underused) accelerated depreciation method for capital goods and target all industries. Expand the list of capital goods subject to the accelerated depreciation (e.g. include capital goods that could be used by medium/high-tech industries and 4IR technologies). Indicators are N° of industries using accelerated depreciation, and expanded list of goods subject to accelerated depreciation issued. Main responsible are MOF and Tax Authority, and MOCI collaborates. Deployment is for most of plan's period and there are no significant costs.

### **3.10.2. Adopt fiscal incentives to encourage exports**

**3.10.2.1. Grant custom duty exemptions for export-oriented manufacturers.** Maintaining custom duty exemptions under a rationalized framework (raw materials, spare parts and machinery) and targeting all industries to increase manufacturing exports. Do not provide the exemption when the raw material is produced in the local market. Indicator is N° of industries using custom duty exemptions. MOF and Tax Authority are main responsible, and MOCI and Customs (ROP) must support. Deployment is for the full period and there are no significant costs.

**3.10.2.2. Introduce an Export Duty Drawback targeted at all priority industries.** Calculating the drawback based on the "rate of yield" approved by Customs. Focussing on occasional exporters. Do not provide if raw material is available in the local market. Indicator is the N° of prioritized industries receiving draw-back. MOF and Tax Authority are main responsible with support from MOCI and Customs (ROP). Deployment is for the full period and there are no significant costs.

### **3.10.3. Create fiscal Incentives to promote job creation**

**3.10.3.1. Set up a training subsidy to increase manufacturing job creation in all priority industries.** Promoting and expanding the use of NTF funding for implementing "manufacturing tailored" training programs. Targeting Omanis above 18 years old to award them preference for unemployed/jobseekers. Targeting high tech and priority industries. Indicators are N° of training programs using NTF funding, and N° of High-Tech industries using the training subsidy. MOCI is main responsible with support from NTF. Deployment is for the full period and there are no significant costs.

**3.10.3.2. Set up an employment subsidy to improve job access to all priority industries.** Partnering with NTF for piloting "Employment Subsidies" for newly hired Omani workers in the manufacturing sector. Starting covering 80% of the newly-hired salaries for up to one year and from 2026 on reduce it to 60% also for up to one year. Targeting newly hired Omanis in the manufacturing sector, giving priority to those unemployed over 18 years old with recent training, and industries that have not met Omanization targets. In the longer term target all industries. Addressing the lack of coordination between the Manufacturing sector and the institutions that provide incentives for the training and hiring of Omanis. Indicators are percentage increase in employment due to subsidies, and N° of high-tech using the training subsidy. MOCI is main responsible with support from NTF. Deployment is for the full period and there are no significant costs.

### **3.10.4. Apply fiscal Incentives to promote local purchases**

**3.10.4.1. Set Tax Credits for local purchases.** Awarding a Tax Credit equivalent to double the incremental cost caused by the implementation of local content requirements up to a maximum of 20% of the amount of local purchases (excluding local purchases that receive other incentives). Targeting initially Medium-high tech and knowledge-driven industries and later extend to all priority industries. Corporations involved in local content requirement initiatives will submit the differences in procurement costs before they entered the program to the new costs since they entered the program. If the difference is negative (costs have increased) those costs will be compensated by an order of 2. Indicator is N° of tax credits awarded. Main responsible is MOF and Tax Authority with MOCI's cooperation. Deployment is for full period and costs are not significant.

### **3.10.5. Consider upcoming VAT Implementation**

**3.10.5.1. Decide which goods will be subject to VAT exemptions or zero-rate, following the GCC VAT Treaty Framework.** A zero-rate would be more efficient than exemptions, since the former allows for input VAT credit, hence avoiding the cascading-effect and economic inefficiencies. Considering zero rate VAT for priority products such as pharmaceuticals, medical equipment, healthy foods and some other basic foodstuff. Exploring having a simplified VAT for SME that have optional VAT registration due to their generating 50% of the annual turnover around 40,000 OMR set by the VAT framework of GCC countries. Taking into account the regressive burden of VAT and apply social expenditure compensation measures for vulnerable groups. Establishing Oman's tax administration with a clear business model by stage of tax administration to ensure the successful implementation of VAT. Implementing a taxpayer education strategy along with flexibility in sanctions so that taxpayers are not deterred from approaching the Tax Authority. Indicators are the Zero VAT enacted for priority products, simplified VAT for SME set. Main responsible is MOF and Tax Authority with MOCI's cooperation. Deployment for most of the plan's period and costs are not significant,

### **3.11. Ensure Finance for manufacturing industry**

#### **3.11.1. Develop financial institutions that are solid, provide specialised financing for manufacturing and have the size and the capacity to expand financially**

**3.11.1.1. Set up an Industrial Development Division within Oman Development Bank.** Assisting mainly medium size manufacturing firms to overcome short term financial obstacles. Providing tools and incentives for small and medium size firms to assess their financial feasibility. Exploiting synergies between the public and the private sector to fund manufacturing projects. Offering working capital loans for short term needs of 50K to 150K OMR with the ODB 3% effective rate. Providing loans between 2 and 5 million OMR for expansion and improvement of existing infrastructure, purchasing or new tools and machinery and the like at concessionary rates. Offering loan syndication facilities of up to 5M OMR for medium size firms and 5M to 150M OMR for larger companies. Providing credit guarantees for 3M OMR loans of up to 80% in case of default. Providing subsidies for economic feasibility studies awarded competitively only to small and medium size manufacturing firms. Offering leasing finance in the way of direct lease and sale leaseback. Providing finance for international trade, issuing letters of credit and Documentary Collections. Indicators are the N° of firms assisted, N° and amount of working capital loans provided, N° of loans for infrastructure, N° of guarantees provided, N° of leasing operations, and N° of letters of credit issued. Main responsible is ODB with MOCI's support. Deployment is for the full period and costs involve mainly funding money for working capital and other loans.

**3.11.1.2. Create a Development Bank for Entrepreneurship and SME financing.** Creating a National Development Bank, after the experience of Canadian Business Development Bank, to provide specific loans for entrepreneur community, with "fast lane" approval time, sound mechanism to reduce risk and efficient financial allocation: fast lane for loans below 40K OMR, and leaseback for loans above 40K: machinery,

technology, start up financing and larger credits. Merge under the new development bank the credit facilities of Oman Development Bank, Al Raffd Fund and all other funds aimed at funding SME growth. Develop specialised manufacturing SME credit lines, principally aimed at machinery purchase. Indicators are the National Development Bank created, credit facilities merged, and specialized credit lines set for manufacturing SME. Indicators are the creation of National Development Bank, the merging of all existing credit facilities for SME in the new NDB, and the development of specialised credit lines for SME. Main responsible is SCP with cooperation from MOCI; ODB; Al Raff'd; SMEF; etc. Deployment of these activities is at the end of medium term and in the long term, and costs involve the funding need for loans to SME and some operational expenses.

**3.11.1.3. Examine the possibility of new sources of funding for SMEs.** The need for SME funding cannot be overstated. Hence, it is proposed that studies are conducted on the possibility of developing an SME focused stock market or a quasi-stock market for the funding of SMEs and with the rules adapted to their circumstances. Another modern source of finance that should be evaluated for SMEs are crowdfunding or other upcoming online or otherwise sources of finance.

### **3.11.2. Establish a Venture Capital infrastructure**

**3.11.2.1. Promote the creation of a Private Equity and Venture Capital Organization (PEVCA).** Increasing investors networking, sharing experiences and strengthening of Oman's community of private investors. Playing a role as focal point for other international PEVCA and catalysing cooperation among capital enablers. Enhancing networking, knowledge of new entrepreneurial projects, increasing private equity investment in new Oman's companies, and supporting capacity building in the field. Indicators are creation of PEVCA and the N° of events for enhancing networking, knowledge of new projects, and increase private equity investment. Main responsible is MOCI with support from IDO; OTF; SGRF; and OIF. Deployment is for the full period and costs are not significant.

### **3.11.3. Introduce Funding schemes in support of companies engaged in long-term tendering**

**3.11.3.1. Provide project financing to participants in Tendering Program II.** Offering finance within a range of 0.5 million OMR to 20 million OMR per SME, and requiring down payments from 10% to 30%. Focussing lending on covering the following investment costs: Machinery and equipment, Plant construction (building infrastructure), training workers, Technical and management consultancy. Indicator is the N° of SME financed for tendering, main responsible is ODB with support from MOCI; Tender Board; and Riyada. Deployment is for the full period and costs involve the funding needed for loans.

### **3.11.4. Work with energy and electricity firms and the private sector to provide funding for industrial energy efficiency.**

**3.11.4.1. Encourage private sector financial schemes for implementing EE measures, ESCOs.** Mobilizing technical assistance for ESCO establishment and project implementation. Establishing an adequate enabling environment for ESCOs, including clear energy pricing, making ESCOs better known, raising awareness about energy concerns and EE concerns, and resolving contractual issues, through standard contract compatible

with local legal and regulatory frameworks. Preparing standard documents (EPC) and procedures (e.g. energy monitoring methodology). Creating a Super ESCO, an entity established by the Government which functions as an ESCO for the public-sector market (hospitals, schools, municipalities, government buildings, and other public facilities). It also should support capacity development and project development activities of existing private sector ESCOs, helping to create new ESCOs, and contributing to the development of technical expertise in the field. Getting PDO to provide seed money for the Super ESCO and preparing the business case to raise funds from the capital market. Mobilizing the expertise of international ESCOs through an international tendering process, inviting them to manage the Super ESCO. Including in the tender not only initiating projects, direct implementation utilizing international expertise, but also training and capacity building for the ESCO's Omani personnel who will provide the seed for a national ESCO market. Preparing project pipeline and business case for increasing equity from the Capital market. Indicators are the N° of companies implementing EE measures, the super ESCO created, PDO funding allocated, tendering process completed and international ESCO selected, and the percentage increase in equity from capital market. Main responsible is MOCI with support from PDO, deployment is for the full period, and costs involved are not significant.

## PROGRAMME 4. GOVERNANCE AND MANAGEMENT OF INDUSTRIAL DEVELOPMENT

### 4.1. Upgrade key laws and regulations governing the Manufacturing Strategy 2040 "Manufacturing for Wellbeing"

#### 4.1.1. Update industrial governing and promotional laws and regulations to the new industrial challenges

**4.1.1.1. Review MOCI's industrial functions, structures and organizations in the light of the Manufacturing Strategy 2040 and modify relevant laws.** Creating a dynamic system of industrial development functions and institutions under MOCI's leadership that accelerate sustainable industrialization and provide a competitive environment for manufacturing businesses to flourish. Shift MOCI's emphasis, and specifically the Directorate General of Industry's, away from a mere allocator of licenses, company register, standards setter, and problem solver of 'last resort', to a strategic and active promotor of industrial diversification through the use of incentives, policies, regulations and knowledge. Contributing to the specialization of activities and decentralization of functions across the Oman's economy and territories. Contributing to the creation of a professional and knowledgeable staff that takes on the new tasks and challenges. Helping to establish well-structured and transparent processes, generating the necessary data to evaluate these processes and ensuring continued reporting and assessments. Indicators are the new laws passed to set up a dynamic system of industrial development. Main responsible is MOCI with support from SCP, and this causes no significant costs.

**4.1.1.2. Review the current Industrial Regulation and Promotion to adequate it to the demands of the Manufacturing Strategy 2040.** Providing a systematic and structured approach to resource allocation while allowing for enough discretion to deal with special cases. Basing the promotion of industrial development on the introduction of sound and effective incentives, regulations and policies. Taking a stakeholder approach to the promotion of industrialization and closely work with the private sector and private sector representative institutions in the design of industrial development. Indicators are the review of industrial regulation and promotion policies completed, and industrial regulation and promotion policies adjusted to conform the M4WB Strategy. Main responsible is MOCI with support from MOLA. While deployment of reviewing and law adjusting activities is only at the initial plan's period, validity of adjusted regulation is for the full period. Costs involved are not significant.

**4.1.2. Update other laws and related legislation to upcoming industrial challenges**

**4.1.2.1. Modify the tender law to make it promotional of Omani industry and other local economic activities.** Here a lot of law and regulation making is involved, so that deployment is mostly in the short term, at the beginning of the plan's period. However, a few enforcement activities go further in the medium and long term. Details are described below and, in general, main responsible for these activities is the Tender Board with support from MOCI; SCP; and MOLA. Costs involved are not significant except for the initial period when there are some expenses for the drafting of new laws and regulations.

**4.1.2.1.1. Changes required in general principles and/or text of law.** Establishing a comprehensive harmonised law and transparent monitoring mechanism for those government entities following international rules. Setting out explicitly rather than implicitly what is excluded from the usual tendering procedures, under the OM-TL. Ensuring an effective and independent appeals process is in place, to adhere with the principles of natural justice and enabling the reversal of an unfair decision, if required. Introducing an amendment to the OM-TL for the purposes of clarity, setting out exceptions to the provisions relating to confidentiality, in order to meet the requirements of openness under Article 4 of the Law. Prescribing and applying, carefully and transparently, public interest overrides in the interests of legal certainty. Establishing a single tender regulation for all government procurement in order to provide more legal certainty, transparency and allowing for more efficient monitoring of the implementation of strategic public procurement policies. Correcting the reference in article 47th to "limited contract" replacing it with "limited tender". Clarifying article 30th of OM-TL incorporating the meaning of 'credit facilities'. Tackling the 'fronting' problem through better contract management and enforcing penalties. Streamlining the Tender Process to reduce bureaucratic steps and bottlenecking problems, avoiding the duplication of roles of the Ministry of Health, MOLA and Ministry of Finance. Evaluating the benefits of devolving power to individual ministries, enabling them to manage their own budgets and potentially assist in the reduction of delays. Extending the length of 3-year contracts to at least 5 years when necessary. Indicator is the new tender law promotional to Omani industry passed.

**4.1.2.1.2. Changes required in the bidding processes.** Exploring feasibility of lot splitting and joint-bidding through pilot projects and guidelines. Setting in place a challenge mechanism to ensure that any bidder disqualified for an unusually low bid is first provided with a written explanation regarding why they have been disqualified and possibly consider a right to legal challenge where the disqualification is considered unfair. Extending the period of validity of a bid and prescribe a fixed time for notification (for example within 90 days, allowing for an extension). Considering the introduction of a 'standstill' period to allow for any complaints about the bidding process to be lodged with the appropriate legal body. Issuing guidelines to extend the circumstances in which bids may be split into lots to promote SMEs and Omanization policies. Setting up a challenge mechanism when article 41st is applied to exclude a bid, at least enabling excluded bidders the right to know the reasons for their exclusion. Requiring all potential bidders to provide evidence of their ability to provide a guarantee, for example, in the form of written confirmation from their bank or other types of lending agencies, or of any professional indemnity policies on submission of their bid. Ensuring the rigorous enforcement of article 42nd for avoiding the abuse by contractors submitting an artificially low bid with the intention of recovering some of their profit margin through add on costs during the term of contract. Introducing an amendment clarifying when the 'special cases' criteria may be used to justify direct assignment, in order to avoid potential scenarios for corruption. Indicators are the pilot projects running, and bidding process changes included in new law.

**4.1.2.1.3. Changes required to attract local SME bidding.** Considering formally extending the priority application to national products of SMEs, by including public procurement of contracts for works and services, subject to carefully designed mechanism to incentivize firms to graduate from the preference scheme. Removing the requirement to SME bidders of providing a 1% of the total bid value as security for their tenders, setting a cap of 250K OMR. Paying careful attention to where the contracts are advertised to promote the inclusion of SMEs where appropriate. Eliminating fees for registration of SMEs reducing the burden on local bidders. Enshrining in law or Royal decree the policy guidelines for the promotion of local products of SME. Setting up guidelines to support and limit the discretion of procurement officers in deciding when to provide support for an SME to bid for a tender. Extending to all Ministries, when appropriate, the SEZAD approach to payment of SME invoices, in order to avoid delayed payments through contractors. Harmonising and centralizing procurement law and enforcement mechanisms by using a single definition of an SME by all public authorities. Removing the bid bond for SME and extending some of the legal provisions to lower value contracts for the benefit of SME. Broadening the application of Lot Splitting and Joint Bids enabling the smaller businesses to grow whilst sharing the risk of awarding contracts to SME. Using lot splitting and further outsourcing in the healthcare sector, such as cleaning, catering and laundry, to allow the use of SME only contracts. Removing the bid bond for SMEs but retain the 5% performance bond from the winning bidder. Establishing an SME data base used for regular supplies of material and to remove the difficulties in differentiating between companies, and monitoring SME

preferences for small direct purchases. Indicators are the changes to attract local SME bidding included in new law, and the database on SME elaborated.

**4.1.2.1.4. Changes required in the operating and dissemination of the tendering law.**

Ensuring ESNEAD website and software are upgraded to meet both the requirements of multiple tendering uploads and to keep data opened. Ensuring the enforcement of the Ministries' reporting requirements to the Tender Board, and implement a policy of open data making information freely available online. Allowing to follow the procurement process on line and provide the basis for an open data system by using the same software for a one stop shop system in all procurement. Indicators are the website and software upgraded, and the procurement process set to be on-line.

**4.1.2.1.5. Changes required in monitoring and evaluation.** Implementing in Sultan Qaboos University a tender board evaluation process with a weighting system beyond Pass/failure. Setting up a mechanism of independent monitoring for enforcement. Indicator is the independent monitoring of tenders set.

**4.1.3. Improve public procurement regulations and practices**

**4.1.3.1. Coordinate carefully public procurement policies and subject them to cost-benefit analyses, based on pilot projects and ongoing monitoring and evaluation.** Ensuring harmonisation of tendering regulations, monitoring and evaluation among the Ministries to increase transparency, and consistency and certainty in public procurement. Carrying investigations to know why there is currently no harmonised monitoring mechanism in place for those that have to follow the Tender Board law, but do not have to issue tenders through the Tender Board. Streamlining legal processes to avoid duplication of functions between some of the Ministries and MOLA. Setting up an MoU between the Tender Board and the Competition and Monopolies Prevention Centre to exchange information and cooperate on enforcement of market competition, and removing unnecessary anti-competitive practices in public and private markets. Ensuring transparent auditing of the contract tender, evaluation and award process. Indicators are Tendering regulations harmonised across ministries, MOU signed to exchange information between Tender Board and CMPC, and transparent auditing of tender process set. Main responsible is the Tender Board with cooperation from MOCI, MOLA, and Competition & Monopolies Prevention Centre. Deployment varies during the plan's period and costs are not significant.

**4.1.4. Enshrine fiscal incentives in laws or regulations**

**4.1.4.1. Grant fiscal incentives guided by the rule of law, with clarity about eligibility criteria and transparent administration and evaluation.** Drafting a unified legislation or regulation specifying the consolidated package of fiscal incentives, with details on each incentive's scope, targeting rules, duration, and responsible government institution. Creating a "Fiscal Incentives' Committee", co-chaired between MOCI, the Ministry of Finance and the Tax Authority. Establishing the protocols for the monitoring and evaluation of fiscal incentives and creating the Fiscal Incentives Monitoring and Evaluation Unit within MOF. Indicators are the new law with consolidated package of incentives passed, the fiscal incentives Committee set, and protocol for monitoring and

evaluation established. Main responsible is MOCI with MOF and MOLA cooperation. While preparing new norms is an activity to be deployed in short term, applying and enforcing the new regulation is for the whole plan's period. Costs of these activities are not significant.

#### **4.2. Introduce an Effective Manufacturing Strategy 2040 "Manufacturing for Wellbeing" Governance**

##### **4.2.1. Provide Leadership and Ensure Coordination and Implementation of the Manufacturing Strategy 2040**

**4.2.1.1. Establish a National Manufacturing Council (NMC).** Creating a National Manufacturing Council as the top advisory, consultation and coordination mechanism for strategy implementation and all manufacturing affairs. When so decided the NMC can directly address bottlenecks and problems that are confronted during strategy implementation. Ensuring broad representation in the NMC at the highest level (CEOs, Ministers), including representatives of the top 30 manufacturing companies selected so that there is a wide sectoral representation, private sector business organizations, the chamber of commerce, representatives of all ministers involved with manufacturing, as well as representatives of other manufacturing related organizations. Invitations can be extended to other manufacturing companies and other stakeholders for individual meetings. Ensuring that the NMC meets regularly (no later than bi-monthly), with a pre-established agenda, timetables and documentation prepared for quick decision making and provision of advice. Designing MOCI formally as the 'lead Ministry' with the remit to oversee the development and implementation of the manufacturing strategy. MOCI will be the Secretariat of the NMC and MOCI's minister will head the NMC. Creating working groups within the NMC bringing together working level staff from all members to address crosscutting issues such as investment, TVET, energy among others as well as sectoral issues, such as developments in health, medical instruments and so on. The work of these working groups will feed into MOCI's steering committee and other strategy coordination mechanisms. Indicators are the National Manufacturing council created, and MOCI formally designed as "Lead Ministry" for M4WB Strategy. Main responsible is MOCI with support from SCP, and the Broad representation in NMC Board. Deployment of activities is for the full period and there are no significant costs.

**4.2.1.2. Establish a formal coordination mechanism for the implementation of manufacturing strategy.** Transferring to MOCI responsibility for the activities currently undertaken by the ISFU manufacturing sector team, together with the structures that exist to support them, in particular the steering group functions. Extending the remit of the Steering Group to include: reviewing the impact of existing policies, laws and business support programmes on the sector; generating and assessing proposals for new policies, laws and programmes; devising strategic plans for sub-sectors and supply chains; and monitoring progress against the KPIs and targets in 'Manufacturing for Wellbeing' and Vision 2040, as well as individual projects. Undertaking a review of Ministerial and Under-Secretary level committees with overlapping or related remits with the

presumption that these should be stopped and their functions transferred to the Steering Group, to help rationalise current cross-government coordination mechanisms. Making MOCI's minister or undersecretary the head of the steering committee. Members should include ministers or undersecretaries of the ministries involved in implementing the strategy, DGI and DPR and the necessary technical staff as the need arises. Endowing the Steering Group with some decision-making and executive powers. Private sector representatives can be invited as 'non-voting' members or in a purely advisory role. If the Steering Group is given a decision-making function, a protocol should be drawn up setting out which categories of decisions can be taken by the Steering Group, which must be referred to the Ministerial Council (or the Supreme Council for Planning) for approval, and which are reserved for individual Ministries and public bodies. Supporting the Steering Group by a secretariat located in MOCI, staffed in part by seconding the existing ISFU secretariat to MOCI for continuing their monitoring role, and with MOCI and other ministries' officials. Locate the secretariat in the Directorate of Planning and Research (rather than the Directorate of Industry), so as lead contact points for SCP and ISFU. Indicators are ISFU manufacturing duties transferred to MOCI, remit of Steering Group extended, cross-government coordination mechanisms for manufacture rationalised, and Secretariat for support to Steering Group set. Main responsible is MOCI supported by SCP and ISFU. Deployment is for the full period and costs are not significant.

**4.2.1.3. Set up or enhance coordination mechanisms between Ministries below Under-Secretary level.** Building on the ISFU network create in all Ministries and public bodies involved in implementing the strategy a network of 'manufacturing leads'. Making these leads to act as contact points for the proposed MOCI coordinating unit, and as the 'voice of manufacturing' within their Ministry, making sure that the impact on manufacturing is considered when new policies and rules are developed. Setting up temporary technical working groups chaired by either the MOCI Under-Secretary or a MOCI Director General to develop proposals of new policies required to implement the strategy, or when existing policies need to be reviewed, to be put under consideration of the proposed Steering Group. Making these groups to be chaired by the relevant official within MOCI and membership (both organisations and individuals) to vary depending on the subject, including membership of public bodies, private sector as well as Ministries at Director General level or below. Ensuring continuous reporting and accountability to the steering committee with clear performance criteria and deliverables by these groups. Non-performance should not go unnoticed by the steering committee. Indicators are Network of manufacturing leads created, and proposals of new policies prepared strategy implementation. Main responsible is MOCI with support from all ministries. Deployment is for the full period and there are no significant costs.

**4.2.2. Rationalise and restructure the relationship and the mandates of MOCI related public bodies**

**4.2.2.1. Assign MOCI direct responsibility for related public bodies.** Ensure that related public bodies are delivering MOCI's policies and priorities rather than their own, by bringing them formally under the control of MOCI. Designating them as executive agencies of

the Ministry subjected to a service level agreement setting out the activities to be undertaken and the targets to be met. Designating Riyada, National Business Centre, Madayn Academy, Ithraa, the Industrial Innovation Centre, All Raffd Fund and other public bodies related to manufacturing development as MOCI's executive agencies, bringing them under the control of MOCI in order to ensure they are delivering MOCI's policies and priorities rather than their own. Allocating to MOCI, as part of its overall business support budget, the funding that currently goes directly to these public bodies in order to allow greater flexibility to reallocate resources between different types of support and/or different parts of industry as needs and priorities change. Ensuring that MOCI and related public bodies achieve the synergies of operating as one single system through developing a joint strategy and planning. Consider bringing PAPP, PACP and CCPM also under MOCI's tutelage to provide powerful, systemic and holistic support for business development. Beyond negotiating budget jointly with the central government resources and a unified strategy and plan, allow executive agencies full autonomy in the management of resources and their day to day operations. Including representatives of all government offices and from the private sectors in their advisory boards. This can also be converted into a Quick Win if MOCI is assigned direct responsibility for related public bodies. Indicators are incorporation of Riyada, MIA etc. as executive agencies of MOCI, and PAPP, PACP and CCPM placement under MOCI. Main responsible is MOCI with cooperation from SCP; ISFU; All Raffd; IIC; Madayn; Riyada; IPA; PAPP; PACP; CCPM; PAM; and CPA. Deployment is for the full period and there are no significant costs.

**4.2.2.2. Define a lead executive agency for each form of business support.** Distinguishing clearly between organisations that provide business support (Madayn, NBC) and services, and those that help companies to access that support and/or overcome barriers, for example, regulatory requirements or lack of funding (Riyada). Focussing executive agencies on their initial mandates thus avoiding 'mission creep', e.g. Madayn on land leasing, industrial estate development, provision of infrastructure (water, energy, roads, telecommunications) and other directly related services. Designating a lead organisation for each type of business support, responsible either for providing all support services or for coordinating the activities of different providers. Setting up business gateways (fast track) for priority companies so that they are able to access all forms of business support. Defining as priority companies for business support: start-ups and SMES with growth potential, companies in strategically important sectors (including the thirty sectors identified in 'Manufacturing for Wellbeing'), and inward investors whose investments would have the potential to bring defined economic benefits. Concentrating the delivery of services by executive agencies on the same physical locations and along all the Omani territory. Indicators are provision of a specific form of support by each agency, and business gateways set for priority companies Main responsible is MOCI with support from SCP; ISFU; All Raffd; IIC; Madayn; Riyada; IPA; PAPP; PACP; CCPM; PAM; and CPA. Deployment is for the full period and no significant costs are created.

**4.2.2.3. Shift the investment attraction approach and adapt investment promotion efforts to new demands.** Implementing a proactive and targeted investment approach that

seeks for carefully selected investors, in particular international anchor firms, their suppliers and large local firms. Strengthening the investment promotion agency and position it as the main liaison point to attract foreign investors and large domestic investors (Phase 1). Setting up a board chaired by MOCI and involving representatives from the business world, education, free zones, and government, and also foreign investors that are already based in Oman. Charging the IPA with main responsibility for coordination of the investment promotion space in Oman, becoming the main channel between the investor and Oman. Strengthening the IPA with additional qualified staff and foreign expertise to build a strong country, industry and company-specific value proposition to attract FDI, to facilitate investment and provide aftercare services, and to connect domestic investors with the Manufacturing Strategy priorities – potentially with a greater focus on the existing. Setting up a “Domestic Investor” team or unit as part of the Investment Promotion Agency (“IPA”) of Oman focused on attracting investment from large domestic business groups. Distinguishing clearly the investment from the export promotion functions since they are significantly different and require distinct skills. In the long-run consider transferring responsibilities for export promotion to a future marketing board that promotes Omani products both locally and abroad. Expanding investor facilitation/aftercare services and building relations with firms to pave the way for future expansion (Phase 2). Indicators are the IPA board set and chaired by MOCI, N° of staff in IPA, and Domestic Investor Unit set. Main responsible is IPA with cooperation from MOCI; Asyad; Madayn; and SEZAD. Deployment is for the full period and costs are mainly operational.

**4.2.2.4. Redefine the export promotion approach to deliver comprehensive set of services.**

Expanding the remit of roles of the export promotion agency: from country image building and marketing, to also include: (1) export support services (exporter training, technical assistance, capacity building including regulatory compliance, information on trade finance, logistics, customs, packaging, pricing); and (2) market research (importer and exporter contact databases, information on countries/sectors/firms). Collaborating with core institutions that oversee standards in Oman: Municipalities (Food); MOH (Health); MECA (Environment); and MOCI-Standards (remainder). Becoming member of sector-specific global network organisations to receive trainings on standards and export procedures in potential client countries. (e.g. International Fragrance Association, IFRA). Collaborating with Credit Oman (export credit agency). Indicators are N° of new services offered, N° of cooperation agreements. Main responsible is the Export Promotion Agency with support from Municipalities (Food); MOH (Health); MECA (Environment); and MOCI. Deployment is for the full period and costs are mostly operational.

**4.2.2.5. Expand the reach of the Investment Services Centre.** Providing funding to ensure that the planned expansion of Invest Easy can be completed (getting ‘missing’ Ministries and licences and approvals onto the system; working with Ministries to rationalise and reduce the number of different forms required rather than just automate all of them); and to reduce the time taken to obtain clearance where it cannot be given automatically). Developing an online diagnostic tool that all companies can use to assess their needs and identify potential sources of business support, to be hosted on

the Invest Easy platform. Expanding the Centre's client base for its diagnostic service to include Omani and international companies in strategically important manufacturing sectors who meet agreed size or value thresholds. Agreeing with Riyada the percentage of clients that should come from strategically important manufacturing sectors. Extending the Centre's remit to include providing advice to its clients on access to business support services and incentives where this is not done already. Considering the creation of regional branches of the Centre. Giving consideration to whether the Centre should remain part of MOCI or not. Further, consider in the longer term become integrated with ITHRAA or a separate body, either way providing services on behalf of MOCI and overseen by the Ministry. Introducing sector or supply chain specific programs when there is a need that cannot be met through 'general' support schemes. Main indicators are: funding to expand Invest Easy available, N° of companies in ISC's client base, N° of ISC regional branches set. Main responsible is MOCI with IPA support. Deployment is for the full period though some activities are for the very short term. Costs are mainly operational and come from the increase in ISC activities, and there is also some additional amount for investment expenses.

**4.2.2.6. Redefine the roles and functions of Riyada.** Focussing existing bodies with a particular client base like Riyada, but also the Investment Services Centre and Ithraa, on assisting their clients to access support rather than providing it directly. Creating better coordination of business support provision by public sector bodies and facilitate companies to know what support is available (for example, export promotion, technology transfer, incubation or provision of infrastructure). Focussing Riyada on assisting selected clients to access the support they require, and stop providing services directly, except for some 'entry level' advice and training available to all companies. Relocating Riyada in house services in other bodies providing similar support. Riyada staff, that may be willing to start their own business and provide services to Riyada, could have first priority. Establishing that when registering companies Riyada should do an initial screening to assess whether they are eligible for further support, and develop the criteria for that screening process. Considering whether the company is from one of the thirty priority manufacturing sectors. Making Riyada to diagnose company's needs, advise on what support would be most beneficial, and assist the company to access that support, including possible financial assistance such as grants or vouchers. Indicators are Riyada refocussed on supporting access rather than providing services, N° of company's diagnostics. Main responsible is MOCI with Riyada support. Deployment is for the full period and costs are not significant.

#### **4.3. Create new governance mechanisms in support of the Manufacturing Strategy "Manufacturing for Wellbeing" 2040**

##### **4.3.1. Establish the Special Economic Zones Authority**

**4.3.1.1. Create Economic Zone Authorities (SEZ) at territorial level.** Creating a Special Economic Zones Authority, based on the existing Free Zones Committee. and integrating physically and administratively all industrial estates, free zones, special

economic zones and other similar economic areas. Setting up a renewed Economic Zone Council with MOCI as Chair and including all relevant ministries and authorities, while making the new authority a lead agency within the new MOCI organizational structure. Creating decentralized single authorities for the management, planning and promotion of each SEZ (Sohar, Salalah, Rusayl, etc) while preserving the particularities of each type of zone (industrial states, free zones, special zones and so on). Borders within zones can be physical or virtual according to the specific circumstances of the zone. Specialising zones and locations on different sectors of industry, based on historical and planning considerations. While all areas will have a petrochemical foundation, Sohar could be specialised on electromechanical and transport equipment industries; Salalah on Pharmaceutical, Fragrances and Medical Instruments, Duqm on light industry, fish processing and shipbuilding, Al Buraimi on food processing and Rusayl on existing industries. Aligning location of industry with Oman Spatial Strategy. Ensuring to reap the benefits of economic specialisation and vertical integration by concentrating on each zone specialised services for the economic characteristics of the zone. Regionalising the services provided by MOCI and its lead agencies and gateways and bringing them together under one roof so that they service all firms in a zone, irrespective of whether it is located in the free zone or industrial estate sections of the zone. Indicators are SEZs authority created, Economic Zone Council renewed chaired by MOCI, and N° of single authorities set. Main responsible are SCP and ISFU with collaboration from SEZAD Duqm; Madayn; ASYAD, Deployment varies according to the type of activity, and costs involve mainly operational expenses.

**4.3.1.2. Develop new integrated Master Plans for Economic Zones.** Elaborating new master plans for each existing SEZ in order to strengthen their configuration as manufacturing clusters. Planning should include: integrated industrial zoning organization, development of common facilities (fluids treatment plants, waste management centres, business centres, bonded warehouses, areas for R&D and technological diffusion), amenities and green areas, health services, housing areas, transport infrastructure and mobility services, among others. Indicator is the N° of master plans elaborated. SCP and ISFU are main responsible and SEZAD Duqm; Madayn; and ASYAD must collaborate. Deployment is for the short term and costs are not significant and each SEZ can pay for its own plan.

**4.3.1.3. Establish thresholds for utility allocation to each Economic Zone.** Assigning each SEZ authority decision-making capacity to design infrastructure requirements (number of power lines, water pipelines, gas supply, runways, etc.) within predetermined annual thresholds, the provision of which would be done by Madayn (merging a more focused Madayn with the Free Zone Authority could be also considered). Indicator is the new mandate enacted. Main responsible is SCP and ISFU with support from SEZAD Duqm; Madayn; and ASYAD. Deployment is for the short term and costs are not significant.

**4.3.2. Set up National Governance Mechanisms for TVET to drive a coherent future-oriented national TVET agenda**

**4.3.2.1. Institute TVET manufacturing governance instances.** Setting a TVET working group at the National Manufacturing Council comprised of public and private sector

representatives, including the Ministry of Manpower, The Education Council and the Ministries of Education and Higher Education. Making TVET a priority in the activities of the steering committee, create a technical working group within MOCI on TVET and develop a TVET capacity at MOCI by hiring specialised staff focused on it. Introduce a ministerial decree with obligations and responsibilities of groups and committees if necessary. Introducing a transparent, consistent and evidence-based development, implementation and monitoring & evaluation of a TVET manufacturing approach. Working closely with manufacturing focal points in ministries and ISFU for follow up and implementation outside MOCI. Aligning MOCI's TVET approach to the strategies and policies of the National TVET Council and related policies. Indicator is the working group at the NMC set. Main responsible is MOCI with support from MOM; MOE; MOHE and Education Council. Deployment is for the short and long term, and costs are not significant.

**4.3.2.2. Promote the establishment of a National TVET Council.** Actively promoting the establishment of a National TVET Council to guide and homogenise training efforts and standards across industries. Regulating the statute of the national TVET council to be co-chaired in a tripartite manner by senior public and private sector as well as employees' representatives. Setting a permanent secretariat for the National TVET Council, hosted by MOM as responsible line ministry for TVET, but with active involvement of MOCI. Task this secretariat with drafting a National TVET Strategy and launching broad awareness raising campaigns to improve the social status of TVET. Improving coordination and alignment between different stakeholders so as to increase the labour market relevance of TVET provision. Ensuring that TVET provision can be constantly adapted to changing labour market requirements, while at the same time securing that TVET learners receive an education on an equal footing with academic careers. Indicators are the National TVET Council set, and the permanent secretariat for the NTVETC set. Main responsible is MOCI with support from MOM; MOE; MOHE; and Education Council. Deployment is varied along the plan's period, and costs are mostly operational of the NTVET Council and its secretariat.

**4.3.3. Create a National Productivity Governance Mechanism that helps increase public and private sector factor productivity**

**4.3.3.1. Launch a Manufacturing Productivity Initiative in the National Manufacturing Council.** Launching within the National Manufacturing Council a working group aimed at candidly addressing the productivity issues being faced by manufacturing firms. Involving representatives of the labour force. Making manufacturing productivity an additional priority (together with TVET, there are significant complementarities) in the activities of the steering committee, create a technical working group within MOCI on TVET and develop a TVET capacity at MOCI by hiring specialised staff focused on it. Preparing as an activity of the NMC an in-depth study of the productivity challenges being faced by manufacturing firms, both from a technological and human resources perspective, in order to have a diagnosis that is mutually agreed by all manufacturing stakeholders. Carrying out productivity audits (that could be integrated with energy efficiency audits); management consultancy; coupling with National Training Fund, teaming up with foreign companies to develop training programmes aimed at

improving productivity. Setting up awards for champions and other recognition incentives, in lieu or in parallel to the existing Sultan Qaboos Award. Indicators are Report of working group presented, study on productivity challenges prepared, and N° of productivity audits carried out. Main responsible is MOCI with SCP and ISFU support. Deployment is varied along the plan's period, and additional costs are not significant.

**4.3.3.2. Create a National Productivity Council that oversees a strategy for enhancing productivity values.** Advocating for the founding of a National Productivity Council, which can be located at MOCI or any other relevant ministry, tasked with instilling a culture of work and performance among public and private sector workers. Charging the NPC with promotion of productivity increases in Oman by means of campaigns online (Twitter), TV, radio and billboards promotion of productivity increases in Oman. Methods to be used include campaigns online (Twitter), TV, radio and billboards; a commitment at the highest level by HM; visiting schools; and other solutions. Committing the highest level of government to visit schools for this promotion, and also strengthening and activating civil society associations (engineer association, manufacturing association, OCCI) for their involvement in it. Nurturing a culture of hard and productive work in the current and future workforce, and instilling its importance as a value from an early age onwards. Indicators are the National Productivity Council set, and the N° productivity promotion campaigns, Main responsible is MOCI with SCP and ISFU support, and costs are not significant.

#### **4.3.4. Set up National Governance Mechanisms for Energy Efficiency**

**4.3.4.1. Establish an Energy Efficiency Body at MOCI.** Creating an Energy Efficiency group or committee in the National Planning Council and prepare detailed scope for it. Introducing a ministerial decree establishing obligations and responsibilities of groups and committees if necessary. Charging the Committee with coordination between energy efficiency and conservation policies and programs as related to the scope of different ministries and entities through their representatives in the committee. Establishing systems and procedures to measure, monitor and verify energy efficiency results in individual sub-sectors as well as at industry level. Providing, through the Committee, policy recommendations and direction to achieve energy conservation and efficiency objectives, and also encouraging data sharing and knowledge transfer. Ensuring industry understands that energy efficiency pays in terms of reduced energy bills and other costs. Selecting personnel for the Committee mainly from MOCI, but could be complemented through involvement or secondment from other ministries, and internally organizing them to act as technical secretariat to the committee. Undertaking training needs assessment and phasing out technical assistance as local capacity evolves. Mobilizing technical assistance as needed. Working closely with manufacturing focal points in ministries and ISFU for follow up and implementation outside MOCI. Indicators are EE body created, guidelines issued for measuring and monitoring energy efficiency, and report on training needs assessment prepared. Main responsible is MOCI with AER and MOG support. Deployment is varied along the plan's period and no significant costs are involved.

**4.3.4.2. Promote the Establishment of a National Energy Efficiency & Conservation Coordination Council (NECC).** Actively promoting the establishment of a National Energy Council & Conservation Coordination Council so that industrial efficiency gains can spread to other sectors and users of industrial technology outside manufacturing appreciate and benefit from the advantages of energy efficiency. Setting the NECC as the ultimate regulator of the use of energy efficient processes, equipment, devices and systems. Also, having a coordination role with other relevant ministries on the specific policies to be applied under their jurisdictions as well as with designated consumers, designated agencies and other organizations. Additionally, recognizing, the best way to utilize the existing energy resources and infrastructure. Indicator is the NECC set. Main responsible is MOCI with AER and MOG support. Deploying is for the short, medium and long term, and there are no significant additional costs.

**4.3.5. Introduce governance and implementation mechanisms aimed at increasing productive capacity and develop new industrial activities**

**4.3.5.1. Create governance structures for new and high-tech industries.** Initiating value chain and cluster working groups in the National Manufacturing Council, tasked with supporting MOCI activities to attract foreign and domestic capital. Inviting domestic and foreign experts to advise on key trends in specific industries. Instituting working groups or committees in the steering committee focused on each of the new value chain and clusters to be developed. Medium and high-tech products such as pharmaceuticals, medical instruments, solar panels, pumps and valves, air conditioning equipment and fragrances must also be included, as well as developing healthy foodstuff and the flat steel and recycling industries. Creating the corresponding implementation teams within the steering committee supported by the necessary MOCI technical teams. Engaging other ministries to be part of the technical team. Focussing the technical team work on identifying key players in selected value chains, studying them carefully and preparing an investment attraction package that may be of interest to the domestic and/or foreign investor being pursuit. Draw on as much expertise as possible, both domestically and internationally to prepare the package, organising a dialogue with the possible investors as well as visits to possible sites. Creating a MOCI-DGI unit responsible for the follow up of the industries concerned and the implementation of the National Program for New and High-tech industry. Charging a specially created monitor and evaluation unit with the task to continuously follow up and assess the progress of the work. If an anchor firm has been attracted, move on to seek for attracting suppliers and complementary firms to build the cluster and move on to the next Phase in cluster development. If an anchor firm is not found, identify and resolve the obstacles preventing the implementation of the approach. Indicator is the N° of value chain and cluster working groups running, the follow up MOCI-DGI unit set, and the monitor and evaluation unit set. Responsible institution is MOCI, deployment is for the full period and costs are operational for the 2 units created.

**4.3.5.2. Set-up a governance structure for increasing local content, improving the supplier network and Made in Oman campaigns.** Introducing a local content (ICV) and supplier development network working group at the National Manufacturing Council. Setting up a working group on local content (ICV), supplier development network and Made in

Oman campaigns at the steering committee, and establishing a support technical team. Creating a DGI development project to implement the local content/supplier development network. Monitoring and evaluating project performance on the basis of clear performance indicators. Indicators are the ICV working group set, and local content/supplier development project running. Main responsible is MOCI with MOG ICV support. Deployment is for the short, medium and long term, and some operational costs for medium term need to be covered.

#### **4.3.6. Strengthen coordination with the Private Sector**

**4.3.6.1. Involve key private sector stakeholders.** Inviting both OCCI and OMA to participate in the proposed steering group or specific steering group meetings to oversee the manufacturing strategy. Ensuring DG/Industry meets at least quarterly with each association to discuss whatever matters they wish to raise with him. Encouraging development of national forums for strategic sectors and/or forums for manufacturers in the regions, to provide them with an opportunity to exchange views and information, and to be a sounding board for MOCI when developing new laws and policies. Indicators are OCCI and OMA participating in the proposed steering group, and N° of forums held, national and regional, for exchanging views and information. MOCI is main responsible with support from OCCI; OMA; and Engineers Assoc. Deployment is for the full period and there are no significant costs.

#### **4.4. Restructure MOCI-DGI and manufacturing related areas of MOCI to be able to take on the tasks of implementation of the Manufacturing 2040 "Manufacturing for Wellbeing" strategy**

##### **4.4.1. Align MOCI's structures to implementation requirements**

**4.4.1.1. Refocus MOCI by restructuring its organisation.** Setting up a Change Management Team to manage the restructuration process and to identify recruitment and training needs, so as developing policies to support an open working culture as well as changes to structures, reporting lines, and planning and budgetary processes. Indicator is MOCI organisation restructured. Responsible institution is MOCI and deployment is for the short term with no significant additional costs.

**4.4.1.2. Enhance coordination within MOCI.** Establishing a Management Committee, If not already in existence, chaired by the Under-Secretary and comprising heads of all directorates, charged with: development of MOCI's annual objectives, plans and budgets for approval by the Minister; monitoring progress against plans and budgets and agreeing on remedial actions where needed; strategic planning to identify future needs and challenges to MOCI's ability to achieve targets and objectives; and setting the standards of behaviour expected of staff members and the organisational culture, and ensuring they are followed. This process should include all organizations under the jurisdiction of MOCI. Making the Directorate of Planning and Research, and the Investment Services Centre, to report to the Under-Secretary rather than directly to the Minister, to improve the internal coordination and effectiveness of the ministry. Indicator is Directorate of P&R and ISC reporting directly to Under-secretary.

Responsible entity is MOCI, deployment is for the full period, and costs are not significant.

**4.4.1.3. Ensure a more strategic and effective resource allocation.** Introducing a top down planning and budgeting process, to be overseen by the Under-Secretary and the proposed Management Committee, and managed by Directorates of Planning and Research and Administration and Finance. Establishing a budget committee that includes Directorate of Planning and Research, Directorate of Industry and all institutions under MOCI's jurisdiction. Setting increasing year on year targets for augmenting the percentage of resources (budgets and staff) dedicated to strategically important sectors and activities. Creating a 'Better Regulations Unit' to ensure that agreed 'better regulation' standards are being followed within MOCI, and to provide support to Units developing and implementing new laws, policies and programs. Indicators are the planning and budgeting processes renovated, and the 'Better regulation Unit' set. Main responsible is MOCI with MOF support, deployment is for the full period, and costs are operational to cover the new unit needs.

#### **4.4.2. Restructure the Directorate General of Industry**

**4.4.2.1. Create an organizational structure that is aligned with the Manufacturing 2040 Strategy.** Enhancing the policy and implementation functions of DGI by establishing three interrelated departments: policy, operations and projects, and planning. Allocating the necessary human and financial resources for the departments to fulfil their mandates. Instilling a culture of learning from successes and failures amongst staff since the implementation of the strategy will be above all an exercise in trial and error and learning by doing. Providing with all the necessary capacity building that will be required to ensure that old and new staff can perform their duties to the best of their ability. Main indicator is N° of staff trained under capacity building programme. Responsible entity is MOCI, deployment is for the full period and there are no significant costs.

**4.4.2.2. Enhance DGI policy functions to be effective in leading the manufacturing strategy.** Creating policy teams or units within the Directorate of Industry with responsibility on the development of MOCI's own policies to promote prioritised industries (resource-based, capital intensive and knowledge-driven), and also to liaise with other Ministries on their policies as necessary. Setting up a separate team or teams within the same Directorate to be responsible for MOCI's interest in the business environment (crosscutting issues), with the primary role of influencing policies of other Ministries with lead responsibility for a particular issue, and occasionally to take the lead in developing policies on particular matters. Including the sectoral and business environment teams into the design of MOCI's overall business support programme and individual support services but do not charge them with the lead responsibility for overseeing this programme. Indicator is the N° of policy teams set for prioritized industries. Responsibility is on MOCI, deployment is for the full period, and costs are mostly operational.

**4.4.2.3. Strengthen the Department of Policy and Planning's analytical and future looking perspectives.** Creating a separated team at an enhanced Directorate of Planning and

Research to support the sectoral and business environment teams with the function to 'scan the horizon', charged to identify trends and developments that will potentially have a significant impact on specific sectors, or on industry and the economy in general. Building a very strong policy review, monitoring and evaluation unit, which will be at the centre of ensuring implementation and policy redesign when things do not work. Upgrading the data and statistical support unit of the directorate by providing it with a wider base of data and modern data processing techniques and software. Taking into account that the demands for data will significantly grow as the manufacturing 2040 strategy becomes implemented. Creating a unit charged with the internal management and coordination of the tasks of the directorate and with organising technical, working and other committees that may be formed during the implementation of the strategy. Working closely with the Directorate of Planning and Research and drawing on the advice of the proposed 'better regulation unit' when developing policies and new laws. Indicators are Policy review, monitoring and evaluation Unit set, Data and statistical support Unit upgraded, Internal management and coordination Unit set. MOCI is responsible, deployment is for the full period, and costs are operational for the units involved.

**4.4.2.4. Introduce an action-oriented operations and projects department.** Consolidating traditional DGI functions of licensing, registration, exemptions and rehabilitation into one single department and task it with supervising the new incentive. Creating a unit of 'Relationship Managers' responsible for operational oversight of each designated executive agency. This would include, for example, Madayn, Riyada and Ithraa, but also possibly some new coordinating bodies for other types of support. Introducing a new programmes and projects group or unit that would run existing activities, such as the Sultan Qaboos Award for Excellence, but also new ones such as the local content and supplier network program, the energy efficiency program and others. Establishing a unit or group focused on regional and international coordination. Since services would be increasingly developed and delivered on a much larger scale and on location (for example Sohar, Rusayl, Salalah), the internal coordination aspects will require significant strengthening. Main indicators are the 'Relationship Managers' Unit set, the Programmes and Projects Unit set, and the Regional and International Coordination Unit set. MOCI is responsible agency, deployment is for the full period, and costs are operational for the units involved.

#### **4.5. Expand the data and statistics collection, processing, analysing and reporting functions**

##### **4.5.1. Update and collect new data for establishing more granular KPIs in the Manufacturing Strategy 2040**

**4.5.1.1. Draw on data within MOCI.** Mapping all data available within MOCI and assess its potential use for Manufacturing Strategy 2040. Cross checking and cross referencing available data in different MOCI departments, and building a Manufacturing Strategy 2040 database. Creating new indicators baselines and/or providing them for already existing indicators used in the manufacturing sector. Collecting data for indicators on a monthly, quarterly, semester or yearly basis, depending on the indicator. Tasking the

Statistics Unit within DGI with the coordination and implementation of data collection and processing. Making available all the data to the monitoring and evaluation department for their follow up activities. Indicators are MOCI available data mapped, Manufacturing database created, and Annual Statistical Report produced every year. MOCI is responsible institution, deployment is for the full period, and no additional costs are involved.

**4.5.1.2. Leverage the Industrial Survey.** Making compatible the industrial survey with other databases available at MOCI and collecting online different variables on a monthly, quarterly, semester or yearly basis. Adding a few new questions to the industrial survey to capture key KPIs for the Manufacturing Strategy 2040 (innovation, ICV, suppliers' network and so on). Indicators are the industrial survey compatibilized, and the industrial survey updated and expanded. MOCI is sole responsible, deployment is for the full period, and costs are not significant.

**4.5.1.3. Draw on data from executive agencies (Madayn, ITHRAA, Industrial Innovation Centre and others).** Mapping all data available within executive agencies and assessing its potential use for the Manufacturing Strategy 2040. Cross checking and cross referencing available data in different agencies with each other and MOCI data, and building a Manufacturing Strategy 2040 database. Creating new indicators and/or providing baselines and targets for already existing ones for the next 20 years. Introducing regular reporting mechanism by the executive agencies to MOCI, based on monthly, quarterly, semester and yearly submissions. Penalising through monetary or other means lack of submission or incomplete submission or wrong data. Indicators are Available data mapped, Regular reporting in place, Penalties for failing submission enacted. Main responsible is MOCI with support from IPA; Madayn; IIC; etc. deployment is for the full period, and costs are not significant.

**4.5.1.4. Draw on expertise and resources of the NCSI.** Collaborating with NCSI in the design and collection of indicators and data for the Manufacturing Strategy 2040. Supporting the NCSI in the preparation of an input output table for Oman. Indicator is the Input-Output table available. Responsible is MOCI with NCSI support. Deployment is for the full period and costs are not significant.

#### **4.5.2. Conduct SME Surveys**

**4.5.2.1. Conduct a national SME survey.** Covering the estimated population of 43,000 SMEs existing in Oman. Ensuring that all firms are surveyed through face to face contacts with enumerators. Collaborating with Riyada and the NCSI for this purpose. Only indicator is the survey conducted, with Riyada being responsible and MOCI with a supporting role. Deployment is for the short term and some operational costs are involved.

**4.5.2.2. Conduct purpose-specific surveys of SMEs.** Conducting an in-depth survey of less than 500 SMEs in the context of the supplier development programme to ascertain productive, technical and managerial capabilities, their ability to profit from the programmes being offered and to be upgraded to priority SMEs. Indicator is the specific survey conducted. MOCI is responsible with NCSI support. Deployment is in the short term and there are some operational costs related to conducting the survey.

#### **4.5.3. Conduct industrial innovation surveys**

**4.5.3.1. Conduct a national industrial innovation survey.** Conducting a national industrial innovation survey, only with firms with 10 or more workers in conjunction with an SME survey, or to all industrial firms in the absence of a SME survey. Applying well known methodologies available for this purpose and obtaining technical support from international organizations specialised in these fields. Collaborating with the NCSI, the Industrial Innovation Centre and the Research Council. Only indicator is the survey conducted, being MOCI responsible with NCSI support, deployment in the short term and there are some operational expenses.

#### **4.5.4. Generate other industrial data**

**4.5.4.1. Construct databases in different areas of industrial activity.** Identifying key areas of industrial activity related to the Manufacturing Strategy 2040 and collecting data for them. Beginning with creating databases for energy consumption, TVET, industry suppliers and so on. Collaborating with the relevant public and private organisations. Indicators are Data collected for key areas of industrial activity, and N° of new databases created. MOCI is responsible with NCSI support, deployment is in the short term, and there are no significant costs.

### **4.6. Commit MOCI's implementation of the Manufacturing 2040 "Manufacturing for Wellbeing" strategy to the highest standards of Governance**

#### **4.6.1. Adopt OECD Governance Principles**

**4.6.1.1. Commit the government to adopt the principles in OECD 'Recommendation on Regulatory Policy and Governance'.** Committing MOCI to: consulting publicly on all new regulations and major policy changes; producing impact assessments explaining the case for change, with evidence, and setting out the anticipated costs and benefits; and allowing transitional periods of at least six months when new regulations are introduced. Ensuring OECD practices are followed and cost-benefit assessments are elaborated by the relevant policy team, in order to ensure they are clear and balanced. Adopting these practices for all policies and laws generated by other Ministries that impact on the strategic manufacturing sectors. Indicator is the Transparency regulations enacted following OECD rules. MOCI is the sole responsible, deployment is for the full period, and there are no significant costs.

## Annex I: Action plan with detailed actions

	Actions	Indicator			Deployment							Main Responsible	Secondary Responsibility	Other Institutions Involved
		Input	Output	Outcome	2021	2022	2023	2024	2025	2026-2030	2031-2040			
					Quick wins									
<b>1. New and High-tech Industry Creation</b>														
1.1.	Invest in new priority firms and high-tech industrial clusters (pharmaceutical, recycling and others)	5	6	7	11	12	13	14	15	16	17	18	19	20
	1.1.1. Target and proactively pursuit FDI													
	1.1.1.1. Identify key international 'anchor' firms in strategic industries and attract them to Oman				x							MOQ	ITHRAInv	OIA
	Frederick - Proactively pursue companies with the potential to undertake high value investments and whose profiles fit well with the resources available and the broader Omani economic and social context	Preparatory work listed and conducted Budget Team composition Time spent	Number of companies on target list per priority industry Number of companies with which Oman is longlisted per priority industry Number of companies with which Oman is shortlisted per priority industry Number of companies that selected Oman for settlement per priority industry	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster	x	x	x	x	x	x	x			
	Frederick - Develop a target list of 10 established, high priority companies to approach, and research into the company's business model and strategy, so as to elaborate Company-specific propositions (begin with pharmaceuticals and medical instruments)	Preparatory work listed and conducted Budget Team composition Time spent	Target list prepared per priority industry (y/n)	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster	x	x	x			x	x			
	Frederick - Study and prepare detailed briefs on each target company, with the help of local and international specialists, that will be the basis for negotiations	Preparatory work listed and conducted Budget Team composition Time spent	Studies and briefs prepared	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster			x	x	x	x	x			
	Frederick - Sign MOUs with at least 3 potential anchor firms (Note: MOUs at this stage shall be broad and indicate intent to examine relocation strategy to Oman)	Preparatory work listed and conducted Budget Team composition Time spent	N° of MOU signed (per priority industry)	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster		x	x	x	x	x	x			
	Frederick - Facilitate signature of contract for the establishment of at least 1 anchor firm	Preparatory work listed and conducted Budget Team composition Time spent	Draft contracts created Nr of signed contract (per priority industry)	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster			x	x	x	x	x			
	Frederick - Provide favorable financial incentives in the form of tax breaks, low taxation rates and investment grants	Preparatory work listed and conducted Budget Team composition Time spent	Fiscal incentives denoted in the Executive Regulations FCL Fiscal incentives granted to new FDI entrants (amount, number of entrants)	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster			x	x	x	x	x			
	Frederick - Attract FDI offering initial incentives more economic driven (e.g. zero or reduced corporate taxes for 10+ years), but over time, and to the extent possible in the beginning, shift to incentives that provide more sustainable benefits to the country such as concessions or direct funding for workforce development or subsidizing salaries to train workers	Preparatory work listed and conducted Budget Team composition Time spent	List of incentives agreed (y/n)	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster Fiscal benefit and cost of average FDI investment	x	x	x	x	x	x	x			
	1.1.1.2. Develop a value proposition or unique selling points for attracting investors and build a negotiating capacity											ITHRAInv	MOQ	MOTG
	Frederick - Contract a successful Investment Promotion Agency (IPA) (Ireland, Costa Rica) to guide Oman's investment Promotion teams (Ithraa) and industry teams	Preparatory work listed and conducted Budget Team composition Time spent	Foreign IPA Hired(y/n) Nr of staff trained	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster		x	x	x	x					
	Frederick - Establish industry investment teams by priority industries: charge them to research global, regional and local industry dynamics in priority industries and identifying the top 10 firms, preparing the value proposition and any additional task. Support them with consultants and the necessary expertise. (begin in health manufacturing)	Preparatory work listed and conducted Budget Team composition Time spent	N° of teams set Research reports produced per priority industry	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster		x	x	x	x	x	x			
	Frederick - Define country-wide value proposition and develop promotion materials for Oman's priority industries (start with future health manufacturing industry) in cooperation with the national Manufacturing Committee (NMC)	Preparatory work listed and conducted Budget Team composition Time spent	Value proposition established (y/n) Promotion materials created (video/print/other) - for each cluster (y/n)	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster		x	x			x	x			
	Frederick - Elaborate an industry-specific proposition (and vision) on the basis of secondary research in addition to primary experiences such as attending industry association meetings, trade events and even visiting clusters in other countries to gain insight	Preparatory work listed and conducted Budget Team composition Time spent	N° of proposition elaborated - per industry Nr of times proposition has been distributed	Inward FDI value (USD) per cluster Inward FDI number of projects per cluster		x	x	x	x	x	x			

1.1.2. Build cluster linkages and institutions for new and high tech industries																	
	1.1.2.1.	<b>Build industrial ecosystems: start working group that can identify opportunities for linkages and synergies for the domestic sector in different priority industries (begin with health manufacturing - pharma and medical instruments )</b>															MOCI SEZA MOH;Companies;JTHRAAInv;OIA
		Frederick	- Set up a domestic working group, building on the NMC, gathering domestic industry and relevant ministries that can anticipate opportunities for linkages and synergies for the domestic sector (start with health manufacturing and the MOH )	Preparatory work listed and conducted Budget Team composition Time spent	Working group established Nr of private sector participants Nr of public sector participants	Nr of domestic companies operative in each cluster Total sales value of domestic companies operative in each cluster Nr of foreign companies operative in each cluster Total sales value of foreign companies operative in each cluster	X										
		Frederick	- Map Oman's priority industries beginning with the pharmaceutical and medical instruments industries and identify potential ancillary/vertical linkages	Preparatory work listed and conducted Budget Team composition Time spent	Map published- per priority industry	Nr of domestic companies operative in each cluster Total sales value of domestic companies operative in each cluster Nr of foreign companies operative in each cluster Total sales value of foreign companies operative in each cluster		X	X								
		Frederick	- Encourage existing SME programs, accelerators, VC, vendor development programs etc. to have priority industries amongst their core priorities: focus on firms that supply the existing domestic industry (start with 'health manufacturing')	Preparatory work listed and conducted Budget Team composition Time spent	Total number of programs Total number of programs with health manufacturing as priority	Nr of domestic companies operative in each cluster Total sales value of domestic companies operative in each cluster Nr of foreign companies operative in each cluster Total sales value of foreign companies operative in each cluster		X	X	X	X	X	X				
		Frederick	- Facilitate dialogue between existing domestic priority and high-tech industries and suppliers	Preparatory work listed and conducted Budget Team composition Time spent	Platform for dialogue (P-PD) established or Sharakah taskforce rolled over to MOCI (y/n)	Nr of domestic companies operative in each cluster Total sales value of domestic companies operative in each cluster Nr of foreign companies operative in each cluster Total sales value of foreign companies operative in each cluster		X	X	X	X	X	X				
		Frederick	- Coordinate suppliers with anchor firms on the input requirements of the latter: encourage existing SME programs, accelerators, VC, vendor development programs etc., to focus on firms that supply to the emerging MNE industry (beginning with health manufacturing)	Preparatory work listed and conducted Budget Team composition Time spent	Number of programs/VC/accelerators that list the strategic industries as a priority. Total number of potential programs/VC/accelerators.	Nr of domestic companies operative in each cluster Total sales value of domestic companies operative in each cluster Nr of foreign companies operative in each cluster Total sales value of foreign companies operative in each cluster		X	X	X	X	X	X				
		Frederick	- Map Oman's priority industries and potential horizontal linkages (begin with pharma and medical instruments)	Preparatory work listed and conducted Budget Team composition Time spent	Horizontal linkages mapped - per priority industry	Nr of domestic companies operative in each cluster Total sales value of domestic companies operative in each cluster Nr of foreign companies operative in each cluster Total sales value of foreign companies operative in each cluster		X	X								
		Frederick	- Encourage existing SME programs, accelerators, VC, vendor development programs etc. focussing on new domestic firms tying into new priority industries' clusters through horizontal linkages	Preparatory work listed and conducted Budget Team composition Time spent	Number of programs/VC/accelerators that list the strategic industries as a priority. Total number of potential programs/VC/accelerators.	Nr of domestic companies operative in each cluster Total sales value of domestic companies operative in each cluster Nr of foreign companies operative in each cluster Total sales value of foreign companies operative in each cluster			X	X	X	X	X				
	1.1.2.2.	<b>Expand manufacturing accelerator and SME capacity building programs to focus on the horizontal linkages of priority industries (start with healthcare manufacturing)</b>															NBC MOCI SCP;JIC;TRC;VCs;Riyada;OIA;MOM;IT HRAAInv
		Frederick	- Fund the program from the national budget through the country's economic development or SME agency and let the program operate independently from the government	Preparatory work listed and conducted Budget Team composition Time spent	Program set and functional Nr of accelerator participants graduated Nr of SME capacity building graduates	Nr of horizontal linkages between SMEs and priority industries				X	X	X	X				





1.1.3.2.		Coordinate business, economic, social spatial and geographic planning for the various infrastructure requirements in the selected location														SEZA	MOCI	MOH,Universities,OMRAN,M.Housing,MECA
		Frederick	- Connect with relevant government authorities and universities for research transfer within industry (begin with Ministry of Health)	Preparatory work listed and conducted Budget Team composition Time spent	Number of meetings with relevant government authorities per year	N° of University-MOH projects under way							X	X	X			
		Frederick	- Map economic infrastructure industry requirements (logistics, telecommunications and so on)	Preparatory work listed and conducted	Requirements mapped	Number of requirements identified							X	X	X			
		Frederick	- Determine the need of other industry-specific infrastructure based on coordination between universities and industry and future MNEs (begin with MOH and health industry)	Preparatory work listed and conducted	Coordination held List of industry specific infrastructure requirements	Number of requirements fulfilled Nr of companies in cluster							X	X	X			
		Frederick	- Develop social infrastructure attractive to the target employee demographic (talented young professionals and skilled foreign expats) that value social amenities, culture and environment	Preparatory work listed and conducted	List of basic social infrastructure requirements N° of social infrastructure projects concluded	Living indexes Number of skilled foreign expats and young professionals living near each cluster							X	X	X			
		Frederick	- Start development of economic, social and industry-specific infrastructure in the selected location, include environmental considerations	Preparatory work listed and conducted	N° of basic infrastructure projects built	Nr of companies in cluster-sector in location vs other locations							X	X	X			
1.1.4. Establish a waste collection and transport mechanism for recycling																		
1.1.4.1.		Register and certify waste collectors														be'ah	MECA	MOCI
		Be'ah	- Establish a registration scheme for collectors of Construction and Demolition Waste Material (C&D)	Preparatory work listed and conducted Budget Team composition	Reg. Scheme set (Y/n)	Nr of registrations							X	X	X			
		Be'ah	- Establish a certification scheme for registering legitimate Waste Electrical and Electronic Equipment (WEEE) collectors and require producers to hire only registered handlers for moving WEEE waste	Preparatory work listed and conducted Budget Team composition	Certif. scheme set	Nr of certifications							X	X	X			
		Be'ah	- Create a registration scheme in order to specify the requirements and to manage the registration of End of Life Tyres (ELT) waste carriers	Preparatory work listed and conducted Budget Team composition	Reg. Scheme set	Nr of registrations							X	X	X			
1.1.4.2.		Drive collection and transport actions in construction and demolition waste														be'ah	MECA	MOCI
		Be'ah	- Design, consult and implement a registration scheme for businesses collecting and carrying waste of all types in Oman, and make it illegal for waste producers to move their waste using unregistered businesses (C&D)	Preparatory work listed and conducted Budget Team composition	Reg. scheme set	Nr of registrations							X	X	X			
		Be'ah	- Set up segregation regulations designating which materials need to be separated at the source of generation (C&D)	Preparatory work listed and conducted Budget Team composition	Regulations passed	Segregation as per regulations implemented (y/n)							X	X	X			
		Be'ah	- Provide, through be'ah, know-how and information on best the necessary skips / bins for optimal collection and handling (C&D)	Preparatory work listed and conducted Budget Team composition	Education project created Nr of beneficiaries	Quality of C&D collection							X	X	X			
		Be'ah	- Set up regulation and oversight of waste collection businesses and ensure compliance with proper disposal after collection preventing illegal dumping on public lands (C&D)	Preparatory work listed and conducted Budget Team composition Time spent	Regulation set	Number of illegal dumping sites identified per year Total value of C&D waste collected (per type)							X	X	X			
		Be'ah	- Remove registration and/or business license, and prosecute any business found to be undertaking illegal activity (C&D)	Preparatory work listed and conducted	Requirements removed y/n Nr of business prosecuted	N/a							X	X	X			
		Be'ah	- Educate C&D waste producers to improve segregation of waste for recycling and prevent the illegal management of the wastes they produce in order to change on-site practices and ingrained cultures	Preparatory work listed and conducted Budget Team composition	Education project created % Producers reached	Value of C&D materials (per segregated type)							X	X	X			
		Be'ah	- Do an active monitoring (e.g. GPS, active IVMS) of all waste transportation vehicles, so that non-compliance can be more easily identified (C&D)	Preparatory work listed and conducted Budget Team composition	Monitoring in place Sample size	Compliance rate							X	X	X			
		Be'ah	- Reinforce monitoring by linking with an industry group such as Oman's Society of Contractors, whereby membership is linked to fulfilling certain stipulations in which waste management requirements would be a part of (C&D)	Preparatory work listed and conducted Budget Team composition Time spent	MOC with Oman Society of Contractors created Number of members contract society List of requirements	Fulfillment of requirements by contractors							X	X	X			
1.1.4.3.		Support Co-Collection and Other Waste Streams														be'ah	MECA	MOCI
		Be'ah	- Foster co-collection and co-processing of other waste materials, particularly SM and plastics, alongside the development of these other waste streams or piggy-backed on existing programs (e.g. collection of Lead Acid Batteries) (WEEE)	Preparatory work listed and conducted Budget Team composition Time spent	Co-collection and co-processing permitted (y/n)	Volume of co-collected and co-processed materials (per type)							X	X	X			

1.2.	Use tax incentives, promotional incentives and regulations for new priority and high-tech industry development																			
1.2.1	Set an attractive corporate tax and promotional incentives to attract both foreign and domestic investment to new priority and high-tech industry																			
1.2.1.1.	Set up a Corporate Income Tax holiday to attract both foreign and domestic investment to new priority and high-tech industry																MOF;TaxAuthority	MOCI	ITHRAAInv	
		Carrasco	- Target the CIT holiday to all new firms in the in Medium-high tech or strategic priority industries investing more than 1mn OMR outside Muscat	Preparatory work listed and conducted Budget Team composition Time spent	Law and regulation promulgated Nr of beneficiaries of CIT holding - domestic and local	Value of lost CIT revenue Value of investment of those benefiting from the CIT scheme Fiscal cost Impact measurements of the tax on industrial development (MVA, medium high tech) Fiscal cost														
		Carrasco	- Improve the CIT holiday in Oman: (i) maintaining the current 5-year CIT holiday to all industries (between 2021-2025); and (ii) targeting the 5-year CIT holiday (with 10 year renewal) only to firms in the medium/high- tech or strategic priorities industries (between 2026-2040)	Preparatory work listed and conducted	CIT holiday changed (y/n)	Impact measurements of the tax on industrial development (MVA, medium high tech) Fiscal cost														
		Carrasco	- Assess the effectiveness CIT rate for prioritized industries and correct it to avoid undesired differences	Preparatory work listed and conducted	Assessment published	Impact measurements of the tax on industrial development (MVA, medium high tech) Fiscal cost														
1.2.2.	Access to the local market for compliant free zone companies																			
1.2.2.1.	Allow access to producers in free zones to the local market																	MOCI	MOF;TaxAuthority	ITHRAAInv
		Zambaglione ?	Allow for 10% of sales to local markets by firms in Free Zones without duty in exchange for 20% purchases of non-imported goods and services in local markets (excluding water, oil, fuel, gas or electricity) for a maximum period of 3 years	Preparatory work listed and conducted Budget Team composition Time spent	New rule passed	Total number of freezone companies Total number of FZ companies selling to local market Value of sold by FZ companies to local market Duty exchange forgone														
1.2.3	Provide to the recycling industry fiscal and financial incentives and introduce recycling regulation																			
1.2.3.1.	Fiscal Instruments and financial Support for New Recycling Infrastructure (construction and demolition)																	be'ah	MOF;TaxAuthority	MOCI;MECA
		Be'ah	- Increase the demand for C&D recycled products by levying a tax on virgin aggregates	Preparatory work listed and conducted Budget Team composition	Law/regulation on tax levy for virgin aggregates promulgated	% of demand increase Total value of levy received														
		Be'ah	- Use the tax revenue to finance grant funding or low-cost loans for investment in processing capacity (C&D)	Preparatory work listed and conducted	% of revenue allocated to loans Number of loans provided Value of loans provided	Investment in C&D processing capacity Oman total C&D processing capacity														
		Be'ah	- Set up a funding scheme for the additional capacity required to recycle increased waste and the waste that has been stockpiled (C&D)	Preparatory work listed and conducted Budget Team composition Time spent	Funding scheme set	Capacity for waste and stockpiled C&D waste														
		Be'ah	- Make investments more attractive and foster investors' confidence on the availability of enough feedstock and the existence of demand for their products, by supporting the development of new infrastructure through low cost loans and/or subsidies (C&D)	Preparatory work listed and conducted Budget Team composition Time spent	Number of feedstock Nr of low cost loans provided Nr of subsidies provided	Investments into C&D waste collection														
		Be'ah	- Ensure that enough C&D volume and quality waste is attracted into the legitimate recycling sector, away from illegal activities, through incentivizing investment in the capacity to increase the production of recycled aggregate,	Preparatory work listed and conducted	% of waste attracted to the legal recycling sector	% of waste attracted to the legal recycling sector														



1.2.4.		Extend Recycling Producer Responsibility (EPR)																					
1.2.4.1.		Producer Responsibility and Take-Back Schemes																		be'ah	MOCI	MOG,MECA	
		Dawar/Be'ah	- Support the market for recyclable waste by setting up performance requirements such as extended producer responsibility schemes requiring firms, which manufacture, import and/or sell products and packaging, to be financially or physically responsible for such products after their useful life: life cycle approach, and life cycle costing, as well as criteria concerning reuse and recycling of materials	Preparatory work listed and conducted Budget Team composition Time spent	Performance requirements set	Total value of domestic recyclat market Total number of participants on domestic recyclat market (demand, supply)						X	X	X	X	X	X						
		Be'ah	- Establish "take-back" schemes requiring obligated businesses to fund collection and processing for the selected WEEE Items / categories: consumers can return unwanted items to retailers (whether or not they are purchasing a replacement) and funding WEEE collection and treatment by municipalities at public waste sites	Preparatory work listed and conducted Budget Team composition Time spent	N° of take-back schemes set	Impact evaluation							X	X	X	X	X						
		Be'ah	- Use the take back schemes to generate the feedstock required to justify investments in formal WEEE collection and treatment for re-use and recycling	Preparatory work listed and conducted Budget Team composition Time spent	N° of take-back schemes set	Nr of feedstock generated Value of WEEE investment							X	X	X	X							
		Be'ah	- Introduce Extended Producer Responsibility (EPR) legislation for tyres in order to ensure funding for the collection and treatment of ELT	Preparatory work listed and conducted Budget Team composition Time spent	EPR introduced for tyres	Total funding for collection and treatment of ELT Total amount of ELT treated							X	X	X	X	X						
		Be'ah	- Require companies to provide data on the number and type of tires placed on the market annually and also to provide evidence that they have met their obligation	Preparatory work listed and conducted Budget Team composition Time spent	Requirement set List of companies	Data received per year Number of companies that met obligation							X	X	X	X	X						
		Be'ah	- Ensure availability of enough capacity in the country to legally recycle ELTs or produce TDF to ultimately recover their embodied energy	Preparatory work listed and conducted Budget Team composition Time spent	Capacity requirement set	Capacity of ELT recycling Amount of energy recoverd							X	X	X	X							
		Be'ah	- Provide government support to industry for the development of Producer Responsibility Organisation (PRO)	Preparatory work listed and conducted Budget Team composition Time spent	PRO established (y/n) Value and type of support provided	Total number of activities of PRO and impact							X	X	X	X							
		Be'ah	- Set up a dedicated enforcement resource to manage obligated producers and identify and enforce against 'free riders'	Preparatory work listed and conducted Budget Team composition Time spent	Enforcement resource set	Number of free riders identified							X	X	X	X	X						
1.3.		Broaden and deepen capabilities through education and technical and vocational training (TVET)																					
1.3.1.		Build the basic educational knowledge and infrastructure																					
1.3.1.1.		Introduce vocational secondary schools in the priority sectors and high-tech industries																			MOE	MOM	MOCI
		Langthaler	- Develop the TVET curricula in cooperation with industries, and combine technical and vocational with general education to ensure good quality of vocational secondary schools as an important vehicle for a sustainable provision of a highly qualified workforce	Preparatory work listed and conducted Budget Team composition Time spent	Nr of New TVET curricula developed Industry involvement (y/n)	Nr of graduates of TVET Nr of employed graduates of TVET (Within 1 year)						X	X										
		Langthaler	- Provide certifications that allow for access to tertiary education and ensure training comprises a high share of work-based learning.	Preparatory work listed and conducted Budget Team composition Time spent	Certification set	Nr of certifications received per school Share of workbased learning per shool							X	X	X	X	X						



			<b>1.3.2.2. Set up TVET trainings for new industries</b>														MOM	MadaynAcademy	MOCI;OCS;OAAA;MOHE;Universities; Companies
			Langthaler	- Develop technical trainings at basic, intermediate and advanced levels for priority sectors and high-tech industries	Preparatory work listed and conducted Budget Team composition	N° of trainings provided per level	Nr of graduates per level Average retention rate of TVET graduates		X	X	X	X	X	X					
			Langthaler	- Apply strict educational and relevance standards based on occupation standards, upcoming skills and international trends	Preparatory work listed and conducted	Standards set (y/n)	Quality of Oman TVET			X	X	X	X	X					
			Langthaler	- Introduce training programs for in-company trainings and expand the number of internships and apprenticeships programs	Preparatory work listed and conducted	N° of in-company training programs running	Nr of graduates per program Nr of employed graduates per program		X	X	X	X	X	X					
			Langthaler	- Ensure relevance to companies in the training programs.	Preparatory work listed and conducted	Questionnaire to firms on satisfaction with training programs conducted (y/n)	Results from questionnaire		X	X	X	X	X	X					
			<b>1.3.2.3. Identify and build facilities with industry partners to meet existing and future skills needs in new industries (after MNE establishment).</b>														MadaynAcademy	MOCI	OCS;OAAA;MOHE;Universities; Companies
			Frederick	- Create and fund an industry-specific training center and coordinate with companies to attend their specific training needs	Preparatory work listed and conducted Budget Team composition	Training centre set Amount of funds	Number of trainees graduated and employed		X	X	X	X	X	X					
			Frederick	- Make priority industries also priority sectors for Occupational Standards and Testing Center OSTC (begin with pharma/medical)	Preparatory work listed and conducted	OSC Priority added (y/n)	N/a	X	X	X	X	X	X	X					
			Frederick	- Increase networking amongst firms & universities to recruit new workers and facilitate research transfer (e.g. direct internship and recruitment programs)	Preparatory work listed and conducted	Nr of internships Nr of recruitment programs Nr of graduates	Total number of employment of nationals vs expats per MNE			X	X	X	X	X					
			<b>1.3.3. Educate and guide in support of Best Recycling Practice</b>																
			<b>1.3.3.1. Establish formal guidance to support Recycling Best Practice</b>														be'ah	MECA	MOCI
			Be'ah	- Set up formal guidance on how to maximize waste for reuse and recycling whilst limiting landfill, so as to increase the tonnage and quality of materials suitable for processing by the emerging sector	Preparatory work listed and conducted Budget Team composition Time spent	Formal Guidance set	Compliance rate with best practice		X	X									
			<b>1.3.3.2. Recycling Education and Awareness</b>														be'ah	MECA	MOCI;MOE;MOHE
			Be'ah	- Undertake educational campaigns to ensure awareness and acceptance of all stakeholders along the whole value chain of the WEEE waste stream, such as waste producers, suppliers and importers of WEEE products	Preparatory work listed and conducted Budget Team composition Time spent	N° of campaigns Nr of beneficiaries	Poll on awareness per segment of the value chain	X	X	X	X	X	X	X					
			Be'ah	- Ensure stakeholders not only know there are potential risks (i.e. both regulatory and environmental) but also that they may have a role, influence and potential obligations in minimizing such risks	Preparatory work listed and conducted	Item included in guidance and training (y/n)	Total number of risk involved (rating)	X	X	X	X	X	X	X					
			Be'ah	- Provide effective guidance for reuse, refurbishment as well as recycling initiatives to stimulate the market for reused products, materials and components	Preparatory work listed and conducted	Guidance provided	Total value of market for recycling		X	X	X	X	X	X					
			Be'ah	- Target for WEEE Education campaigns waste producers, waste carriers, end users of WEEE products, WEEE businesses, and stakeholders within the EPR scheme	Preparatory work listed and conducted Budget Team composition	N° of campaigns Nr of beneficiaries	Poll on awareness per segment of the value chain Total value of WEEE recycling - per segment of value chain		X	X	X	X	X	X					

1.4.	Review the incentives available for public and private sector workers in new industries																			
	1.4.1.	Provide incentives to attract skilled workers and build training facilities in new industries																		
		1.4.1.1.	Incentivize Omani and private sector firms to invest in Oman through incentive-based grants, with leeway for the MNE firm to facilitate high-skilled foreigners working in Oman and transferring their knowledge to locals														MOM	MOCI	Companies;BMOs;I3THRAAInv	
			Frederick	- Liaise with Ministry of Manpower to: (a) propose the grants for encouraging employment in the priority industries (begin with private healthcare manufacturing sector) (b) alleviate limitations to receiving skilled foreigners from the international MNEs in the priority sectors; and (c) set up incentives for exceeding Omanization requirements	Preparatory work listed and conducted Budget Team composition Time spent	Liaison conducted (MOC) Level of grants Visa policy changed Incentives for Omanization established	Omanization rates Fiscal cost	X	X	X	X	X	X	X						
			Frederick	- Provide existing private sector firms in prioritized industries a grant up to 3 years to cover allowances for skilled occupations at the same rates offered to public sector workers with similar credentials	Preparatory work listed and conducted Budget Team composition Time spent	N° of grants awarded Amount of money spent on the scheme	Fiscal cost Number of locals employed in MNEs Number of foreigners employed in MNEs				X	X	X	X						
			Frederick	- Incentivize companies exceeding Omanization requirements by offering fiscal incentives and a chance at winning a newly created national award	Preparatory work listed and conducted Budget Team composition Time spent	National award set	Fiscal cost				X	X	X	X	X					
			Frederick	- Campaign for attracting skilled specialists (pharmacists/pharmaceutical industrialists)	Preparatory work listed and conducted Budget Team composition Time spent	Campaign conducted Nr of beneficiaries reached	Total nr of applications for skilled pharmacists/industrialists Total nr of graduates for skilled pharmacists/industrialists Total employment for skilled pharmacists/industrialists			X	X	X	X	X						
			Frederick	- Support strategic integration of foreign high-skilled workers from anchor firms to be welcomed and integrated into the local community	Preparatory work listed and conducted Budget Team composition Time spent	Law/regulation promulgated No. of workers integrated	Extent of social networking			X	X	X	X	X						
			Frederick	- Continue implementation of programs in the long term with potential expansion into other complementary industries	Preparatory work listed and conducted Budget Team composition Time spent	N° of program continuing in the long term	Impact evaluation					X	X	X						
		1.4.1.2.	Encourage upskilling of Omani workers in new industries, including through incentivizing foreign and local investors.														MOM	MOCI	MOHE;NTF;OSC;OAAA;I3THRAAInv	
			Frederick	- Connect with National Training Fund, Setup agreements regarding the future industries (begin with pharmaceutical companies)	Preparatory work listed and conducted Budget	Agreement (MOC) set	Value of NTF funds received per priority cluster	X	X	X	X	X	X	X						
			Frederick	- Include NTF investment promotion visits, Scholarship and Apprenticeships programs for existing domestic pharma companies	Preparatory work listed and conducted Budget	Nr of promotions in which NTF was involved	Total number of FDI with NTF funding Value of NTF funding going to FDI		X	X	X	X	X	X						
			Frederick	- Ensure liaison between NTF and anchor firms	Preparatory work listed and conducted Budget Team composition Time spent	Nr of meetings between NTF and anchor firm	Anchor firm: deal or no deal with NTF (y/n) Value of NTF involvement Number of Omani employees in foreign firms Number of foreign employees in foreign firms		X	X	X	X	X	X						
			Frederick	- Set up training centers in Oman by anchor firms and MoHE, MoE	Preparatory work listed and conducted Budget	N° of training centers set by anchor firms and MNE	Number of graduates from training programs Nr of employed graduates from			X	X	X	X	X						
			Frederick	- Rollout broader scholarship and apprenticeship programs by MoE, MoHE	Preparatory work listed and conducted Budget Team composition Time spent	N° of Programs rolled-out	Nr of scholarships (and value) Nr of apprentices (per year) Employment rate of scholars and apprentices versus those that did not undergo to program				X	X	X	X						
		1.4.1.3.	Adjust and integrate education, labour market, migration, and social policy in tandem in a manner conducive to investment attraction and domestic skills formation in new industries						X								MOM	MOCI	MOE;MOHE;MOFA;MSD	
			Smeets	- Unify migration policies with education policies and policies that seek to encourage the interest of employers in taking up domestic labour	Preparatory work listed and conducted Budget Team composition Time spent	Unified policies issued	Market liberalization of labour market (WB Cost of doing business) Nr of Omanis employed in private sector		X	X	X	X	X	X						
			Smeets	- Unify social policy with labour market policy in order to encourage the interest of domestic labour in working in the private sector	Preparatory work listed and conducted Budget Team composition Time spent	Unified policy issued	Applications of domestic labour for private sector Review of share of Omanis that prefer employment in private sector (MOHE surveys)		X	X	X	X	X	X						

1.5.	Use Public Procurement to foster new and high-tech industries																				
1.5.1.	Introduce public procurement regulations specifically aimed at knowledge-driven industries																				
1.5.1.1.	Use public procurement regulations to support production of Pharmaceuticals and Medical Devices through promotion of this production by SME and FDI																		MOH	MOCI	MOM;ITHRAInv;TenderBoard;Riyada
	Dawar	- Strengthen supervision and implementation capacities to ensure stricter offset enforcement of Circular 2001 Buy Local requirements by the Ministry of Labour	Preparatory work listed and conducted Budget Team composition Time spent	Trainings provided Nr of 'graduates'	Public procurement value - share of which allocated to domestic producers (per industry)						X	X	X	X	X						
	Dawar	- Ensure the fulfillment of the 60% GCC pooled procurement requirement of pharmaceutical produce and expand it to include targeted medical devices	Preparatory work listed and conducted Budget Team composition Time spent	Requirement fully achieved	Public procurement value - share of which allocated to domestic producers (per industry)						X	X	X	X	X						
	Dawar	- Implement Purchasing commitments by MOH to guarantee stable customers for Omani medical device and pharmaceutical industry	Preparatory work listed and conducted Budget Team composition Time spent	N° of purchasing commitments	Public procurement value - share of which allocated to domestic producers (per industry)						X	X	X	X	X						
	Dawar	- Involve foreign investment in pharmaceutical manufacturing processes to improve knowledge and production and gain scale effects to improve competitiveness of Omani production	Preparatory work listed and conducted Budget Team composition Time spent	N° of foreign investments involved	Public procurement value - share of which allocated to domestic producers (per industry)						X	X	X	X	X						
1.5.1.2.	Promote the local fragrances industry's participation in public procurement tenders																	Riyada	MOCI	PAPP;TenderBoard	
	Dawar	- Establish strict implementation of offsets requiring specified levels of local content for Omani produced essential oils and odoriferous substances and mixtures	Preparatory work listed and conducted Budget Team composition Time spent	New rules set	Public procurement value - share of which allocated to domestic producers (per industry)						X	X	X	X	X						
	Dawar	- Set up guaranteed public procurement purchasing commitments to offer security to local frankincense producers and manufacturers for off-the-shelf products, such as hygiene and cleaning equipment directly used by government institutions	Preparatory work listed and conducted Budget Team composition Time spent	Setup of scheme (y/n)	N° of purchasing commitments Value of purchasing commitments						X	X	X	X	X						
	Dawar	- Use splitting lots for SME fragrances industry's encouragement	Preparatory work listed and conducted Budget Team composition Time spent	Splitting lots for fragrances in place y/n	Public procurement value - share of which allocated to domestic producers (per industry) Public procurement value - share of which allocated to domestic producers						X	X	X	X	X						
	Dawar	- Promote joint-bids for collectives of SMEs or local community companies to tender for bids	Preparatory work listed and conducted Budget Team composition Time spent	Promotion program created	N° of joint bids of SME						X	X	X	X	X						
	Dawar	- Provide technical assistance and capacity building for encouraging new and established SME producers of essential oils and odoriferous substances and mixtures to tender for public contracts	Preparatory work listed and conducted Budget Team composition Time spent	Nr of assistance and capacity building provided Nr of graduates from assistance and capacity building sessions	N° of SME of oil & fragrances participating in public tenders N° of SME of oil & fragrances winning public tenders						X	X	X	X	X						
	Dawar	- Advocate international standards and specifications for high quality frankincense matching local standards	Preparatory work listed and conducted Budget Team composition Time spent	Nr of advocacy events Nr of attendees advocacy events	Standard evaluation of domestic frankincense						X	X	X	X	X						
1.5.2.	Introduce public procurement regulations in support of environmental industries																				
1.5.2.1.	Stimulate industrial development in the solar panels industry by utilising public procurement rules and processes																		MOG	MOCI	MOF;TaxAuthority;PAPP;AER;NAMA
	Dawar	- Increase the demand for solar panels using "market-enhancing" mechanisms that either create a market or increase the certainty of market transparency and competition	Preparatory work listed and conducted Budget Team composition Time spent	Programs created	Public procurement value - share of which allocated to domestic producers (per industry) % increase in demand for solar panels						X	X	X	X	X						
	Dawar	- Award tax reductions and financial incentives, for local companies to foster firms by providing funds and inputs and reducing the costs	Preparatory work listed and conducted Budget Team composition Time spent	Tax reduction scheme and financial incentives set	Cost of local businesses Fiscal costs and benefits						X	X	X	X	X						













1.8.		Ensure investment and finance for new and high tech industries																
1.8.1.		Widen the availability of sources of finance for new investments for new and high tech industries																
1.8.1.1.		Create a Manufacturing Development Fund to involve local investors in new and high tech industries													OIA	MOCI	OIA;ITHRAAInv;MOF	
		Smeets	Establish a flexible funding line to be used as equity or loans by domestic firms investing in new and high tech activities, either as partners of foreign investors or as sole domestic investors	Preparatory work listed and conducted Budget Team composition Time spent	New fund set Value of new fund	Number of new ventures created through fund Number of new ventures still operating after 5 years Total value/sales of new ventures after		X	X	X	X	X	X					
		Smeets	- Set up a "Domestic Investor Unit" as part of the Investment Promotion Agency ("IPA") of Oman	Preparatory work listed and conducted Budget Team composition Time spent	DI Unit set	Nr of domestic investors linked Value of domestic investors linked Value of additional domestic manufacturing investments through DI Unit	X	X	X	X	X	X	X					
		Smeets	Explore using the fund to establish cluster holding companies	Preparatory work listed and conducted Budget Team composition Time spent	Holding company established (y/n)	N° of investors settled through the scheme -incl. total value Total nr of investors settled through other means - ind. total value		X	X	X	X	X	X					
1.8.1.2.		Use an Equity Co-Investment Fund (ECF) to attract foreign companies operating priority industries (begin with within the health/wellness space)												OIA	MOCI	OIA;TANMIA;ITHRAAInv		
		Smeets	- Establish a new manufacturing fund in OIF dedicated to new ventures in Oman with the purpose of channelling equity capital into new industries through co-investment	Preparatory work listed and conducted Budget Team composition Time spent	New fund set Value of new fund	Number of new ventures created through fund Number of new ventures still operating after 5 years Total value/sales of new ventures after		X	X	X	X	X	X					
		Smeets	- Source the fund through a joint public-private investment of 50-50% or 33-67%.	Preparatory work listed and conducted Budget Team composition Time spent	Value of funds given by public sector Value of funds given by private sector	Number of new ventures created through fund Number of new ventures still operating after 5 years Total value/sales of new ventures after	X	X										
		Frederick	- Use the fund also for attracting smaller firms in key niches or value chains, particularly those which could have linkages with the larger MNE attracted previously	Preparatory work listed and conducted Budget Team composition Time spent	Program set Total number of companies approached under this scheme Total number of companies convinced to settle in Oman	Equity invested by MNE companies Equity co-invested by Omani government			X	X	X	X	X					
1.8.1.3.		Attract International Venture Capital Firms that may be interested in investing in new ventures in Oman												ITHRAAInv	MOCI	VCS		
		Spitzer	- Scan the international financial scenery and identify VC firms that may be able to invest in foreign investment Oman	Preparatory work listed and conducted Budget Team composition Time spent	Scan conducted Nr of meetings conducted	Nr of international VC investing in ventures in Oman VC investment in Oman	X	X	X	X	X	X	X					
		Spitzer	- Channel foreign VC investment into second tier or supplier firms to entice them relocate in Oman	Preparatory work listed and conducted	Promotion program created	N° of International VC firms settled in Oman VC investment in Oman	X	X	X	X	X	X	X					
		Spitzer	- Cooperate with local VC companies	Preparatory work listed and conducted	Nr of collaborations between foreign and local VCs	VC investment in Oman	X	X	X	X	X	X	X					
1.8.2.		Involve the network of domestic family houses as investors into new industries																
1.8.2.1.		Raise investment funds from large domestic investors for new and high tech industries												ITHRAAInv	MOCI	OIA		
		Smeets	- Establish a national forum for Public-Private sector dialogue aimed to promote Oman's manufacturing growth and investments into priority sectors	Preparatory work listed and conducted Budget Team composition Time spent	Forum established Nr of stakeholders involved in PPD	N° of new investments from large domestic investors Value of investment from domestic investors in manufacturing	X	X	X	X	X	X	X					
		Smeets	- Promote industrial business opportunities among large Omani private investors	Preparatory work listed and conducted	Promotion program created Nr of meetings with business families	N° of new investments from large domestic investors Value of investment from domestic	X	X	X	X	X	X	X					





		1.9.2.2.	Introduce end-to-end capacity building programmes and education on fragrances.												MadaynAcademy	PACI	Companies;NTF;Universities;MAF
			Fragrances report	- Create a public-private training institute for manufacturing/innovation within the fragrances industries - equivalent to the College of Banking and Financial Studies.	Preparatory work listed and conducted Budget Team composition Time spent	Institute created	Number of graduates Number of employed graduates			X	X						
			Fragrances report	- Create programme for technical assistance and formation of production associations of raw materials producers (frankincense, rose, mhyrr) to ensure stable supply, sustainable production and agglomeration).	Preparatory work listed and conducted Budget Team composition Time spent	Technical assistance given Number of attendees	Production associations created Quality and quantity of produce Value of production			X	X						
			Fragrances report	- Use the export agencies' membership of IFRA to create and conform to int'l standards; and receive trainings/assess compliance of domestic firms with global standards.	Preparatory work listed and conducted Budget Team composition Time spent	Membership of IFRA (Y/n) Nr of Trainings received Nr of beneficiaries	Compliance rates				X	X	X	X			
			Fragrances report	- Introduce programmes to promote spillover of R&D centers to domestic entrepreneurs, enhancing innovative capacities.	Preparatory work listed and conducted Budget Team composition Time spent	Programmes created Nr of beneficiaries from programs	Number of innovations patented Number of innovated products sold Value of innovated products sold domestically					X	X	X			
			Fragrances report	- Create incentives for technology transfer within domestic companies (from handicraft to manufacturing).	Preparatory work listed and conducted Budget Team composition Time spent	List of incentives	Level of technology in domestic companies Fiscal cost and benefits of incentives (impact evaluation)			X	X	X	X				
1.9.3. Healthy foods																	
		1.9.3.1.	Establish governance framework that promotes health foods consumption and production.						X						MOH	MOCI	MAF;JIC;TRC;OFIC;Municipalities;Companies
			Report on Health Foods	- Promote "healthy foods" focussed on three levels: consumer ; industry ; and public health - i.e. to shift from the current eating habits towards healthier lifestyles, to increase the production by food industry of healthy foods and to promote Omani health, to prevent and to control Non-communicable Diseases (NCD).	Preparatory work listed and conducted Budget Team composition Time spent	Strategy set Oversight body allocated	Strategy implementation % Annual report of working group		X	X	X						
			Report on Health Foods	- Setup a FOOD working group comprising the following stakeholders: MOCI (DGI); MAF; IIC; MOH-TRC; OFIC; Municipality Food Standards; agricultural and fishery companies.	Preparatory work listed and conducted Budget Team composition Time spent	Group established	Nr of which private sector Nr of which private sector Annual report of working group		X	X	X						
		1.9.3.2.	Use fiscal and financial incentives to encourage demand and production of healthy foods.												MOF;TaxAuthority	MOCI	MAF;Municipalities
			Report on Health Foods	- Impose levies on some specific ingredients (e.g. sugar, tobacco) to reduce their contents in food and thus encourage healthy eating habits.	Preparatory work listed and conducted Budget Team composition	Levy promulgated into law/regulation	Amount levy received (fiscal benefit) Impact evaluation on food content		X	X	X						
			Report on Health Foods	- Subsidy to producers / traders of health food (e.g. fruits and vegetable producers, processors of unrefined flours) to decrease selling price to consumers and promote the consumption.	Preparatory work listed and conducted	Subsidy promulgated into law/regulation	Amount subsidy paid (fiscal cost) Impact evaluation on selling price Impact evaluation on consumption of healthy foods			X	X						
			Report on Health Foods	- Offer financial incentives for advertising the high content of healthy ingredients; opening of healthy food shops and restaurants; processing units able to produce healthy products.	Preparatory work listed and conducted	Financial incentives promulgated into law/regulation	Amount financial incentive paid (fiscal cost) Impact evaluation on number of health food shops and restaurants Impact evaluation on number of			X	X	X					

1.9.3.3.		Encourage the production of healthy foods. (industrial level)														MOH	MOCI	ITHRAInv;MOM;MAF;OFIC;Municipalities;NTF
		Report on Health Foods	- Identify possible partners for the production of healthy food to overtake the issues related to the reluctance to invest in innovation in a small scale market.	Preparatory work listed and conducted Budget Team composition Time spent	Partners identified	Investment in innovation in health foods Nr of innovations patented Amount of innovative products sold domestically			X	X	X							
		Report on Health Foods	- Implement vocational courses based on food practices for young unemployed to be funded by the government via MOCI.	Preparatory work listed and conducted Budget Team composition Time spent	Courses implemented	Number of unemployed graduates from the course Number of employed graduates from the course				X	X	X	X	X				
		Report on Health Foods	- Sponsor producers to attend Food Processing shows, particularly the Gulf Food Manufacturing Exhibition, Dubai-UAE, and major food EU based exhibitions.	Preparatory work listed and conducted Budget Team composition Time spent	Number of fairs attended	Production of healthy foods (value) by Omani attendees of the food processing shows				X	X	X	X					
		Report on Health Foods	-Finalize the agreements with international producers of healthy food products to improve the availability of healthy food in the local market.	Preparatory work listed and conducted Budget Team composition Time spent	Agreement set	Value of food market Oman (consumption) Value of healthy food market Oman (consumption)				X	X	X	X					
		Report on Health Foods	- Develop regulation that provide shelf at supermarkets for local producers of healthy foods.	Preparatory work listed and conducted Budget Team composition Time spent	Regulation promulgated	Average share of shelf space for local producers of healthy foods				X	X	X						
		Report on Health Foods	- Support and assure the adoption by producers of Higher Quality Systems such as: HACCP , ISO 9001:2015, ISO 22000:2005, Good Agriculture Practices (GAP), Good Manufacturing Practices (GMP), Good Hygiene Practices (GHP).	Preparatory work listed and conducted Budget Team composition Time spent	Nº of Certifications received per domestic producer	Nº of companies with certification Export value of companies with certification Domestic goods sold by companies with certification				X	X	X	X	X				
		Report on Health Foods	- Use export promotion agency to give support to companies wishing to achieve export accreditation, which is contingent on the level of contaminants in the end-product.	Preparatory work listed and conducted Budget Team composition Time spent	Nº of companies supported	Nº of companies with accreditation Export value of companies with accreditation				X	X	X	X	X				
		Report on Health Foods	- Position Oman as a regional centre of excellence in healthy food production of the region and gauge possibility to develop Halal products for non-Muslim consumers (through marketing tests and awareness).	Preparatory work listed and conducted Budget Team composition Time spent	Amount spent on international marketing of Omani Halal	Exports of halal products							X	X				
		Report on Health Foods	- Establish an agriculture college, with OFIC in the Board and in collaboration with NTF, that forecasts future trends. This resolves issues such as: food technology, outdated food processing curriculum (and teachers), and lack of smart manufacturing training.	Preparatory work listed and conducted Budget Team composition Time spent	College established	Number of graduates				X	X	X	X	X				
1.9.3.4.		Encourage the consumption of healthy foods. (consumer level)														MOH	MOCI	MAF;Municipalities
		Report on Health Foods	- Improve (in accordance with MOCI and MOH) the food labels with clear information about nutritional facts to help consumers to make right choices;	Preparatory work listed and conducted Budget Team composition Time spent	New law/regulation promulgated	Consumption of healthy foods Consumption of total foods			X	X	X							
		Report on Health Foods	- Stop to deliver snacks and soft drinks at high calories content due to sugar, preservatives, colorant, carbonates responsible of obesity to young people.	Preparatory work listed and conducted Budget Team composition Time spent	New law/regulation promulgated	Consumption of healthy foods Consumption of total foods				X	X	X	X	X				
1.9.3.5.		Strengthen the government's efforts in promoting a healthy lifestyle. (public health level)														MOH	MOE	MAF;TenderBoard;ITHRAInv;MOHE
		Report on Health Foods	- Prepare strategic plans for healthy food development, jointly by MOH, MAF, MOE, MOCI.	Preparatory work listed and conducted Budget Team composition Time spent	Nº of plans approved Oversight body allocated	Consumption of healthy foods (value) Consumption of total foods (value) Production of healthy foods (value) Production of total foods (value)	X	X										
		Report on Health Foods	- Encourage the relevant authorities (MOH, municipalities) to establish a campaign that promotes health at all levels. The campaign targeted at children ought to be part of the curricula (tailored to the various age of students) to increase the awareness of young people about food properties and diets.	Preparatory work listed and conducted Budget Team composition Time spent	Campaign held Nr of beneficiaries	Consumption of healthy foods (value) Consumption of total foods (value) Production of healthy foods (value) Production of total foods (value)		X	X									









1.9.6.5.		Support development of the downstream electromechanical products to increasingly access local raw materials.													PAM	MOCI	Companies
		Electro-mechanical industries report	- Integrate existing projects in the copper mining and processing sector to the level of producing products required, following the shift of copper to aluminium rods.	Preparatory work listed and conducted Budget Team composition Time spent	Projects integrated	Value of downstream industries			X	X	X						
		Electro-mechanical industries report	- Examine potential of producing glass preforms from the locally available silica.	Preparatory work listed and conducted Budget Team composition Time spent	Study findings published	N/a			X								
1.9.7. Metals and minerals cluster																	
1.9.7.1.		Establish governance framework that prioritises metals and minerals cluster.													MOCI	PAM	MECA;BMOs;Companies
1.9.7.1.1.		Fabricated and structural metals, glass, other building materials															
		Sector-specific report	- Setup a METALS AND MINERALS working group comprising the following stakeholders: MOCI (DGI); MECA; OCC; companies in the relevant sector.	Preparatory work listed and conducted Budget Team composition	Working group established Nr of private sector participants Nr of public sector participants	Annual report of working group Productivity of metal & mineral manufacturing companies		X	X	X							
1.9.7.1.2.		Cement															
		Cement-specific report	- Adopt a strategy for cement (and other building materials) focussed on (1) reduce, if not eliminate, the import deficit through import substitution; and, (2) explore opportunities for regional and global exports.	Preparatory work listed and conducted Budget Team composition Time spent	Strategy implementation %	Annual report on achievements		X	X								
1.9.7.2.		Incentivize modernization of product and services by Omani metal and mining industry cluster companies.													MOCI	IIC	TRC;IIC;MOF;TaxAuthority;BMOs;SEZ A
1.9.7.2.1.		Fabricated and structural metals, flat steel, glass, other building materials															
		Sector-specific report	Set up a steel and building material working group to address the challenges of the industries	Preparatory work listed and conducted Budget Team composition	Working group established Nr of private sector participants Nr of public sector participants	Annual report of evaluation			X	X	X						
		Sector-specific report	- Provide grants for the steel sector to change the product mix (enter less cost-competitive product category: flat steel products).	Preparatory work listed and conducted Budget Team composition	Flat steel production Nr of flat steel producing firms Total number of steel firms	Number of steel product types produced by the domestic steel industry Number of steel product types			X	X	X						
		Sector-specific report	- Sponsor quality conformance training and certification for steel sector upgrading.	Preparatory work listed and conducted Budget Team composition	Training provided Nr of attendees Nr of certifications	Productivity of selected industries Review of quality of steel industry			X	X	X						
		Sector-specific report	- Provide government and foreign support in R&D and technological collaborations for investment in developing new product lines for flat steel (ship building, automobile, fabrication, consumer durables, etc.) It will require heavy R & D investments and technological collaborations.	Preparatory work listed and conducted Budget Team composition Time spent	Amount of financial support from government Amount of financial support from abroad Number of collaborations R&D expenditures on flat steel	Volume of flat steel produced Value of flat steel produced Flat steel sold domestically (value) Exported flat steel (value)			X	X	X						
		Sector-specific report	- Fund training (vendor development) programmes on international standards (steel purchased by quality conscious sectors; vendors required to pass very stringent testing procedures).	Preparatory work listed and conducted Budget Team composition Time spent	Trainings received Amount of funding	Compliance rate with international standards			X	X							
		Sector-specific report	- Create with TRC a chair at the National University of Science and Technology with an endowment fund for research partly funded by the steel sector. The chair identifies areas of future research, institute fellowships for young researchers, monitor ongoing research on material sciences at university level, create a framework by which university research output could be used by the steel industry for commercial purposes.	Preparatory work listed and conducted Budget Team composition Time spent	Chair at university established Mandate created	Number of fellowships given Number of research output Number of research output with direct product improvement solutions for steel industry				X	X	X					
		Sector-specific report	- Chair (with TRC, Steel industry) to conduct studies on patent application trends in the steel sector and selected technological themes, assist in the development of R&D and intellectual property (IP) strategies. TRC to strive to raise awareness on IPRs among the industry by organising information sessions and training courses on innovation and IP systems; ICT applications for business management, productivity improvement and new product/service development; subsidize MSMEs investment in ICT in cooperation with financial institutions; and provide a regulatory and policy framework to reduce the cost of communications for business.	Preparatory work listed and conducted Budget Team composition Time spent	Number of studies conducted IP strategy created Value of subsidies for IT investment Number of awareness campaigns on IP Regulatory and policy framework in place for cost reduction of business	Total number of patents granted to Omani steel companies Total IT investments			X	X	X						





			Sector-specific report	- Expedite the preparation and training module of steel sector TVET (trained machinists, furnace operators, metal cutters, tool-makers, welders, and lab technicians).	Preparatory work listed and conducted Budget Team composition	Module created Nr of beneficiaries per type	Nr of beneficiaries employed			X	X	X				
			Sector-specific report	- Map the existing turnout and the requirement of metallurgist, production engineers, mechanical engineers and technicians with a focus on the expansion of steel sector. Based on this, decide financial allocation for interface between research and training institutes and schools, OCCI, etc. and disseminate information on available training courses.	Preparatory work listed and conducted Budget Team composition Time spent	Mapping conducted Size of financial allocation	Number of qualified metallurgist, production engineers, mechanical engineers and technicians in Oman Number of employed metallurgist, production engineers, mechanical engineers and technicians in Oman			X	X					
			Sector-specific report	- Include a Glass Industry specific course curriculum in the technical training institutes.	Preparatory work listed and conducted Budget Team composition	Specific course on glass industry set Number of graduates	N/a				X	X	X	X		
			Sector-specific report	- Work on providing accredited training for specialized skills in collaboration with international training institutes either through local institutes or through overseas facilities. This could be a collaborative effort between the stakeholders of industrial development including National training Fund (NTF), Ministry of Manpower, Madayn and MoCI. Key manpower required for this industry lie in the Production and Operations Department. There is a lack of skilled Omani manpower in this area. The industry currently face challenges in acquiring the following skill set operators from the local workforce: Instrumentation Engineers; Dye Correctors; Machine Operators; Fitters; Technicians. In addition to skills the national workforce need to be trained in key areas of work ethics and attitude building.	Preparatory work listed and conducted Budget Team composition Time spent	Specialized Training established Nr of graduates	Nr of qualified Instrumentation Engineers; Dye Correctors; Machine Operators; Fitters; Technician Nr of employed Instrumentation Engineers; Dye Correctors; Machine Operators; Fitters; Technician			X	X	X				
1.9.7.5.2. Cement																
			Cement-specific report	- Fill the anticipated skills gap is through collaboration in public and private partnerships, where the public education system in Oman must be able to provide knowledge and skills that the private sector can expand on through their own programs.	Preparatory work listed and conducted Budget Team composition Time spent	Number of partnerships	Evaluation by employers of graduates' skills Productivity of hired graduates			X	X	X				
			Cement-specific report	- Increase access to material science, which is behind developing future construction materials and to set-up research programs in local higher education institutions to: (1) better understand patterns and developments in this sector, (2) identify gaps in research, and (3) address the importance of hot areas such as Nano and Biotech technologies and the gap between research and actual commercial market use of BM products.	Preparatory work listed and conducted Budget Team composition Time spent	N° of research programmes set Reports published	Report findings implemented					X	X	X		

2. Entrepreneurship and Innovation																										
2.1. Promote entrepreneurship, startups and doing business																										
2.1.1. Create three stratified level of services and widen access to them																										
2.1.1.1. Differentiate the services infrastructure for manufacturing SME through the creation of three levels of service																							Riyada	MOCI	Banks;AI Raffd;M.Housing;SEZA	
2.1.1.1.1. Level 1. Basic																								Riyada	MOCI	Banks;AI Raffd
			Spitzer	- Initiate in Riyadh a manufacturing SME support facility	Budget Nr of staff	Scheme initiated Nr of SMEs supported by facility	Value of sales of participant SMEs vs not participant			X	X	X	X	X	X											
			Spitzer	- Open capacity building: open courses to support general capacity building for any person interested in starting a manufacturing business, including basic issues of cash flow, marketing, exports, etc. and disseminate information on permits and steps to open your business as well as to access financing and equity from available sources	Budget Nr of staff	N° of capacity building courses provided to level 1 N° of 'level 1 graduates' from capacity building courses	Nr of businesses opened Nr of businesses active after 3 years Value of financing received Value of sales Nr of clients			X	X	X	X	X	X											
			Spitzer	- E-commerce for manufacturing SME services: provide information about reliable e-business services such as e-mail, website builders, office services, CRM software, accounting and invoicing, (create alliances for special fairs with global carriers)	Budget Nr of staff	N° of beneficiaries of "E-commerce for SME" services provided - by type of service	Value of sales through regular distribution channel Value of sales through e-commerce			X	X	X	X	X	X											
			Spitzer	- Business spaces: provides information of potential areas to locate a business, such as office, back office, warehouse, and manufacturing areas available in the market. Also of those business space providers that may have a special alliance with Riyadh	Budget Nr of staff	N° of beneficiaries of "Business space" services - by type of service	Cost of business space for SMEs			X	X	X	X	X	X											
			Spitzer	- Market information: Riyadh should provide a robust database of buyers (local), importers, distributors. This database must be globally oriented, targeting potential markets (Africa, India, GGC, Europe, USA, among others)	Budget Nr of staff	Database published y/n Nr of actors listed on database (by type) Nr of Omani SMEs active on the database Nr of Level 1 Participants active on the database	Value of sales through database Nr of sales through database			X	X	X	X	X	X											
			Spitzer	- Financing: build alliances with private banks to provide better financing opportunities such as special SME financial packages for entrepreneurs who are, by part, part of the ecosystem but not Riyadh cardholders	Budget Nr of staff	N° of alliances with banks offering financing to SME	Value of loans to SMEs Total number of SMEs with loans Average interest rate charged on SME loans Average value of collateral required on SME loans Average pay back term required on SME loans			X	X	X	X	X	X											
2.1.1.1.2. Level 2. Intermediate																							Riyada	MOCI	AI Raffd;M.Housing;SEZA	
			Spitzer	- Exclusively for Riyadh Card holders	Budget Nr of staff	N° of Riyadh card holders Nr of Level 2 participants	Sales of participant SMEs Level 2			X	X	X	X	X	X											
			Spitzer	- Involving access to one-off procurement projects (Tendering Program I) and for Medium Enterprises creation and growth	Budget Nr of staff	N° of Riyadh card holders graduating from the Tendering I Program	Sales of participant SMEs Level 2			X	X	X	X	X	X											
			Spitzer	- Keep AI Raffd Fund financial packages	Budget Nr of staff	N° of recipients of AI Raffd funds (total) N° of recipients of AI Raffd funds (Riyada Card holders only) Total value of AI Raffd funds Total value of AI Raffd funds awarded to Riyada Card holders	Total sales of AI Raffd Fund beneficiaries Total profits of AI Raffd Fund beneficiaries			X	X	X	X	X	X											
			Spitzer	- Vouchers for capacity building: Riyadh card holders are entitled to automatic 30% discount in any capacity building course or program within the ecosystem. Based on their situation and project they can apply for 50%, 70% or even 100% discount	Budget Nr of staff	Scheme of vouchers for capacity building of Riyada card holders set N° of vouchers granted (by % level) N° of vouchers used (by % level)	Sales of participant SMEs (by % level)			X	X	X	X	X	X											



2.1.1.3 Establish a business incubator to promote entrepreneurship in the industrial sector										NBC	MOCI	Riyada					
			Spitzer	- Focus specifically on promoting the development of industrial enterprises in prioritized sectors identified in the industrial strategy 2040	Budget Team composition Time required Preparation listed and conducted	Business incubator focussed on manufacturing established	N° of new enterprises in prioritized sectors (total) N° of new enterprises in prioritized sectors (from new business incubator for manufacturing)		X	X	X	X	X	X			
			Spitzer	- Support innovative entrepreneurs with materials testing laboratories, electromechanical equipment, industry, 4.0 models among others to facilitate the development of industrial products' prototypes	Budget Team composition Time required Preparation listed and conducted	New scheme to support innovative entrepreneurs created N° of beneficiaries of the scheme (per type of service)	Sales of beneficiary companies Costs of beneficiary companies Nr of patent applications beneficiary companies		X	X	X	X	X	X			
			Spitzer	- Support universities and research centers that provide services to these incubators, e.g. Advance Manufacturing Center at Sohar University	Budget Team composition Time required Preparation listed and conducted	Nr of alliances between Universities/Centres and incubators N° of universities & research centers being supported	N° of private sector (manufacturing) beneficiaries from university/research centers		X	X	X	X	X	X			
			Spitzer	- Provide training and advice in business management and marketing of the products developed	Budget Team composition Time required Preparation listed and conducted	Nr of training and business management provided Nr of beneficiaries of the trainings	Sales of beneficiary companies Costs of beneficiary companies Survival rate after 3 years of beneficiary companies		X	X	X	X	X	X			
			Spitzer	- Build on the National Business Center (NBC) skills and expertise and the Industrial Innovation Center	Budget Team composition Time required Preparation listed and conducted	Business incubator focussed on manufacturing established	Number of companies incubated Revenues of incubator companies Costs of incubator companies Staff employed at incubator companies		X	X	X	X	X	X			
2.1.2. Establish New Mentorship Services and Advanced Capacity Building																	
2.1.2.1. Improve e-business guiding										Riyada	MOCI	MTC					
			Spitzer	- Provide detailed information on how to start a new business project to every person with legal residence in Oman: this includes registration process & licenses, selection of business legal form, market demand data base, easy templates of business plan, module to calculate capital and financial requirements, information of open courses provided by Riyada, potential areas to rent an office or warehouse, general sources of equity and finance	Budget Team composition Time required Preparation listed and conducted	Mechanisms for e-guiding set	Nr of times accessed (nr of beneficiaries)		X	X	X	X	X	X			
2.1.2.2. Set up an Advanced Mentorship Program										Riyada	MOCI	Companies					
			Spitzer	- Increase the probability to connect good projects with right people through building up, at national level, a network of mentors to support entrepreneurship, offering free counselling to those interested in doing business	Budget Team composition Time required Preparation listed and conducted	Network of mentors set Nr of counselling sessions held Nr of beneficiaries	Nr of profits for beneficiaries Nr of sales for beneficiaries		X	X	X	X	X	X			
2.1.2.3. Offer advanced capacity building services										Riyada	MOCI	MOM					
			Spitzer	- Connect Riyada capacity building activities to vocational education networks in Oman. Certify training schools.	Budget Team composition Time required Preparation listed and conducted	N° of training schools certified Nr of Riyada capacity building sessions held at vocational schools Nr of participants of riyada capacity building sessions	Nr of business started by beneficiaries Value of business started by beneficiaries Survival rate of business started by beneficiaries		X	X	X	X	X	X			
			Spitzer	- Provide through vocational training centers a set of courses where potential entrepreneurs can improve their knowledge and skills. Courses: building up e-commerce businesses, export process, accounting, financing, technical short-term courses in different fields	Budget Team composition Time required Preparation listed and conducted	N° of new courses offered Nr of beneficiaries	Nr of sales of beneficiaries		X	X	X	X	X	X			
			Spitzer	- Open these courses to all people in Oman	Budget Team composition Time required Preparation listed and conducted	Nr of attendees Nr of sessions	Nr of sales of beneficiaries		X	X	X	X	X	X			
			Spitzer	- Allow Riyada card holders to apply for educational vouchers of 30%, 50% 70% or 100% cost coverage	Budget Team composition Time required Preparation listed and conducted	Voucher scheme set Nr of applicants Nr of vouchers granted (per category) Nr of vouchers used (per category)	Nr of profits for beneficiaries Nr of sales for beneficiaries		X	X	X	X	X	X			
			Spitzer	- Introduce specialized courses for advanced SMEs focusing on technology, partnerships, exports and advanced management	Budget Team composition Time required Preparation listed and conducted	No. of Courses introduced No. of SMEs enrolled	Impact evaluation on participant companies: Technology Nr of partnerships				X	X	X	X			

2.2.	Improve the performance of the innovation system																	
2.2.1.	Conduct innovative activity at firm level																	
2.2.1.1.	Establish Manufacturing Innovation Factories in all industrial areas														IIC	MOCI	IPM;SEZA;TRC;EJAAD	
	Leal	- Attract young inventors and engineers searching for ideas and a place to experiment with their designs	Budget Team composition Time required Preparation listed and conducted	N° of innovation factories set Nr of young inventors/engineers attracted	Nr of new ideas created and patented Value of new ideas created and patented		X	X	X	X	X	X						
	Leal	- Provide material and equipment that will allow for making and testing prototypes for new products	Budget Team composition Time required Preparation listed and conducted	Nr of prototypes tested Nr of prototypes judged successful	Prototypes turned into products		X	X	X	X	X	X						
	Leal	- Allow access to anyone that comes with an idea and needs support	Budget Team composition Time required	N/a	N/a		X	X	X	X	X	X						
	Leal	- Staff should include a multidisciplinary team in different engineering areas	Budget Team composition Time required	Multidisciplinary teams set (y/n)	N/a		X	X	X	X	X	X						
	Leal	- Cooperate with the Industrial Innovation Center	Budget Team composition Time required	MOC with IIC formed (y/n)	Nr of alliances between IIC and manufacturing innovation factories Nr of meetings between IIC and		X	X	X	X	X	X						
	Leal	- Support projects with immediate industrial application	Budget Team composition Time required	Total number of projects N° of projects supported	Nr of industrial applications Time to market		X	X	X	X	X	X						
2.2.1.2.	Set up a mechanism of innovation vouchers consisting of small grants for SME to purchase services from external sources such as universities and public research centres, in order to improve firm's innovative performance													Riyada	MOCI	EJAAD;TRC;IIC		
	Leal	- Use this program to fund business advisory and technology extension services in the framework of university-firms collaborative projects, or through engagements with research and technology organisations (RTO)	Budget Team composition Time required Preparation listed and conducted	Mechanism set Nr of innovation vouchers granted Nr of innovation vouchers used	Nr of innovations coming out of innovation vouchers used Value of innovations coming out of innovation vouchers used		X	X	X	X	X	X						
	Leal	- Persuade non-innovative and moderately innovative SMEs to start collaborating with knowledge organisations and providers to engage in innovation activities that could increase the sophistication of their operations	Budget Team composition Time required Preparation listed and conducted	N° of collaborating agreements	Sophistication of operations of participating firms, as measured by: Labour productivity Capital per worker Costs as a share of profits		X	X	X	X	X	X						
	Leal	- Target innovation vouchers at strengthening core business operations of Omani SME through the sourcing of consultancy from external knowledge providers	Budget Team composition Time required Preparation listed and conducted	Nr of consultancies - per provider	N/a		X	X	X	X	X	X						
	Leal	- Open this scheme to all manufacturing-related SME, with particular focus on non-innovative and moderately innovative firms	Budget Team composition Time required Preparation listed and conducted	N° of manufacturing SME participating	Non-innovative firms: number of innovations prior and after use of the innovation voucher Moderately innovative firms firms: number of innovations prior and after use of the innovation voucher		X	X	X	X	X	X						
	Leal	- Focus innovation vouchers on manufacturing firms from all sectors and not on R&D projects, but rather technology adoption, process improvement, operations management or business/management innovation	Budget Team composition Time required Preparation listed and conducted	N° of firms receiving the voucher - per industry N° of firms using the voucher - per industry	Cost base of firms that use the firm - before and after Efficiency of firms that use the firm - before and after		X	X	X	X	X	X						
	Leal	- Use dissemination activities such as workshops and marketing to make SME aware of the program	Budget Team composition Time required Preparation listed and	Nr of workshops/marketing in which awareness was raised Nr of beneficiaries	Total nr of participants Total nr of participants that are SMEs		X	X	X	X	X	X						

2.3		Encourage R&D investment																							
2.3.1.		Develop fiscal incentives for R&D																							
2.3.1.1.		Establish a R&D tax credit to increase innovation in the manufacturing sector											X									MOCI	MOF,TaxAuthority	TRC,IIC	
			Carrasco	- Award a 50% R&D tax credit, for the cases where the manufacturing firm partners with a local SME or local university, and a 40% standard R&D tax credit for all the other cases	Budget Team composition Time required Preparation listed and conducted	Tax credit allowance for R&D set in legal framework (y/n) Nr of users of R&D credit (per type 50% or 40%)	Before and after: R&D (total value, as % of sales) of the group of manufacturing firms that used the credit vis-à-vis those that did not. Before and after: sales and costs/unit of the group of manufacturing firms that used the credit vis-à-vis those that did not.									X	X	X	X	X	X				
			Carrasco	- Begin by targeting knowledge-driven prioritized industries identified in Oman Industrial Strategy 2040; then, by 2026, target all manufacturing industries that invest in corporate R&D for improving existing products or developing new products	Budget Team composition Time required Preparation listed and conducted	Nr of knowledge-driven industries that benefit from the Credit. Nr of manufacturing companies that benefit from the Credit.	R&D investment of knowledge-driven industries that benefit from the Credit. Sales of knowledge-driven industries that benefit from the Credit. Nr of product innovations of knowledge-driven industries that benefit from the Credit. Value of product innovations of manufacturing companies that benefit from the Credit. R&D investment of manufacturing companies that benefit from the Credit.										X	X	X	X	X	X			
2.3.2.		Provide grants to support the development of new product or production process in Oman																							
2.3.2.1.		Provide grants for business R&D and innovation in a competitive application process, to help companies to de-risk, enable and support innovation																					MOCI	TRC	MOF,EJAAD;Universities
			Leal	- Support technology development from mid to high technology readiness levels (TRLs 3-8)	Budget Team composition Time required Preparation listed and conducted	Nr of grants provided Nr of beneficiaries	Technology developed before and after the grant R&D/innovation before and after the grant									X	X	X	X	X	X				
			Leal	- Finance specific expenditures of innovation projects, including proof of concept, prototyping, testing, machinery, technical assistance, etc.	Budget Team composition Time required Preparation listed and conducted	N° of projects supported Value of support	Number of innovations as a result of program Value of innovations as a result of program									X	X	X	X	X	X				
			Leal	- Incentivise collaboration with other firms and innovation service suppliers in Oman and internationally	Budget Team composition Time required Preparation listed and conducted	Incentive framework established	N° of collaboration agreements Fiscal cost									X	X	X	X	X	X				
			Leal	- Target manufacturing-related SMEs and large firms, and allocate funds through a competitive application process: 1.5M OMR (30,000 X 50) for SMEs and 6M (600,000 X 10) for large businesses	Budget Team composition Time required Preparation listed and conducted	Total funding Awarded	Innovations of beneficiary companies Value of innovations of beneficiary companies									X	X	X	X	X	X				
			Leal	- Give preference to innovation projects within firms in sectors that align with MOCI's manufacturing strategy 2040 goals	Budget Team composition Time required Preparation listed and conducted	N° of innovation projects funded N° of innovation projects funded in priority sectors Value of innovation projects funded	N/a									X	X	X	X	X	X				
			Leal	- Do not limit grants to particular technology areas	Budget Team composition Time required Preparation listed and conducted	N/a	N/a									X	X	X	X	X	X				
			Leal	- Award grants to projects that can provide evidence for considerable potential to gain market share, generate economic diversification impact and exports	Budget Team composition Time required Preparation listed and conducted	N° of grants awarded Value of grants awarded	Market share of beneficiary companies									X	X	X	X	X	X				
			Leal	- Work with The Research Council, EJAAD, the Industrial Innovation Centre and other public and private organizations in the selection of submissions	Budget Team composition Time required Preparation listed and conducted	Nr of alliances established	Nr of meetings per year Minutes									X	X	X	X	X	X				

2.4.		Use Public Procurement to foster local innovation and entrepreneurship																	
2.4.1.		Target entrepreneurship through public procurement																	
2.4.1.1.		Prioritize a set of strategic manufacturing SME														Riyada	MOCI	TenderBoard	
		Spitzer	- Prioritize a set of manufactures from those identified in the first phase of the industrial strategy where public procurement can effectively catalyse their development	Budget Team composition Time required Preparation listed and conducted	Prioritized manufacturing SME identified	Value added of selected industries		X	X	X	X	X	X						
		Spitzer	- Develop business plans defining the level of investment required, type of technology, training required, conditions to access procurement contracts	Budget Team composition Time required Preparation listed and conducted	N° of business plans	N/a		X	X	X	X	X	X						
		Spitzer	- Identify people and managers who can carry out the development of these enterprises	Budget Team composition Time required Preparation listed and conducted	Nr of peoples and managers involved	N/a		X	X	X	X	X	X						
		Spitzer	- Link these managers and projects to the Tendering Program II in order to obtain supply contracts guaranteeing a 10 years horizon	Budget Team composition Time required Preparation listed and conducted	N° of Tendering supply contracts Value of Tendering supply contracts	N/a		X	X	X	X	X	X						
2.4.1.2.		Set up Long-term Tendering Program (Tendering Program II)														TenderBoard	MOCI	SEZA,Riyada,Al Raffd,All Ministries	
		Spitzer	- Boost SME's 10 years procurement contracts tendering over 3 M OMR per year conditioned to: 51% Omani ownership, management committee approved by board members where chair and CEO are appointed by the board of Tender Program II, the company should comply with established omanization rates, other parameters such as: (a) employment generation; (b) capacity to engage other SMEs in the manufacturing process, (c) geographic location of the company	Budget Team composition Time required Preparation listed and conducted	N° of 10 year procurement contracts N° of 10 year procurement contracts granted to SMEs Value of 10 year procurement contracts granted to SMEs Compliance rate with criteria	Review on whether SMEs could deliver for the entire 10 years		X	X	X	X	X	X						
		Spitzer	- Appoint a Mentor to follow up and monitor implementation of the project who should report every quarter the implementation process of these manufactures to the board of the Tendering Program II	Budget Team composition Time required Preparation listed and conducted	N° of projects with mentors Nr of meetings with mentors per year	Review on whether SMEs could deliver for the entire 10 years		X	X	X	X	X	X						
		Spitzer	- Grant space, energy and other standard facilities provided by Madayn (Industrial States Authority)	Budget Team composition Time required Preparation listed and conducted	N° of projects with facilities provided by Madayn Value of facilities provided by Madayn	N/a		X	X	X	X	X	X						
		Spitzer	- Create a SME Tendering Committee (Tendering Program II) charged with the management of the process of awarding contracts to companies and projects. This Committee may involve: the Tendering Board, MOCI, Riyada, Al Raffs Fund, and a guest member of the recipient ministry	Budget Team composition Time required Preparation listed and conducted	SME Tendering Committee set List of composition of the committee	Nr of tenders handled by the committee Nr of tenders awarded to SMEs Value of tenders handled by the committee Value of tenders awarded to SMEs		X	X	X	X	X	X						
2.4.1.3.		Offer Advanced Capacity Building Services														Riyada	MOCI	MOF;MOM	
		Spitzer	- Organise training programs for projects approved within the Tendering Program II	Budget Team composition Time required Preparation listed and conducted	N° of training programs Nr of beneficiaries	Review on whether SMEs could deliver for the entire 10 years		X	X	X	X	X	X						
		Spitzer	- Offer grants of 5.000 up to 10.000 OMR per young student to participate in this training	Budget Team composition Time required Preparation listed and conducted	N° of grants awarded Value of grants awarded	Review on whether SMEs could deliver for the entire 10 years		X	X	X	X	X	X						
		Spitzer	- Prioritize technical and management training required for specific manufacturing processes	Budget Team composition Time required Preparation listed and conducted	List of content of trainings	Review on whether SMEs could deliver for the entire 10 years		X	X	X	X	X	X						

2.4.1.4.		Provide project financing to participants in Tendering Program II													OIA	MOCI	MOF
		Spitzer	- Offer finance within a range of 0.5 million OMR to 20 million OMR per SME, and require down payments from 10% to 30%	Budget Team composition Time required Preparation listed and conducted	N° of projects financed Value of projects financed	Review on whether SMEs could deliver for the entire 10 years		X	X	X	X	X	X				
		Spitzer	- Finance is to cover the following investment costs: Machinery and equipment, Plant construction (building infrastructure), training workers, Technical and management consultancy	Budget Team composition Time required Preparation listed and conducted	Definition adjusted M&E finance, plant finance, training finance, technical and management consultancy provided Nr of beneficiaries	Review on whether SMEs could deliver for the entire 10 years		X	X	X	X	X	X				
		Spitzer	- Provide grants for training people up to OMR 5,000 per worker	Budget Team composition Time required Preparation listed and conducted	N° of grants awarded Value of grants awarded	Review on whether SMEs could deliver for the entire 10 years		X	X	X	X	X	X				
2.4.2. Target innovation through public procurement.																	
2.4.2.1.		Support innovations through public procurement													TenderBoard	MOCI	Riyada
		Dawar	- Give preference to tenders or suppliers able to demonstrate innovation in their product	Budget Team composition Time required Preparation listed and conducted	N° of tenders won that include innovation	Impact evaluation of procurement on innovation		X	X	X	X	X	X				
		Dawar	- Regulate tender specifications and performance requirements to encourage the diffusion and adaptation of 'leading edge' technology	Budget Team composition Time required Preparation listed and conducted	New regulation issued	N/a		X	X	X	X	X	X				
		Dawar	- Include in request for proposals the desirability of products and systems that go beyond the state-of-the-art – pre-commercial – including the use of defense procurement	Budget Team composition Time required Preparation listed and conducted	RFPs required to include products that go beyond state of art (y/n)	Impact evaluation of procurement on innovation		X	X	X	X	X	X				
		Dawar	- Use guaranteed purchasing commitments in public procurement to encourage innovation as an early adopter and market leader demanding new technologies/ solutions	Budget Team composition Time required Preparation listed and conducted	N° of purchasing commitments Value of purchasing commitments	Impact evaluation of procurement on innovation		X	X	X	X	X	X				
2.4.2.2.		Apply OECD practices for the use of public procurement to support innovation													TenderBoard	MOCI	Riyada
		Dawar	- Embed policy strategies with defined targets within national innovation policy	Budget Team composition Time required Preparation listed and conducted	Public procurement legislation and regulation mapped against OECD Principles (y/n) Targets established (y/n)	Targets (list) - expectation and actual	X	X	X	X	X	X	X				
		Dawar	- Set up a legal framework, including understandable definitions, guidelines and templates to facilitate its implementation	Budget Team composition Time required Preparation listed and conducted	New legal framework set (y/n)	N/a	X	X	X	X	X	X	X				
		Dawar	- Promote professionalisation by providing specific training to build staff capabilities and skills, setting up multidisciplinary teams and competence centers focused on public procurement for innovation	Budget Team composition Time required Preparation listed and conducted	N° of trainings provided Nr of beneficiaries Nr of competence centers established	Impact evaluation of procurement on innovation	X	X	X	X	X	X	X				
		Dawar	- Raise awareness by publishing good practice cases, creating a dedicated knowledge-sharing platform and/or hosting workshops and seminars to share and build success	Budget Team composition Time required Preparation listed and conducted	N° of awareness events Guidelines published Knowledge sharing platform created	Nr of companies participating in tenders Level of innovation by companies participating in tenders	X	X	X	X	X	X	X				
		Dawar	- Undertake risk management and measure impact to reduce possible loss and damage, and increase trust	Budget Team composition Time required Preparation listed and conducted	Impact measurement conducted (y/n)	Results of impact measurement	X	X	X	X	X	X	X				
		Dawar	- Define test standards, methods and quality certificates, using standardisation as a catalyst for innovation	Budget Team composition Time required Preparation listed and conducted	Standardization scheme set (y/n)	Review of test standards	X	X	X	X	X	X	X				
		Dawar	- Use appropriate e-procurement and information technology (IT) tools to carry out a proper risk assessment to measure impact	Budget Team composition Time required Preparation listed and conducted	Tools integrated into model of operations (y/n) Impact measurement conducted	Results of impact measurement	X	X	X	X	X	X	X				
2.5. Ensure finance for new manufacturing ventures																	
2.5.1.		Introduce Venture Capital Finance															
2.5.1.1.		Engage in Government Venture Capital (GVC) defined as government-financed equity investments													OIA	MOCI	VCS
		Kolympiris	- Locate as a department in the industrial development bank division	Budget Team composition Time required Preparation listed and conducted	Unit at ID Bank created Amount managed Nr of projects financed	Total value of GVC to manufacturing		X	X	X	X	X	X				

			Kolympiris	- Use as coinvestment with other private financiers	Budget Team composition Time required Preparation listed and conducted	N° of projects financed through coinvestment Value of coinvestment	Total value of GVC to manufacturing		X	X	X	X	X	X	X				
			Kolympiris	- Focus on innovative and high-tech startups	Budget Team composition Time required Preparation listed and conducted	N° of innovative start-ups financed	Value of innovative startups after exit horizon		X	X	X	X	X	X	X				
			Kolympiris	- Ensure an exit horizon from investments of around 5-7 years	Budget Team composition Time required Preparation listed and conducted	Average investment horizon	Average value prior to investment Average value after investment		X	X	X	X	X	X	X				
			Kolympiris	- Draw on the expertise and second staff from similar organizations in Oman or abroad	Budget Team composition Time required Preparation listed and conducted	Number of secondments from GVC staff	N/a		X	X	X	X	X	X	X				
		2.5.1.2.	<b>Promote and Participate in Corporate Venture Capital (CVC), defined as corporate-financed equity investments</b>														OIA	MOCI	VCS
			Kolympiris	- Expand awareness among local businessmen of the role and importance of CVC	Budget Team composition Time required Preparation listed and conducted	Nr of awareness campaigns Total nr of beneficiaries	Corporate venture Capital - amount in total Corporate Venture Capital - average per firm Corporate Venture Capital - per type of industry Total number of new venture capital firms in existence after 2 years Average value prior to investment		X	X	X	X	X	X	X				
			Kolympiris	- Coinvest with large local or foreign corporations in the establishment of more Omani manufacturing focused CVCs	Budget Team composition Time required Preparation listed and conducted	N° of co-investment projects between domestic and foreign Total value of projects	Total number of new venture capital firms in existence after 2 years		X	X	X	X	X	X	X				
			Kolympiris	- Draw on the expertise and second staff from similar organizations in Oman or abroad	Budget Team composition Time required Preparation listed and conducted	Number of secondments from CVC staff	N/a		X	X	X	X	X	X	X				
<b>3. Upgrading and Modernization</b>																			
<b>3.1. Access skills and technology for manufacturing and 4IR</b>																			
<b>3.1.1. Facilitate the adoption of large-scale advanced and 4IR technologies</b>																			
		3.1.1.1.	<b>Stimulate large-scale technology upgrading and deployment of advisory services to move away from labour-intensive, low productivity patterns of production in Oman</b>														IIC	MOCI	Riyada
			Leal	- Raise awareness of the value of new production technologies and automation	Preparatory work listed and conducted List of team members Budget	Campaign launched Nr of beneficiaries Framework for rating technology level created	Production technologies and automation in companies according to rating		X	X	X	X	X	X	X				
			Leal	- Provide specialist advice and technology audits to support implementation of new technology	Preparatory work listed and conducted List of team members Budget	Nr of technology audits conducted on companies (by company size) Nr of companies given advice (by company size)	Impact evaluation on technology use (companies that received support versus those that did not)				X	X	X	X	X				
			Leal	- Provide specialist training (both technical and operations management)	Preparatory work listed and conducted List of team members Budget	N° of trainings Nr of beneficiaries	N/a			X	X	X	X	X	X				
			Leal	- Provide 100% funding for technology acquisition and access to training	Amount spent Preparatory work listed and conducted	N° of projects funded	Impact evaluation on technology use			X	X	X	X	X	X				
			Leal	- Target non-innovative and moderately innovative Small and Medium Size Enterprises (SMEs)	List of SMEs according to ranking of innovation	N° of non and moderately innovative SME funded	Impact evaluation on costs and technology of participant SMEs			X	X	X	X	X	X				
			Leal	- Develop partnerships with local support organisations to create aligned ecosystem	Preparatory work listed and conducted List of team members Budget	N° of partnerships established	Nr of minuted meetings with included partners per year			X	X	X	X	X	X				

















3.2.2.10. Establish TVET research capacities at existing universities and other research institutions														Universities	MOCI	MOHE/MOH
	Langthaler	- Establish a TVET related research unit at the education or economics departments of Sultan Qaboos University or any other university dedicated to basic research	Preparatory work listed and conducted Team composition Budget Time used	TVET Unit at SQ Univ. Set	Number of research reports published on TVET by SQU	X	X	X	X	X	X	X				
	Langthaler	- Promote applied research with the industries' involvement at Universities of Applied Science, Technological Colleges or specifically set up research institutions	Preparatory work listed and conducted Team composition Budget Time used	N° of research projects running	Nr of research projects concluded		X	X	X	X	X	X				
	Langthaler	- Establish intermediate research and technology organisations (RTOs), governed and financed by the public and private sector, linking public and private innovation efforts to conduct research on skills development and act as networking hubs	Preparatory work listed and conducted Team composition Budget Time used	N° of RTO created Financing received from public and private sector	Research published by RTOs Nr of networking events held Nr of attendees of networking events		X	X	X	X	X	X				
3.2.3. Promote TVET efforts and ensure they are as close as possible to the workplace																
3.2.3.1. Design training programmes for in-company trainers														MadaynAcademy	MOM	MOCI,OSC,NTF
	Langthaler	- Make MIA to design in the short term training programmes for in-company trainers to develop specific didactical skills and incentivise participation	Preparatory work listed and conducted Team composition Budget Time used	N° of training programs Nr of graduates from training programs	Rating of didactical skills of in-company trainers graduates Number of graduates from training programs hired as in-company trainers	X	X	X	X	X						
	Langthaler	- In the medium term, set by MIA in co-operation with MoM, OSC and NTF, standards for in-company trainers' skills as a means to secure training quality in the whole sector	Preparatory work listed and conducted Team composition Budget Time used	Standards set for in-company trainers	Feedback from companies on quality of in-company trainers					X	X					
	Langthaler	- Develop minimum standards, based on surveys of existing training practices, as a first step to obtain quick results helpful for raising skills levels in SMEs	Preparatory work listed and conducted	Min. Standards set	Skill rating in SMEs				X	X	X					
3.2.3.2. Develop work-place learning opportunities for TVET teachers														MadaynAcademy	MOM	MOCI,MOHE
	Langthaler	- Include in the TVET teacher education curricula mandatory training at workplaces, ideally already at pre-service level, also include in regular in-service teacher training stages at workplaces and exchange with companies	Preparatory work listed and conducted Team composition Budget Time used	Workplace mandat. Training set Number of TVET teacher graduates Number of TVET teacher graduates with training received at workplaces	Number of TVET teacher graduates Number of TVET teacher graduates hired Number of TVET teacher graduates with workplace training		X	X	X	X	X	X				
	Langthaler	- At an initial stage, enhance TVET teachers' work-place experience with company visits and projects at companies. At a later stage, made compulsory longer internships	Preparatory work listed and conducted Team composition Budget Time used	Share of TVET teachers with internships Longer internships made compulsory	Number of TVET teacher graduates hired Number of TVET teacher graduates with internship Number of TVET teacher graduates	X	X	X								
	Langthaler	- At medium to longer term, make previous work experience as an employee compulsory for TVET teacher and trainer applicants	Preparatory work listed and conducted Team composition Budget Time used	Requirement set	Average years of experience of TVET teacher graduates					X	X	X				
	Langthaler	- Standardise and align regulations for private institutions with those for public sector TVET teaching in order to improve TVET teacher training quality at private institutions	Preparatory work listed and conducted Team composition Budget Time used	Regulations to standardise set	Feedback from private institutions on TVET trainer quality		X	X	X	X	X	X				
	Langthaler	- Cooperate with MoHE and MoM in designing the curricula for TVET teacher education (including those of private institutions), and lobby for mandatory workplace training units in this curricula	Preparatory work listed and conducted Team composition Budget Time used	MOC with MOHE and MOM signed Curricula designed Curricula with workplace training mandated	Feedback from private institutions on TVET trainer quality		X	X	X	X	X	X				



3.2.3.4. Enhance other forms of work-based learning										MadaynAcademy	MOM	MOC;MOHE,EducationCouncil				
			Langthaler	- Develop other possibilities of bringing schools and work places closer, including integration of experts from companies and work places into school and school-based TVET, establishment of advisory boards at vocational and technical colleges, company visits, small projects and so on	Preparatory work listed and conducted Team composition Budget Time used	N° of advisory boards set Nr of other possibilities defined	Nr of other possibilities implemented Nr of meetings between schools and companies Nr of meetings between schools and BMOs	X	X	X	X	X	X			
			Langthaler	- Take advantage of Oman Manufacturing Association's (OMA) openness for short forms of work-based learning to help the opening of industrialists mind towards TVET involvement at a later stage	Preparatory work listed and conducted Team composition Budget Time used	Nr of work based learning opportunities per companies	Nr of domestic TVET graduates Nr of domestic TVET graduates hired	X	X	X	X	X	X			
			Langthaler	- Make the contact point for internships and work-based learning at MIA to develop information material, in cooperation with BMOs, and provide advice to companies on how to support schools; include lectures by company experts as guest teachers in schools, small projects, company visits by students, and workshops	Preparatory work listed and conducted Team composition Budget Time used	Inform. Material developed	Implementation of suggestions %		X	X	X	X	X			
			Langthaler	- Establish advisory boards at vocational and technical colleges comprising representatives of companies, and assign them an important role in helping TVET institutions to adopt more demand-oriented curricula, and for strengthening the work-based component of their curricula and improving their management	Preparatory work listed and conducted Team composition Budget Time used	N° of advisory boards set	Existence of demand-oriented curricula (y/n) Average time of education dedicated to work (apprenticehip, intern)		X	X	X	X	X			
			Langthaler	- Charge MIA with elaborating information material and providing advice to companies	Preparatory work listed and conducted Team composition Budget Time used	Information material created by MIA Nr of companies that received advice	Nr of domestic TVET graduates Nr of domestic TVET graduates hired	X	X	X	X	X	X			
3.2.3.5. Develop training incentive schemes										MOM	MOCI	SEZA,OCS;MOF;TaxAuthority;BMOs				
			Langthaler	- Comission a study to elaborate a proposal of incentives for in-company training and technological upgrading and lobby with the Ministry of Finance for its approval	Preparatory work listed and conducted Team composition Budget Time used	Proposal of incentives study done List of potential incentives Approval by MOF for selected incentives	Fiscal cost of incentives Nr of Companies with in-company training schemes	X	X	X						
			Langthaler	- Grant subsidies for specific training of in-company trainers, following minimum standards elaborated by MIA which can be combined with the requirement for technological upgrading)	Preparatory work listed and conducted Team composition Budget Time used	N° of grants awarded Value of grants awarded Minimum standards MIA established	Nr of Companies with in-company training schemes Nr of employees trained through TVET incompany training			X	X	X	X			
			Langthaler	- Manage the incentive schemes ( tax, grants, subsidies)comprising in-company training and technological upgrading combined with mandatory recruitment of Omani workforce	Preparatory work listed and conducted Team composition Budget Time used	List of incentive schemes	Fiscal costs Number of Omanis recruited (with TVET education/training)			X	X	X	X			
			Langthaler	- Establish in-company training programmes that include technological upgrading and are aligned with the curricula of TVET colleges, aimed to ensure that trainees are trained beyond the immediate work processes of the respective companies and hence receive a more standardised training	Preparatory work listed and conducted Team composition Budget Time used	N° of programs Number of trainees	N/a			X	X	X	X			
			Langthaler	- Use the National Occupation Standards (NOS) in the medium term to serve as a basis for in-company training curricula	Preparatory work listed and conducted Team composition Budget Time used	NOS used Nr of in company training curricula Nr of in company training curricula that comply with NOS	N/a			X	X	X	X			
			Langthaler	- Establish cooperation schemes with Vocational and Technological Colleges covering mandatory internships of TVET teachers and TVET students	Preparatory work listed and conducted Team composition Budget Time used	Cooperation schemes set Nr of teachers Nr of teachers with internships Nr of students Nr of students with internships	Nr of hired teachers (after internship) Nr of hired students (after internship)	X	X	X	X	X	X			
			Langthaler	- Make BMOs that develop TVET activities eligible for subsidies	Preparatory work listed and conducted Team composition Budget Time used	N° of BMO receiving subsidies Amount of subsidies received	Impact evaluation of subsidies			X	X	X	X			
			Langthaler	- Ensure that subsidies do not cover a high share of or all training expenses, to avoid that companies implement training primarily because of the subsidies available and not because of their self-interest	Preparatory work listed and conducted Team composition Budget Time used	Requirement set	N/a			X	X	X	X			

			3.2.3.6.	Launch awareness raising campaigns to improve the public reputation of TVET and manual work													MOM	MOCI	MadaynAcademy;EducationCouncil	
				Langthaler	- Design and launch awareness raising campaigns to improve the public image of TVET and careers in the industrial sector	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of campaigns launched Nr of beneficiaries	Nr of applicants for TVET Nr of TVET graduates Nr of TVET graduates employed		X	X	X	X	X	X					
				Langthaler	- Utilise different communication channels, e.g. career fairs at schools, colleges and universities with industry experts; media appearance, social media, websites and brochures	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	List of communication channels used, respective success of each (through review survey) Number of beneficiaries per communication channel	Nr of applicants for TVET Nr of TVET graduates	X	X	X	X	X	X	X					
				Langthaler	- Use success stories from TVET alumni to show that TVET graduates are highly employable and that TVET helps in establishing one's own business	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of success stories published	Number of graduates from TVET Number of graduates from TVET trainer programs					X	X	X	X				
			3.2.4.	Ensure Sufficient Funding for TVET																
			3.2.4.1.	Introduce a training levy													MOF	MOM	MOCI;Riyada;BMOs	
				Langthaler	- Negotiate a training levy scheme within government and with stakeholders (BMOs) that requires all registered companies in Oman, above a certain annual payroll (t.b.d.), to pay a percentage of their payroll (e.g. between 0.3% and 0.5%) into a training fund	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Training levy scheme set Law and regulation promulgated	Total funds collected via training levy	X	X	X			X	X					
				Langthaler	- Exempt smaller firms and SMEs from the training levy	Preparatory work listed and conducted	Requirement set	N/a				X	X	X	X	X				
				Langthaler	- Redistribute the funds as subsidies to companies that engage in training activities (including SMEs)	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of companies subsidised	Total number of training funded through levy				X	X	X	X	X				
				Langthaler	- Make MOCI responsible of collection and administration of the levy in the manufacturing sector: in the medium term administration may be handed over to a body that allows for stakeholder involvement (e.g. the Chamber of Commerce) in order to increase acceptance	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Responsibilities allocated	Annual reports published on funds received and allocated from training levy				X	X	X	X	X				
				Langthaler	- Define eligible activities for subsidisation as those linked to an incentive scheme in order to avoid improper and misuse of the funds	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	List of eligible activities published	Annual reports published on funds received and allocated from training levy				X	X	X	X	X				
				Langthaler	- Elaborate an information campaign (including brochures, website, social media, lectures and seminars) addressed to BMOs and companies to raise awareness about the purposes of a training levy and to increase acceptance among companies	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Campaign launched Number of campaign beneficiaries	Training levy acceptance rate by companies and BMOs		X	X	X	X	X	X	X				
			3.2.4.2.	Pool public and private resources by establishing national TVET centres of excellence													MOM	MOHE	MadaynAcademy;PAPP;MOCI;MOF;EducationCouncil	
				Langthaler	- Assess jointly (MOCI and MIA) the priority sectors in order to determine in which sectors centres of excellence would make sense and whether there are companies with high quality in-house training facilities that could serve as hosts for the centres	Preparatory work listed and conducted Team composition Budget Time used	List of sectors selected for centers of excellence N° of centers of excellence created	Number of graduates from centres of excellence Number of graduates from centres of excellence subsequently employed	X	X	X									







3.3.4. Improve SME productivity and quality																	
		3.3.4.1.	Set up an SME Business Digitalization Program											Riyada	MOCI	MTC	
			Spitzer	- Provide consulting services, grants and financing for companies to invest in business digitalization. Consulting services include: E-commerce services and consulting, Design services, Crowd funding solutions, CRM tools, Electronic banking and global money transfer solutions, Data security and cyber crime, Digital administration (documents, etc)	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Business digitalization program set Nr of consulting services given to companies Nr of grants/financing provided Value of consulting services given to companies Value of grants/financing provided	Nr of companies Share of companies that has digitalized					X	X	X	X		
		3.3.4.2.	Set up an SME Business Platform for information access and exchange and dealings											Riyada	MOCI	MTC	
			Strategy Team	Consult possible SME users for their demands	Preparatory work listed and conducted Team composition (nr of staff)	Consultation completed No. of companies involved Conclusions reached	Number and extent of conclusions implemented					X	X	X	X		
			Strategy Team	Prepare the feasibility study for the platform	Preparatory work listed and conducted Team composition (nr of staff)	Study completed Conclusions reached	Number and extent of conclusions implemented					X	X	X	X		
			Strategy Team	Develop, test and pilot platform software	Preparatory work listed and conducted Budget amount	Software completed and debugged Software operating (y/n)	Needs of companies satisfied					X	X	X	X		
			Strategy Team	Create running and maintenance team	Preparatory work listed and conducted Team composition (nr of staff)	Team composition (nr of staff)	Companies satisfied with the operations of the platform					X	X	X	X		
			Strategy Team	Disseminate platform and train possible users	Preparatory work listed and conducted Team composition (nr of staff)	No. of campaigns started N° of courses offered Nr of beneficiaries	Use of platform Deals arising through the platform					X	X	X	X		
		3.3.4.3.	Create an SME Process Optimization Program											Riyada	MOCI		
			Spitzer	- Offer assessment and process improvement advise through consultants focussing on increasing SME's productivity in production and sales: production and sales process evaluation, evaluation of technological state, improvement plan proposal, financing proposal for technological investment	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Process Optimization Progr. Set	SME productivity in production and sales					X	X	X	X		
		3.3.4.4.	Create an SME program of Standards and Quality Assurance											Riyada	MOCI		
			Spitzer	- Evaluate SME participant's quality of strategic processes	Preparatory work listed and conducted Team composition (nr of staff) Budget amount	QA standards set	Compliance with QA standards %					X	X	X	X		
			Spitzer	- Implement improvements of quality processes in selected SMEs	Preparatory work listed and conducted Team composition (nr of staff) Budget amount	Implemented y/n	Compliance with QA standards %					X	X	X	X		
			Spitzer	- Support quality improvement processes among SME	Preparatory work listed and conducted Team composition (nr of staff) Budget amount	N° of SME receiving support	Compliance with QA standards %					X	X	X	X		
			Spitzer	- Certify companies for the Supplier Development Program and for tendering programs when required	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of certified companies Total nr of companies	Compliance with QA standards %					X	X	X	X		

			3.3.4.5.	Update and improve SANAD Services													MOM	Riyada	MOCI		
				Strategy Team	Review the Status of the SANAD offices in the country in particular whether their mandate to help the public to process government applications (linked to government departments through the e-government) is being fulfilled adequately	Preparatory work listed and conducted Team composition (nr of staff) Budget amount	Review completed Conclusions extracted	Successful application of lessons learnt		X											
				Strategy Team	Enhance quality and standardise services and improve customer satisfaction	Preparatory work listed and conducted Team composition (nr of staff) Budget amount	Extent of improvements by service No. of customers satisfied	Improvements in ease of doing business Increases in efficiency and effectiveness of the organizations				X									
				Strategy Team	Train promoters and employers in customer care, systems and procedures	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	No of courses given No of participants per course	Increases in efficiency and effectiveness of the organizations				X									
			3.4.	Increase use of domestic resources by increasing local content and the role of local suppliers in manufacturing																	
			3.4.1.	Start a manufacturing national In-Country Value (local content) initiative																	
			3.4.1.1.	Ensemble policies and government activities aiming at implementing an industry wide minimum level of local content						X								MOCI	Companies	MOG;MOF;SCP;PDO;JSFU	
				Tissot	-Initially target the 30-50 largest companies (more than 100 employees) to require meeting the minimum local content level	Preparatory work listed and conducted Team composition (nr of staff) Budget amount	N° of companies required to meet local content level	ICV rate of included companies	X	X	X										
				Tissot	- Hire a dedicated small staff of experts required to run the program, familiar with a diversity of topics, from economic and statistical analysis to functioning of supply chains and the management of small businesses	Preparatory work listed and conducted Team composition (nr of staff) Budget amount	Team of experts hired	N/a	X	X	X	X	X	X	X	X					
				Tissot	- Adapt governance process and models from ICV program headed by MOG to MOCI program, learning the lesson from the governance and implementation process of the existing ICV program	Preparatory work listed and conducted Team composition (nr of staff) Budget amount	Governance adjusted MOCI MOG alliance created	ICV rate manufacturing		X	X	X	X	X	X	X					
				Tissot	- Meet with stakeholders to ensure support for the program	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of meetings conducted	N/a	X	X	X										
				Tissot	- Establish a budget for MOCI to finance all the programs and their related activities, and to ensure the proper implementation of the program	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Budget allocated	Share of plan implemented %	X	X	X	X	X	X	X	X					
			3.4.1.2.	Build the legal and analytical infrastructure to implement successfully the Local Content Program						X								MOCI	Companies	MOFA;PDO	
				Tissot	- Conduct a detailed legal analysis on WTO and GCC trade agreement restrictions and implications of the proposed policy	Preparatory work listed and conducted Team composition (nr of staff) Budget amount	Legal analysis carried out	Implications for policy identified	X	X											
				Tissot	- Identify the 30-50 largest manufacturing corporations in Oman	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Criteria set out Largest corporations identified	N/a	X	X											



3.4.1.4. Roll-out the Local Content Programme															MOCI	Companies	PDO	
	Tissot	- Do the gradual roll-out of the local content program after the pilot program is completed in year 3 and involve a group of 7 corporations entering the program every 3 years	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of corporations involved	ICV rate of corporations involved							X	X	X	X			
	Tissot	- Select Large Corporation by batches prioritizing those corporations with the largest volume of imports	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Requirement set	Value of imported goods of selected companies Value of domestically purchased goods of selected companies							X	X	X	X			
	Tissot	- Conduct a larger survey of SMES (apprx 300 to 500 SMES) focused on manufacturing activities with the purpose of obtaining important data on SMES capabilities to supply large manufacturing activities, and thus assess local content policies and help design suppliers development programs	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Survey carried out Sample size	Local content policies improved Supplier Development programs designed							X	X					
	Tissot	- Conduct GAP analysis to identify the GAP between Omani SME ecosystem to support participating large corporations' supply requirements	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	GAP analysis carried out	Results of GAP analysis							X	X					
	Tissot	- Calculate Minimum local content requirement based on an agreed formula for the minimum level of local content to be met by each participating large corporation	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	MLC requirement calculated	N/a							X	X					
	Tissot	- Consult with participating Large Corporations the local content values to be submitted to MOCI, and the implementation and process of the Local Content Program. Also, ask the large corporations to sign a MoU expressing their commitment to adhere to the program and the agreed values	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of MOU signed	N/a							X	X	X	X			
	Tissot	- Use the data from the large corporations reporting of implementing their agreed local content objectives to evaluate the impact of the program	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Evaluation done	ICV rate of participant companies							X	X	X	X			
	Tissot	- Based on the results and data reported to MOCI, identify which corporations have met the results and their cost structure, and therefore can access fiscal incentives	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of corporations accessing fiscal incentives Value of fiscal incentives accessed	N/a								X	X	X			
	Tissot	- Use the data gathered by Large Corporations to assess the results of local content according to KPIs	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	KPIs established Results	KPIs tracking ICV rate of participant companies overtime									X	X			
3.4.2. Introduce a Suppliers Development Programme																		
3.4.2.1. Implement a Supplier Development Program (SDP)																MOCI	Riyada	SEZA,PDO
	Tissot	- Promote linkages between SME and Large Enterprises (LE), targeting specific SME and LE in order to increase commercial ties	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Methodology specified for promotion of linkages Targets established	Nr of clients per SME Nr of suppliers per large enterprise							X	X	X	X	X	X	
	Tissot	- Select three large corporations to participate in the pilot SDP preferably from the same industrial activity or closely related industrial activity	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of large corporations selected Cluster of activity selected	N/a							X	X					





			Tissot	- Benefit these SMEs with support from the SDP and other capacity building activities offered by MOCI and its related agencies	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of SME benefitted	Value of goods sold by SMEs in supermarkets		X	X	X								
			Tissot	- Cancel the program and compensate retailers if after 3 years retailers can show a loss of revenue consistently on a monthly basis, and local brands do not show any increase in sales or acceptance by local consumers, or are still unable to capture market share from imported goods or foreign ones produced in Oman	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Requirement set	Compensation provided (if applicable)					X							
			Tissot	- Re-activate the "Buy Omani" campaign to support this program, addressing some of the issues that resulted in its limited impact before	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Campaign reactivated	Number of sales of Omani products in supermarkets Value of sales of Omani products in supermarkets ICV at supermarkets		X	X	X								
<b>3.5. Start a New Made in Oman/Buy Omani Campaign</b>																			
<b>3.5.1. Revise the framework created for Made in Oman/Buy Omani Campaign</b>																			
		<b>3.5.1.1.</b>	<b>Evaluate the previous Origin Oman Campaign</b>																
			Tissot	- Assess the governance and coordination mechanisms put in place	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Assessment carried out on previous Origin Oman (y/n) Results and recommendations published	If applicable: governance and coordination mechanisms redesigned If applicable: new governance and coordination mechanisms put in place		X										
			Tissot	- Examine the degree of involvement of public and private partners and their commitment to the initiative	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Review conducted Results and recommendations published	If applicable: degree of involvement of public and private partners redesigned Number of private partners Number of public partners		X										
			Tissot	- Evaluate whether a unified message about the origin and quality of Omani products was being communicated	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Review conducted Results and recommendations published	If applicable: unified message about the origin and quality of Omani products redesigned If applicable: new unified message about the origin and quality of Omani		X										
			Tissot	- Understand why the first initiative was discontinued or was not pursued domestically forcefully enough after its initial launch	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Review conducted Results and recommendations published	If applicable: program redesigned		X										
			Tissot	- Assess whether the previous Campaign Logo was retained or a new Logo may be necessary	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Review conducted Results and recommendations published	If applicable: campaign logo redesigned		X										
<b>3.5.2. Launch a Made in Oman/Buy Omani Campaign</b>																			
		<b>3.5.2.1.</b>	<b>Launch a new Made in Oman or Buy Omani Campaign</b>																
			Tissot	- Launch the new campaign as a government wide campaign in support of domestic industry. Lead by MOCI but run it is a whole government effort. Ensure that every single government office at all levels promotes local produce to ensure buy in, not necessarily only industrial.	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Campaign launched Nr of stakeholders from private sector involved Nr of stakeholders from public sector involved	Volume of Omani goods sold domestically Value of Omani goods sold domestically Total volume of goods sold domestically		X	X	X	X	X						
			Tissot	- Accompany the campaign with a massive media effort, using all available mass and social media. Send a simple unified message promoting local produce because it gives local jobs. Hire a marketing company to design the campaign and identify catch words to attract the attention of consumers, e.g. Made in Oman ("the MOM or BOM campaign")	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of media messages set out Cost of media messages set out Marketing company hired Costs of hiring marketing company List of catch words	Nr of recipients of media messages Volume of Omani goods sold domestically (per cluster) Value of Omani goods sold domestically (per cluster) Total volume of goods sold domestically (per cluster) Total value of goods sold domestically		X	X	X	X	X						
			Tissot	- Avoid running made in Oman as a campaign only for contributing firms as it is a public good that can benefit any company that produces in Oman	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Requirement fulfilled (y/n)	N/a		X	X	X	X	X						
			Tissot	- Have a clear definition, widely publicised and acknowledged, of what does MOM mean so that local companies, specially SMEs, can identify with it	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Definition created	N/a		X	X	X	X	X						

			Tissot	- Repeat the campaigns every year or 2 years to generate a consciousness of buying local and also link them to efforts to increase local content and build supplier networks. Made in Oman campaigns' effect can only be gauged in the long run	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of campaigns held in the last 5 years	Volume of Omani goods sold domestically (per cluster) Value of Omani goods sold domestically (per cluster) Total volume of goods sold domestically (per cluster)	X	X	X	X	X	X	X	X				
			Tissot	- Connect MOM campaigns to specific Omani products promotional campaigns, opening of Omani products shops, fairs, exhibitions, pop-up stores or markets and/or online promotional efforts. Possibly dedicate one day in the year to buy only Omani products.	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of distribution channels List of specific products Omani day held (y/n)	Value of goods sold per distribution channel Value of goods sold on Omani day versus other days	X	X	X	X	X	X	X	X				
			Tissot	- Evaluate the impact of the campaign on consumers and business to business trade	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Campaign impact evaluated	Results of impact measurement for b2c trade Results of impact measurement for b2b trade		X	X	X	X	X	X	X				
			<b>3.5.3. Use a Made in Oman Logo that can be retained by consumers and use the campaign to highlight the importance of quality, branding and packaging</b>																
			<b>3.5.3.1.</b>	<b>Use a Made in Oman Logo that will last over time</b>				X									MOCI	Companies	ITHRAAexp;SEZA;Riyada
			Tissot	- Introduce a simple Made in Oman (MIO) Logo that can be easily reproduced by any firm	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Logo introduced	N/a	X	X	X	X	X	X	X	X				
			Tissot	- Announce the initiative to the productive sector with enough time so that companies can produce their own MIO logos and stickers. Disregard a 100% homogenisation in its design as it will be unattainable	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Initiative announced Nr of MIO logos Nr of participating companies	N/a	X	X	X	X	X	X	X	X				
			Tissot	- Only firms that conform to the definition of MIO can use the Logo. Firms that are not entitled should not be allowed to use them and penalised if they do	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of firms Nr of firms conforming to definition	Nr of penalties given out Values of penalties received	X	X	X	X	X	X	X	X				
			<b>3.5.3.2.</b>	<b>Use the opportunity to generate awareness among Omani industry, specially SMEs, on the importance of quality, branding and packaging</b>				X									MOCI	Riyada	ITHRAAexp;SEZA
			Tissot	- Introduce competitions in selected Omani products for the best quality (also in the B2B segment), branded or packaged product. These can be linked to the consume Omani national day, once a year.	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of competitions held	N/a	X	X	X	X	X	X	X	X				
			Tissot	- Use the MIO campaign to highlight the roles of the certification and standards activities within MoCI. Promote the Omani Quality Mark and certification.	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of awareness campaigns on standards and certification Total nr of beneficiaries	Nr of Omani Quality Mark allocated Nr of certificate allocated	X	X	X	X	X	X	X	X				
			<b>3.5.4. Expand Overseas Promotion</b>																
			<b>3.5.4.1.</b>	<b>Build on already undertaken foreign fairs and exhibitions of Omani products</b>													ITHRAAexp	Riyada	MOCI;MOFA
			Tissot	- Expand the number and scope of Omani product fairs and exhibitions abroad, especially in Africa and Asia	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of international fairs with Omani participation N° of international fairs with Omani participation - per region	Nr of products sold at international fairs Value of products sold at international fairs				X	X	X	X	X				
			Tissot	- Develop a network of commercial attaches as part of the embassies, which should include in selected embassies MoCI personnel	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Number of commercial attaches at embassies	Value of commercial attaches efforts (i.e. deals made, FDI, exports)				X	X	X	X	X				











			Spitzer	- Follow these steps: Define at least one common interest project per cluster and identify and attract foreign direct investment for that project, Set up joint initiatives with majority Omani involvement, and if relevant implement offsetting agreements	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Nr of strategic projects Nr of joint ventures Value of Omani capital Value of non-Omani capital Nr of offset Value of offset	Nr of companies per cluster Value of companies per cluster		X	X	X	X	X	X				
		3.7.3.2.	<b>Encourage joint-ventures with FDI by offering procurement contracts to joint ventures</b>													ITHRAAInv	SEZA	MOCI
			Spitzer	- Encourage joint ventures through attracting foreign direct investment with high technological content, inviting Omani companies in joint venture with FDI to tender for ten-year procurement contracts. Tendering must indicate: annual demand to be supplied in accordance with procurement contracts, minimum investment amounts required, maximum percentage of foreign company shareholdings up to 49%, commitment to keep a percentage of Omani workers, and the standard benefits of access to industrial spaces and tax exemptions	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of FDI in JV tendering for procurement contracts Value FDI in JV tendering for procurement contracts N° of DDI in JV tendering for procurement contracts Value DDI in JV tendering for procurement contracts Nr of procurement contracts	Omanization rate for JVs Fiscal cost		X	X	X	X	X	X				
		3.7.3.3.	<b>Promote Offset Agreements</b>													ITHRAAInv	SEZA	MOCI,PAPP
			Spitzer	- Encourage investment agreements for technology transfer as anchor projects within clusters. Agreements must involve: investments for the use of modern technology, specific and advanced training for productive areas, dissemination of best manufacturing practices, internships, 2% and 5% of profits investment in research and development in Oman, starting in year 6 after company creation	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of offset agreements signed Value of offset agreements	Value of modern technology investments by offset partners Value of training by offset partners (Impact evaluation) Nr of people trained by offset partners Nr of interns funded by offset partners Channels for dissemination of manufacturing practices by offset		X	X	X	X	X	X				
		3.7.4.	<b>Increase R&amp;D and improve the quality of human capital within clusters</b>															
		3.7.4.1.	<b>Create a Procurement Information Center</b>													TenderBoard	MOCI	Riyada
			Spitzer	- All clusters should have a Procurement Information Center with the following characteristics: acting as focal point for the supplier development program, produce and disseminate a database of products demanded by companies part of cluster, being able to coordinate activities of training, certification, and monitoring of the quality of products and services provided	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of Procurement Inform. Centers per cluster	List of last year's activities for each Center List of companies supported		X	X	X	X	X	X				
		3.7.4.2.	<b>Establish Employment and Training Centers</b>													MadaynAcademy	SEZA	MOCI
			Spitzer	- Create a focal point within each cluster to support employment generation and skills development. Charged with: collecting information on the demand for employment in each cluster, disseminating this information to local and regional employment and training centers, coordinating with companies in the cluster for the improvement of personnel supply mechanisms, supporting identification of potential employees for current demand, training should be carried out with the support of vocational training centers	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of employment & training Centres	Local and regional employment generated per cluster List of last year's activities for each Center List of companies supported		X	X	X	X	X	X				

		3.7.4.3.	Create R&D and Technology Centers in new Special Economic Zones													IIC	MOCI	SEZA
			Spitzer	- Organize R&D and technological upgrading forums within clusters to elicit innovation and technological needs and where possible develop projects around them	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	N° of R&D and Technologies ideas emerging	R&D investment per cluster Technological upgrading value per cluster List of companies involved	X	X	X	X	X	X	X	X			
<b>3.8. Use trade to support manufacturing development</b>																		
<b>3.8.1. Rationalise existing trade instruments</b>																		
		3.8.1.1.	Eliminate all current duty exemptions for industrial firms													MOCI	MOF;TaxAuthority	Customs(ROP)
			Strategy Team	- Eliminate all tax exemptions including raw materials, machinery and spare parts (list approved by MOCI)	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Tax exemptions eliminated	Fiscal benefit of elimination exemptions	X	X	X	X	X	X	X	X			
		3.8.1.2.	Examine the possibility of import substitution some large import products not included in priority or high-tech industries													MOCI	Customs(ROP)	
			Zambaglione ?	- Evaluate the top import products not in priority or high-tech industries and ranging from autoparts and light machinery to food products with the view of producing them locally for both domestic and foreign markets	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Evaluation completed	Local content rate of analyzed sectors	X	X	X								
			Zambaglione ?	- Assess top imports' potential gains from import substitution in terms of output and employment as well as possible short term costs of doing so	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Potential gains assessed	Output Employment Short term cost	X	X	X								
<b>3.9. Addressing Energy Efficiency and Gas Allocation in Manufacturing</b>																		
<b>3.9.1. Introduce energy reporting and auditing</b>																		
		3.9.1.1.	Establish mandatory Energy Reporting for energy intensive industries													MOCI	MOG	AER;NAMA;PDO
			Enviroics	- Request energy intensive facilities to maintain an Energy Register at the facility	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Energy register enacted Number of companies registered Energy consumption by registered companies Number of companies not registered Energy consumption by non-registered companies	N/a		X	X	X	X	X	X	X			
			Enviroics	- Include, in the data collected, information on industrial production (e.g. total production of different industrial products), information on energy consumption (e.g. quantity and value of different types of energy commodities), self-generated electricity from renewable sources, and if relevant in specific industrial sectors, include information on waste heat (i.e. its sources and amount released) in order to facilitate identifying prospects for heat recovery	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	List of items on information on industrial production included in data collections List of items on information on energy consumption included in data collections List of items on information on self-generated electricity from renewable sources included in data collections List of items on information on waste heat included in data collections	Database created (y/n)		X	X	X	X	X	X	X			
			Enviroics	- Specify methodology for data compilation and identify procedures for review, assessment, analysis and follow-up	Preparatory work listed and conducted Team composition (nr of staff) Budget amount Time spent	Methodology specified Procedures identified	N/a		X	X	X	X	X	X	X			









			Carrasco	- Expand the list of capital goods subject to the accelerated depreciation (e.g. include capital goods that could be used by medium/high-tech industries and 4IR technologies)	Preparatory work listed and conducted	Expanded list issued	N° of companies using accel.Deprec Capital good investment in companies using accel deprec versus non-users	X	X	X	X	X	X	X						
<b>3.10.2. Adopt fiscal incentives to encourage exports</b>																				
			<b>3.10.2.1. Grant custom duty exemptions for export-oriented manufacturers</b>													MOF;TaxAuthority	MOCI	Customs(ROP)		
			Zambaglione	- Maintain custom duty exemptions under a rationalized framework (raw materials, spare parts and machinery) and target all industries to increase manufacturing exports	Preparatory work listed and conducted Team composition Budget Time used	Rationalized framework created	Nr of industries using Custom Duty exemptions Value fo custom duty exemptions - per type	X	X	X	X	X	X	X						
			Zambaglione	- Do not provide the exemption when the raw material is produced in the local market	Preparatory work listed and conducted	Requirement set	Value shifted to sourcing from domestic companies	X	X	X	X	X	X	X						
			<b>3.10.2.2. Introduce an Export Duty Drawback targeted at all priority industries</b>													MOF;TaxAuthority	ITHRAAexp	MOCI;Customs(ROP)		
			Zambaglione	- Calculate the drawback based on the "rate of yield" approved by Customs	Preparatory work listed and conducted	Drawback calculation conducted	N° of prioritized industries receiving draw-back Total value of drawback	X	X	X	X	X	X	X						
			Zambaglione	- Focus on occasional exporters	Preparatory work listed and conducted	Focus set	N° of prioritized industries receiving draw-back N° of prioritized industries receiving draw-back - occasional exporters only Total value of drawback	X	X	X	X	X	X	X						
			Zambaglione	- Do not provide if raw material is available in the local market	Preparatory work listed and conducted	Requirement set	Value shifted to sourcing from domestic companies	X	X	X	X	X	X	X						
<b>3.10.3. Create fiscal incentives to promote job creation</b>																				
			<b>3.10.3.1. Set up a training subsidy to increase manufacturing job creation in all priority industries</b>													MOM	MOCI	NTF;MOF		
			Carrasco	- Promote and expand the use of NTF funding for implementing "manufacturing tailored" training programs	Preparatory work listed and conducted Team composition Budget Time used	N° of training programs using NTF funding	Number of employees funded by NTF Number of employees still employed in the company after 2 years (without NTF funding) Fiscal cost	X	X	X	X	X	X	X						
			Carrasco	- Target Omanis above 18 years old to award them preference for unemployed/jobseekers	Preparatory work listed and conducted	Target set y/n	By age: Number of employees funded by NTF By age: Number of employees still employed in the company after 2 years (without NTF funding) By age: Fiscal cost	X	X	X	X	X	X	X						
			Carrasco	- Target high tech and priority industries	Preparatory work listed and conducted	Target set y/n	By priority industry: Number of employees funded by NTF By priority industry: Number of employees still employed in the company after 2 years (without NTF funding) By priority industry: fiscal cost	X	X	X	X	X	X	X						

3.10.3.2		Set up an employment subsidy to improve job access to all priority industries														MOM	MOCI	NTF/MOF
		Carrasco	- Partner with NTF for piloting "Employment Subsidies" for newly hired Omani workers in the manufacturing sector	Preparatory work listed and conducted Team composition Budget Time used	MOC established Program agreed	Number of employees funded by NTF Number of employees still employed in the company after 2 years (without NTF funding)	X	X	X	X	X	X	X					
		Carrasco	- Start covering 80% of the newly-hired salaries for up to one year and from 2026 on reduce it to 60% also for up to one year	Preparatory work listed and conducted	Average % of salary covered	Fiscal cost of incentive	X	X	X	X	X	X	X					
		Carrasco	- Target newly hired Omanis in the manufacturing sector, giving priority to those unemployed over 18 years old with recent training, and industries that have not met Omanization targets. In the longer term target all industries	Preparatory work listed and conducted	Target set y/n	Omanization requirements in companies (before/after) By age: Number of employees funded by NTF By age: Number of employees still employed in the company after 2 years	X	X	X	X	X	X	X					
		Carrasco	- Address the lack of coordination between the Manufacturing sector and the institutions that provide incentives for the training and hiring of Omanis	Preparatory work listed and conducted	Nr of meetings between the institutions per year	Minutes of meetings between institutions - assess extent of coordination	X	X	X	X	X	X	X					
3.10.4. Apply fiscal Incentives to promote local purchases																		
3.10.4.1.		Set Tax Credits for local purchases														MOF,TaxAuthority	MOCI	
		Carrasco	- Award a Tax Credit equivalent to double the incremental cost caused by the implementation of local content requirements up to a maximum of 20% of the amount of local purchases (excluding local purchases that receive other incentives)	Preparatory work listed and conducted Team composition Budget Time used	Law/regulation promulgated	N° of Tax credits awarded Value of local purchases	X	X	X	X	X	X	X					
		Carrasco	- Target initially Medium-high tech and knowledge-driven industries and later extend to all priority industries	Preparatory work listed and conducted	Targets set y/n	Number of beneficiaries Number of medium-high tech and knowledge-driven beneficiaries Number of priority industries beneficiaries	X	X	X	X	X	X	X					
		Carrasco	- Corporations involved in local content requirement initiatives will submit the differences in procurement costs before they entered the program to the new costs since they entered the program. If the difference is negative (costs have increased) those costs will be compensated by an order of 2	Preparatory work listed and conducted	Law/regulation promulgated	Level of procurement cost differential (average) Compensation provided	X	X	X	X	X	X	X					
3.10.5. Consider upcoming VAT Implementation																		
3.10.5.1.		Decide which goods will be subject to VAT exemptions or zero-rate, following the GCC VAT Treaty Framework														MOF,TaxAuthority	MOCI	
		Carrasco	- A zero-rate would be more efficient than exemptions, since the former allows for input VAT credit, hence avoiding the cascading-effect and economic inefficiencies	Preparatory work listed and conducted Team composition Budget Time used	Implemented y/n	Value received from VAT for government Value lost from VAT by manufacturing companies Impact evaluation VAT on manufacturing companies (average)		X	X	X	X	X	X					
		Carrasco	- Consider zero rate VAT for priority products such as pharmaceuticals, medical equipment, healthy foods and some other basic foodstuff	Preparatory work listed and conducted	Zero VAT enacted for priority products y/n	Impact evaluation on priority products sales	X	X	X	X	X	X	X					
		Carrasco	- Explore having a simplified VAT for SME that have optional VAT registration due to their generating 50% of the annual turnover around 40,000 OMR set by the VAT framework of GCC countries	Preparatory work listed and conducted	Simplified VAT for SME set y/n	VAT rate SMEs VAT rate regular	X	X	X	X	X	X	X					
		Carrasco	- Take into account the regressive burden of VAT and apply social expenditure compensation measures for vulnerable groups	Preparatory work listed and conducted	Social comp. Measures set Vulnerable groups identified	Social expenditure compensation amount provided		X	X	X	X	X	X					







<b>4. Governance and Management of Industrial Development</b>																										
4.1.	<b>Upgrade key laws and regulations governing the Manufacturing Strategy 2040 "Manufacturing for Wellbeing"</b>																									
4.1.1.	<b>Update industrial governing and promotional laws and regulations to the new industrial challenges</b>																									
4.1.1.1.	<b>Review MoCI's industrial functions, structures and organizations in the light of the Manufacturing Strategy 2040 and modify relevant laws</b>													X										MOCI	MOLA	SCP,SEZA, MadaynAcademy,NBC,Riyada
		Hodge	- Create a dynamic industrial system of functions, institutions and responsibilities under MoCI's leadership that accelerate sustainable industrialization and provide a competitive environment for manufacturing businesses to flourish	Budget Team composition Time required Preparation listed and conducted	New laws identified (list) New laws passed (y/n)	Business environment rankings	X	X	X	X	X	X	X													
		Hodge	- Shift MoCI's emphasis, and specifically the Directorate General of Industry's, away from a mere allocator of licenses, company register, standards setter and problem solver 'last resort' to a strategic and active promoter of industrial diversification through the use of incentives, policies, regulations and knowledge	Budget Team composition Time required Preparation listed and conducted	MOCI industrial functions and structures reset	Total nr MOCI staff Nr Staff involved in policy Nr Staff involved in operations Nr Staff involved in coordination	X	X	X	X	X	X	X													
		Hodge	- Contribute to the specialization of activities and decentralization of functions across the Oman's economy and territories	Budget Team composition Time required Preparation listed and conducted	N/a	Nr of actions from M4WB achieved - per governorate Total nr of actions from M4WB - per governorate	X	X	X	X	X	X	X													
		Hodge	- Contribute to the creation of a professional and knowledgeable staff that takes on the new tasks and challenges	Budget Team composition Time required Preparation listed and conducted	Number of staff MOCI Number of capacity building sessions provided to MOCI staff (per directorate) Nr of graduates from capacity building	Nr of actions from M4WB achieved Total nr of actions from M4WB	X	X	X	X	X	X	X													
		Hodge	- Help to establish well structured and transparent processes, generate the necessary data to evaluate them and ensure continuously reports and assesses itself	Budget Team composition Time required Preparation listed and conducted	Process for data sourcing established	Number of annual reports on implementation of activities published Number of annual reports on implementation of activities presented to the NMC	X	X	X	X	X	X	X													
4.1.1.2.	<b>Review the current Industrial Regulation and Promotion to adequate it to the demands of the Manufacturing Strategy 2040</b>													X									MOCI	MOLA	SCP,SEZA, MadaynAcademy,NBC,Riyada	
		Strategy Tem	- Provide a systematic and structured approach to resource allocation while allowing for enough discretion to deal with special cases	Budget Team composition Time required Preparation listed and conducted	Report by team published (y/n) Consultation conducted (y/n) Industrial regulation and promotion passed (y/n) Clauses included (y/n)	N/a	X	X																		
		Strategy Tem	- Base the promotion of industrial development on the introduction of sound and effective incentives, regulations and policies	Budget Team composition Time required Preparation listed and conducted	Clauses included (y/n)	Industrial regulation & promotion adapted to conform M4WB Strategy (y/n)	X	X	X	X	X	X	X													
		Strategy Tem	- Take a stakeholder approach to the promotion of industrialization and closely work with the private sector and private sector representative institutions in the design of industrial development	Budget Team composition Time required Preparation listed and conducted	Clauses included (y/n)	Nr of stakeholders met per year Nr of consultation processes conducted per year	X	X	X	X	X	X	X													
4.1.2.	<b>Update other laws and related legislation to upcoming industrial challenges</b>																									
4.1.2.1.	<b>Modify the tender law to make it promotional of Omani industry and other local economic activities</b>																						TenderBoard	MOLA	MOCI,SCP	
4.1.2.1.1.	<b>Changes required in general principles and/or text of tendering law</b>																									
		Dawar	Establish a comprehensive harmonised law and transparent monitoring mechanism for those government entities following international rules	Budget Team composition Time required Preparation listed and conducted	New tender law passed (Arabic and English) New executive regulations to the tender law passed (Arabic and English) Monitoring system created	Total value of public procurement Total nr of public procurement projects Total value of public procurement for		X	X	X																
		Dawar	Set out explicitly rather than implicitly what is excluded from the usual tendering procedures, under the Oman Tender Law (OM-TL)	Budget Team composition Time required Preparation listed and conducted	Exclusions from the tender process are stipulated in the Tender Law (y/n)	N/a		X	X	X																



			Dawar	Extend the period of validity of a bid and prescribe a fixed time for notification (for example within 90 days, allowing for an extension)	Preparatory work listed and conducted Budget Team composition Time spent	Amendments included in new law/regulation (y/n)	Period of bid validity Number of times extended deadline Total number of tenders		X	X	X						
			Dawar	Consider the introduction of a 'standstill' period to allow for any complaints about the bidding process to be lodged with the appropriate legal body	Preparatory work listed and conducted Budget Team composition Time spent	Standstill period introduced in law/regulation	Nr of complaints per tender Nr of tenders Nr of complaints approved Nr of complaints rejected		X	X	X						
			Dawar	Issue guidelines to extend the circumstances in which bids may be split into lots to promote SMEs and Omanisation policies	Preparatory work listed and conducted Budget Team composition Time spent	Guidelines issued (y/n)	Number of SMEs per tender awarded Average Omanization rates per tender winner Average Omanization rates per tender loser		X	X	X						
			Dawar	Set up a challenge mechanism when article 41st is applied to exclude a bid, at least enabling excluded bidders the right to know the reasons for their exclusion	Preparatory work listed and conducted Budget Team composition Time spent	Challenge mechanism established (y/n)	Number of tenders Number of challenges Number of challenges granted Number of challenges rejected		X	X	X						
			Dawar	Require all potential bidders to provide evidence of their ability to provide a guarantee, for example, in the form of written confirmation from their bank or other types of lending agencies, or of any professional indemnity policies on submission of their bid	Preparatory work listed and conducted Budget Team composition Time spent	Requirement stipulated in law/regulation (y/n)	Number of bidders Number of guarantees received (by type)		X	X	X						
			Dawar	Ensure the rigorous enforcement of article 42nd to avoid that the system is subjected to the abuse by contractors submitting an artificially low bid with the intention of recovering some of their profit margin through add on costs during the term of the contract	Preparatory work listed and conducted Budget Team composition Time spent	Nr of times article 42 was enforced	Value of add on costs per tender contract (ex post)		X	X	X						
			Dawar	Introduce an amendment clarifying when the 'special cases' criteria may be used to justify direct assignment, in order to avoid potential scenarios for corruption	Preparatory work listed and conducted Budget Team composition	Amendment introduced	Corruption rating of Oman public procurement (state audit institution)		X	X	X						
			4.1.2.1.3.	<b>Tendering law changes required to attract local SME bidding</b>													
			Dawar	Consider formally extending the application of the priority to national products of SMEs to public procurement of contracts for works and services, subject to carefully designed mechanism to incentivize firms to graduate from the preference scheme	Preparatory work listed and conducted Budget Team composition Time spent	Changes to attract local SME biddings included in new law (y/n)	Total number and value of contracts Total number and value of contracts to Omani companies Total number and value of contracts to Omani SMEs		X	X	X						
			Dawar	Remove the requirement to SME bidders to provide security equivalent to 1% of the total value of the bid with their tender, by setting up a cap 250K OMR	Preparatory work listed and conducted Budget Team composition	Requirement removed (y/n) Cap established (y/n)	N/a		X	X	X						
			Dawar	Pay careful attention to where the contracts are advertised to promote the inclusion of SMEs where appropriate	Preparatory work listed and conducted Budget Team composition	Total number of contracts Total number of contracts with specific provisions for SMEs Total number of contracts announced per tender	Number of distribution channels for tenders Total number of bids by SMEs per distribution channel		X	X	X						
			Dawar	Eliminate fees for registration of SMEs reducing the burden on local bidders	Preparatory work listed and conducted Budget Team composition	Registration fee eliminated in regulations (y/n)	Value of registration fee for Omani SMEs Value of registration fee for large companies		X	X	X						
			Dawar	Enshrine in law or Royal decree the policy guidelines for the promotion of local products of SME	Preparatory work listed and conducted Budget Team composition	Policy guidelines enshrined in law or decree (y/n)	Number of tenders Number of tenders awarded to Omani SMEs		X	X	X						
			Dawar	Set up guidelines to support and limit the discretion of procurement officers in deciding when to provide support for an SME to bid for a tender	Preparatory work listed and conducted Budget Team composition	Guidelines established (y/n)	Number of tenders Number of tenders awarded to Omani SMEs Value of tenders		X	X	X						
			Dawar	Extend to all Ministries, when appropriate, the SEZAD approach to payment of SME invoices, in order to avoid delayed payments through contractors	Preparatory work listed and conducted Budget Team composition	List of government entities List of entities whose SME invoicing is aligned with SEZAD approach (y/n)	List of government entities with time taken to pay SMEs		X	X	X						
			Dawar	Harmonise and centralize procurement law and enforcement mechanisms by using a single definition of an SME by all public authorities	Preparatory work listed and conducted Budget Team composition	List of government entities List of government entities whose laws and enforcement use SME definition of tender board (y/n)	N/a		X	X	X						
			Dawar	Remove the bid bond for SME and extend some of the legal provisions to lower value contracts for the benefit of SME	Preparatory work listed and conducted Budget Team composition	Clauses included in law/regulation (y/n)	Average contract value		X	X	X						







			Hodge	- Allocate to MOCI as part of its overall business support budget, the funding that currently goes directly to these public bodies in order to allow greater flexibility to reallocate resources between different types of support and/or different parts of industry as needs and priorities change	Preparatory work listed and conducted Budget Team composition Time spent	Budget linkage established officially/legally for each institution (y/n)	N/a	X	X	X	X	X	X	X				
			Hodge	- Ensure that MoCI and related public bodies achieve the synergies of operating as one single system through developing a joint strategy and planning. Consider bringing PAPP, PACP and CCPM also under MoCI's tutelage to provide powerful, systemic and holistic support for business development.	Preparatory work listed and conducted Budget Team composition Time spent	PAPP, PACP and CCPM placed under MOCI (legally) (y/n)	Nr of reports received from each executive agency in the last year Results of annual reports	X	X	X	X	X	X	X				
			Hodge	- Beyond negotiating budget jointly with the central government resources and a unified strategy and plan, allow executive agencies full autonomy in the management of resources and of their day to day operations. Include representatives of all government offices and from the private sectors in their advisory boards.	Preparatory work listed and conducted Budget Team composition Time spent	Executive agencies possess legally full autonomy for management (y/n for each agency) Share of representatives of (i) government; (ii) private sector in advisory boards of each government agency under MOCI.	Nr of meetings with executive agencies	X	X	X	X	X	X	X				
		4.2.2.2.	<b>Define a lead executive agency for each form of business support</b>													MOCI	SCP	SCP;ISLU/AI Raffd;IIC;SEZA;Riyada;ITHRAAInv;JTH RAAexp;PAPP;PACP;CCPM;PAM
			Hodge	- Distinguish clearly between organisations that provide business support (Madayn, NBC) and services, and those that help companies to access that support and/or overcome barriers, for example, regulatory requirements or lack of funding (Riyada)	Preparatory work listed and conducted Budget Team composition Time spent	List of business support types List of executive agencies List of responsibilities approved	Achievements of each organisation	X	X	X	X	X	X	X				
			Hodge	- Focus executive agencies on their initial mandates thus avoiding 'mission creep', e.g. Madayn on land leasing, industrial estate development, provision of infrastructure (water, energy, roads, telecommunications) and other directly related services.	Preparatory work listed and conducted Budget Team composition Time spent	Value generated by Madayn Number of companies in industrial estates	Market value of companies in industrial estates (sales generated/taxes paid/salaries paid/other) Value of infrastructure provided	X	X	X	X	X	X	X				
			Hodge	- Designate a lead organisation for each type of business support, responsible either for providing all support services or for coordinating the activities of different providers.	Preparatory work listed and conducted Budget Team composition Time spent	List of business support types List of executive agencies and service provided	Achievements of each organisation	X	X	X	X	X	X	X				
			Hodge	- Set up business gateways (fast track) for priority companies so that they are able to access all forms of business support. Define as priority companies for business support: start-ups and SMES with growth potential, companies in strategically important sectors (including the thirty sectors identified in 'Manufacturing for Wellbeing'), and inward investors whose investments would have the potential to bring defined economic benefits	Preparatory work listed and conducted Budget Team composition Time spent	Nr of Business gateways dedicated to for priority companies	Time to process requests of priority companies (per type of request) MVA generated by priority companies	X	X	X	X	X	X	X				
			Hodge	- Concentrate the delivery of services by executive agencies on the same physical locations and along all the Omani territory	Preparatory work listed and conducted Budget Team composition	Nr of offices per location of each executive agency	Impact evaluation of services Analysis of impact per governorate	X	X	X	X	X	X	X				
		4.2.2.3.	<b>Shift the investment attraction agency approach (ITHRAA) and adapt investment promotion efforts to new demands</b>													ITHRAAInv	MOCI	SEZA
			Smeets	- Implement a proactive and targeted investment approach that seeks for carefully selected investors, in particular international anchor firms, their suppliers and large local firms	Preparatory work listed and conducted Budget Team composition Time spent	Plan for targeted investment approach created (y/n)	Nr of foreign investors for which Oman is longlisted (per industry) Nr of foreign investors for which Oman is shortlisted (per industry) Nr of foreign investors for which Oman is selected (per industry) Nr of suppliers co-located	X	X	X	X	X	X	X				
			Frederick	- Stengthen the investment promotion agency and position it as the main liaison point to attract foreign investors and large domestic investors	Preparatory work listed and conducted Budget Team composition Time spent	Mandate clarified	Value of domestic investment value (private sector) Value of domestic investment value (government)	X	X	X	X	X	X	X				
			Smeets	- Set up a board chaired by MOCI and involving representatives from the business world, education, freezones, and government, and also foreign investors that are already based in Oman	Preparatory work listed and conducted Budget Team composition Time spent	IPA Board chaired by MOCI (y/n) Number of private sector participants Number of private sector participants that are foreign Number of public sector participants	Number of meetings of ITHRAA board per year Annual report of ITHRAA Minutes of ITHRAA meetings	X	X	X	X	X	X	X				
			Smeets	- Charge the ITHRAA with the main responsibility for coordination of the investment promotion space in Oman, becoming the main channel between the investor and Oman	Preparatory work listed and conducted Budget Team composition	IPA charged with coordinating investment promotion (y/n)	N/a	X	X	X	X	X	X	X				











				<b>4.3.5. Introduce governance and implementation mechanisms aimed at increasing productive capacity and develop new industrial activities</b>														
				<b>4.3.5.1. Create governance structures for new and high-tech industries</b>												MOCI	Companies	All Ministries
			Frederick	- Initiate a value chain and cluster working group in the National Manufacturing Council tasked with looking into the key issues related to all High-tech industries	Preparatory work listed and conducted Budget Team composition Time spent	Working group running Nr of foreign experts Total nr of experts and staff MOCI	Annual report per working group Value of each cluster	X	X	X	X	X	X	X				
			Frederick	- Create the corresponding technical group within the NMC supported by the necessary MoCI technical teams. Engage other ministries to be part of the technical team	Preparatory work listed and conducted Budget Team composition Time spent	Implementation teams in MOCI created Nr of other ministries involved	Annual report per working group Value of each cluster	X	X	X	X	X	X	X				
			Frederick	- Focus the work of the technical team on identifying the key players across selected value chains, in particular trying to identify areas for sharing knowledge and investments. Draw on as much expertise as possible, both domestically and internationally. Organise a dialogue across value chains with the possible investors included as well	Preparatory work listed and conducted Budget Team composition Time spent	Research team created Research published internally	Annual report per working group Value of each cluster	X	X	X	X	X	X	X				
			Frederick	- Create a MOCI-DGI unit responsible for the follow up of the industries concerned and the implementation of the National Program for New and High-tech industry	Preparatory work listed and conducted Budget Team composition Time spent	Unit created	List of Program 1 activities and their completion	X	X	X	X	X	X	X				
			Frederick	- Charge a specially created monitor and evaluation unit with the task to continuously follow up and assess the progress of the work.	Preparatory work listed and conducted Budget Team composition Time spent	Unit created	Annual report per working group Value of each cluster	X	X	X	X	X	X	X				
				<b>4.3.5.2. Set-up a governance structure for increasing local content, improving the supplier network and Made in Oman campaigns</b>												MOCI	Companies	MOG,PDO
			Tissot	- Introduce a local content (ICV) and supplier development network working group at the National Manufacturing Council	Preparatory work listed and conducted Budget Team composition	Technical working groups created in NMC (y/n) List of participants	Nr of meetings of working groups Annual report of working groups	X	X	X	X	X	X	X				
			Tissot	- Set up a working group on local content (ICV), supplier development network and Made in Oman campaigns at the steering committee and establish a support technical team.	Preparatory work listed and conducted Budget Team composition	Technical support team established in MOCI directorate of DGI (y/n)	Annual report of MOCI	X	X	X	X	X	X	X				
			Tissot	- Create a DGI development project to implement the local content/supplier development network	Preparatory work listed and conducted Budget Team composition	Project running (y/n)	Number of local content beneficiaries Number of supplier development network beneficiaries Local content (value added) generated	X	X	X	X	X	X	X				
			Tissot	- Monitor and evaluate the performance of the project on the basis of clear performance indicators	Preparatory work listed and conducted Budget Team composition Time spent	KPIs established M&E team created	Annual report on KPI achievements published	X	X	X	X	X	X	X				
				<b>4.3.6. Strengthen coordination with the Private Sector</b>														
				<b>4.3.6.1. Involve key private sector stakeholders</b>												MOCI	BMOs	
			Hodge	- Invite both OCCI and OMA to participate in the proposed NMC or specific steering group meetings to oversee the manufacturing strategy	Preparatory work listed and conducted Budget Team composition	OCCI and OMA participating in the proposed steering group (y/n)	Participation of OCCI and OMA in steering committee groups	X	X	X	X	X	X	X				
			Hodge	- Ensure DG/Industry meets at least quarterly with each association to discuss whatever matters they wish to raise with him	Preparatory work listed and conducted Budget	Number of meetings with OCCI per quarter Number of meetings with OMA per quarter	N/a	X	X	X	X	X	X	X				
			Hodge	- Encourage the development of national forums for strategic sectors and/or forums for manufacturers in the regions, to provide them with an opportunity to exchange views and information, and to be a sounding board for MOCI when developing new laws and policies	Preparatory work listed and conducted Budget Team composition Time spent	N° of forums for strategic sectors Nr of ideas received from private sector Nr of consultations conducted with private sector	Nr of ideas from private sector implemented	X	X	X	X	X	X	X				

4.4.	Restructure MoCI-DGI and manufacturing related areas of MoCI to be able to take on the tasks of implementation of the Manufacturing 2040 "Manufacturing for Wellbeing" strategy																			
4.4.1.	Align MoCI's structures to implementation requirements																			
4.4.1.1.	Refocus MOCI by restructuring its organisation																MOCI	MOF	MOLA	
		Hodge	- Set up a Change Management Team to manage the restructuring process and to identify recruitment and training needs, and developing policies to support an open working culture as well as changes to structures, reporting lines and planning and budgetary processes	Preparatory work listed and conducted Budget Team composition Time spent	Change management team starting date Change management team end date (dissolution) Change management team - report published	MOCI organisation restructured	X	X												
4.4.1.2.	Enhance coordination within MOCI																	MOCI	MOF	MOLA
		Hodge	- Establish a Management Committee, If not already in existence, chaired by the Under-Secretary and comprising the heads of all directorates charged with: development of MOCI's annual objectives, plans and budgets for approval by the Minister; monitoring progress against plans and budgets and agreeing on remedial actions where needed; strategic planning to identify future needs and challenges to MOCI's ability to achieve targets and objectives; and setting the standards of behaviour expected of staff members and the organisational culture and ensuring they are followed. This process should include all organizations under the jurisdiction of MoCI	Preparatory work listed and conducted Budget Team composition Time spent	Management Committee established (y/n) Nr of management committee meetings held per year	Annual report on management committee activities published internally (y/n)	X	X	X	X	X	X	X							
		Hodge	- Make the Directorate of Planning and Research, and the Investment Services Centre, to report to the Under-Secretary rather than directly to the Minister to improve the internal coordination and effectiveness of the ministry	Preparatory work listed and conducted Budget Team composition Time spent	Directorate of P&R and ISC reporting directly to Under-secretary (y/n)	N/a	X	X												
4.4.1.3.	Ensure a more strategic and effective resource allocation																	MOCI	MOF	MOLA
		Hodge	- Introduce a top down planning and budgeting process, to be overseen by the Under-Secretary and the proposed Management Committee and managed by the Directorates of Planning and Research and Administration and Finance	Preparatory work listed and conducted Budget Team composition Time spent	Planning and budgeting process upgraded (y/n)	Total MOCI budget Effectiveness of MOCI budget	X	X	X	X	X	X	X							
		Hodge	- Establish a budget committee that includes the Directorate of Planning and Research, the Directorate of Industry and all institutions under the jurisdiction of MoCI. Prepare yearly plans connected to yearly budgets.	Preparatory work listed and conducted Budget Team composition Time spent	Budget Committee established Nr of meetings budget committee per year	Total MOCI budget Effectiveness of MOCI budget	X	X	X	X	X	X	X							
		Hodge	- Set increasing year on year targets for augmenting the percentage of resources (budgets and staff) dedicated to strategically important sectors and activities	Preparatory work listed and conducted Budget Team composition Time spent	Targets established (y/n) Percentage of resources (budgets and staff) dedicated to strategically important sectors and activities	Total MOCI budget Effectiveness of MOCI budget	X	X	X	X	X	X	X							
		Hodge	- Create a 'Better Regulations Unit' to ensure that agreed 'better regulation' standards are being followed within MOCI, and to provide support to Units developing and implementing new laws, policies and programs.	Preparatory work listed and conducted Budget Team composition Time spent	Better Regulations unit established and functional (y/n)	List of results from the Better Regulations unit	X	X	X	X	X	X	X							
4.4.2.	Restructure the Directorate General of Industry																			
4.4.2.1.	Create an organizational structure that is aligned with the Manufacturing 2040 Strategy																	MOCI	MOF	MOLA
		Hodge	- Enhance the policy and implementation functions of DGI by establishing three interrelated departments: policy, operations and projects, and, planning. Allocate the necessary human and financial resources for the departments to fulfill their mandates.	Preparatory work listed and conducted Budget Team composition Time spent	DGI three departments established Human resources per department Financial resources per department	List of achievements per department	X	X	X	X	X	X	X							







4.6.		Provide capacity building for MoCI and lead agencies personnel																	
4.6.1.		Train existing personnel in the theory and practice of modern industrial planning and management																	
4.6.1.1.		Improve knowledge of MoCI professionals					X										MOCI	Universities	
		Strategy Team	- Retrain existing personnel on the theory and practice of modern government industrial management	Preparatory work listed and conducted Budget	No. of retrained personnel Total nr of personnel	Results of evaluation of government effectiveness and efficiency		X		X	X	X							
		Strategy Team	- Select staff for different training according to their profile and career proepects	Preparatory work listed and conducted Budget	Map staff profiles with needs assessment (y/n)	Internal reports per staff members conducted (y/n)		X		X	X	X							
		Strategy Team	- Course work on developing technical and industrial organization skills related to specific industries and knowledge on croscutting issues affecting them	Preparatory work listed and conducted Budget	No of courses on industrial organization No. of trainees Periodicity of training delivery	Impact evaluation on course recipients		X		X	X	X							
		Strategy Team	- Coursework on improving data analysis and reporting	Preparatory work listed and conducted Budget Team composition	No of courses on data analysis and reporting skills No. of trainees Periodicity of training delivery	Impact evaluation on course recipients		X		X	X	X							
		Strategy Team	- Ensure participation and active learning	Preparatory work listed and conducted Budget	Attendance reports per course	Course reports and marks		X		X	X	X							
4.6.1.2.		Improve skills of MoCI implementation teams															MOCI	Universities	
		Strategy Team	- Coursework on improving coordination and negotiation skills as well as in partnership building	Preparatory work listed and conducted Budget Team composition Time spent	No of courses on coordination and negotiation skills No. of trainees Periodicity of training delivery	Impact evaluation on course recipients			X		X	X	X						
		Strategy Team	- Coursework on building leadership and managerial skills	Preparatory work listed and conducted Budget Team composition Time spent	No of courses on leadership and managerial skills No. of trainees Periodicity of training delivery	Impact evaluation on course recipients			X		X	X	X						
		Strategy Team	- Course work on developing group work, communication and sharing skills,	Preparatory work listed and conducted Budget Team composition Time spent	No of courses on group work, communication and sharing skills No. of trainees Periodicity of training delivery	Impact evaluation on course recipients			X		X	X	X						
		Strategy Team	- Test learning through engaging practical challenges	Preparatory work listed and conducted Budget	Nr of tests conducted	Results of tests			X		X	X	X						
		Strategy Team	- Engage in study tours to comparator countries	Preparatory work listed and conducted Budget	No. of Study tours and locations	Report on results of study tour published (y/n)			X		X	X	X						
4.6.2.		Provide Institutional capacity building at MoCI																	
4.6.2.1.		Initiate regular courses, workshops and other forms of training on institutional building at MoCI															MOCI	MCS	
		Strategy Team	- Training on on developing sound and efficient procedures, programs, policies, incentives and institutional development	Preparatory work listed and conducted Budget Team composition Time spent	No of Training on policy monitoring evaluation and learning; needs assessment; and, performance evaluation systems No. of trainees graduated	Impact evaluation of trainings				X	X	X	X						
		Strategy Team	- Training on policy monitoring evaluation and learning; needs assessment; and, performance evaluation systems	Preparatory work listed and conducted Budget Team composition Time spent	No of Training on policy monitoring evaluation and learning; needs assessment; and, performance evaluation systems No. of trainees graduated	Impact evaluation of trainings				X	X	X	X						
		Strategy Team	- Ensure that all trainings are connected to concrete DGI activities	Preparatory work listed and conducted Budget	No. of courses directly related to DGI internal work No. of trainees graduated	Impact evaluation of trainings				X	X	X	X						

4.7.	Commit MoCI's implementation of the Manufacturing 2040 "Manufacturing for Wellbeing" strategy to the highest standards of Governance																	
	4.7.1. Adopt OECD Governance Principles																	
	4.7.1.1.	Commit the government to adopt the principles in the OECD 'Recommendation on Regulatory Policy and Governance'														MOCI	OCGS	SCP;JSFU
		Hodge	- Commit MOCI to: consult publicly on all new regulations and major policy changes; produce impact assessments explaining the case for change, with evidence, and setting out the anticipated costs and benefits; and allow transitional periods of at least six months when new regulations are introduced	Preparatory work listed and conducted Budget Team composition Time spent	Number of new regulations/laws/policies published by MOCI	Number of consultations by MOCI conducted Number of impact assessments conducted Average length of transitional period per new regulation/law/policy	X	X	X	X	X	X	X					
		Hodge	- Ensure OECD practices are followed to produce cost-benefit assessments elaborated by the relevant policy team, in order to ensure they are clear and balanced	Preparatory work listed and conducted Budget Team composition Time spent	Assessment conducted MOCI y/n	Results of annual assessment of MOCI practices vis-à-vis OECD Principles (average compliance rate)	X	X	X	X	X	X	X					
		Hodge	- Adopt these practices for all policies and laws generated by other Ministries that impact on the strategic manufacturing sectors	Preparatory work listed and conducted Budget Team composition Time spent	N Assessment conducted in other ministries	Mapping exercise conducted for other ministries (y/n) Nr of ministries that adopted the practices Total nr of ministries	X	X	X	X	X	X	X					















3.9.1.1.	Establish mandatory Energy Reporting for energy intensive industries	X	MOCI	MOG	AER;NAMA;PDO	2	0	0	2	0.1	0	0	0.1	0.1	0	0	0.1	0.1	0	0	0.1	0.1	0	0	0.1	0.5	0	0	0.5	0.5	0	0	0.5	1	0	0	1	3	2 experts	
3.9.1.2.	Set up Mandatory Energy Audits, Planning and Reporting	X	MOCI	MOG	AER;NAMA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0		
3.9.2.1.	Develop Minimum Energy Performance Standards - MEPS to be applied to industry	0	MOCI	MOG	AER;NAMA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0		
3.9.2.2.	Set up Mandatory Phasing out of selected low efficiency equipment	0	MOCI	MOG	NAMA;AER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0		
3.9.2.3.	Introduce EIA requirements for BAT implementation	0	MOCI	MECA	BMOs;SEZA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0			
3.9.3.1.	Encourage grid-connection of green-electricity generated by industrial facilities	0	MOG	AER	PDO;MOCI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0			
3.9.4.1.	Establish a knowledge and awareness platform for IEE	0	MOG	MOCI	MECA;AER;EJAAD;NAMA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0			
3.9.5.1.	Clarify the allocation of gas for use in manufacturing	0	MOG	MOCI	SEZA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0			
4.1.1.1.	Review MoC's industrial functions, structures and organizations in the light of the	X	MOCI	MOLA	SCP;SEZA;MadaynAcademy;NBC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.1.1.2.	Review the current Industrial Regulation and Promotion to adequate it to the demands of	X	MOCI	MOLA	SCP;SEZA;MadaynAcademy;NBC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.1.2.1.	Modify the tender law to make it promotional of Omani industry and other local economic activities	0	TenderBoard	MOLA	MOCI;SCP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.1.3.1.	Coordinate carefully public procurement policies and subject them to cost benefit	0	TenderBoard	MOCI	MOLA;CCP;M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.1.4.1.	Grant fiscal incentives guided by the rule of law, with clarity about eligibility criteria and	X	MOCI	MOLA	MOF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.2.1.1.	Establish a National Manufacturing Committee (NMC)	X	MOCI	SCP	All Ministries; Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.2.1.2.	Establish a formal coordination mechanism for the implementation of	X	MOCI	ISFU	SCP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0			
4.2.1.3.	Set up an inter-ministry coordination mechanisms between Ministries below Under-	X	MOCI	All Ministries	SCP;ISFU	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.2.2.1.	Assign MOC direct responsibility for related public	X	MOCI	SCP	ISFU;AI;Raffid;IC;SEZA;PDO;AI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.2.2.2.	Define a lead executive agency for each form of business	0	MOCI	SCP	AI;Raffid;IC;SEZA;PDO;AI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.2.2.3.	Shift the investment attraction agency approach (ITHRAA) and adapt investment promotion	0	ITHRAAInv	MOCI	SEZA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.2.2.4.	Redefine the export promotion approach to deliver comprehensive set of services	0	ITHRAAexp	MOCI	Municipalities;MOH;MECA	0	0.5	0	0.5	0	0	0	0	0	0.5	0	0.5	0	0	0	0	0	0	0	0	0	0.5	0	0.5	0	0	0	0	0	0	0	4	study		
4.2.2.5.	Expand the reach of the Investment Services Centre	0	MOCI	ISC	ITHRAAInv	1.9	2	0	3.9	0	0	0	0.1	0	0	0.1	0.1	2	0	2.1	0.1	0	0	0.1	0.1	0	0	0.1	0.4	2	0	2.4	0.5	0	0.5	1	0	1	4	4 Civil service staff
4.2.2.6.	Redefine the roles and functions of Riyadh	0	Riyada	MOCI		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.3.1.1.	Create Economic Zone Authorities (SEZA) at territorial level	X	MOCI	ISFU	SEZA;SCP	1	0	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	4	cost of restructure		
4.3.1.2.	Develop new integrated Master Plans for Economic Zones	0	SEZA	MOCI	SCP;ISFU	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.3.1.3.	Establish thresholds for utility allocation to each Economic Zone	0	SEZA	MOCI	SCP;ISFU	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0		
4.3.2.1.	Institute TVET manufacturing governance instances	0	MOCI	MOM	MOE;MOH;E;Education;MOH;MOE;MOH;MOE;Education;Com	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	
4.3.2.2.	Promote the establishment of a National TVET Council	0	MOM	MOCI	MOE;MOH;E;Education;Com	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	
4.3.3.1.	Launch a Manufacturing Productivity Initiative in the National Manufacturing Committee	X	MOCI	ISFU	SCP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	
4.3.3.2.	Create a National Productivity Council that oversees a strategy for enhancing productivity	X	MOCI	SCP	ISFU	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	
4.3.4.1.	Establish an Energy Efficiency Body at MoC	X	MOCI	MOG	AER;PDO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	
4.3.4.2.	Promote the Establishment of a National Energy Efficiency & Conservation Coordination	0	MOG	MOCI	AER;PDO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	
4.3.5.1.	Create governance structures for new and high-tech industries	0	MOCI	Companies	All Ministries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	
4.3.5.2.	Set-up a governance structure for increasing local content, improve the supplier network	0	MOCI	Companies	MOG;PDO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	

