THE NATIONAL PROGRAM FOR ENHANCING ECONOMIC DIVERSIFICATION - “TANFEEDH”

20th of December 2016
AGENDA

1. Program overview

2. Step 2 – The LABS
AGENDA

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2. Step 2 – The LABS
The 9th 5 year development plan was defined with clear objectives and targets for 2020 ...

... With the need for accelerating and enabling implementation
Hence The National Program for Enhancing Economic Diversification (Tanfeedh) .. an 8 steps methodology

1. **Strategic Intent:**
   - defining the strategic sectors and pillars that the program will focus on.

2. **28-30 November**
   - **Open Days:**
     - sharing and the outcomes of the Labs with the public to obtain their views and buy-in

3. **The Labs:**
   - Deep dive into the defined strategic areas to agree on solutions and implementation requirements
   - 18th of September – 26th of October

4. **Tanfeedh Handbook:**
   - Developing a clear and concise implementation plan and sharing it with the public and relevant stakeholders

5. **KPIs:**
   - Identifying the KPIs required to monitor implementation

6. **Implementation:**
   - Implementing the plan, resolving challenges and utilizing available opportunities

7. **Auditing and quality checking**
   - Working with external parties to validate reported outcomes

8. **Publication of results:**
   - Publishing the outcomes via pre-approved reporting mechanisms

Steps to be implemented until Dec-2016

The start of the implementation phase in January 2017
Hence The National Program for Enhancing Economic Diversification (Tanfeedh)

The 9th 5 year development plan

Tanfeedh Program

Initiatives & Projects of the 9th 5 year development plan

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

New initiatives and programs during the LABS
AGENDA

1. Program overview

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

6 Weeks
The duration of the workshops

3 Syndication Meetings
At the level of their excellences the Ministers

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

250 Participants
From various government and private sectors, academia and civil society

6 Cross Syndication Meetings
Between the labs to ensure alignment
Many plans are beautiful but lack detailed programs

**Plan** (30,000 feet)
- Strategic intent
- Strategic plan
- Blueprint
- Strategy document

**Program** (3 feet)
- Projects
- Action items
- Timeline
- Project owner
- KPIs & Targets

“A plan without a budget and 3ft plan is a draft”
The Labs were structured in a way to ensure effective communication with participants and involvement with decision makers.

Labs will include multiple participants representing various entities:

1. H.E. The Minister of the concerned sector
2. H.E. the Undersecretary of the Ministry—committed to attend the Labs and support in the discussions and decision making
3. Decision makers and sector representatives
4. Facilitation team specialized in facilitating the discussions between the participants
5. Local and international experts committed to be involved in the Labs
6. Central team committed to support the labs and provision of logistic support
The Labs focused on 3 Economic Sectors and two enabling sectors that are key to enhance the Sultanate’s economic diversification:

- Labor Market & Employment
- Manufacturing
- Finance & Creative Financing
- Logistic Services
- Tourism
The Labs participation rate and numbers

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

More than 160 Organisations participated in the Labs

Public Sector

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

The Labs participation rate and numbers
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<tr>
<th>Manufacturing</th>
<th>Tourism</th>
<th>Logistics</th>
<th>Finance</th>
<th>Labour</th>
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<tbody>
<tr>
<td>- Catalyzing Petrochemical downstream</td>
<td>- Management of nature sites and protected areas</td>
<td>- Develop rail connectivity to unlock additional trade and economic activity</td>
<td>- Allow for the existence of REITs</td>
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<td>- Ammonia Fertilizer Plant</td>
<td>- Enable niche nature / adventure activities</td>
<td>- Complete land connection with GCC countries</td>
<td>- Build project evaluation capacity in the government and release government projects for public-private projects</td>
<td>- Gradualized Omanization policies by sector</td>
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<td>- PET Preform and Bottles</td>
<td>- Management of heritage sites</td>
<td>- Salalah Port Development Project</td>
<td>- Establish a Project Management Corporation to oversee all government project implementation to ensure projects are implemented within time and budget</td>
<td>- Labour clearances systemization</td>
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<td>- OCTAL PET Capacity Utilisation Enhancement</td>
<td>- Develop a year round calendar of events</td>
<td>- Establish One Stop Shop for inspections with full adoption of Bayan</td>
<td>- Strengthening Government’s accountability and transparency</td>
<td>- Develop occupational standards</td>
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<td>- Bituminous Waterproofing Membrane</td>
<td>- Creation of cultural and F&amp;B precincts</td>
<td>- Improve efficiency in Air Cargo Clearance Process</td>
<td>- Integrating all Government entities in the e-tendering platform</td>
<td>- National accreditation &amp; qualification framework</td>
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<td>- Expansion of Sohar Aluminium for production of liquid metal</td>
<td>- Creation of iconic tourism projects</td>
<td>- Increase competitiveness and service deliverables of local logistics entities</td>
<td>- Establish a Credit Bureau by the private sector</td>
<td>- Middle &amp; senior management training program</td>
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<td>- Fabrication of scaffolding and scaffold parts</td>
<td>- Facilitate delivery of ITCs / hotels / themed attractions</td>
<td>- Accelerate the movement of imports and exports across borders to build volume by implementing the Port Community System at all ports, airports and borders</td>
<td>- Privatization of a number of state owned enterprises</td>
<td>- Enhancement of training institutes governance</td>
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<td>- Establishment of facility for design and manufacturing of dies and Moulds</td>
<td>- Set up a client service center for tourism related approvals</td>
<td>- Cargo Village</td>
<td>- Unify Investment Promotion Efforts and Align Investment facilitation role</td>
<td>- Private sector attractiveness initiatives</td>
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<td>- Increase local cement production: a. Two New cement plants b. One White cement factory c. Two Cement grinding unites</td>
<td>- Extending usufruct lease options</td>
<td>- Proliferate bonded warehouses for goods in transit</td>
<td>- Develop Roadmap for invest easy to complete licensing process simplification</td>
<td>- Putting in place a mechanism to enhance the Labour resolution process</td>
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<td>- Development and innovation of date products</td>
<td>- Introduce visa facilitation for new target markets</td>
<td>- Extend cold chain networks to improve exportability and reduce wastage</td>
<td>- SME employment development</td>
<td>- Sectorial representation</td>
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<td>- Integrated dairy farm</td>
<td>- Establish a centralized infrastructure board</td>
<td>- Build Oman as a new e-Commerce logistics hub</td>
<td>- Aligning jobseeker definition with ILO</td>
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<td>- Enhance the poultry production business</td>
<td>- Establish the Oman Tourism &amp; Convention Bureau</td>
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<td>- Vegetables processing factory</td>
<td>- Activating Tourism Development Fund</td>
<td>- Improve the quality of services offered by Oman’s ports</td>
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<td>- Seafood processing and canning</td>
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<td>- Advanced Manufacturing Research Centre (AMRC) in Oman</td>
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<td>- Strengthening of Existing Industrial Innovation Centre (IIC)</td>
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The six weeks included various syndication meetings

- **Week one (18/09-22/09)**
- **Week two (25/09-29/09)**
- **Week three (02/10-06/10)**
- **Week four (09/10-13/10)**
- **Week five (16/10-20/10)**
- **Week six (23/10-26/10)**
Open days in order to obtain feedback from the Omani society....

Date: 28-30 November 2016
Location: Oman Convention & Exhibition Centre
## Manufacturing Lab – Projects and Initiatives

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

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

### Non-metal
- Initiative 1: Increase local cement production:
  - a. Two New cement plants
  - b. One White cement factory
  - c. Two Cement grinding unites

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

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

### Innovation
- Initiative 1: Advanced Manufacturing Research Centre (AMRC) in Oman
- Initiative 2: Strengthening of Existing Industrial Innovation Centre (IIC)
Scaffolding materials are in large demand in the world.

Initiative concept/details/highlights:

Upstream

- 80% Oman raw materials

Midstream

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

Downstream

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

Materials

- System Scaffolding (Cuplock)
- Shoring or False work
- Mobile Scaffolding
- Access Scaffolding
- Tubes and fittings Scaffolding
- Frame Scaffolding

Services

- Manpower supply
- Training & Certification
The import value of scaffolding within the GCC over the last 5 years has shown an annual increase of 20% indicating a constant demand.

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

Oman currently imports 80% of scaffolding parts from UAE, and 15.4% from China and India.
To achieve the True North, the Tourism Sector focused on developing the following projects and initiatives:

**2020 Targets**

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

**Nature and Adventure**
1. Private management of nature sites and protected areas
2. Enable niche nature/adventure activities

**Culture and Heritage**
3. Private management of heritage sites

**Events Meetings, Incentives, Conventions and Exhibitions**
4. Develop a year round calendar of events

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

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

**Marketing**
13. Establish the Oman Tourism & Convention Bureau

**Employment**
15. Introduce a labour solution package

**Source:** Targets: Arrivals + Value Add: NCSI, Investment: MOT Tourism Strategy 2040, Jobs: Lab Analysis
Oman has over 500 forts/castles and ~850 cultural/heritages sites, with 20% situated in the A’Dakhiliyah Governorate.

The cultural network of heritage sites in Oman:

**Forts, Castles, & Heritage villages**

**Traditional heritage villages:**

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

**Castles:**

1. Qurayyat Castle
2. Ras Al Hadd Castle
3. Al Mintariib Castle
4. Bayt Ar Rudaydah
5. Jabreen Castle
6. Ibri Castle
7. Yanqul Castle
8. Barka Castle
9. Arrustaq Fort
10. Al Mussanan Castle
11. Semail Castle

Harat Al Bilad at A’Dakhiliyah Governorate has been identified as a pilot and is ready for implementation.
The project will include 40 units offering complementing amenities to the heritage hotel. These amenities will be run by local communities and local SMEs and will include coffee shops, crafts and souvenirs shops, restaurants, museums, beauty salons, etc.
Harat Al Bilad will compliment A’Dakhiliyah Governorate rich cultural tourism offerings
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Cargo Village

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

**Initiative Proposal**

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

**Benefits**

- Facilitate transshipment, imports, exports, re-exports and express courier cargo in Oman airports
- Increase operational efficiency by locating freight forwarders within a geographical location
- Generate space for additional economic activities like relabeling, cold room/chiller, bonded warehouse, etc.
- Decongest the airport by allowing for scalability of cargo operations
- Support the cargo handling

**Cargo Village Concept**

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

**Unlock and boost cargo volumes and revenue by ~30.0M OMR in 2020 and Improve efficiency of freight forwarders**
Cargo village in Muscat aims to handle 250,000 tons of cargo and provide multiple services within cargo village.

**Potential Location Within Muscat Airport**

- **Option 1**
- **Option 2**

**Potential Services Within Muscat Airport Cargo Village**

1. **Bonded Warehouse**
   - Stock goods that are not yet cleared by customs
   - Free zones activity
   - Re-export activities

2. **Cold Storage / Cold Chain**
   - Handling Pharma products
   - Temperature controlled flows

3. **Repackaging Area**
   - Additional revenue through auxiliary activities

4. **Integrated Courier Services**
   - Break & bulk distribution
   - Air to land & land to air services
   - Vegetables & Poultry
   - Frozeb products

**30k ft**

Creation of cargo storage & handling space

**250k tons**

Cargo handling Capacity

**Multiple economic activities connected to airport through other means of transportation**
Finance Lab – Projects and Initiatives

Project Finance has three major focus areas

A  Allow for the existence of REITs

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

C  Establish a Project Management Corporation to oversee all government project implementation to ensure projects are implemented within time and budget
Object: Be the top ranked GCC country by 2020 in Getting Credit & Starting a Business indicators under Ease of Doing Business ranking

A: Strengthen Government’s Accountability & Transparency
   1. Reducing conflicts of interest in public employment
   2. Strengthen Government’s accountability and transparency
   3. Integrate all Government entities in the e tendering platform

B: Improve Access to Credit
   4. Establish a Credit Bureau by the private sector
   5. Privatization of a number State Owned Enterprises

C: Attract Foreign Investment and Enhance Business Facilitation
   6. Expedite the Investment Law with proposed by-laws
   7. Unify Investment Promotion Efforts and align Investment Facilitation Roles
   8. Integrate all Government entities in the Invest Easy platform
In order to bridge demand for and supply of labour in Oman, a comprehensive package of solutions has been developed.

### A: Unlocking Demand
**Employer-Side Issues**
- Part-time, flexible and temporary employment policies
- Gradualized Omanization policies by sector
- Labour clearances systemization

### B: Strengthening Supply
**Jobseeker-Side Issues**
- Develop occupational standards
- National accreditation & qualification framework
- Middle & senior management training program
- Enhancement of training institutes governance

### C: Coordinating Demand and Supply
**Labour Market Optimisation**
- Alignment of efforts to support job seekers
- SME employment development
- Private sector attractiveness initiatives
- Sectorial representation
- Enhance Labour dispute resolution processes
- Aligning jobseeker definition with ILO
Thank You