

November 2020, Issue 01

madayn

eMagazine



WORLD-CLASS BUSINESS CITIES



**Interview: HE Qais bin
Mohammed Al-Yousef**
Minister of Commerce, Industry
and Investment Promotion

Oman Economy Resilient
Despite Global Gloom

National Business Center
Mentoring Enterprises For Success



His Majesty Sultan Haitham bin Tarik Al Said

Sharing Madayn's Successes

On behalf of myself and the Members of the Board of Directors, the Executive Management and all employees of the Public Establishment for Industrial Estates - Madayn, I am pleased to congratulate Madayn on the launch of "Madayn eMagazine".



The eMagazine is intended to showcase the economic development of Oman, particularly regarding the manufacturing sector.

I sincerely hope that this eMagazine would provide useful

industrial information and data to investors, planners, decision-makers, researchers, businesspersons, and executives.

I would like to express my deep thanks and appreciation to all who have participated in the eMagazine production process.

In conclusion, I pray God Almighty to guide our steps and assist us in serving our beloved Oman under the wise leadership of **His Majesty Sultan Haitham bin Tarik Al Said**.

Dr Saleh bin Said Masan

Undersecretary of MoCIIP & Chairman, Madayn

Flourishing Amidst Challenges

As the old saying goes, 'When the going gets tough, the tough get going'. The COVID-19 pandemic presents the most challenging phase for Oman and its people. While the pandemic has affected our economy, I am confident that by the grace of God, our beloved country and its hardworking people will emerge stronger under the wise and enlightened leadership of **His Majesty Sultan Haitham bin Tarik Al Said**.



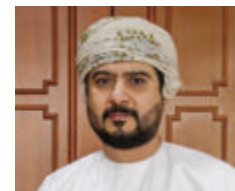
There is a lot of interesting happenings in Oman, in our multi-pronged development of industry as well as in the continued success of Madayn. Oman vision 2040 is powering our way forward as we diversify our economy and train our workforce to higher standards of competence and skills. Madayn, the Public Establishment for Industrial Estates, has continuously established sophisticated world class infrastructure that is a flourishing home to over 2,313 companies, with over 61,213 employed, and with investment of over 6.67 billion Omani Rials.

Madayn is full of these stories of success of companies, people, innovation and small enterprises. Through this eMagazine we will share our stories, dreams, aspirations and joys with the entire Madayn family, as well as with our larger circle of friends, well-wishers and supporters in Oman and the world over. We are fortunate, at this juncture, to have one of our most eminent industrialists and business leaders, **H.E Qais bin Mohammed Al Yousef** to lead us as the Minister of Commerce, Industry and Investment Promotion. We are delighted to have His Excellency share his thoughts with us in this magazine.

Happy reading, happy sharing. Do share with all of us your thoughts, ideas and views, especially on this eMagazine.

Hilal bin Hamad Al-Hasani
CEO, Madayn

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Harnessing the Opportunities of Tomorrow

His Excellency Qais bin Mohammed Al Yousef was appointed Minister of Commerce, Industry & Investment Promotion in August 2020. Additionally, he serves as Chairman of the Authority of Small & Medium Enterprise Development. He is a graduate of Williams College and Stanford University and the former Chairman of the Oman Chamber of Commerce & Industry.

In this interview he shares his thoughts on the new normal, a post-COVID-19 FDI landscape and consumer trends. He considers too the technologies shaping manufacturing, public-private partnerships and the importance of buying local.

In your view, what business changes will the 'new normal' bring?

In the aftermath of COVID-19 the world is unlikely to return to what it was, but this is not necessarily a negative. COVID-19 is already, in fact, accelerating and making even more compelling a number of underlying economic, business and social trends. This is particularly true as regards the digital economy where remote working, e-learning, telemedicine and delivery services have fast-forwarded into becoming normal parts of everyday life. We can clearly see this evolving socio-economic landscape is forcing investors to re-think and reset approaches, for example, attitudes towards sustainable development, the concentration of economic activity, international supply chains, urban design as well as industrial policy. What is clear is the choices investors make now, and in the coming months, can and will shape the world for decades to come.

We know that throughout history, progress emerges from difficult situations



**HE Qais bin Mohammed Al Yousef
Minister of Commerce, Industry &
Investment Promotion**

- crises necessitate creative solutions and we have seen that of late. Certainly, the current crisis presents a unique set of problems but new opportunities are emerging. These are inspiring Omani businesses, innovators and entrepreneurs to think more freely, generating ideas that are already being put into action. They are focusing on areas large and small that we have previously either thought of as unimportant, ignored or simply been unaware of. They are looking too at how our products, services and systems work. This is a process that is informing our business community, helping them move forward, expand and capture new market share at home and overseas. Of course, a more innovative business community will also lure further foreign investment

We are determined to respond to the changes around us and ensure our offer is

second to none. Our competitive advantage, built on Oman's strategic geographic location, political stability, infrastructure, talent and lifestyle, will secure our place on the global stage – and driving this is central to MoCIIP's agenda. As Peter Wake Ellyard noted: "the future is not a probable place we are being taken to, but a preferred place we are creating. The tracks to it are not found and followed, but made by laying and constructing the trail."

Vision 2040 anticipates a growing role for our manufacturing sector. What innovative trends will drive this?

That is correct, Vision 2040 will officially be launched next year under the leadership of His Majesty Sultan Haitham bin Tarik, may God protect him. This will guide our industrial base as it embraces for example, artificial intelligence, advanced robotics and the Internet of Things, technologies that are reshaping our manufacturing landscape. Indeed, technologies that will have important consequences for the traditional role of manufacturing contributing to growth and job creation.

Today, the discerning and affluent consumer wants a relationship with a product and its makers, not simply a transaction. Consumers' rising power and unmet needs around greener, more ethically produced products, personalization, customization and co-creation are causing niche markets to proliferate. This is a fertile market for manufacturers and one that technology can help us exploit. As an example, technology is making it possible to cost-effectively manufacture products more quickly and in much smaller batches. The availability of 3D printing and other

additive manufacturing technologies allows for spaces that normally would not have been appropriate for a manufacturing facility - say, a small space on Innovation Park Muscat - to function perfectly well as a small-scale factory. Actually, we are fast approaching a point where small batch manufacturing will be cheap to create and highly profitable to operate.

It is clear that several consumer trends and technologies are converging. This will change the way Oman's manufacturing sector operates. Our innovative manufacturers will adapt to meet new market demands and the resulting change will be beneficial not just for Omani manufacturers but also for our consumers. As a matter of fact, some industry leaders are suggesting that as a result of the pandemic the time of off-shored, mass production and of trying to manage global supply chains and remote production lines could be coming to an end. There are indications that we are seeing an across the board renaissance of high-value, local design and manufacturing - companies creating unique, custom products for example, in the area of technology, hardware, furniture, food and fashion. Customized goods the way you want them when you need them. By understanding these shifts, trends and influence points, both local incumbents as well as new entrants can give themselves the tools and the know-how to successfully navigate the new landscape of manufacturing.

Considering your experience in the private sector, what role will public-private-partnerships play in the Omani economy?

Previously, our government managed the risk of all major projects. Now in line with

encouraging greater private sector investment, we are seeking 80% of funding from the business community for initiatives currently under development. And as we look ahead to a post COVID-19 world, powerful public-private sector partnerships will be essential, governments and business standing shoulder-to-shoulder and forging new and powerful paths to economic progress and renewal.

How do you see the growth of innovation and entrepreneurship in Oman?

Innovation gives rise to new industries, new businesses and markets, it drives entrepreneurship, fuels wealth creation and profits, generates employment opportunities and a higher standard of living.

For Oman, investment in research and innovation is investment in our future. It will create new value, deepen our capabilities, reinforce our competitiveness and provide us with lasting prosperity. Innovation will help us succeed, not just survive, in the global marketplace.

Right now as organizations and businesses large and small across Oman are feeling the impact of the pandemic, we need innovators more than ever. And while considering how they will fuel our economic growth, let us not overlook the benefit their ideas will bring to society - from new medicines to better banking systems, from improved traffic flow to smarter office organization and more.

MoCIIP is spearheading a 50th Anniversary *Made in Oman* campaign, can you tell us a little more about this?

We are organizing a month-long *Made in Oman* campaign in partnership with the

Authority of Small & Medium Enterprises Development, the Consumer Protection Authority, Madayn and the Oman Chamber of Commerce & Industry, as well as representatives from the business community. It is designed to support local producers and manufacturers by encouraging consumers across the sultanate to think and buy local first.

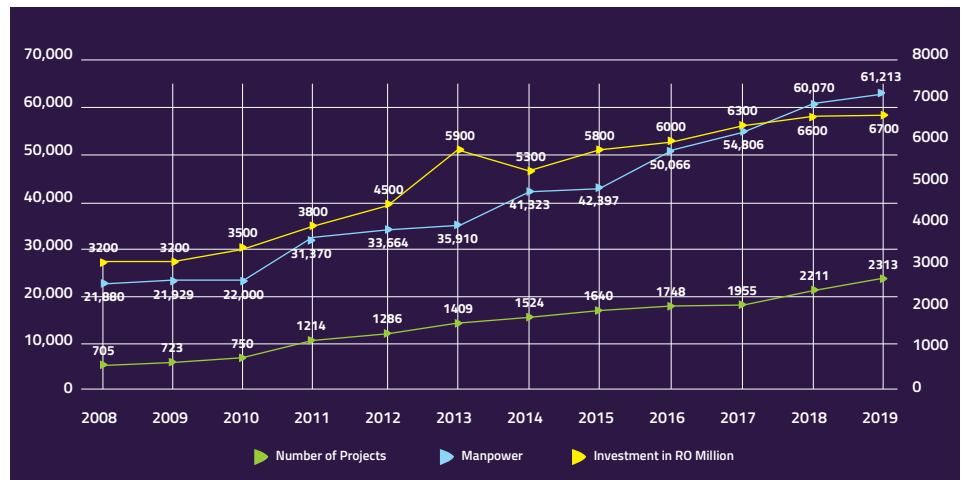
Efforts to recognize and boost products and produce of Omani origin are not new. Madayn, for instance, has put a great deal of work into promoting Oman made goods for many years and achieved significant success. In simple terms, the 50th anniversary *Made in Oman* campaign aims to preserve and enhance the economic, human and natural vitality of Oman's communities by promoting the importance of purchasing locally made products and produce.

It is a balanced and rational campaign that is more about educating consumers and institutional buyers as to the availability of Oman-made products and produce and the success stories many of Oman's businesses are enjoying in the international markets. For example, Reem Batteries have powered London's iconic red double decker buses, Oman Cables' product can be found at London Heathrow's Terminal 5 and in Burj Khalifa, the world's tallest building. While Oman Ceramic's Sohar-manufactured WAVE sanitary ware is available in DIY and home improvement stores across Europe and the US. Indeed, stories such as these, and there are many, need to be promoted locally so the domestic market understands the real quality of Oman made products. This is key to our campaign. We want to encourage people to think, buy and eat local. 🇦🇴

Madayn, Oman's World-Class Infra Backbone

At the heart of Oman's manufacturing and service economy is the digitally-empowered industrial estates, business parks and incubation centres of Madayn. Home to over 2,313 business and a workforce of over 61,213.

Madayn, The Public Establishment for Industrial Estates, was formed in 1993 to give impetus to the diversified industrial development of Oman. The success story of Madayn is well-known. Today, the Oman economy, along with the rest of the world is grappling with the COVID-19 pandemic, but Madayn continues steadfast as a catalyst upon which industrial development progresses in Oman.



The strong and sustained growth of Madayn is evident in the volume of investments, the growing number of

successful businesses housed within Madayn as well as in the large workforce here as the above chart shows.

Innovative, Digitally-powered... Total Support For Businesses

Madayn was founded to establish specialized ultra-modern industrial cities with integrated services and readymade infrastructure for business big and small, local and global. The end-objective is to establish Oman as a vibrant business destination based on the country's unique strengths. Diverse and competitive employment opportunities for nationals has been a major aim. Powered by Oman Vision 2040, Madayn has proactively pursued privatization and partnerships with the private sector, with excellent results.

Al Rusayl, Oman's first industrial estate was established in 1983, a decade before Madayn was formed. His Majesty Sultan Qaboos visited Al Rusayl Industrial Estate on February 9 in 1991, and in commemoration of this momentous visit, the day is celebrated as **Industry Day** in Oman. **His Majesty Sultan Qaboos** noted



that **"the rise of a strong industry capable of performing its national role in social progress and prosperity, while at the same time maintaining the purity and cleanliness of the environment at**

the highest possible level, will always be our strategic role."

In line with His Majesty's vision seven modern Industrial Cities and a Technology Park have been established by Madayn and new industrial cities coming up in Ibri, Shinas, Thumarait and Marmul. Marmul, in association with Petroleum Development Oman and will spearhead ICV development in the petroleum sector.

Madayn's investment activities are fulfilled through **Oman Investment and Development Holding Company SAOC (Mubadrah)**, a fully-owned subsidiary; Mubadrah has formed the **Rusayl Industrial City Company** as the nucleus for the privatization process at Madayn. Similar companies are proposed in all other industrial cities at **Rusayl, Samail, Sohar, Buraimi, Sur, Nizwa, Raysut** as well as at **Knowledge Oasis Muscat (KOM)**

Industrial Cities

Click on individual Industrial City for more details



Professional Support Services For Enterprises

Recognising the need to provide enterprises and entrepreneurs with complete support, at every stage, a range of professional activities are undertaken.

Madayn Industrial Academy focuses on creating new job opportunities for nationals and providing skilled national workforce to companies.

Masar, a one-stop Investors Services Centre works with other major Government departments for time-bound

clearance of requests from investors.

National Business Center offers promising Omani entrepreneurs an incubation platform to further their business ideas into successful ventures.

'Made in Oman' Campaign - Origin Oman is an important campaign to promote Oman-made products and services in the domestic market.

Madayn Research Chair For the Development Of Industrial Estates and

Free Zones- a joint project between Sultan Qaboos University and Madayn to ensure active collaboration between industry and academia.

Oman Manufacturing Group (OMG) is a program of free seminars organized by Madayn for the business community and all staff and students of local tertiary institutes.

Smart Nation Seminar Series strengthens knowledge in Oman's digital community.

Specialist Subsidiaries For Greater Effectiveness

Madayn's ambit is widespread and hence specialist subsidiaries have been established for more effective management and service delivery as follows:

Oman Investment and Development Holding Company (Mubadrah) - 100 % owned by Madayn. Mubadrah Subsidiaries are as follows:

- ▶ Shumookh Investment & Services Co. SAOC
- ▶ Al Rusayl Industrial City Company
- ▶ Mubadrah Comprehensive Services LLC
- ▶ Al Shumookh Plastic Products LLC
- ▶ Mizah Marketing & Business Development LLC
- ▶ Industrial Innovation Center



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Oman Economy Resilient, Despite Global Gloom

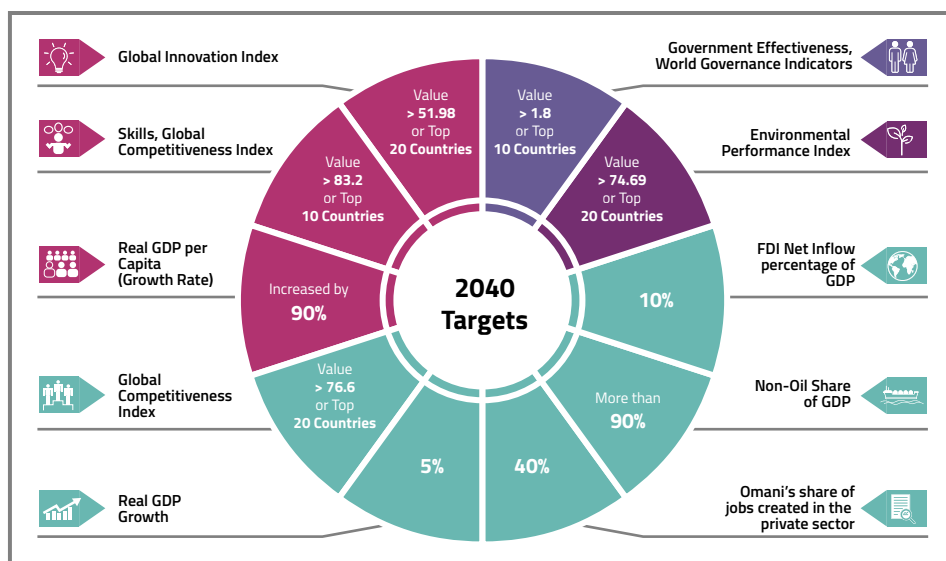
The sustained impact of Covid-19 has spread gloom across global economies in the first half of 2020, with Global GDP contracting around 9%. Despite a strong rebound of 6.4% in Q3, global growth will shrink by 4.4% in 2020. Strong momentum from the second half of the 2020 will drive growth to 5.8% in 2021.

Economies of the Middle East are forecast to shrink by 7.6% this year, much deeper than the previously estimated contraction, according to the latest regional outlook report by Oxford Economics. Economic growth in the region is projected to return to 4.0% in 2021 and 2022 as the lockdown eases, global travel picks up and Brent oil prices move closer to USD 50 per barrel.

Oman's economy is demonstrating resilience despite the impact of the pandemic, low oil prices and the OPEC sponsored cut in oil production. According to NCSI, the half-year GDP has reduced 13.4% from RO 14.14 Billion in 2019 to RO 12.25. In the first half of the year, the government income came down by 12.4% compared to 2019; from RO 5.514 billion to RO 4.830 billion. Government expenses were also controlled by 8.4% during the first half this year compared to last year; from RO 6.175 billion to RO 5.657 billion. Hence, the half-year deficit of RO 826.5 million though 25.1 % higher than last year is well within the government's original budget deficit estimate of RO 2.5 billion. The government is making significant progress in its National Program for Fiscal Balance (Tawazun).

Increasingly Attractive Manufacturing Hub

Strategically located at the mouth of the Persian Gulf, and sharing borders with the United Arab Emirates, Saudi Arabia, and



Yemen, Oman is a natural gateway to the MENA market as well as to the huge markets of South Asia.

Oman's stable economy and governance, strong legal system, ample natural resources, and concerted measures of economic diversification plays an important role in attracting foreign investments.

The Omani government actively pursues a development plan that focused on diversification, industrialization, and privatization to reduce economic dependence on the volatile oil sector. Manufacturing, tourism, transport, logistics, mining, and fisheries have been the key components of the government's diversification strategy.

Vision 2040: Blueprint For Sustained Prosperity

Oman's Vision 2040 is an integrated set of socio-economic policies for developing a sustainable and globally competitive future for the country and its citizens. The vision outlines strategic directions, goals, and priorities into action plans with clearly

defined milestones and timelines to progress against a set of local and international indicators that measure and evaluate the performance transparently.

Thrust On Cutting Edge Manufacturing

In 2019, the Ministry of Commerce and Industry and UNIDO published Manufacturing for Wellbeing to set a vision for the manufacturing sector of 2040. The strategy focuses on knowledge-driven industries in the health and environment clusters to produce goods that enhance the welfare of people around the world and sustain diversification, high-tech development, and innovation in the Sultanate of Oman. By 2040, it is expected that natural resource-based industries will devolve into supporting other industries and sectors.

In the past year, the manufacturing sector's contribution to GDP increased from RO 3011 million in 2018 to RO 3071.80 million in 2019. The sector created 10,000 jobs for Omanis in 2019.



National Business Center Mentoring Enterprises For Success

Madayn's NBC has rapidly emerged as the 'go-to' place for budding Omani entrepreneurs who seek ideas, expertise, guidance, and mentorship from start-up to establishing successfully in today's highly competitive marketplace.

The Center has a wide range of programs for entrepreneurs. Recently NBC launched the second edition of its hugely popular Ideation Program for budding Omani entrepreneurs.

In 2013 the National Business Centre was established when the then existing incubation program, The Knowledge Mine (TKM) expanded from serving the Information and Communication Technology (ICT) sector to serving a wider range of enterprises. Headquartered at Knowledge Oasis Muscat (KOM), NBC, provides a comprehensive range of service from business development services, facilitation of access to markets, specialist industry expertise along with fully equipped state-of-the-art office spaces, meeting rooms, and presentation facilities. NBC also manages the prestigious Riyada Incubation program.

Most of the NBC programs are highly sought after and admission is through a rigorous process of evaluation and selection. Some of the more popular programs include

Ideation For Start-ups

Omantel and Global Retail Company support a month-long program for Omani citizens with innovative business ideas. This prestigious program enables participants to shape their business ideas into actionable plans to set up their



businesses. The focus is on planning, market research, and sourcing investment. Mentoring happens through intensive online workshops.

Pre-incubation For New Entrepreneurs

The one-month program for Omani citizens with clearly defined business ideas helps participants work with NBC business advisors to refine their ideas and participate in workshops covering financial, operational, and human resources aspects.

Incubation For Growing Businesses

The 2-to-3 year program has been created for Omani businesses that have been operational for under three years, as well as for SME's undergoing

restructuring.

NBC presents entrepreneurs with a milestone plan, breaking projects into timed stages. The training enables entrepreneurs to engage more effectively to the wider business community.

Wasel Program

The 6-month program is for SME's who are looking to scale up or facing challenges. NBC and Oman India Fertilizer Company (OMIFCO) collaborate to provide participants with technical and financial training with international specialists.

Entrepreneurship Development for Enterprise Formation

It aims for Omani youth who are seeking to own businesses. Institute of Modern Science and Technical Training (IMSATT)

and Advanced Business Consultants (ABC) support the program which imparts awareness of entrepreneurship based on prior vocational and technical training. The program provides intensive technical and business skills training and support that is funded by the National Training Fund (NTF).

Reyooq: Offers a platform for discussions between major players in the private sector and new entrepreneurs for exchange of expert views on major

sectors in the Sultanate; encourages entrepreneurs to start businesses in those sectors.

Mashura: Facilitates dialogues between various government agencies and entrepreneurs to raise awareness among budding entrepreneurs on the various procedures adopted in Oman.

Global Entrepreneurship Week. Idea Development Workshops

Once a year, as part of Global

Entrepreneurship Week, these workshops are held. In the last three days, applicants compete to join the incubation program. Contestants structure and present their business ideas using the skill-sets they have gained while participating ;

Invited Social influencers to visit and experience the products and services of businesses affiliated with the various programs of the center and help publicize these to a wider audience across their platforms. 📺

NBC Develops Entrepreneurs For Marketplace Success

Nasser Al Malki, Director General of the highly successful National Business Center (NBC), since May 2019, is well-known for his proactive role in mentoring a range of enterprises and entrepreneurs, most of whom are today highly reputed in Oman's manufacturing economy.

Al Malki recently spoke to the eMagazine about NBC as well as his varied responsibilities at Madayn since 2001, as IT Director, Director General of KOM as well as a Board Member of the Research Council of Oman.

As Al Malki confirms, 43 companies have graduated from the prestigious incubation program including leading businesses like Kindows Tech Solutions LLC, Mazoon Environmental & Technological Services LLC, National Energy Center, Akeed, Carzaty, and Ostool Albon, all of whom came as fledglings but are today highly reputed success stories.

Al Malki claims that "... the success of these companies is due to their passion, patience, and commitment toward their



Nasser Mubarak Al Malki
Director General of the highly successful
National Business Center (NBC)

business. None of them were looking for get-rich-quick schemes. They are in it for the long-run and this has helped them develop resilience against the inevitable challenges that face nascent businesses."

"Participants have also faced challenges of their own, especially in securing funding," says Al Malki. He points out that "emerging companies struggle to garner trust in the market, but NBC is uniquely positioned to help these companies gain credibility because of NBC's standing as a government agency with solid expertise and consistent track record."

Speaking about COVID-19, Al Malki highlights that "...associates have shown varied financial responses to the pandemic. Whereas some of the organizations did very well, such as companies that sell goods like detergents or masks, companies that provide services that required interaction, or got restricted during the lockdown have to face problems."

Al Malki is happy with the 35% growth in financial performance of NBC-Incubated companies, during the second quarter, despite the adverse impact of COVID-19. He states that "Companies undergoing incubation now are in a much better position to hit the ground running in the post-COVID environment because they are formulating structures and business delivery methods within emerging parameters."

Al Malki envisions that "... a digital existence will be indispensable in the future and he is confident that NBC will continue to excel at imparting sophisticated and competitive skills through their well-formulated programs."

Madayn News



Ministry of Higher Education, Research and Innovation, and Madayn sign cooperation programme

The Ministry of Higher Education, Research and Innovation signed a cooperation programme with the Public Establishment for Industrial Estates – Madayn to boost cooperation between the Ministry and Madayn in various fields that serve education...

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Undersecretary of Ministry of Labour visits Masar Service Centre

His Excellency Sheikh Nasr bin Amer Al Hosni, Undersecretary of the Ministry of Labour for Labour, visited yesterday (Tuesday) Masar Service Centre, which pertains to the Public Establishment for Industrial Estates – Madayn at Al Rusayl. Hilal bin Hamad Al Hasani, Chief Executive Officer of Madayn...

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Minister of Commerce, Industry and Investment Promotion meets investors at Al Rusayl Industrial City

His Excellency Qais bin Mohammed Al Yousef, Minister of Commerce, Industry and Investment Promotion met yesterday (Wednesday) with industrialists and investors at Al Rusayl Industrial City. The meeting was attended by His Excellency Dr. Saleh...

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Investments in Madayn industrial cities hit RO 6.6 billion in 2019

The Public Establishment for Industrial Estates – Madayn is working towards developing Madayn Vision 2040 to be along the lines of Oman Vision 2040, informed Hasan bin Marhoon Al Marhoon, Director General of Planning and Business Development at Madayn. "Through the development of Madayn Vision 2040, we aim at...

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Minister of Higher Education, Research and Innovation visits Suhar Industrial City

With the aim of exploring cooperation opportunities in scientific research, innovation and technical and vocational training in the industrial cities, Her Excellency Dr. Rahma bint Ibrahim Al Mahrouqiyah, Minister of Higher Education, Research and Innovation, visited Suhar Industrial City, which falls under the umbrella of the...

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Madayn inks agreement to implement entrepreneurship development programme

The Public Establishment for Industrial Estates – Madayn, represented by the National Business Centre (NBC), signed yesterday (Wednesday) an agreement with Institute of Modern Science and Technical Training (IMSATT) and Advanced Business Consultants (ABC) to implement 'Entrepreneurship Development Programme...

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