

bank muscat seminar showcases new potential of 'In-country value addition'



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Dr Mahathir Mohamad, former PM of Malaysia, ministers, and the bank's vice-chairman and chief executive were among the dignitaries

MUSCAT: A high profile seminar on 'In-country value addition' hosted by bank muscat yesterday under the auspices of Yahya bin Said Al Jabri, chairman of the Special Zone Authority at Duqm, highlighted that Oman is focused on investment in human and social capital in line with the country's vision.

Dr Mahathir Mohamad, former prime minister of Malaysia, who played a key role in generating in-country value from the industrial and service sectors in Malaysia, addressed the seminar at the bank's head office. Dignitaries present on the occasion included ministers, the bank's vice-chairman, chief executive and corporate leaders in Oman.

Al Jabri commended the bank

muscat initiative in organising the seminar and said, "It was an important opportunity to learn from the experiences of Malaysia as well as leading institutions creating in-country value addition in Oman. The seminar helped to highlight new opportunities in in-country value addition, especially in the SME sector. The government attaches significance to the SME sector which can make major contributions to the national economy."

Mahathir pointed out that since its independence in 1957, Malaysia pursued strategic planning focusing on in-country value addition, beginning with labour-intensive industries, which facilitated technology transfer and the growth of the economy has led to

the country presently accommodating 2.5 million foreign workers.

Mahathir said Malaysia focused on education and training aimed at creating manpower for rapid industrialisation. The country's oil sector also recorded a unique in-country capability through the development of Petronas which is engaged in all oil sector activities.

The oil sector has served as a catalyst for small businesses in Malaysia while the automobile sector has helped to tap the country's engineering capability with industries focusing on automobile components and engine manufacturing facilities, he added.

Mahathir pointed out that, "Malaysia accorded priority for training of workers to create the right work ethics and produce high quality products at competitive price.

"Government and private sector collaboration has contributed to in-country value addition and Malaysia is presently focusing on increasing people's income and creating more jobs in new businesses such as knowledge-based industries through an IT corridor where foreign investors are encouraged to set up business.

"Malaysia has also benefited

from the education and tourism industries. The country presently hosts 100,000 foreign students and the tourism industry attracts 24 million tourists annually, with spin-off businesses creating significant in-country value addition. The government has also been supportive, especially women, through micro credit. Malaysia's vision is to gain a developed country's status by 2020."

To benefit locals

AbdulRazak Ali Issa, chief executive of bank muscat, said: "Oman has given a thrust to generating in-country value in all major sectors, aimed at facilitating development benefiting local communities in all parts of the country. In step with this national objective, the bank is focused on strategic initiatives to complement and add value to the country's progress and development.

"The seminar focused on a vital topic in the context of Oman addressing the requirements of youth representing more than 50 per cent of the country's population. The seminar also highlighted the importance of in-country value percolating to small and

medium enterprises (SMEs) as Oman's economy is witnessing a gradual shift towards SMEs. The bank remains committed to working hand-in-hand with the government and partners to create sustainable in-country value for the country as a whole."

Industry experts spotlighting on in-country value opportunities in Oman included Dr Raoul Restucci, managing director of PDO. Restucci said that creating in-country value addition in PDO was in line with the country's vision.

PDO accords priority for investment in human and social capital, he said adding that PDO accounted for 4,300 new jobs in 2011 and 4,000 jobs in 2012 and 4,000 jobs will be created in 2013. PDO has upgraded training facilities and is committed to creating in-country value and supporting local communities.

Restucci noted that unbundling of big contracts was essential to benefit local suppliers and contractors. "We should also simplify the requirements for SMEs to facilitate their participation in projects. Oman has competitive advantage in enhanced oil recovery technology and water technology which can be used for

regional job creation."

Majid Al Toky, resident managing partner of Trowers & Hamlins, said that local content in mainstream business was the key to creating jobs and tackling unemployment.

"Oman is focused on stimulating an entrepreneurial mindset. Presently, Oman has 121,000 SMEs contributing 16 per cent of the GDP. We need to encourage people to the SME sector and build a strong SME culture. Big companies should not compete with small companies and should encourage an SME culture," he said.

Dr Fredrick Young, CEO of Delma Energy, said the company had the capability to manufacture rigs to international standards. Delma is an international drilling company headquartered in Oman with operation in 22 countries.

The company operates 14 rigs in Oman with each rig creating an average 100 jobs at a total operational expenditure of \$75 million.

The company has also recorded an industry first in implementing a process control system, he said, adding that all these achievements clearly reflected major in-country value addition in Oman.