



Oman

Vision 2020
Tender
Labor Force

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Vision 2020	02
Tender in Oman	04
Labor Force	07
About ESK Advisory Firm	11

In previous Newsletter (June 2018) general information about Oman, some investment obstacles, and some investment incentives were discussed. In this newsletter, we focus on Oman vision 2020, tender procedure and labor force in Oman. A list of current projects in real estate of Oman is also provided which can be considered by investors.



Vision 2020

Oman is the first GCC country that provided a long-term development plan. The primary goal of vision 2020 is to achieve economic balance and sustainable development. It has three strategic pillars:

- A. Economic Diversification**
- B. Human Resource Development**
- C. Privatization**



A) Economic Diversification

This section includes focusing on renewable energy resources, promoting private sector industry, creating a well-trained and efficient workforce, focusing on export growth in the non-oil sector, develop industries across sectors including construction, manufacturing, mining and etc.

B) Human Resource Development

This pillar is consisted of reducing population growth, providing health care services, promoting education, promote greater employment opportunities for Omanis.

C) Privatization

This is the third part of the plan and includes providing a stable macroeconomic framework, reducing the government's role in the economic activities, upgrading the legal framework, providing a suitable system of incentives, supporting the financial sector in order to promote the private sector role in all economic activities, and upgrading the infrastructure.

Tender in Oman

Tender in governmental sectors is governed under “Government Tender Law”. This law is applied to all state’s administrative offices, organization, public authorities, and companies that are independent corporate bodies fully owned by the Government with the exception of security and defense offices or any other government organization excluded by any other law.

There are five ways under Government Tender Law for procuring works:

- A) Public Tender**
- B) Restricted Tender**
- C) Direct Award**
- D) Mumarasa**
- E) Musabakah**





Public Tender

It is the main way of procuring works and services. The new tender law amended two provisions. One of them is removing the discretionary power of the “Tender Board” in the case of disputing over an existing contract with the Government and the other one is that entities are now permitted to make a change order greater than OMR 100,000 or 10 % of the value of a contract, without having to retender. This arrangement is conditional and some certain provisions must be satisfied.

Restricted Tender

It is known as an alternative to public tender. The concept of tender restricted to prequalified bidder was found in the old law. The new law has retained this provision and has outlined basic prequalification procedures in addition.



Direct Award

In Comparison with the old law, the new law has added some circumstances in which a contract can be awarded directly.

Mumarasa

The new law has confirmed that work and services procurement by Mumarasa is allowed but under specified circumstances. In each case, this should result in contracts with the best commercial terms available. The new law added the new following terms: work conducted abroad for the government, and purchasing and leasing of real estate.

Musabakah

This method has been specified in the new law and means competition. It can only be used in relation to the execution of studies, drawings, designs, models and other technical works. The concerned entity will request bidders through a public announcement or a direct invitation to submit their works and the winner will be chosen from the pool of entries. Bidders are not required to provide bid bonds, performance bonds or professional indemnity insurance.



Labor Force

In the recent years, Oman's government has taken considerable steps to empower Omani nationals to replace foreign workers. Measures such as prohibiting foreign nationals from taking up certain designations reserved for Omanis, allocating an enormous amount of the national budget for education are some of the examples for showing Oman's government seriousness in following this goal.

It should be noted that according to the “National Workforce Register” scheme, business organizations are required to register their employees. In the following paragraph, some considerable affairs that related to workforce will be specified.

A) Employment of Omani Nationals

The Ministry of Manpower has issued guidelines that mandate private companies in specific sectors to include a certain percentage of Omani staff in their workforce. It should be noted that Non-national employees are excluded.

B) Labor Legislation

The Omani Labor Law is applied to all national and expatriate employees and employers. The Law includes employment contract, leave, pay, vocational training, etc.

C) Working days and hours

According to the law, the maximum working hours per week is 45 hours. The working days are Sunday, Monday, Tuesday, Wednesday, and Thursday.

D) Payroll Taxes and Employee Benefits

The “Oman’s Social Security Law” supports employees against old age, disabilities, death, and working-related injuries and diseases. The law is only applicable to Omani nationals employed in the private sector. According to the law, employers should contribute 11.5 % of Omanis Employees’ monthly wages to a public authority for Social Insurance.

E) Minimum Wage

The minimum monthly compensation for unskilled Omani employees is US 845.

F) End of Service Benefits for Expatriate Employee

It's calculated on the basis of an employee's final wage and the following norms must be considered:

- For the first 3 years of service, an amount equivalent to 15 day's basic pay for every year of employment
- For each subsequent year, an amount equivalent to one month's basic pay.

G) Special Requirements for Foreign Nationals

For expatriates, work permits must be issued and renewed every 2 years. This will cost US 520.



Company	Project	Brief
Asaas	The National Leisure & Tourism Destination (NLTD)	Oman's first leisure & entertainment destination
Khazaen	Khazaen economic city	Integrated logistics, dry port, industrial, commercial, & residential city
Ministry of Health	National Rehabilitation Center	Enforce and extend comprehensive rehabilitation services and programs based on integrated approach and assessment of individual needs utilizing new devices and technologies
Petroleum Development Oman	Ras Al Hamra - Astad	4 star hotel, Muscat, Ras Al Hmra
Little India Oman LLC	Little India	Integrated Tourism Complex (ITC) in Duqm
Golden Group	Al Mouj Golf Business Facility	5 star hotel + commercial plot - Muscat
	Al Mouj Rayhaan Hotel & Apartments	4 star Hotel - Muscat
	Movenpick Muscat Hotel Airport	5 star hotel - Muscat
	Centro Sohar	3 star hotel - Sohar
	Shaza Salalah	5 star hotel - Salalah
Omran	Madinat Al Irfan	Integrated Tourism Complex (ITC) in Muscat

About ESK Advisory Firm

ESK Advisory Firm has experience helping companies develop and implement strategies that drive efficiencies, overcome barriers and achieve meaningful business outcomes. ESK has helped organizations of all types identify opportunities, create value and reduce risk. We provide advisory services in sectors including Fashion, technology, Food & Beverage, Medicine, energy, manufacturing and distribution and many others. And our team members will apply their niche expertise to help you improve performance and accomplish your short and long-term business objectives.

Our main Services are:

- Finding Business Partner
- Connection with international Brands
- Mergers and Acquisitions
- Foreign investment
- Franchising
- Deals
- International Trade Law
- Legal Consultation



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