

Reduced Inequalities-The Start of SMEs in Oman

COVID-19 has deepened the already existing disparities and has brought about more challenges in vulnerable communities and low income nations. Employment rates have gone down drastically and being the backbone of the healthcare system, frontline workers have borne the brunt of the pandemic.

In an effort to eliminate the biased practices in society concerning gender, people with disabilities and income differences, this situation was taken as an opportunity to introduce and/or reinforce existing initiatives to bridge the gap wherever possible in line with the Sustainable Development Goal, Reduced Inequalities (SDG 10).

How did it all begin?

The Royal Decree No. 19/2007 established the Directorate General for the Development of SMEs, in Ministry of Commerce and Industry to accelerate the government's efforts to develop small and medium enterprises.

The Royal Decree No. 36/2013 further led to the establishment of the Public Authority for Development of SMEs, which strengthened the fact that they were essential for the building up of the Omani economy.

Various training and financial support programs have been developed over the years for the benefit of the people of various target groups.



SANAD-Self Employment and National Autonomous Development

Between the years 2002 and 2004, the Ministry of Manpower enabled jobseekers and graduates within the age group of 18 to 40 years to set up their businesses with funding from the government. An amount of up to 5,000 Omani Rials was provided as loan for a period of seven years with an interest rate of 2% per annum. An interesting feature of this fund was that 37% of the funds were provided to women entrepreneurs in this period.

On completion of the SANAD fund, according to Royal Decree No. 6/2013, the Al Raffd fund was later established which included four financing programs including Mawarid Al Rizq, Tasees, Riada and Tazeez.

1.Mawarid Al Rizq

The Ministry of Social Development launched this program with the aim of supporting people under social security services, disabled people as well as low income families under the social security services.

“*Mawarid*” meaning **resource**, allows them to avail loans up to 10,000 Omani Rials with a repayment period of 7 years.

2.Tasees

“*Tasees*” meaning **establishment**, targets jobseekers and those willing to establish new projects with loans up to 20,000 Omani Rials without any personal contribution.

3.Riada

“*Riada*” referring to **entrepreneurship**, allows those with already developed projects to get funding up to 100,000 Omani Rials.

4.Tazeez

“*Tazeez*” meaning **promote**, enables previous beneficiaries of the Al Raffd fund to support and expand their businesses with loans up to 100,000 Omani Rials.

SME Development Fund (SMEF)

The SME Development Fund was established in March 2014 with the objectives of creating employment opportunities, making growth more inclusive and distributing development more equitably.

A total of 42,163 SMEs had been registered till the end of 2019 according to the National Centre for Statistics and Information (NCSI) and nearly 5000 SMEs had been set up in Oman in the year 2019 alone.

As rightly said by the UN Secretary-General, “**Now is the time to stand by our commitment to leave no one behind**”, these initiatives further enable people of various sections of society to gain access to more jobs and employment opportunities and finally, ensure equality to everyone interested in this field.

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