

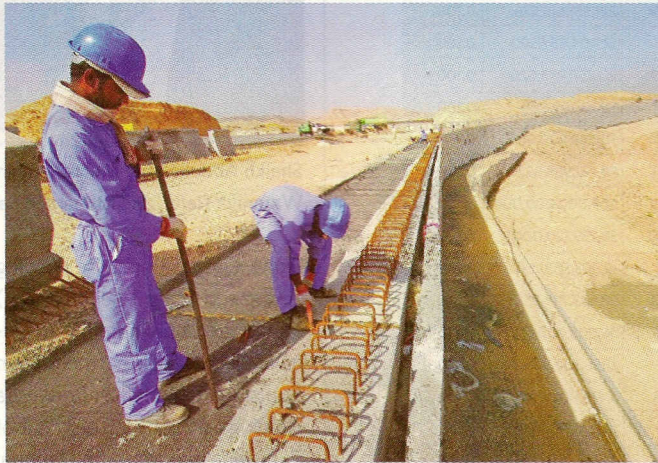
JVs set to rise as Oman rides high on infrastructure boom

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Oman's local construction companies will look for joint ventures or seek government help to compete with the expected influx of large foreign companies seeking to take advantage of record infrastructure spending levels in the sultanate's 8th Five-Year Plan, according to industry executives.

As the amount to be spent in the next five years grows to RO8.12bn in the sector, companies have already started forming joint ventures, such as the new partnership between Qurum Business Group and UAE infrastructure outfit NSCC to create a piling and foundation firm in Oman unveiled last week.

Work on major projects including the new conference and convention centre, roads and airports has already begun, and large overseas construction companies such as the UAE's Al Naboodah Construction Group and Turkish firm Makyol have recently arrived with large



File shot

projects in mind.

Jasbir Singh, general manager of Al Hassan Engineering, told *Muscat Daily* many local companies could act as vital local partners for overseas firms looking to tap into the market.

He said, "We are already witnessing a huge influx of foreign companies in the infrastructure sector which is expected to increase owing to a huge potential of confirmed opportunities in the future. While some of the companies may bid on their own, oth-

ers would prefer to have partnership with local companies to take advantage of their knowledge and experience in Oman.

"The companies already established in Oman need to enter into partnerships with the new entrants by understanding and complementing the strengths and expertise of each other and will also have to undertake business process improvement initiatives in order to effectively compete with them."

Another industry executive

said that as the number of foreign companies in Oman continues to rise, government help could be needed to ensure smaller local firms can still compete.

He said, "There definitely will be more major players coming into the country. If you look at the tenders across the Middle East, people tend to prefer the major foreign companies when it comes to the major projects.

"I think that support to the local contractors is essential so that they will grow over the next five years. Otherwise what will happen is major players will come in and the local medium-sized contractors will not get what they want."

However, Kanagu Sundar, an analyst at Gulf Baader Capital Markets, expects the authorities to favour home-grown companies, and Omani banks, as the government opts for local experience. "These projects will be beneficial for local engineering companies as well as the cement sector. In the longer term, Omani players will be given preference.