



## THE IMPACT OF PRIVATIZATION IN OMAN OIL

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### ABSTRACT

**P**rivatization is a key segment of the change procedure of structures and economies in the globalized world today. Creating nations have set out on broad improvement programs some recorded as fruitful and by most accounts a disappointment. Regardless of the amazing level of privatization in Oman, the experimental information of the system is constrained.

**KEYWORDS:** privatization, foreign oil & gas companies, Petroleum Development

### INTRODUCTION

Privatization is a key segment of the change procedure of structures and economies in the globalized world today. Creating nations have set out on broad improvement programs some recorded as fruitful and by most accounts a disappointment. Regardless of the amazing level of privatization in Oman, the experimental information of the system is constrained. Beside hypothetical expectations, very little is thought about the procedure and result of privatization activities in Oman (Poelhekke & Van Der, 2010).

### RESEARCH OBJECTIVE

The objective of this research is to study the impact of privatization in Oman oil.

### LITERATURE REVIEW

(BBC, 2012) The economy of Oman contributed numerous elements including oil and gas. The administration approaches will be made by accessible sources inside of the nation. The financial development of the business of oil is one of the fortifications of the

world and additionally Oman. Without a doubt the greater part of world's nations subject to Persian Gulf oil. It implies the current economy relies on the supply of oil and characteristic gas by the bay area.

(Business & Tenders, 2015) to decrease Oman's reliance on oil, the legislature utilizes five-year improvement arrangements to empower private-area enhancement into different businesses. Roughly 59% of the nation's total national output (GDP) is presently created outside the oil and gas area, when contrasted with 33% in 1975, when the first arrangement was actualized. Oman has prudently utilized the trusts created from its restricted vitality stores to start enormous monetary and social upgrades.

(Ernst & Young, 2011) In recent years attempts have been made to diversify the economy to avoid relying too heavily on the oil industry. Oman is focused on diversifying its economy away from oil and gas production. The long-term 'Oman Vision 2020' development plan highlighted the need for the Omani economy to diversify



through a process of Omanization, industrialization and privatization involving investment from foreign investors. Investment opportunities are available in priority areas targeted for development by the government.

(Shaxson, 2008) There are three major approaches in attracting foreign direct investments into the country includes: the creation of new refineries by foreign oil & gas companies in Oman; the privatization of the national oil refinery and pushing it to compete with foreign companies on an equal basis; and the implementation of a mixed model with continued state ownership but expansion of the activities in the sector eligible for foreign oil & gas companies. For every option there are advantages and disadvantages for the foreign oil & gas companies.

(Rosser, (2006) The privatization of the national oil refinery and pushing it to compete with foreign companies on an equal basis. Oman can replicate what it did with Petroleum Development Oman whose owners are the Government of Oman (60%), Shell With a 34% stake in the company, shares its interest with Total (4%) and Partex (2%) in the upstream sector. The resounding success has led to Petroleum Development Oman currently producing more than 80% of the Sultanate's oil and most of its natural-gas supply.

## THE RESEARCH PHILOSOPHY AND APPROACH

Exploration is a conviction about the path in which information around a marvel ought to be assembled, examined and utilized. The exploration rationalities received in this examination is positivist, now and then called experimental. The theories of this examination will be will be tried and affirmed, in entire or part, or negated, prompting the further improvement of hypothesis Which might then be tried by further research. we would consider as logical examination. It includes the advancement of a hypothesis that is subjected to a thorough test. Accordingly, it is the overwhelming examination approach in the regular sciences, where laws show the premise of clarification, permit the expectation of phenomena, foresee their event and in this way allow them to be controlled.

Exploration may have a noteworthy effect on methodological decision, accordingly their philosophical survey likewise causes a reflection on the examination issue. Scientists ought to consider that certain philosophical positions may block them from researching a specific exploration issue, as the pertinent procedure may be wrong to the current issue. Also, the disgraceful coordinating of technique to the examination issue may create spurious results, eventually having a negative effect

on the scientist's polished methodology and the power of exploration science. We see that flexibility is increased just through a transitional philosophical position, consequently permitting scientists to match theory, philosophy, and the exploration issue.

This study will use the quantitative approach of data analysis. Quantitative methods of data analysis will include inferential and descriptive statistics. The rationale for using quantitative methods for data analysis is because some of the data results will require quantitative interpretation. For instance, descriptive statistics will include frequencies and measures of central tendency mainly means and frequencies. The results will be presented using tables and pie charts to give a clear picture of the research findings.

An extra vital normal for derivation is that ideas should be operationalized in a manner that empowers realities to be measured quantitatively. In our illustration over the conspicuous one is non-attendance. Exactly what constitutes non-appearance would need to be entirely characterized: a nonappearance for a complete day would likely number, however shouldn't something be said about nonattendance for two hours? What's more, what might constitute a 'brief time of occupation' and more youthful representatives? What is occurring here is that the guideline of reductionism is being taken after. This holds that issues overall are better comprehended in the event that they are diminished to the least complex conceivable components.

### Ethical Implication:-

I have taken after all the rules needed for do this exploration to keep away from any moral effects in this examination. To start with I have got the support for the examination title from my manager as the scientist I have gotten the regard of respondent and the significant powers for usage of the study. Additionally, I have gotten the regard for the title for this exploration from my chief. Moreover, all the information gathered for this exploration will stay classified and will be utilized just with the end goal of the examination.

## RESEARCH METHODOLOGY

### Research Design:-

This study will be conducted through a descriptive survey study. The design will be considered suitable as it allows a methodical choice of samples and a rigorous analysis of data. a descriptive study is undertaken in order to describe the general characteristics of the study population and be able to describe the characteristics of the variable of interest in a situation.

**Sampling Technique:-**

The Simple Random Sampling Technique is used to perceive who ought to be chosen to answer the overview. With this analyzing framework, it worked out that respondents start from various establishments, for instance, nationality, age, calling, guideline, sex, and lifestyle. Sampling unit: Oman oil distributors. Sampling element: Oil distributors

**Sample size:-**

Sample of 100 participants have been selected randomly to answer the questions.

**Data Collection:-**

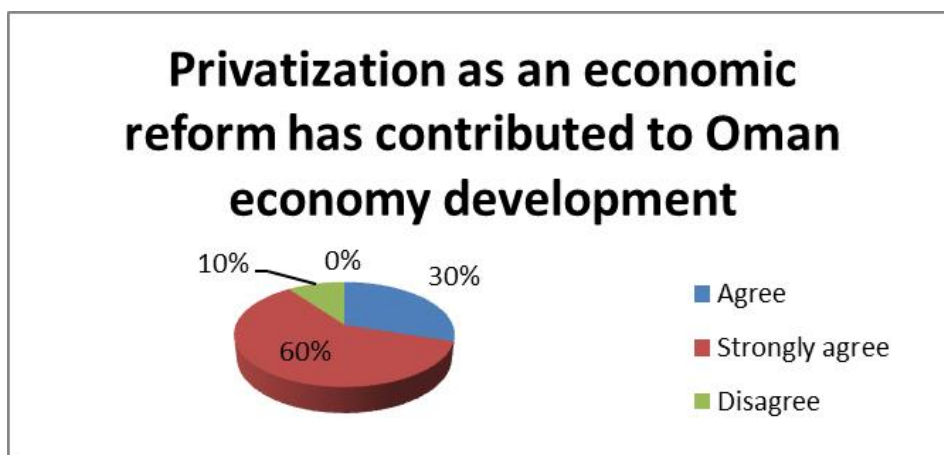
Primary data is data that you collect yourself using such methods as direct observation which allows one to focus on details of importance and to see a system in real rather than theoretical use. Primary data can also be sourced from surveys; written surveys allow for collection of considerable quantities of detailed data.

The study will use a questionnaire as the preferred data collection tool. Structured questions will therefore be used in an effort to conserve time and money as well as to facilitate an easier analysis as they are in immediate usable form; while the unstructured questions will be used so as to encourage the respondent to give an in-depth and felt response. The questionnaire will have both open ended and close ended questions.

**DATA ANALYSIS AND INTERPRETATION**

**Q1- Privatization as an economic reform has contributed to Oman economy development?**

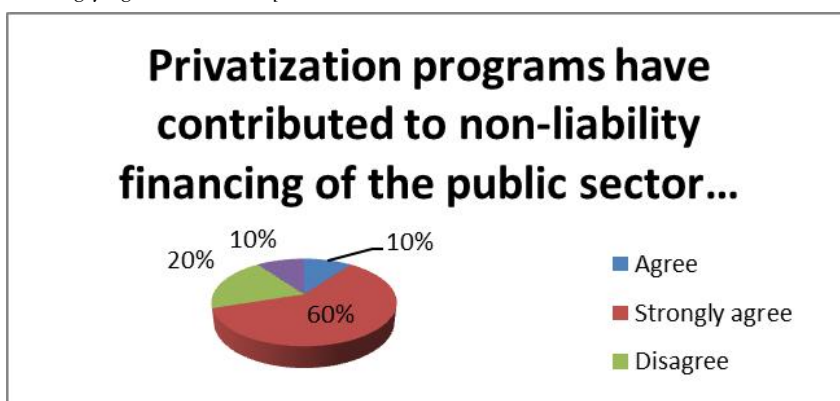
Most of the participants agree with this statement that **Privatization as an economic reform has contributed to Oman economy development**. As It is evident from table and graph that 60% strongly agree, 30% agree, whereas nobody disagree with it. Participants feel that privatization is better to enable the country meet future needs of development.



**Q2- Privatization programs have contributed to non-liability financing of the public sector in Oman?**

Majority of the participants have the basic knowledge about privatization program in Oman. Because 60% participants strongly agree with this question:

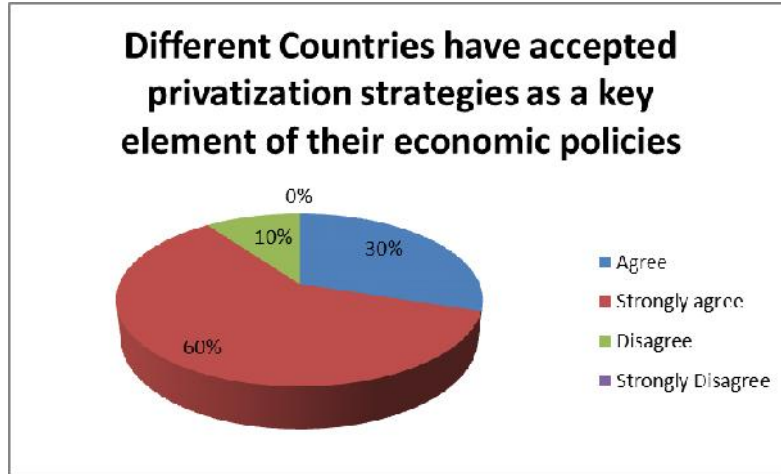
Privatization programs have contributed to non-liability financing of the public sector in Oman?, and 10% agree. While 10% disagree and 10% strongly disagree, which means there are some participants who don't know much about privatization or they are not in favor of privatization in Oman.



**Q3- Different Countries have accepted privatization strategies as a key element of their economic policies?**

It is clear from the table and graph that 60% participants strongly agree this question that Different

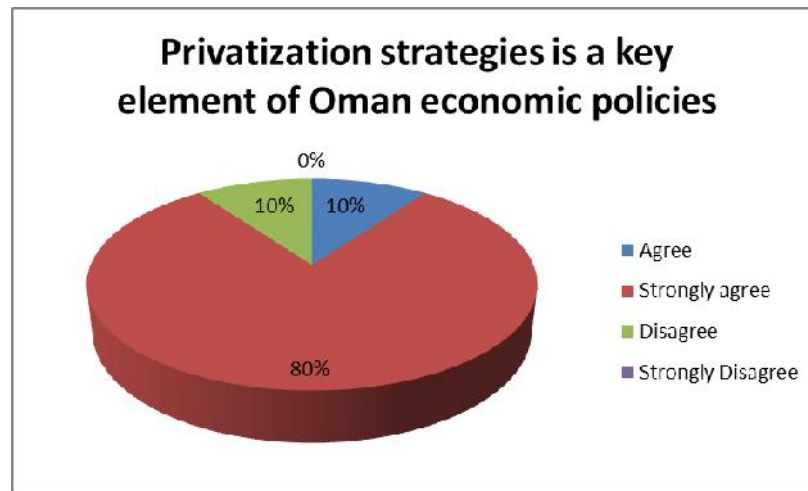
Countries have accepted privatization strategies as a key element of their economic policies? And 30% agree while only 10% disagree on this question.



**Q4- Privatization strategies is a key element of Oman economic policies?**

Among all participants 80% of participants strongly agree that Privatization strategies is a key element

of Oman economic policies, and 10% agree with it, whereas 10% disagree with this question.



**Q5- How privatization can contribute to the development of Oman economy?**

Most of the replies suggest that all service sectors companies should privatized to increase their competency and efficiency, while only believe that privatization can contribute to the development of Oman economy

**Reliability and validity:-**

The proposed research has some limitations which hampered the validity and reliability of the research. In order to carry out this investigation the researcher has

contact the respondents and it has been explained to them clearly. The results of this research are applicable only selected category. It is suggested to carry out different categories if applicable. Respondents are answering the given questions and if the questions are not designed properly to get the required data from employees the researcher will not perform the objectives of the research.

**CONCLUSION**

Privatization is meant to increase the role of private sector or to reduce the government's role, in the ownership of assets or any other activity. Privatization has been prescribed as a means of improving the efficiency and profitability of public enterprises, which are not

performing well. The privatization of government owned enterprises is nowadays a large-scale process for the transfer of state owned enterprises to the private sector.

From all the findings above, it is clear that the operation of privatization in Oman is still facing problems. However, there are also reasons to believe that privatization will overcome the difficulties at the moment due to the right policies from the government and their own new plans. Then, hopefully, Oman creates the fairest competition and the most motivated development in the business market.

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## Questionnaire on The impact of privatization in Oman oil

Q1- Do you agree that privatization as an economic reform has contributed to Oman economy development?

- Agree
- Strongly Agree
- Disagree
- Strongly Disagree

Q2- Do you agree that privatization programs have contributed to non-liability financing of the public sector in Oman?

- Agree
- Strongly Agree
- Disagree
- Strongly Disagree

Q3- Do you agree that different countries have accepted privatization strategies as a key element of their economic policies?

- Agree
- Strongly Agree
- Disagree
- Strongly Disagree

Q4- Privatization strategies is a key element of Oman economic policies?

- Agree
- Strongly Agree
- Disagree
- Strongly Disagree

Q5- How privatization can contribute to the development of Oman economy?

