

SULTANATE OF OMAN

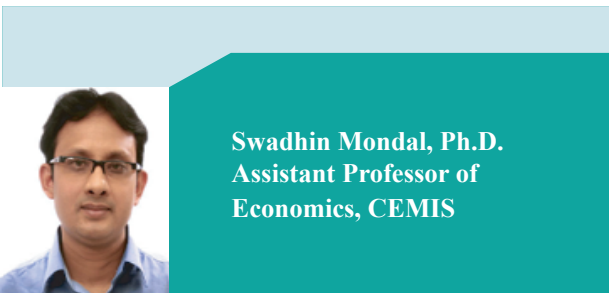
GLOBAL ENTREPRENEURSHIP MONITOR

NATIONAL REPORT

2019-2020



Authors



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We are also deeply indebted to the University of Nizwa for sponsoring this project and would like to express our special thanks and gratitude to the Chancellor of the University of Nizwa, Professor Dr. Ahmed bin Khalfan Al Rawahi, who has entrusted us with this project on behalf of the institution.

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Foreword

Prof. Ahmed bin Khalfan Al Rawahi
Chancellor of the University of Nizwa

Since the inception of the Global Entrepreneurship Monitor (GEM) in 1999, leading experts in entrepreneurship across fifty-four diverse economies worldwide are substantially contributing towards a better understanding of this form of human endeavor, its growth, and enhancement. As Oman strives to diversify its economy, and along with national efforts to develop an environment conducive to entrepreneurship, comes the establishment of the Entrepreneurship Center at the University of Nizwa (UoNEC). As a center dedicated to serving the Omani entrepreneurial ecosystem through activities such as research, teaching, training, and social services, we seek to provide viable options for young Omani job seekers, actively participating in the national mission and quest for entrepreneurial excellence. Hence, our joining the GEM serves as a strategic mobilization of resources, prioritizing robust best practices, innovation and ingenuity, to ensure our vision for the future is both shared and achievable.

It is an honor for the UoNEC to be part of the GEM world family and within such a short period of time to be able to publish the *Sultanate of Oman GEM 2019 National Report*, so soon, is indeed gratifying. The report highlights the Omani entrepreneurship profile utilizing the most recent sector indicators, which certainly will be of immense benefit to the



entrepreneurship ecosystem in Oman. It will also provide useful insights and guidance for the center's growth and development, useful feedback on previously implemented policies, and draw attention to those areas requiring specific future direction.

As we look positively toward the future of the UoNEC and its positive contribution toward the growth of a healthy entrepreneurial sector in Oman, we seek to drive prosperity, the capitalization of our human resources, and thereby encourage economic well-being. I must therefore convey my thanks and appreciation to the national team who are active participants in this great endeavor.

Message from CEMIS

Dr. Arockiasamy Soosaimanickam

**Acting Dean, College of Economics,
Management, and Information Systems**

Education in the field of entrepreneurship, to assist the economic development of any country, is an important activity of Higher Education institutions across the world. Young entrepreneurs in any country should therefore be motivated and guided to enrich their skills, knowledge, understanding and resilience in the challenging environment of entrepreneurial activities. The College of Economics, Management and Information Systems (CEMIS) at the University of Nizwa, one of the pioneers in promoting Entrepreneurship Education in Oman, has been active in several entrepreneurship activities for several years, and its faculty and students have been involved in promoting entrepreneurial activities among young Omanis since 2014.

In 2019 the College took advantage of this wealth of experience and applied to become a member of the Global Entrepreneurship Monitor (GEM) consortium, with the objective of representing Oman in the conduct and participation in entrepreneurial research. The University of Nizwa as a key element of its initiative to promote the teaching, learning and study of entrepreneurial activities, has established a fully equipped, fully functioning Entrepreneurship Center (UoNEC). The center is administered by a team of dedicated faculty members and staff, with significant guidance



and support from senior management of the university and related government agencies, currently involved in extensive entrepreneurship research.

In order to facilitate this research CEMIS established a research team comprising of senior faculty members and staff to participate in this GEM Research project. The team has tirelessly collected data from in excess of two thousand households and consulted thirty-six experts throughout the country. It has conducted research and published research in numerous academic, and economic platforms and forums so that the findings can be shared with appropriate interested parties.

It is with great pleasure therefore, the GEM research team of CEMIS has completed their prestigious research study and has submitted a detailed report to the GEM consortium for their approval. I congratulate the national team for their extensive study and analysis of entrepreneurship activities in the Sultanate of Oman, and wish them well in their future endeavors.

About Authority for Small and Medium Enterprise Development



هيئة تنمية المؤسسات الصغيرة والمتوسطة
Authority for Small and Medium Enterprise Development

The Royal Decree 107/2020 on 18 August 2020 has established the Authority for Small & Medium Enterprises Development. The new Royal Decree has merged two previous government support programs which were The Public Authority for Small & Medium Enterprises Development (Riyada) which was established by Royal Decree 36/2013 and Al Raffd Fund which was established by Royal Decree 6/2013.

The Authority for Small & Medium Enterprises Development is the Sultanate of Oman's arm for the development of small and medium enterprises and strengthening their contribution to the local economy through a wide range of competences as determined by The Royal Decree. It enjoys financial and administrative autonomy and it is headquartered in the Muscat Governorate with the right to establish branches in other governorates according to a resolution from its board of directors.

Within the framework of the Authority for Small and Medium Enterprises Development's mandate in installing a culture of entrepreneurship and developing

small and medium enterprises and given the urgent need to have accurate data on this subject, it is worthwhile to cooperate with international institutions in this field, such as the Global Entrepreneurship Monitor (GEM). GEM began in 1999 as a joint project between Babson College (USA) and London Business School (UK). The consortium has become the richest resource of information on entrepreneurship, publishing a range of global, national and 'special topic' reports on an annual basis.

Therefore, it will give us a closer look at the entrepreneurship environment in the Sultanate of Oman. For instance, GEM measures and capture different elements of the entrepreneurial process, ranging from opportunity recognition, entrepreneurial intentions, to nascent entrepreneurship and important characteristics of entrepreneurial activity. Moreover, it will provide us with significant information on entrepreneurship across many countries, which will assist in shaping the government's policies and programs to support entrepreneurship in the Sultanate.

Sponsor and Lead Institution

The **University of Nizwa (UoN)** was established in the Sultanate of Oman in 2004 as a faculty governed, not-for-profit, private university. It is located 140 km from the national capital of Muscat in the Dakhiliya region, near the historic former capital of Nizwa. The UoN seeks to provide a progressive learning environment that is respectful of the traditions and values of the Sultanate.

Since its inception, the guiding philosophy of UoN has been to provide students with quality educational experiences and opportunities that will prepare them to contribute effectively to the economic, artistic and aesthetic growth of the nation. Graduates, irrespective of their majors, are expected to be capable lifelong learners with skills in numeracy, communications, critical thinking and problem solving. Alumni will also possess an appreciation of their culture, the values upon which it is founded and a shared respect for all humanity.

In the short time since the inaugural group of 1200 students began taking courses on the 16th of October 2004, the University has expanded in the numbers of students it caters for, and in the number and diversity of programs offered to students. Currently, the University offers in



excess of 69 undergraduate programs, and 25 masters programs to a student body of nearly 6500 students. Construction is currently underway nearby, on a new state of the art campus to support the continued growth of the university.

The Sultanate of Oman GEM team is now well established, and the University of Nizwa Entrepreneurship Center is immensely proud of its association with the Oman GEM report, supported by the College of Economics, Management, and Information Systems (CEMIS), University of Nizwa.



جامعة نِزْوَى
University of Nizwa



Dedication

This National Report 2019/2020 is specially dedicated to the His Majesty the late Sultan Qaboos bin Said bin Taimur (1970 – 2020) for continuously instilling, encouraging, and supporting the entrepreneurial spirit among the people of Oman during his reign.



His Majesty's Vision

“The National Economy of a country is in fact based on small and medium industries. These are the fundamentals, the foundations of all national economies.”

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Executive Summary

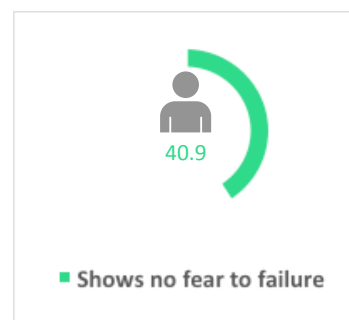
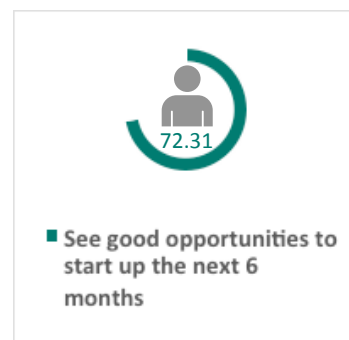
The Oman National Team became a member of GEM in May 2019, and its survey represents the first year that GEM has tracked the rates of entrepreneurship across multiple phases and assessed the characteristics, motivations, and ambitions of entrepreneurs, as well as the attitudes of the Omani society toward such activity. The following subsections discuss the selected major findings from the report.

Societal Values About Entrepreneurship

The Sultanate of Oman demonstrated a high cultural affinity for entrepreneurship in 2019. The estimated indicators in this section revealed that almost 85% of the Omani adults consider starting a business is a good career choice, while about 86% believe that entrepreneurs are well regarded and enjoy high status within the society. Additionally, 75% believe that entrepreneurs receive substantial media attention and 55% would prefer a competitive environment. Only around 40% see business problems as an issue.

Self-Perceptions About Entrepreneurship

Omani adults' perceptions demonstrate community perceptions of the key elements of starting a new business, below:



Phases/Types of Entrepreneurial Activity



Oman experienced a low rate in the established businesses (EBs) during the business year 2019. The intent to establish an entrepreneurial entity measured 63.8%, nascent and new activity, 3.9% and 3.1% respectively, while the

exit and discontinued rate is 15.4%. In brief, the results indicate that there is a high level of volatility either during, or following, the consolidation process of the entrepreneurial activities.

Independent and Sponsored Entrepreneurial Activity

In 2019, the Omani TEA rate of 7% is composed of 6.86% of sponsored activity and 0.12% of independent activity. The results suggest that in Oman a significant part of the entrepreneurial activity, especially the new stage, is sponsored and not just implemented by an independent entrepreneur. Sponsored

entrepreneurship is becoming a more popular version of entrepreneurial start-up businesses processes and is progressively replacing the more traditional process such as through corporate incubation, co-operative accelerators, corporate venture capital, company builder, venture builder etc.

Motivation for Early-Stage Entrepreneurial Activity



56.21% of early stage entrepreneurs is to earn a living because jobs are scarce.



52.97% reported building great wealth or a very high income as one of the reasons to start-up a new business.



26.62% started the early stage of entrepreneurial activity is to continue a family tradition.



49.87% started the early stage of entrepreneurial activity is to make a difference in the world.

During the year of 2019 the prevalent motivation to start-up, consolidate or own and manage a business in Oman has been the following: To earn a living because jobs are scarce (56.21% of early stage entrepreneurs). Additionally, 52.97% of early stage

entrepreneurs reported building great wealth or a very high income as one of the reasons to start-up a new business, while 26.62% started this type of activity to continue a family tradition and 49.87% to make a difference in the world.

Industry-Sector Participation



The participation of early stage entrepreneurial activity appears as too significantly concentrated in the consumer-oriented sector

Extractive	Transformative	Business services	Consumer oriented
2019 -> 1.48%	2019 -> 36.38%	2019 -> 10.72%	2019 -> 51.4%

In Oman the sectoral distribution of early stage entrepreneurial activities in 2019 shows a reactivation of entrepreneurship in the primary, or extractive sector, of 1.48% of early stage activities, 36.38% in the transformative initiatives and business services sectors of 10.72 % and an average percentage of activities

in the consumer-oriented sector (51.4%). Like most countries, Omanis are concentrating entrepreneurial activity in the consumer-oriented service sector. Additionally, the participation of entrepreneurial activities in medium or high technology sectors, is estimated for 2019 is only 0.52%.

Job Creation Projections

The Omani entrepreneurial activity comprises firms and businesses with few employees, however, the estimated percentage of early-stage entrepreneurial activity with no employees is very close to zero for the year 2019. Overall, the early-stage entrepreneurs are very confident about job creation and most of them expect that the creation of jobs in five years will be

as follows: 55.4% expect creating between 1 and 5 jobs; 20.7% between 6 and 19 and 23.9% more than 20. In turn, the aspirations among established owner-managers are positive on an average of around 51.3% of them estimate that they can create between 1 or 5 jobs in that period; 25.6% between 6 and 19 jobs and 23.1% more than 20.

Internationalization

The results on market scope would appear to indicate that a significant part of Omani entrepreneurial activity has the national scope being early-stage and corporate entrepreneurs, those that most dynamize the international projection of Omani activities. Thus, 83.7% of early stage entrepreneurial activities have customers in the area they are allocated within the country, while 67.8% have customers

elsewhere in the Sultanate and 24.8% do export activities. In contrast, 93.5% of established activities have customers in the area they are allocated, while 82.8% have customers elsewhere in the country and 34.9% outside of the country. Intrapreneurs or corporate entrepreneurship shows the highest proportion of export activity with 42.9% of customers outside the country.



Innovation and Use of Latest Technologies

Nascent

- 20.0% report the usage of very recent technologies locally
- 12.0% report the usage of very recent technologies at national level

TEA

- 20.8% report the presence of an innovation component locally
- 10.4% report the presence of an innovation component at national level

New

- 8.9% report the presence of an innovation component locally
- 4.4% report the presence of an innovation component at national level
- 11.1% report the usage of very recent technologies locally
- 11.1% report the usage of very recent technologies at national level

EB

- 34.6% report the presence of an innovation component locally
- 3.8% report the presence of an innovation component at national level
- 18.5% report the usage of very recent technologies locally
- 11.1% report the usage of very recent technologies at national level
- 3.7% report the usage of very recent technologies at international level

In Oman, a significant proportion of all the activities shows the existence of the innovation usage of very recent technologies (which are new to the people of the area where the business is located and new to the country) is noticeable that qualify them

as potentially prepared to face competitiveness, while in the case of established owner-managers it reaches an international dimension compared to nascent entrepreneurs, early-stage entrepreneurs, and new owner-managers.

Profile of Omani Early-Stage Entrepreneur

The typical Omani early stage entrepreneur is a man, whose average age is 32.8 years, who has a secondary degree, whose annual income

is between OMR 1,921 and OMR 2,400, who works full time in his business, and who lives in a household of about 7.41 persons.

Informal Investment Activity

In 2019, the proportion of people acting as informal investors was 14.4%. The median amount invested raised to OMR 2,000. 52.5% of informal investors

have been relatives, while 26.5% close family member, 13.2% friends or neighbors, 8.9% work colleagues, and only 0.7% with strangers.

Entrepreneurial Mindset

The entrepreneurial mindset index of the average score of 3.29 points over 5, reveals that the Omani population of 18-64 years demonstrates a moderately positive entrepreneurial mindset. The four basic components of entrepreneurial mindset, namely, opportunism, proactivity, creativity and vision were used to identify entrepreneurial intention and predict entrepreneurial success in the population. Of these four components vision appears as the most predominant (71.5%) within the Omani population, followed by creativity (56.7%), opportunism (38.5%), and proactivity (33.6%). The result suggests that most people in

Oman have been inspired to generate innovative business ideas or new products through novel experiences and originality.

However, they do not possess the elements of opportunism and proactivity, to transform these ideas into effective entrepreneurial activity. Nonetheless, the four basic components of entrepreneurial mindset have a positive impact in the Omani population for entrepreneurship which was identified as a reasonable TEA rate of 6.98% for Oman in 2019.

Entrepreneurship Framework Conditions

GEM teams assess the quality of their entrepreneurship context through a National Experts Survey (NES), where twelve pillars of the national framework conditions are scored by a selected sample of experts from 0 (very insufficient) to 10 (very sufficient). Additionally, derived from a weighted combination of the evaluation of these conditions the National Entrepreneurship Context Index (NECI), which ranks all participating countries upon which the average state of their national context for entrepreneurship, is calculated. Thus, currently, the Sultanate holds the 29th position on the NECI index, which is slightly below

the GEM score, while in 19th position regarding the relevance and measure of support through government policies. The Omani context also stands out on entrepreneurship education at school stage (17th position), and internal market dynamics (19th position). The framework conditions that appear to require attention are those related to entrepreneurial education, especially at the post-school stage, related to research and development (R&D) transfer, market regulations, burdens and commercial infrastructure, these requiring a greater contingent of professionals in the management and consultant sector for nascent entrepreneurs.



1. Introduction to GEM

1.1 GEM General overview

The Global Entrepreneurship Monitor (GEM) is the most ambitious project focused on entrepreneurship worldwide. Designed in 1997-98 by London Business School and Babson College scholars (Michael Hay, Bill Bygrave and Paul D. Reynolds) it commenced operations with a pilot scheme conducted in June 1998 by five countries: Canada, Finland, Germany, the United Kingdom and the United States of America, and was formally launched in 1999. That year, the number of countries increased to 10, and the project published its first Global Report, and launched several National Reports. During the year 2000, the project was definitively opened to all world countries and, since then, more than 100 different research teams have participated, representing all regions of the world.

Across the years, GEM has covered much more than the basic information gap around entrepreneurship and is evolving towards the construction of new indicators and improving

some of its earlier, simple indicators. Thus, during 2019, the project piloted a new product (known as GEM-ESI) to measure the average quality of entrepreneurial ecosystems at subnational territories using own tools (von Bloh, Coduras, and Sternberg 2018; Sternberg, von Bloh, and Coduras 2018, 2019 pp 103-117)

Entrepreneurial ecosystems are defined as a set of interdependent factors coordinated in such a manner as to enable productive entrepreneurship to occur within a set of circumstances, at subnational level. Therefore, based on a theoretical model developed by Erik Stam in 2015 (see Figure 1), GEM has developed the information tools that inform quantification of this model describing the entrepreneurial ecosystems' quality as determined by ten pillars which are: Networking, leadership, financing, talent, knowledge, support services and intermediaries, formal institutions, culture, physical infrastructure and demand.

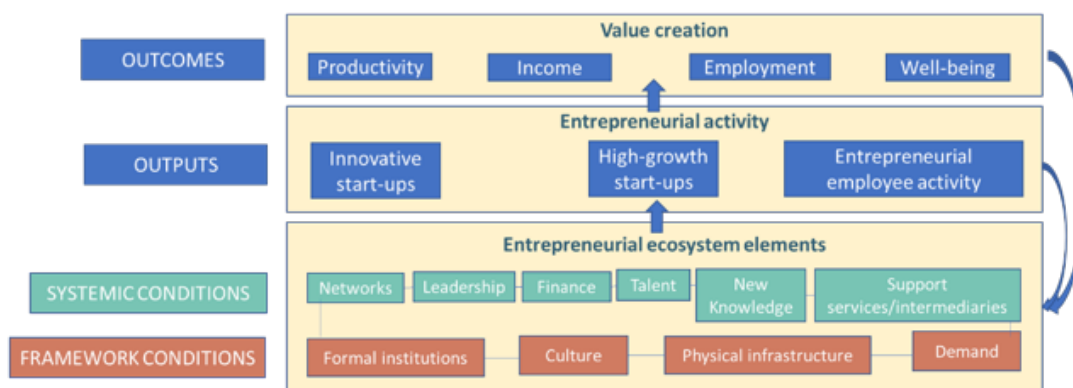


Figure 1: Stam's (2015) model.

With this new product, GEM extends its research from analysing entrepreneurship at national level and mainly focused on individuals' activities to measuring the qualities of small subnational territories as platforms for entrepreneurs.

The main advantages of the GEM-ESI product are that it can be implemented at any subnational territory, at any time and using its own informational tools of an adult population survey and an expert's survey carried out across the population of the target subnational territories. During the year 2020, this product will be opened to the world and will begin a series of reports on entrepreneurial ecosystems which will produce information of value to

diverse groups of stakeholders.

During 2019, GEM surveys covered 50 economies, which provided a representative sample of the world's population and of the world's GDP. The Sultanate of Oman participated in GEM for the first time in 2019. The national team has expended significant effort and taken the responsibility of assessing entrepreneurial activities within the national context, providing information and diagnostics as a basis for giving support to the design of adequate actions to improve entrepreneurial effectiveness and socio-economic impact. This is the first collaborative report by this specific team.

GEM reports and analyses are based on data collected using two of its own information tools:

- 1) The adult population questionnaire (APS) applied as a survey for a representative sample of the populations aged 18–64 participating in the monitor each year;
- 2) The national experts' survey (NES) designed to obtain subjective information on the status of twelve specific entrepreneurial framework conditions. Opportunities, the ability to identify and develop them, motivations, and attitudes toward entrepreneurship are part of the adult population survey along with the registration of nascent, new, established, and exited entrepreneurial activities. Informal investment, family business, economies and others, are topics also covered by the 2019 survey. Individuals are the target population of this complex survey, able to provide a wide range of indicators on their intentions, effective entrepreneurial activity, and many other topics. The 2019 GEM scholars have improved the precision of several APS indicators by implementing Likert scales of five points in place of yes/no answers, thus offering measured statistical responses and greater accuracy.

1.2 Participating countries for 2019

In 2019, fifty economies provided representative data to inform the GEM Global Report and National Reports. These economies are identified

in Table 1, organized by world regions and three distinct economic groups as classified by the most recent GCR (low, middle and high income).

Table 1: Economies participating in the 2019 GEM surveys, grouped by geographic region and economic development level

Income level	Low	Middle	High
Middle East & Africa	Egypt	Iran	Oman
	Madagascar	Jordan	Qatar
	Morocco	South Africa	Saudi Arabia
			United Arab Emirates
East Asia & Pacific	India	Armenia	Australia
	*Indonesia	China	Japan
	Pakistan	*Thailand	Republic of Korea
			Taiwan
& Latin America Caribbean		Brazil	Chile
		Ecuador	Colombia
		Guatemala	Panama
		Mexico	Puerto Rico
		*Paraguay	
Europe & North America		Belarus	Canada
		*Bulgaria	Croatia
		North Macedonia	Cyprus
		Russian Federation	Germany
			Greece
			Ireland
			Italy
			Latvia
			Luxembourg
			Netherlands
			Norway
			Poland
			Portugal
			Slovak Republic
			Slovenia
			Spain
			Sweden
		Switzerland	
		United Kingdom	
		United States	

* Countries did only the NES survey

1.3 GEM conceptual framework

GEM's conceptual framework (see Figure 2) depicts the multifaceted features of entrepreneurship, recognizing the proactive, innovative, and risk-responsible behavior of individuals, always in interaction with the environment. In this respect, the GEM surveys were conceptualized with regard for the interdependency between entrepreneurship and economic development, in order to:

- Identify factors that encourage or hinder entrepreneurial activity, especially those related to societal values, personal attributes, and the entrepreneurship framework conditions.
- Create a platform for assessing the extent to which entrepreneurial activity influences economic and social growth within individual economies.
- Identify policy implications for enhancing entrepreneurial capacity in an economy.
- Produce a platform upon which to progressively incorporate new developments on topics related to the entrepreneurial phenomenon.

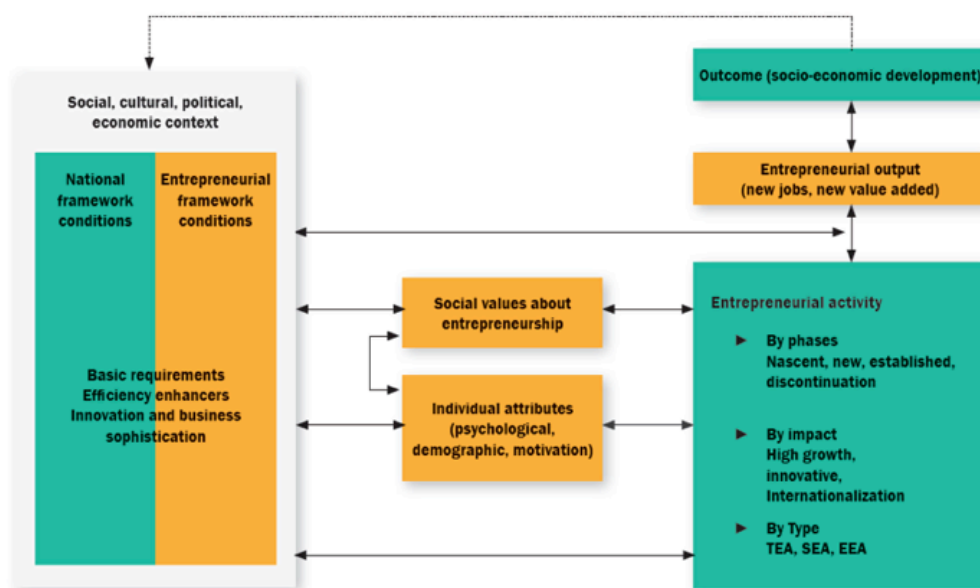


Figure 2: The GEM framework.

Source: GEM Global Report 2018. (2019). <https://www.gemconsortium.org/>.

The social, cultural, political, and economic contexts are represented through national framework conditions, which impact the advancement of society through the three phases of economic development (low, medium and high income). The national framework conditions include: financing for entrepreneurs, government policies, taxes and bureaucracy, government entrepreneurship programs, entrepreneurship education at school and

post school stages, research and development transfer, commercial and legal infrastructures, internal market dynamics and entry regulation, physical infrastructure, cultural and social norms.

Societal values in entrepreneurship include understanding how the society values entrepreneurship as a career choice, whether entrepreneurs have valued societal status,

and the extent to which the media positively represents entrepreneurship in an economy.

Individual attributes include demographic characteristics (gender, age, etc.), self-perceptions (perceived capabilities, perceived opportunities, fear of failure), motives for starting a business (i.e. necessity vs. opportunity), motives for abandoning or dissolving a business, involvement in informal investment and others.

Entrepreneurial activity encompasses multiple phases of the business process (nascent, new business, established business (EB), exit and discontinuation), intention impact (job creation,

innovation, internationalization), and the type of activity (total early-stage entrepreneurial activity (TEA), social entrepreneurial activity (SEA), employee entrepreneurial activity (EEA) and during the 2018, entrepreneurial activity based on digital platforms and the scope of the family business model (among entrepreneurs).

The main operational definitions of the business phases and entrepreneurship characteristics are presented in Figure 3. The GEM survey is based on collecting primary data through an adult population survey of at least 2,000 randomly selected adults (18–64 years of age) in each economy.

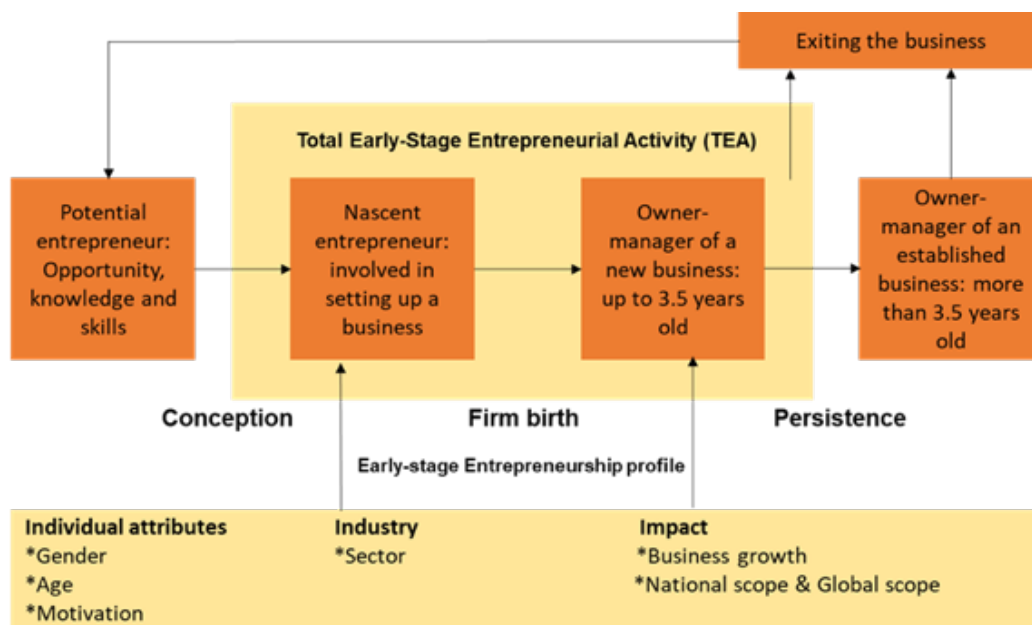


Figure 3: GEM model of business phases and entrepreneurship characteristics
 Source: GEM Global Report 2019/2020. <https://www.gemconsortium.org/>

In addition, national teams collected expert opinions regarding components of the entrepreneurship framework/context through the National Experts Survey (NES), where at least 36 experts (4 for each of 9 framework conditions) were interviewed.

National GEM reports provide information on the average state of the entrepreneurial framework conditions, the prevalence of positive attitudes on social values regarding

entrepreneurship and of individual attributes associated to entrepreneurs. Further, a broad set of indicators on entrepreneurial activity and its features such as: stage or phase (nascent, in consolidation or consolidated), motivation (necessity versus opportunity), sector, dimension, growth, innovativeness, competitiveness, internationalization, job creation, social role, intrapreneurship, exit and discontinuation and informal financing among others was collated.

1.4 GEM Oman

The Sultanate of Oman GEM team was established in May, 2019 under the University of Nizwa Entrepreneurship Centre of (UoNEC), which is supported by the College of Economics, Management, and Information Systems (CEMIS). A team of five members and a leader were selected, all faculty members who responded to the challenge to represent Oman in this international data collection project.

Oman's economic transition is reliant upon active innovation and entrepreneurship. This transition has required the Omani government to create policies and programs to identify and promote entrepreneurial talent among its youth, to actively participate in the country's economic development through their

1.5 Dashboard of GEM indicators

This report features a detailed review of key entrepreneurship indicators for Oman covering all topics described in Figure 2, and importantly, those included in the entrepreneurial activity box, which are detailed in Figure 3. GEM Global and National Reports do the same for each participating economy, giving them a ranking on every indicator. Overall, this group of indicators may be viewed as a dashboard representing a comprehensive set of measures that collectively contribute toward the impact entrepreneurship has on a society and the extent to which society supports this activity.

involvement in small and medium enterprises.

It was important that the GEM team to support Oman's economic transition by the identification and promotion of viable and effective entrepreneurial policies from around the world. This project provides a deep understanding of the entrepreneurial phenomenon through shared experiences in entrepreneurship studies with other countries. This project will also help to identify problems, offer solutions, and draw success factors from those member countries that have experienced similar transitions. Finally, supporting entrepreneurship and innovation are key to Oman's future, will enhance and stimulate its economic growth and assist in maintaining economic stability during the coming decade.

During 2019 new indicators have been added to the dashboard and several yes/no questions have been deleted in favour of Likert scales. Derived from the APS survey, there is a new entrepreneurial mindset block composed of four new items on capacity to identify opportunities around, on proactivity, on creativity and on vision, while derived from the NES survey a general evaluation of the national context for entrepreneurs considered as a whole has been introduced. Highlighted in the report are the following measures:

- **Perception of societal values related to entrepreneurship**

Entrepreneurship as a good career choice

High status for successful entrepreneurs

Social preference between competitive and noncompetitive environments

Media attention for entrepreneurship

Business having “solving social problems” as principal aim

- **Individual self-perceptions about entrepreneurship**

Perceived opportunities

Perceived capabilities

Entrepreneurship intentions

Fear of failure rate

Ease of starting up in the country

- **Entrepreneurial mindset**

Capacity to identify opportunities

Proactivity

Creativity

Vision

- **Entrepreneurial activity indicators**

Total Entrepreneurial Activity (TEA)

Established Business Ownership rate (EB)

Business-discontinuation rate

Employee Entrepreneurship Activity (EEA)

- **Characteristics of entrepreneurial activities**

Motivations for entrepreneurship

Motivational Index (ratio of TEA improvement-driven opportunity (IDO) to TEA necessity)

Sector of activity

Number of owners

Number of employees

Job-creation expectations

Innovation component

Usage of recent technologies

Customers by types of location including internalization

Seed capital invested

Main motive for business discontinuation

- **Characteristics of entrepreneurs**

Gender

Age and senior entrepreneurship

Origin

Educational level

Income

- **Informal investment activity**

Estimated percentage of population acting as informal investor

Estimated amount of informal investment

Informal investor characteristics and relationship with beneficiaries

- **Perceived quality of the entrepreneurship framework conditions**

National Entrepreneurship Context Index (NECI)

Average perception of the national context for entrepreneurship

Main recommendations to improve the entrepreneurial context (collected)

Entrepreneurial finance

Government policies: support and relevance; government policies: taxes and bureaucracy

Government entrepreneurship programs

Entrepreneurship education at school age and at postschool stage

R&D transfer

Commercial and legal infrastructure

Internal market dynamics; internal market burdens or entry regulation

Physical infrastructure

Cultural and social norms

Main strengths and weaknesses of the entrepreneurial framework conditions

Main perceived constraints for entrepreneurship

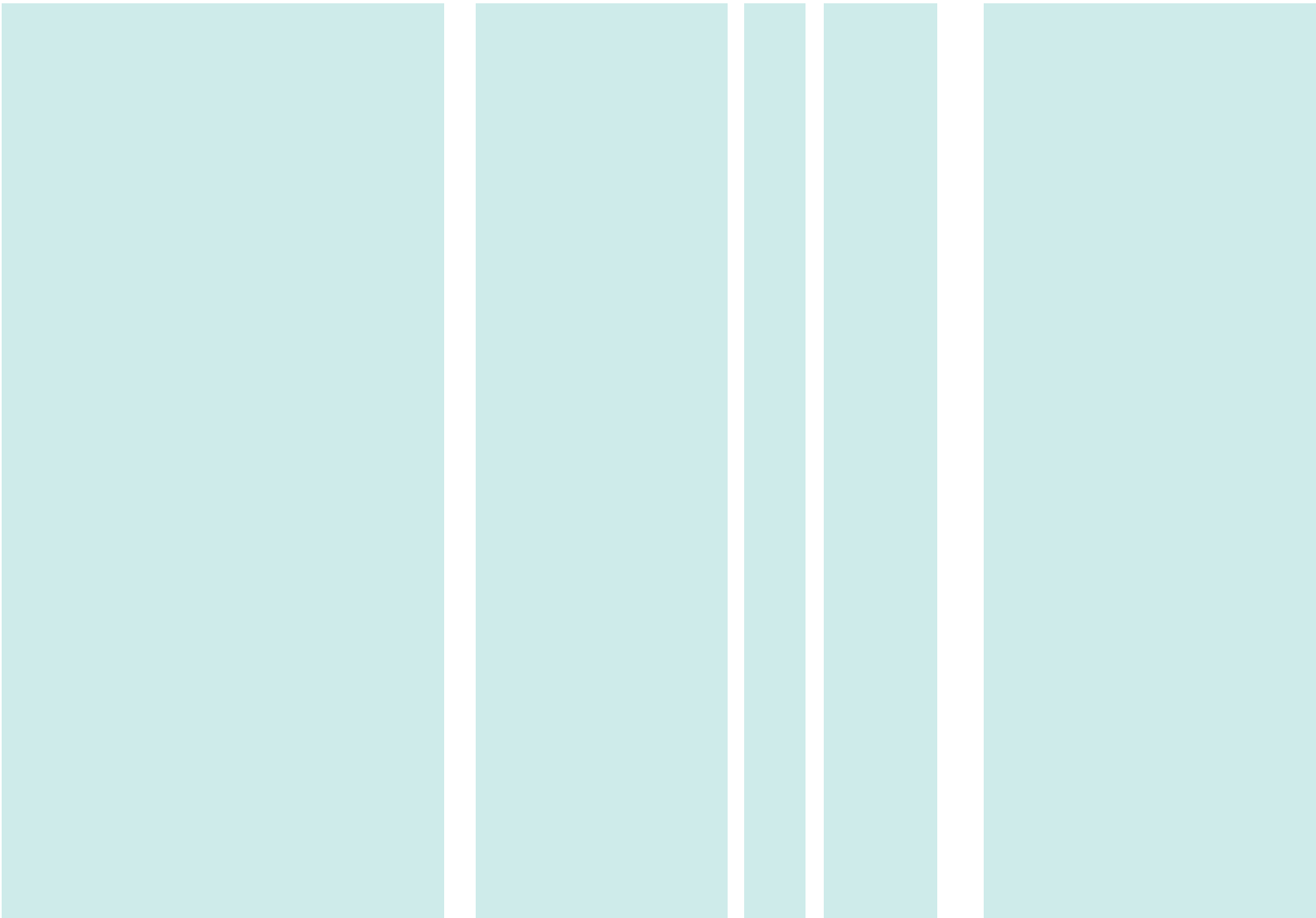
Main perceived types of support for entrepreneurship

Main recommendations to improve the entrepreneurial context (collected)





2. Perception of societal values related to entrepreneurship



2.1 General view

Societal attitudes indicate how entrepreneurship is regarded in an economy. Indeed, the unique nature of the Omani culture, traditions, history, and religious experience may all be well reflected in its societal attitude towards entrepreneurship. In this section, GEM Oman provides indicators that summarize the presence of key entrepreneurial attitudes in its society. GEM assessed the following: The extent to which people consider entrepreneurship to be a good career choice, whether they feel that entrepreneurs are accorded appropriate and significant status, the extent to which entrepreneurs are positively represented in the media, the extent to which residents in Oman think their society has (or lacks) a preference for competitive environments,

and the extent to which they identify that a primary objective of a business is to solve social problems/issues.

Figure 4 indicates the results from 2019 of Oman's adult population who perceive that moderate Omanis prefer living in a challenging environment (55.10%) and 85.34% of them agree that starting a new business is a desirable career choice, and that those who successfully started a new business enjoy a high level of social status and respect (85.67%). Further, 75.11% of successful new businesses receive positive coverage in the public media and the internet. Only 39.80% of adult Omanis perceive that the primary objective of a business is to provide solutions to social issues.

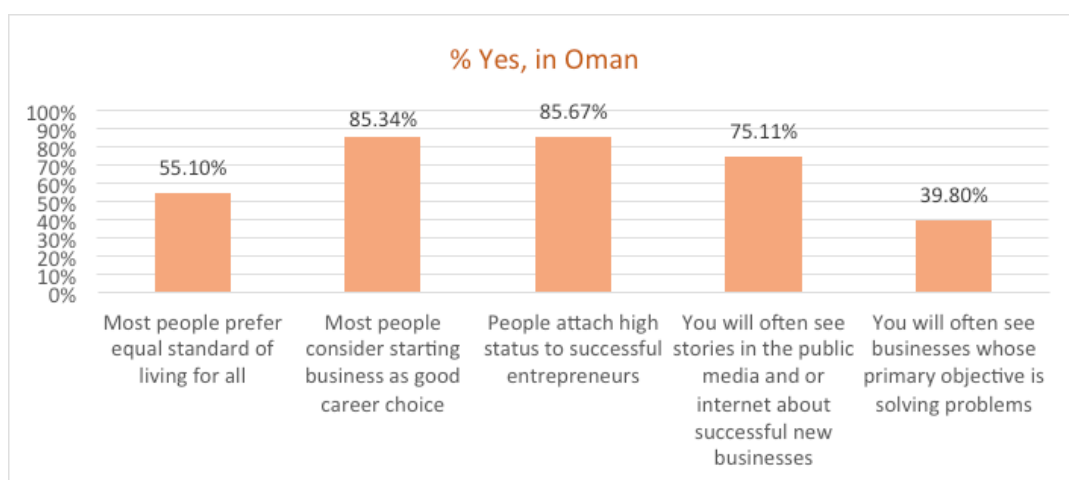


Figure 4: Perception of societal values related to entrepreneurship in Oman: percentage of high positive perception, within the 18-64 age group, to key questions related to this topic

A moderate cultural affinity for entrepreneurship of Oman's was identified among the adult population in 2019. The highest percentage includes starting a business as a high level of status, a good career choice and respect

and with media attention coverage related to successful entrepreneurs. In summary, the Omani society shows a high perception of the social values that are important to entrepreneurship initiatives.

2.2 Perception of societal values related to entrepreneurship by gender, age group, educational level, involvement in business sector, and intention entrepreneurship

This section summarizes the perception of societal values related to entrepreneurship by gender, age group, educational level, involvement in the business sector, and entrepreneurial intention. Despite the perception of societal values related to entrepreneurship being considered moderate in the adult population of Oman, some differences that occur if any by gender, age group, educational level, involvement in business sector, and intention entrepreneurship as illustrated in Table 2. These differences, which are relevant from the standpoint of public-policy design and an understanding of the entrepreneurial ecosystem, are summarized here:

- The Omani society of men and women (aged between 18 and 64 years) have similar perceptions about living standards and consider entrepreneurship as a valid career choice. Those who successfully started a new business enjoy a high level of social status and respect and receiving good coverage in the public media and the internet. Relatively few have a perception

that the primary aim of a businesses is to solve social problems.

- Omani individuals with some secondary level of education are those with the highest preference for an equal standard of living, and about attaching status and respect to successful entrepreneurs. By contrast, individuals with secondary degree and post-secondary levels of education perceive greater degrees of competitiveness,
- People involved in the business sector are significantly more likely to agree with the description of positive media coverage profiles for successful entrepreneurs.
- Intention entrepreneurs (individuals who affirmed that they will start businesses within the next three years) are significantly more likely to agree with the prospect of positive media support for successful entrepreneurs.

Table 2: Average perception of societal values related to entrepreneurship measured in Likert scales by gender, age group, educational level, involvement in business sector, and region

Categories for: gender, age, education, involvement in business sector, in intention entrepreneurship and region	In Oman, most people would prefer that everyone has a similar standard of living	In Oman, most people consider starting a new business to be a desirable career choice	In Oman, those successful in starting a new business have a high level of status and respect	In Oman, the public media or Internet will often carry stories about successful new businesses	In Oman, you will often see businesses whose primary objective is to solve social problems
Male	3.12	4.05	4.08	3.84	2.70
Female	3.13	4.03	4.10	3.83	2.69
18–24 years	3.18	4.12	4.09	3.87	2.75
25–34 years	3.06	4.03	4.07	3.85	2.66
35–44 years	3.17	4.02	4.13	3.84	2.73
45–54 years	3.12	3.98	4.05	3.72	2.62
55–64 years	3.25	4.12	4.08	3.53	2.72
None	3.26	3.98	3.94	3.68	2.74
Some secondary	3.25*	4.09	4.18*	3.86	2.78
Secondary degree	3.00*	4.02	3.97*	3.84	2.64
Post-secondary	2.93*	3.97	4.05	3.85	2.58
Grad. experience	3.16	4.08	4.08	3.76	2.56
Not in bus. sector	3.12	4.04	4.08	3.79	2.69
Yes, in bus. sector	3.20	4.06	4.20	4.19*	2.79
Not intention ent.	3.01	3.97	4.14	3.71	2.69
Yes, intention ent.	3.16*	4.08	4.08	3.93*	2.71

* The difference between categories is significant at 95% confidence level. Note: the measurement scales of the proposed statements are Likert scales of 5 points where 1 = completely disagree and 5 = completely agree

2.3 International position

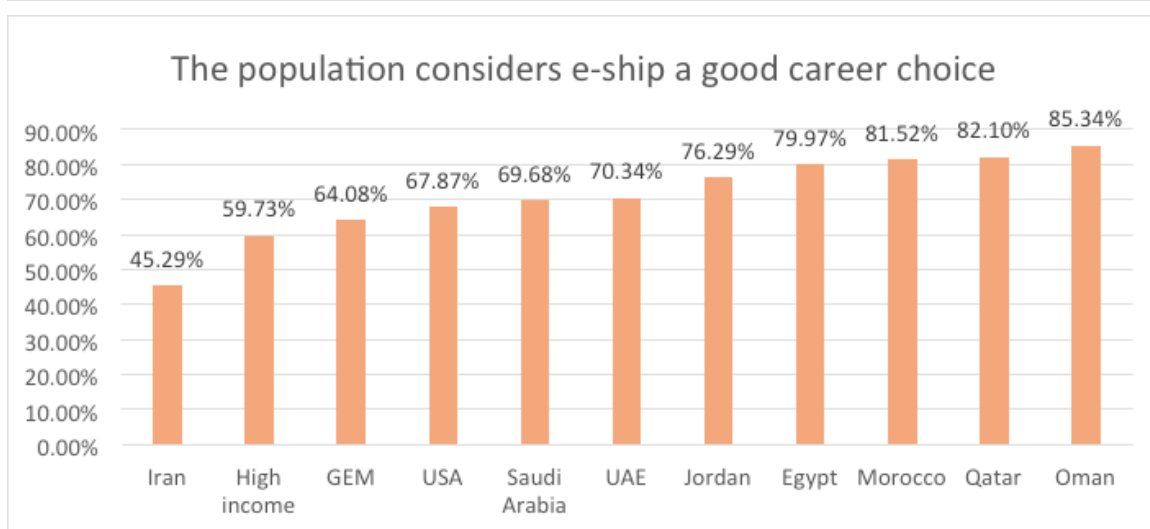
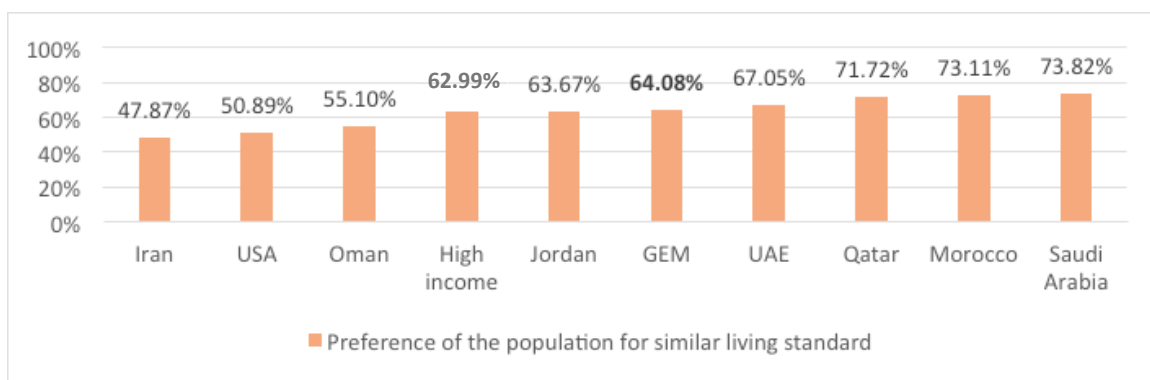
Figure 5 identifies the rates for populations of countries in the geographical zone around Oman, with high positive perception about the proposed statements on societal values related to entrepreneurship, along with those for the USA, high-income nations group (categorized and established by the Global Competitiveness Report 2019), and GEM 2019.

Contrary to the societies of the Middle Eastern countries, Oman's is perceived as a relatively competitive society, while Iran is perceived as the most competitive society in the zone, with rates almost aligning with those in the USA. By contrast, Saudi Arabia, Morocco, and Qatar have societies in which people prefer a society with a common standard of living.

Notably, the populations of the Middle Eastern countries show high rates of acceptance of entrepreneurship as a good career choice,

except for Iran. Oman has a prominent position as 85.34% viewed entrepreneurship as a positive career choice. Except for Morocco (68.3%), the majority of the populations show very large proportions (above 79%) perceiving that successful entrepreneurs are conferred with high social status and respect. 75.11% of the adult population of Oman consider that their respective media portray entrepreneurship positively, which is close to Egypt's rate.

Oman is one of the economies that see solving social problems, as not entrepreneurial, with rates between 39% and 20% (see Figure 5). The lowest rate for this variable is Morocco with a rate of 20.89%. Overall, Oman exhibits a moderate position across the indicators of the perception of societal values related to entrepreneurship, which is in most cases above the GEM average rate.



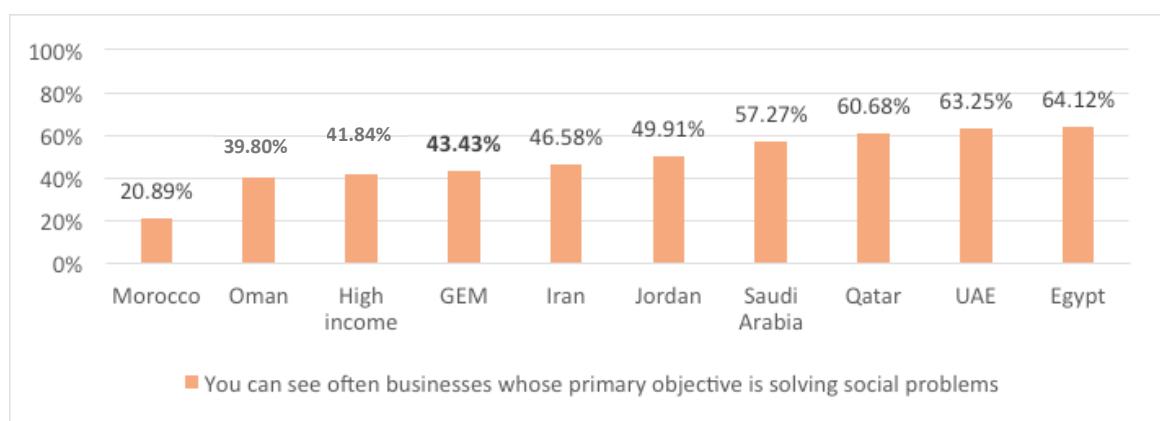
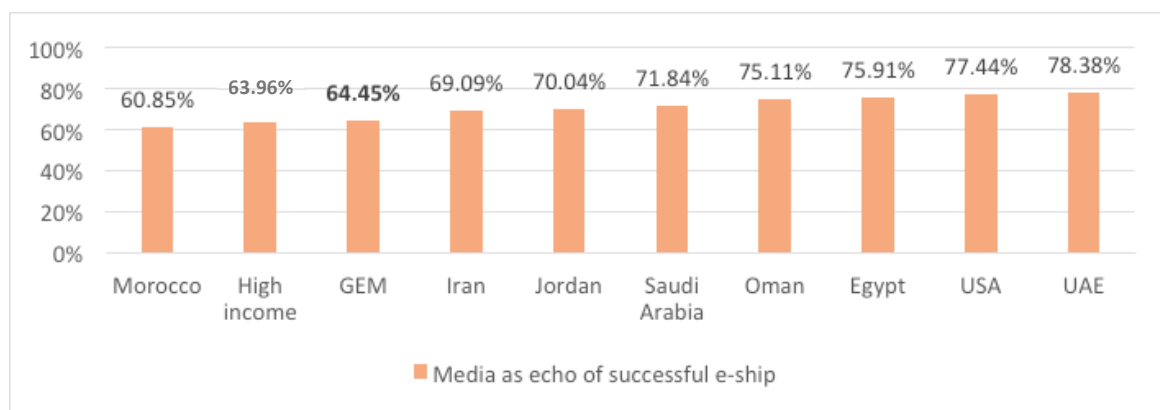
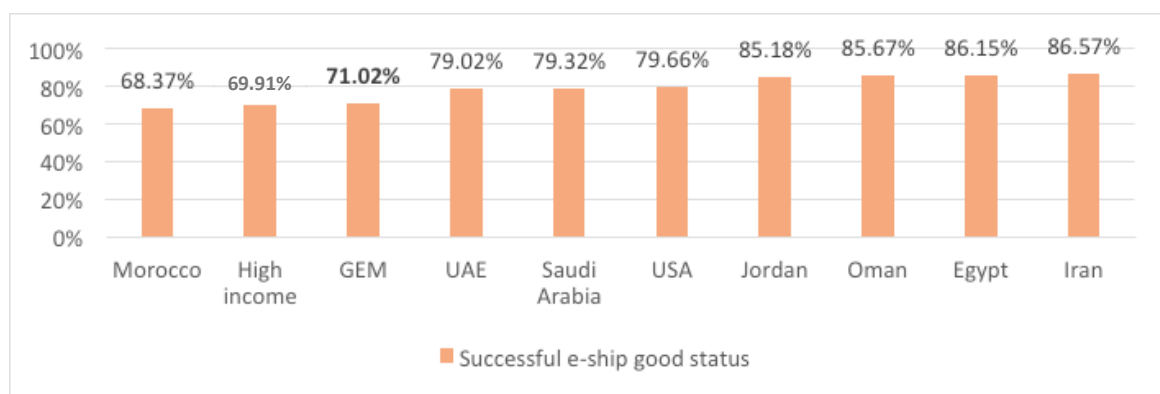


Figure 5: Oman's international position with respect to indicators of the perception of societal values related to entrepreneurship.



Today, We “Meshan Team” are proud when we stand and look back at the very first day when His Majesty’s call to take care of the Palm Dates ignited the idea of Meshan and united the team to take such a challenging decision to become an iconic project with shadows extending all over the country.

Meshan has crossed a long journey towards establishing a brand that is known for its Omani

originality and quality with a clear vision moving forward. To date, Meshan has produced more than 150 Tones of processed dates, acquired more than 950 customers and has reached a daily production capacity of around 450 KG. At the other hand, Meshan is a well known Omani business catering service provider.



MESHAN PRODUCTS

Dates Premium Date Sweets Stuffed Filling Pastry Omani Coffee Catering





3. Individual self-perceptions about entrepreneurship

3.1 General overview

In 2019, the adult population in Oman held a moderate perception of individual entrepreneurial values. The results in Figure 6 show that 71.08% of working-age adults personally know someone who started a business in the last two years. Meanwhile, 72.31% of the same adult population noted that there are good opportunities and/or conditions around them

for starting a business, and 56.32% reported having the required knowledge/skills to start businesses. Only 40.90% of this population was not willing to take risks, as the fear of failure prevents them from starting a business, still, 54.69% of working-age individuals felt that it was relatively easy for them to start a business in Oman.

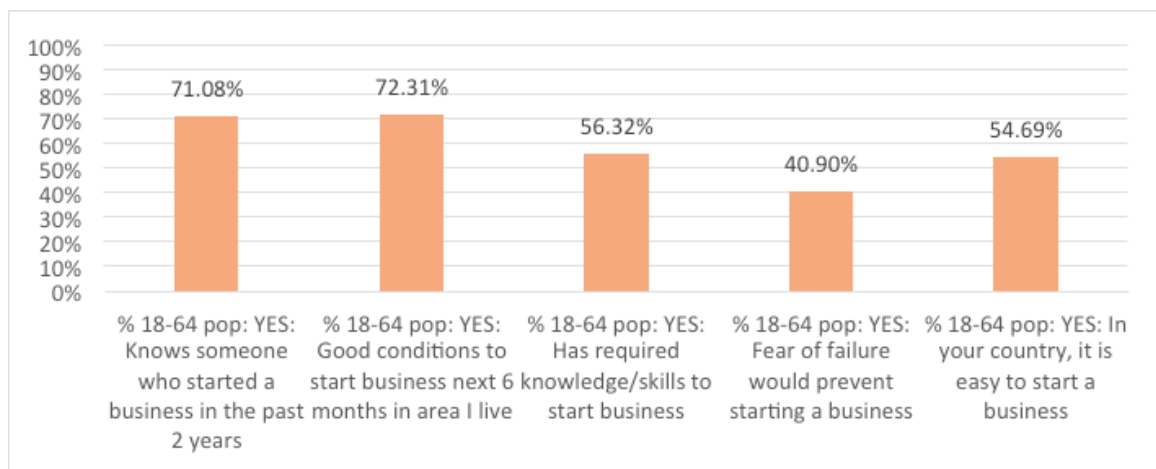


Figure 6: Individual perceptions about entrepreneurship in Oman: The percentage of high positive perception within the 18-64 age group.

Oman's adult population perception about entrepreneurship continues to grow. Oman is under an economic and societal transition where its recent history of dependence on skilled foreign labor has paved the way for a smooth transition into the entrepreneurial culture that creates more job opportunities for its citizens. However, it is interesting to note that in Oman, the percentage of the population who fear failure, is less than half. Entrepreneurship and entrepreneurial education have been receiving increased exposure, however, the integration of entrepreneurship education within the Omani

educational system is still very much in its infancy. Indeed, entrepreneurial educational programs at various stages of the business cycle, and according to the different needs of entrepreneurs, should be developed to meet the need. Training and support programs for entrepreneurs are not for the start-up phase only, but must be ongoing to respond to the demands of sustainable growth. Moreover, cultivating the entrepreneurial mindset among prospective graduates is one of the most important roles of the contemporary education system.

3.2 Individual perceptions about entrepreneurship by gender, age group, educational level, involvement in business sector, and entrepreneurial intent.

The assessment of individual perceptions about entrepreneurship according to gender demonstrates significant different responses between Omani females and males in regard to knowing recent entrepreneurs, identifying opportunities, having or gaining the required entrepreneurial knowledge and skills, or their perceptions about the ease of opening a new business (see Table 3). Females are somewhat more perceptive than males in identifying opportunities and the ease of starting a new business. Meanwhile males appear to prioritize entrepreneurial skills and knowledge. The results support the finding that Oman has a significant number of female entrepreneurs.

With regards to the age and education levels, there are significant differences among the respondents about their knowledge of recent entrepreneurs and whether they have entrepreneurial knowledge and skills. The results affirm that the elder adult population of Oman,

and those with no educational background, demonstrate the lowest percentage in terms of the knowledge of recent entrepreneurs, as well as showing lower average scores among those in possession of entrepreneurial skills and knowledge. Hence, the results suggest that more educated people tend to venture into entrepreneurship.

In Oman, the adult population involved in business demonstrates significantly higher knowledge of recent entrepreneurs, in opportunities perception, in perception of their own entrepreneurial skills and on their experience in starting up a small business. They also show a lower average score on fear of failure compared to those not involved in a business.

Finally, the results obtained for intention entrepreneurs are like the adult population involved in businesses. The results show significantly higher percentage in terms of their knowledge of recent entrepreneurs, on opportunities perception, in perception of their own entrepreneurial skills and on their experience of starting up a small business. The results also show lower average scores on fear of failure to start a business.

Table 3: Individual self-perception about entrepreneurship by gender, age group, educational level, and involvement in business sector (average values).

Categories for: gender, age, education, involvement in business sector, and in intention entrepreneurship	You personally know someone who started a business in the past two years	In the next six months, there will be good opportunities for starting a business in the area where you live	You have the knowledge, skill, and experience required to start a new business	Fear of failure prevents you from starting a business	In Oman it is easy to start a new business
Male	*77.7%	3.49	*3.38	2.92	2.95
Female	66.8%	*3.78	3.14	2.92	*3.24
years 24–18	72.4%	3.66	3.26	2.83	3.24
years 34–25	76.7%	3.62	3.34	2.98	2.99
years 44–35	73.2%	3.60	3.36	2.87	2.99
years 54–45	70.8%	3.37	3.26	3.00	3.06
years 64–55	*60.3%	3.43	*2.46	3.00	3.11
None	*57.1%	3.49	*3.01	3.13	3.09
Some secondary	70.9%	3.60	3.24	2.94	3.14
Secondary degree	77.6%	3.66	3.40	2.91	3.10
Post-secondary	82.9%	3.60	3.47	2.83	2.90
Grad. experience	80.0%	3.50	3.64	2.83	2.81
Not in bus. sector	72.5%	3.57	3.21	2.98	3.02
Yes in bus. sector	*85.9%	*3.78	*4.08	*2.33	*3.29
.Not intention ent	63.0%	3.42	2.80	3.17	2.82
.Yes intention ent	*80.5%	*3.69	*3.56	*2.82	*3.16

* The difference between categories is significant at 95% confidence level. Note: the measurement scales of the proposed statements are Likert scales of 5 points where 1 = completely disagree and 5 = completely agree

3.3. International position

Figure 7 shows the rates for populations of countries in the geographical zone around Oman, with high positive percentage scores on the self-perception of individual values related to entrepreneurship, similar to or even higher to those for the USA, the high-income nations group (categorized and established by the Global Competitiveness Report 2019), and GEM 2019.

Oman stands in a good, or even better position, in term of the population that knows recent entrepreneurs and in term of good opportunities to start new businesses' perception, where it exceeded the average scores obtained by the high-income nations group and of the GEM 2019 set of countries.

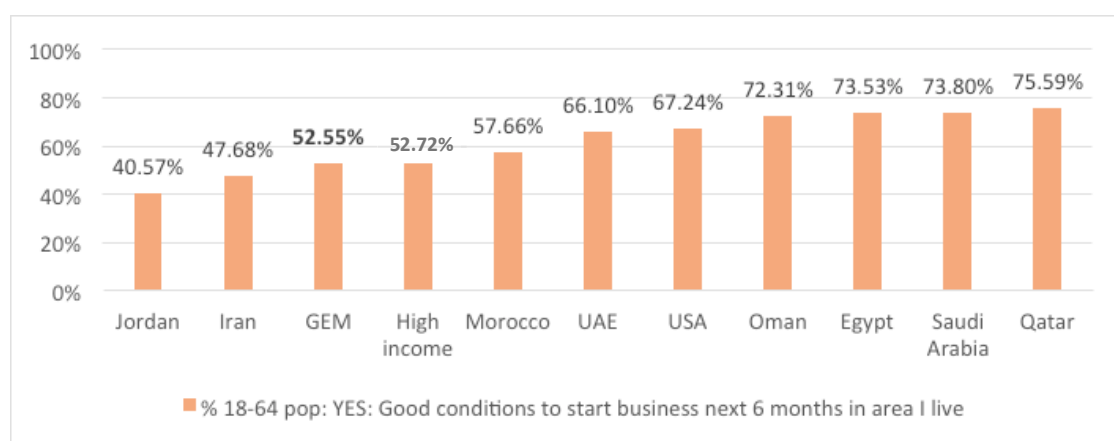
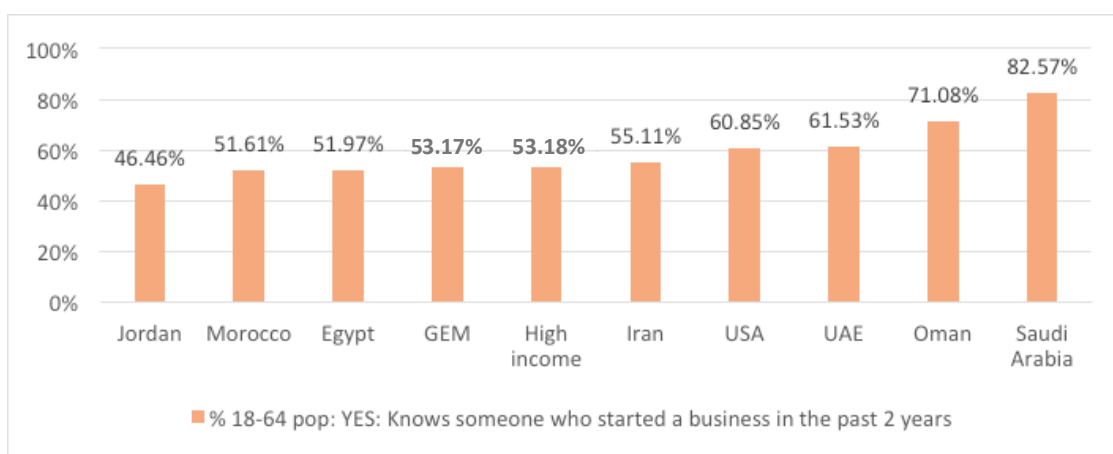
In terms of knowledge and skills for undertaking

a new business, Oman shows slightly above the average scores of the high-income, but below those of the GEM 2019 set of countries.

Among the Middle Eastern countries, Oman adult population perception is considered in a good position among the countries of the zone, high-income countries and GEM average countries in terms of fear of failure as a hindrance to starting a business. So, this is a good position among the countries of the zone, high-income countries and GEM average.

All the populations of the Middle Eastern countries show lower percentages than the USA population with regards to finding it easy to start a new business in their respective countries. Oman shows a favourable position that is higher than Saudi Arabia and is in alignment with the average value on this concept obtained by high-income nations group and GEM 2019 set of countries.

Overall, Oman stands out for having high percentage scores on self-perceptions of entrepreneurship, except for having the knowledge and skills to start a business.



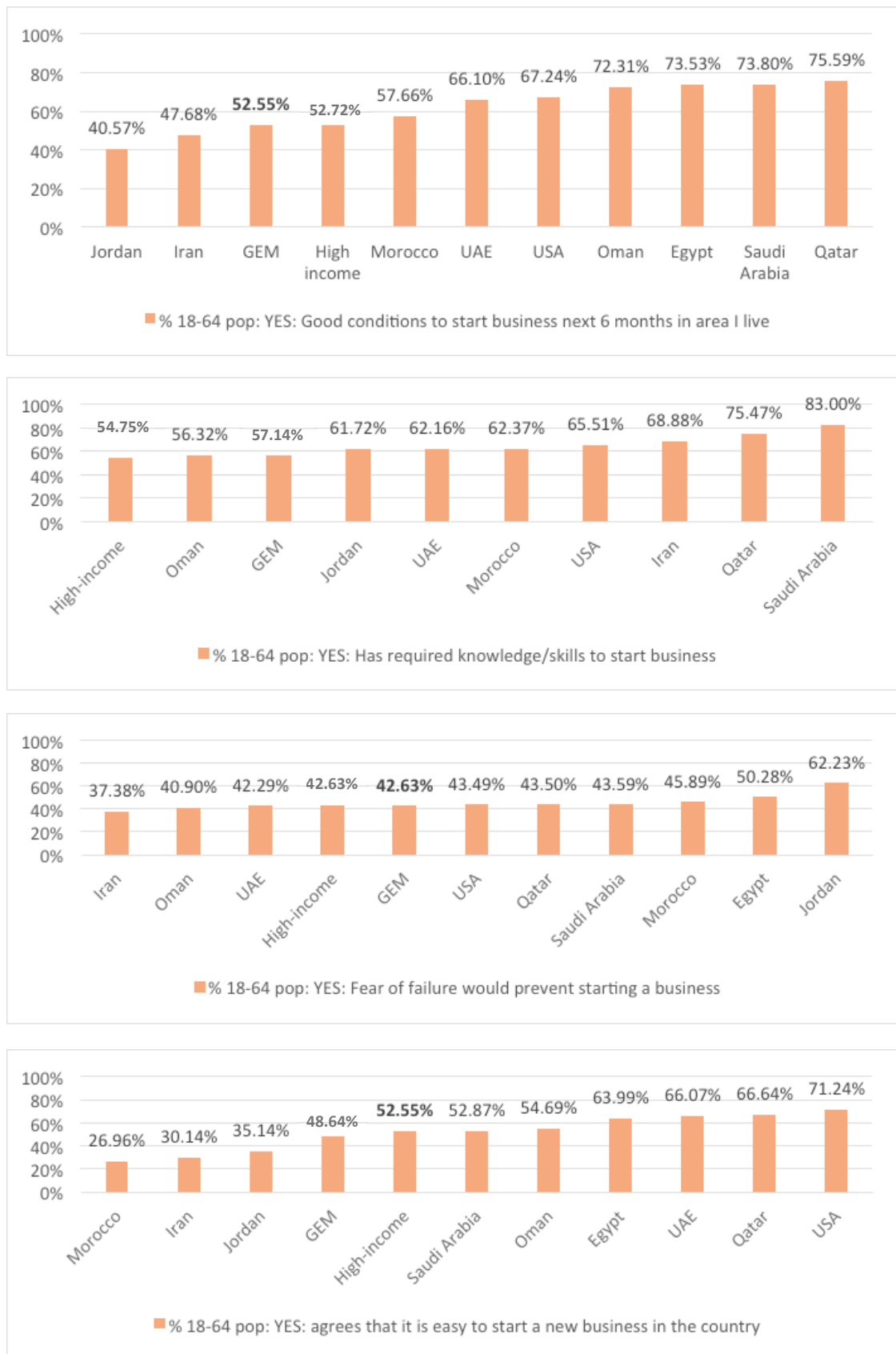


Figure 7: International position with respect to indicators on individual self-perception about entrepreneurship (% 18-64 pop)

4. Entrepreneurial Business Activity



4.1 Introduction

Providing detailed information about the results of entrepreneurial activity has been one of GEM's principal aims since its establishment in 1999. Further, its in-depth understanding of the entrepreneurial activity as the core of a complex process (see Figure 8) starts from 'individuals' or 'groups of individuals' entrepreneurial intention and follows with successive phases of effective

business start-up (nascent activity), business consolidation (new business activity), business development and persistence (established activity), and business exit and discontinuation (activity exited from the market). Thus, this part of the report discusses the estimated results of all these phases for Oman in 2019.

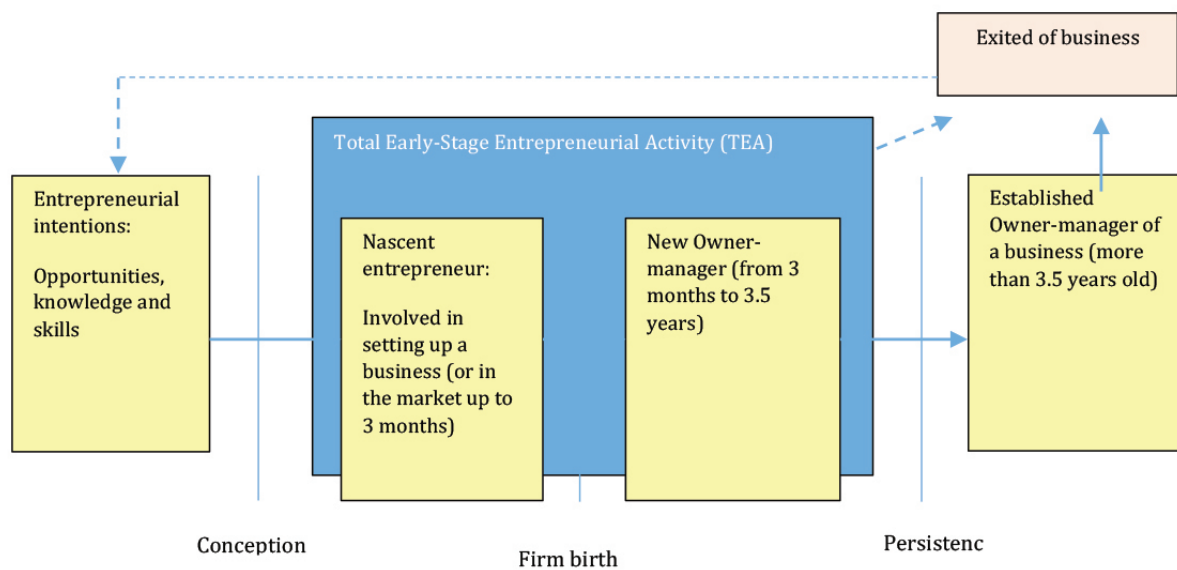


Figure 8: Business phases
(Source: GEM Global Report 2018)

Figure 8 describes the total entrepreneurial activity (TEA) rate that can be obtained by adding the rates from nascent and the new activity in each country. In recent years, GEM scholars have been continuously analysing the progressive increment of sponsored entrepreneurial activity, that is, of businesses part-owned with an employer. The result reveals that when analysing the composition of the business activity, it is important to discern between the independent entrepreneurial activity and the sponsored entrepreneurial activity. Based on this result, in 2019, GEM has implemented a

new set of questions in the APS tool to improve this section. New indicators were added among independent and sponsored activities that are the nascent, new and established stages. The results of this initiative add value to the GEM reports because they will provide more detailed results that will help to better understand the process of business creation and consolidation from a perspective that cannot be provided by a traditional business register. The results of these indicators for the Sultanate of Oman and nearby countries, are discussed in a special section of this report.

4.2 General overview

The results in Table 4 show that at that time of the survey, almost 63.77% of the Omani adult population demonstrated the intention to start a new business activity for the next three years and thus, suggests a high level of involvement in entrepreneurial activities of the adult population for the year 2019 (see Table 4). Further, 3.91% of the population has started a new business of less than three months, while 3.07% were consolidating a business older than three months but created less than 42 months previously. Thus, in total, 6.98% (3.91% + 3.07%) of Oman's adult population was involved in the early-stage entrepreneurial activity as of July 2019. The estimated business activity of the year is made up by 2% of the adult population reporting as owner-managers of established businesses (active in the market for more than

42 months). The total exit and discontinuation of businesses is considered high (15.43%) among the 18-64 aged population which later will be analysed in-depth because it includes a significant percentage of activities that continued in other hands.

Figure 9 in Section 4.3 shows that the Total Entrepreneurial Activity rate (TEA) ranking at the international level, where Oman ranks in the second-lowest position. This entrepreneurial activity has contributed to the country's economy in both qualitative and quantitative means. In fact, the effective contribution of the Total Entrepreneurial Activity rate (TEA) to the national GDP depends on the characteristics of entrepreneurs and their entrepreneurial activities. and this analysis will be further discussed in chapters 5 and 6 of the report.

Table 4: Oman's 2019 results on entrepreneurial activity through the phases of business

Activity at each phase of business creation and development					
Intention	Nascent	New	TEA (total)	Established	Exit and discontinuation
63.77%	3.91%	3.07%	3.91+3.07=6.98%	2.00%	15.43%
Percentages of Oman's population aged 18-64 involved in each phase					

Table 5 shows the result of the exit and discontinuation of businesses composition in the Sultanate of Oman for the year of 2019. There is a different between "exiting" and "discontinuation" of business. Per the Global GEM Report (2019/2020) "an individual exiting a business as owner-manager does not necessarily mean that business discontinues" (p.65). Which means that the business can be run although the founder or the first owner exits the business. The business can be sold to another and then the business continues. The

reasons for exiting a business can be because of selling the business, retirement of the owner, lack of profit, government bureaucracy and high taxes (Global GEM Report 2019/2020). However, "discontinuance" business means that individual entrepreneur exits the business, and the business does not continue and no longer functioning. The results indicate that almost 32% of the abandoned activities have remained in the market or have changed its main activity, which leaves the Sultanate of Oman business exited rate of 11.8% for the year of 2019.

Table 5: Detailed figures on businesses' exit and discontinuation in Oman 2019

Exit and discontinuation of businesses' composition				
Exit and discontinuation	Business continued in other hands	Business continued but changed its main activity	Business exited the market completely	Don't know/ Refuse
17.1% (100%)	4.4% (26.7%)	0.8% (4.9%)	11.8% (68.4%)	0.0% (0.0%)
Percentages of Oman's population aged 18–64 involved in each phase				

As stated in Table 4, the exit and discontinuation rate is very much higher than the nascent activity rate, which means that the current rate of businesses' replacement is at its critical situation, which is considered detrimental to the economy and the internal market. Moreover, the rate between nascent activity and effectively exited activity (see

Table 6) is less than 1, confirming instability at this stage for the year of 2019, while the rate between the TEA and the intention entrepreneurship is low indicating that this year the desires of a significant proportion of intention entrepreneurs could not meet a more approachable context to outlet their business proposals.

Table 6: Relevant rates derived from the results of the business creation and development model and their exit and discontinuation

Rates		
	TEA/intention e-ship	Nascent activity/exited activity
Year 2019	6.98/63.77 = 0.11	3.91/11.8 = 0.33
Abstract figures (no units of measurement)		

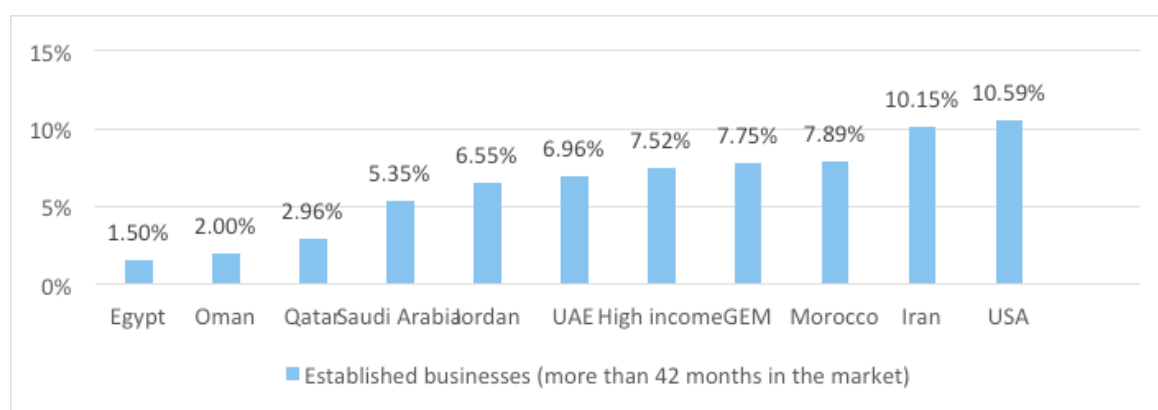
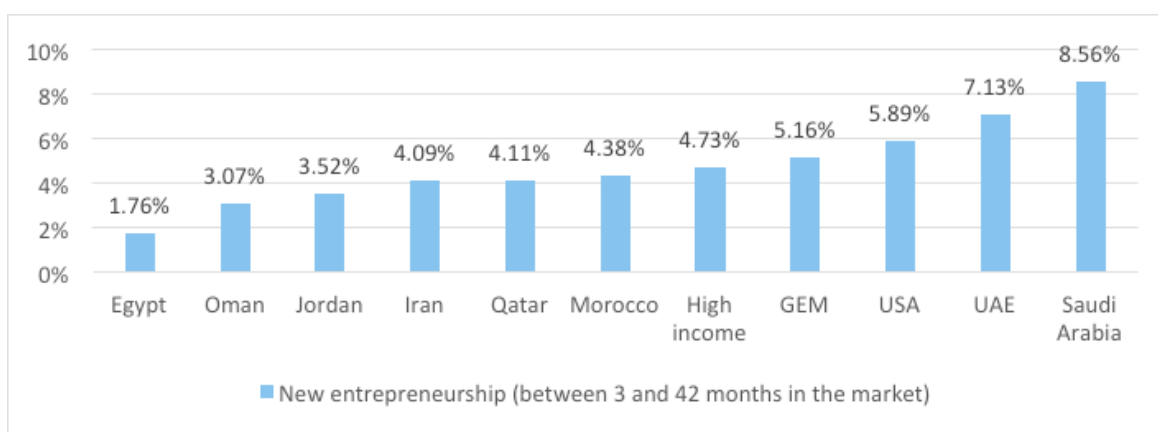
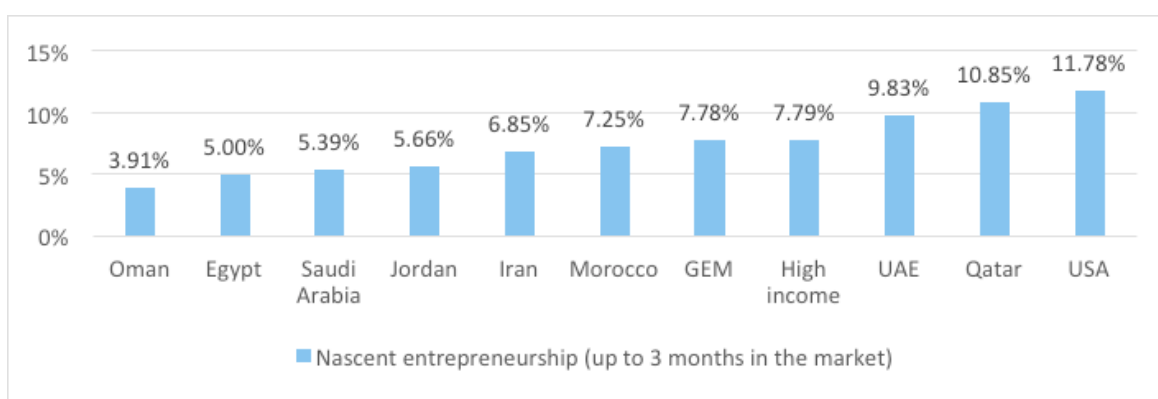
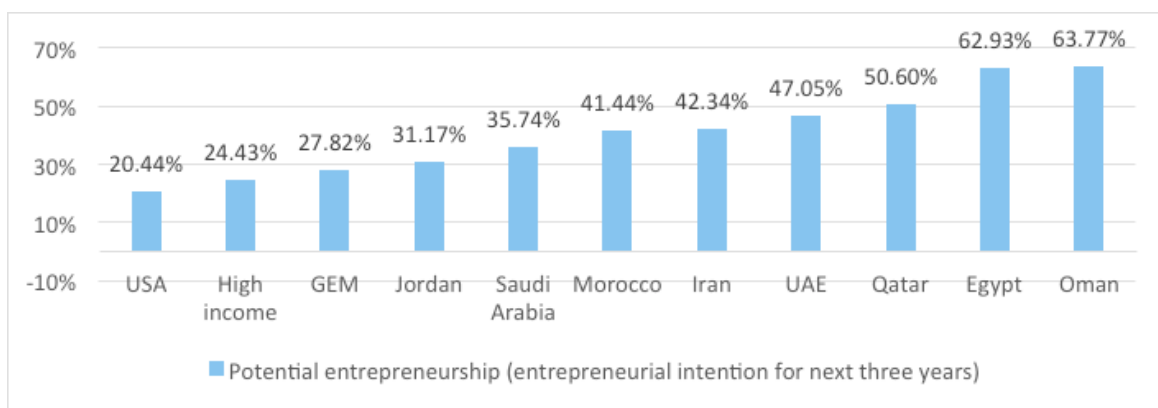
4.3 International position

Oman ranks in the top pertaining to the percentage of the adult population that declares the intention of starting up a new business within the next three years among the countries in its geographical zone (see Figure 9: Oman: International position with respect to indicators of business activity). The results suggest that Oman continues to enjoy a high entrepreneurial cultural background, followed by Egypt, Iran, and Morocco where necessity entrepreneurship is significantly extended. Finally, the opportunities and entrepreneurship promotion factors may explain Qatar and UAE's prominent positions.

In contrast, Oman's nascent activity rate is in the lowest position, while Qatar shows the

highest rate from the rest of countries of the zone. Meanwhile, Oman's new activity or early stage activity in its consolidated TEA rate is close to Jordan's rate, and far from the top rank among the countries of the zone.

Finally, the established activity rate in Oman is closest to Qatar among the countries of the zone. Overall, there is a high instability shown in countries of the zone at this stage that suggests that many economies are engaged in significant transformations and the replacement of old and obsolete businesses. At the same time, others face the failure of a significant proportion of new attempts, while Iran and Morocco are resisting better, the transformation or facing it with a slower pace of change.



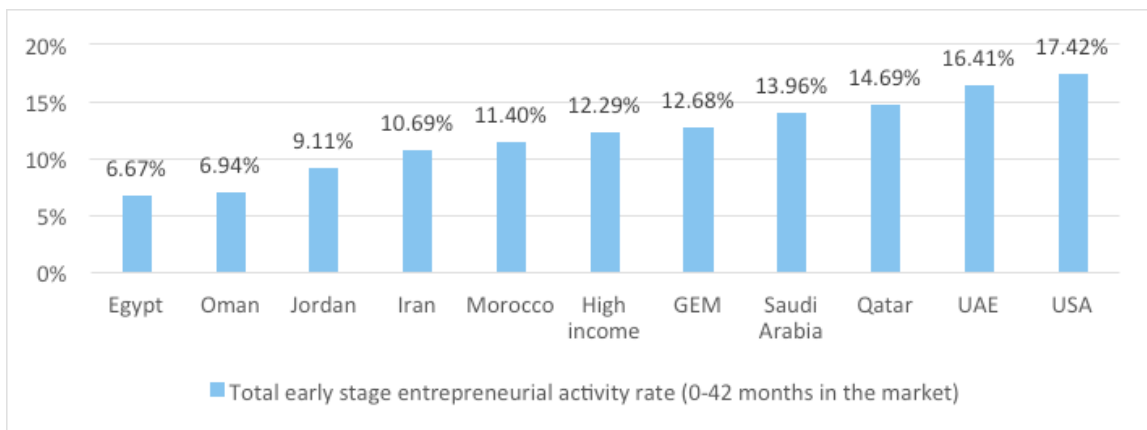


Figure 9: Oman: International position with respect to indicators of business activity

The results in Figure 10 and Table 7 show the rates of effective business exit and discontinuation (business definitively exiting the market) exceeding rates of exit and discontinuation where the business continues in other hands among the countries in the zone. In addition, all are above the GEM average (except Morocco)

which indicates that there is significant business instability in the zone. Indeed, Oman, the UAE and Egypt show the highest levels of effective exit and discontinuation, but the UAE compensates somewhat better the situation with a higher rate of businesses that remained in the market in other hands.

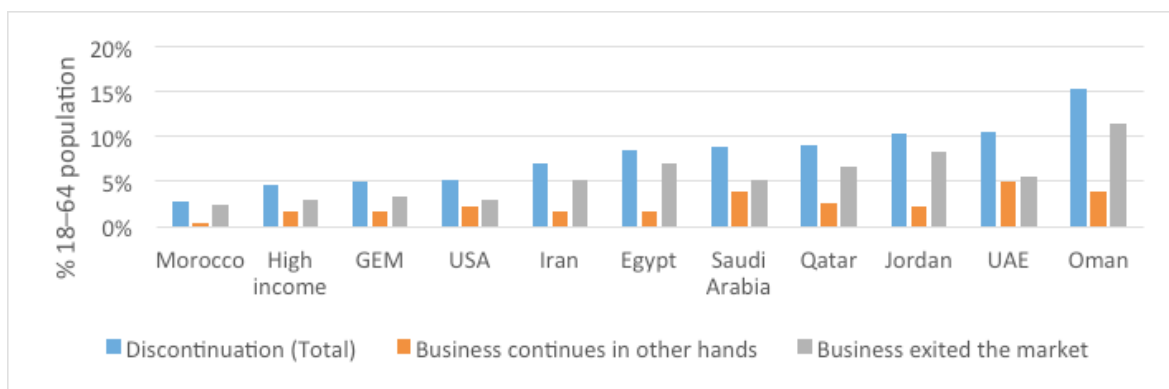


Figure 10: Oman: International position with respect to detailed indicators on business exit and discontinuation

Table 7: Oman: international position with respect to detailed indicators on business exit and discontinuation

	Exit and discontinuation (Total, %)	Business continues in other hands (%)	Business exited the market (%)
Morocco	2.9%	0.4%	2.4%
High income	4.6%	1.7%	2.9%
GEM	4.9%	1.6%	3.3%
USA	5.1%	2.2%	2.9%
Iran	7.0%	1.7%	5.2%
Egypt	8.6%	1.6%	7.0%
Saudi Arabia	8.9%	3.8%	5.1%
Qatar	9.1%	2.5%	6.6%
Jordan	10.5%	2.1%	8.3%
UAE	10.5%	5.0%	5.5%
Oman	15.4%	4.0%	11.5%

4.4 Entrepreneurial employee activity

Table 8 shows the results of the annual indicators related to intrapreneurship that have been provided by GEM regarding the Sultanate of Oman for 2019. Based on the results, 1.17% of the adult population that represents 2.47% of the employee population has been involved

in the intrapreneurship activities, particularly acting as leaders of new business developments for their employers in the past three years. Meanwhile, about 0.37% that represents 0.78% of the employee population were active in such activities and roles in 2019.

Table 8: General indicators on intrapreneurship (employees' entrepreneurial activity) for Oman in 2019

General indicators on intrapreneurship or entrepreneurial activity of employees over the adult population	%
pop: involved in intrapreneurship - leading role - active in past 3 years 18-64 %	1.17
pop: involved in intrapreneurship - leading role - active now 18-64 %	0.37
General indicators on intrapreneurship or entrepreneurial activity of employees over the employee population	%
employed: involved in intrapreneurship - leading role - active in past 3 years 18-64 %	2.47
employed: involved in intrapreneurship - leading role - active now 18-64 %	0.78

Table 9 shows the complementary results of the impact of intrapreneurial activities in Oman for the year 2019. Only 0.22% in terms of the national market of intrapreneurial activities had a relevant impact introducing a new product or service the last three years, which represents 0.10 % of the activities of the current year. Indeed, none of these activities achieved an

impact at international level. However, 0.24% of those developed during the last three years and 0.07% of the current year achieved a turnover higher than 10% on export intensity. Lastly, 0.47% of the activities of the last three years expect to create more than 19 jobs in five years, while the current year 0.22% has this type of expectation.

Table 9: Intrapreneurship indicators: complementary results for Oman in 2019

Impact of intrapreneurial activity developed during the last 3 years	%
Active and leading as intrapreneur in past three years: at least national scope for market and at least national scope for new product	0.22
Active and leading as intrapreneur in past three years: at least international scope for market and at least international scope for new product	0.00
(Active intrapreneur in last three years: significant export intensity (>10% of turnover)	0.24
Active intrapreneur in past three years: expects more than 19 jobs in 5 years	0.47
Impact of intrapreneurial activity developed the current year	%
Active and leading as intrapreneur now: at least national scope for market and at least national scope for new product	0.10
Active and leading as intrapreneur now: at least international scope for market and at least international scope for new product	0.00
(Active intrapreneur now: significant export intensity (>10% of turnover)	0.07
Active intrapreneur now: expects more than 19 jobs in 5 years	0.22

4.5 Independent and sponsored intrapreneurial activity

Liebregts and Stam (2019) stated that intrapreneurial employee activity is related to employees that have developed new activities for their main employer, such as developing or launching new goods or services, or setting up a new business unit, a new establishment or subsidiary. The Global Entrepreneurship Monitor (GEM) has traditionally focused on the attributes, motivations, and ambitions of individuals who are starting or running new business ventures less than 42 months old. But, recently, GEM has begun to look the adjacent area of sponsored intrapreneurial activity happening, that is, initiatives that are not completely independent but part-owned with an employer.

Table 10 shows the result of independent and sponsored intrapreneurial activity at different phases in the Sultanate of Oman for the year 2019. The percentage for the nascent phase under the independent and sponsored activity of business creation and development is 0.08% and 3.38% respectively. Thus, the practice of sponsored entrepreneurship is becoming obvious in Oman as reflective of the modern view of starting-up businesses and is progressively replacing the traditional model. Many financial support programs in Oman have assisted those entrepreneurs. The established phase for independent activity has a percentage of 0.00%, and 2.00% for the sponsored activity of business creation and development.

Table 10: Rates of independent and sponsored intrapreneurial activity at different phases in Oman the year 2019

Independent activity at each phase of business creation and development			
Nascent	New	(TEA (total	Established
0.08%	0.04%	0.12%=0.08+0.04	0.00%
Sponsored activity at each phase of business creation and development			
Nascent	New	(TEA (total	Established
3.83%	3.03%	6.86%=3.83+3.03	2.00%
Percentages of Oman's population aged 18–64 involved in each phase			

In consideration of the international perspective, the nascent and the established entrepreneurs in the Sultanate of Oman are among those countries that are more likely to be involved in sponsored activities. In the nascent and new phases, Oman ranks (3.83%) and is positioned well (3.03%) respectively, while the UAE

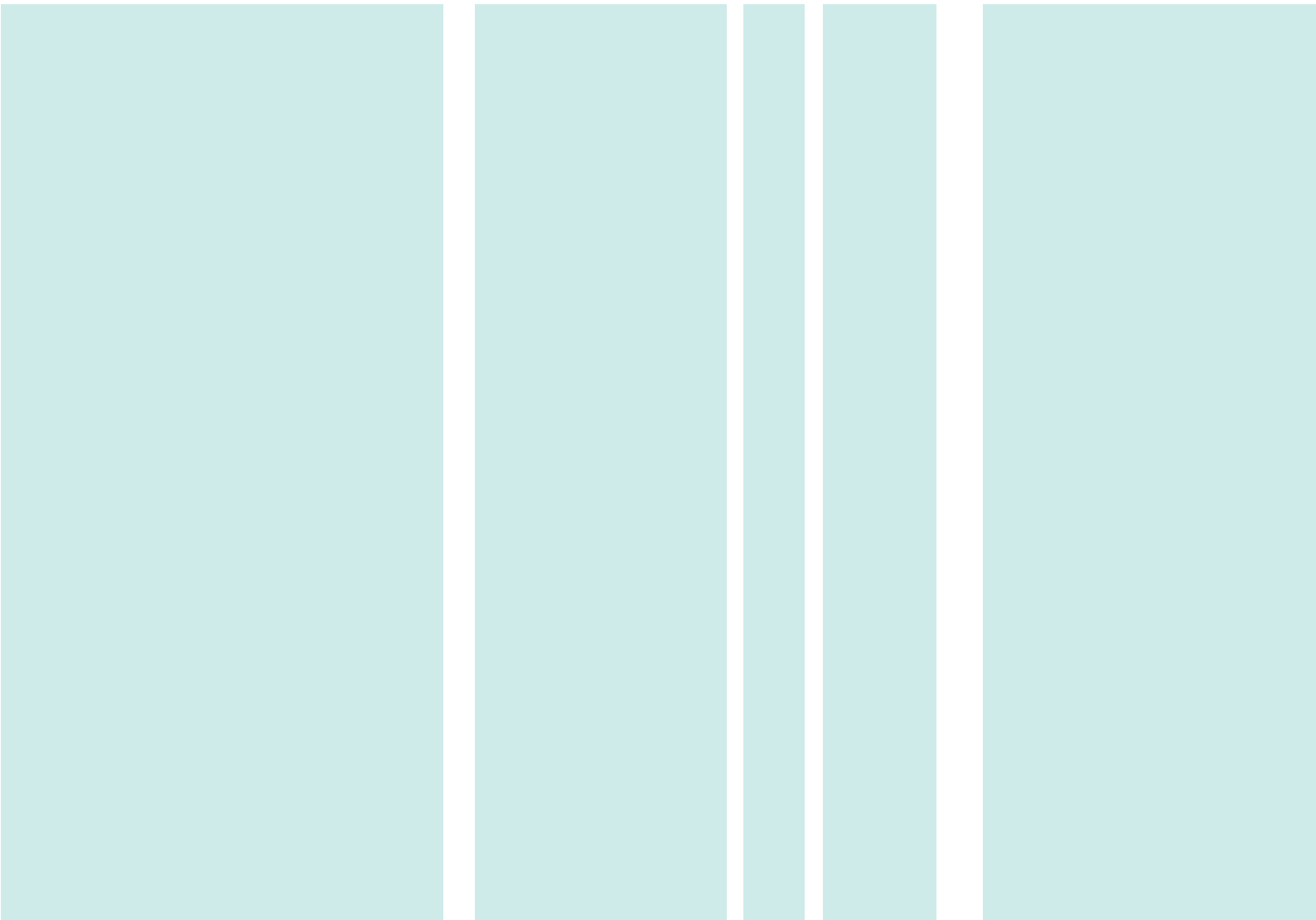
stands out in both phases at the nascent and new stages as shown in Figure 11. However, Oman stands an intermediate position that is slightly below high-income and GEM rates at the established of sponsored intrapreneurial activity of 2% which is closest to Qatar.



Figure 11: Oman: international position with respect to indicators on sponsored intrapreneurial activity at nascent, new and established phases (% 18-64 pop)



5. Motivation for Entrepreneurship



5.1 Introduction

Motivation for entrepreneurship is one of the key factors that determines the quality of entrepreneurial activities. GEM analysed this factor from the very beginning offering indicators classifying individual initiatives as motivated by opportunity, necessity, a mixture of both, and other motives. However, this simplistic approach, although useful, is unable to capture the complexity of the reasons behind the decision to start a business. That is why, in 2019, GEM extended the scope of the research, implementing new options referring to motivational factors. These now provide refined insights into this contemporary vision of the entrepreneur's role.

The GEM's adult population questionnaire has asked to people involved in business to what extent they agreed with up to four reasons to have undertaken their business, whether to make a difference in the world, to build great wealth or a very high income, to continue a family tradition, or to earn a living because jobs are scarce. As expected, most of the respondents have agreed with more than one of these options, proof that the decision to undertake is usually configured for various reasons. The results of

5.2 Prevalence of different motivations for entrepreneurship among the Omani population during 2019

During 2019 the most three prevalent motivations to start-up, consolidate or own and manage a business in Oman are 1) to earn a living because jobs are scarce; 2) to build great wealth or a very high income; and 3) to make a difference in the world which are among the four proposed by GEM this year in all entrepreneurial stages (see Figure 12). To earn a living because jobs are scarce is the most cited reason in the nascent and the total early-stage entrepreneurial activity (TEA) stages. However, there exists a significant behavioural

this research are shown in the next subsections. The reader must take in consideration that the percentage results are derived from a multi-response prospection across the population of nascent, new and established entrepreneurs.

In developing countries, the factors that motivate most entrepreneurs to start a business varied differently between social and economic factors, perception to be self-employed and independent (own boss), and desire to be recognized (Magd and McCoy 2014).

The lack of jobs within the public and private sectors has increased the number of job seekers in Oman. Therefore, for some Omanis entrepreneurs to be self-employed has become a necessity rather than an option. According to the Youth Trend Book published by the National Center for Statistical and Information, 87% of job seekers in Oman prefer to find a job in the government sectors, and 47% of them have a desire to start their own business (NCSI 2019). This gives an indication that Omanis are still depending on the government to get a job and to become self-employed is not the first option for them.

difference between new entrepreneurs (those that are in the market between 3 and 42 months) and nascent and established owner-managers, which show less certainty in choosing this reason in contrast to others. The second most cited reason is to build great wealth or a very high income, which is the highest in the new stages, but somewhat more prevalent among TEA entrepreneurs. To make a difference in the world is significantly much more prevalent among established compared with new. Finally, the continuation of a family tradition

is present in all stages, and it is almost the same in the nascent, new and TEA stages but its prevalence tends to increase in established stages.

Figure 12 shows the same results by gender at the early stage of the entrepreneurial activity. In Oman the main motivation to get involved in businesses for males is to earn living because jobs are scarce, followed by build a greater wealth or a very high income. To earn living because jobs are scare is also the main motivation for females, followed by wanting to make a difference in the world. In

conclusion, surviving and developing a way of living is the main motivation in Oman especially if it is nascent, followed by a desire for a profitable activity for male especially if it is new, and able to make a difference in the world for women especially if it is established. The conclusion about them is that gender is not determining the same motivation in Oman as both males and females looked first for a way of making a living, second for making money for male, and for females making a difference in the world, third the opposite of the second for male and females and, finally, to continue a family tradition.

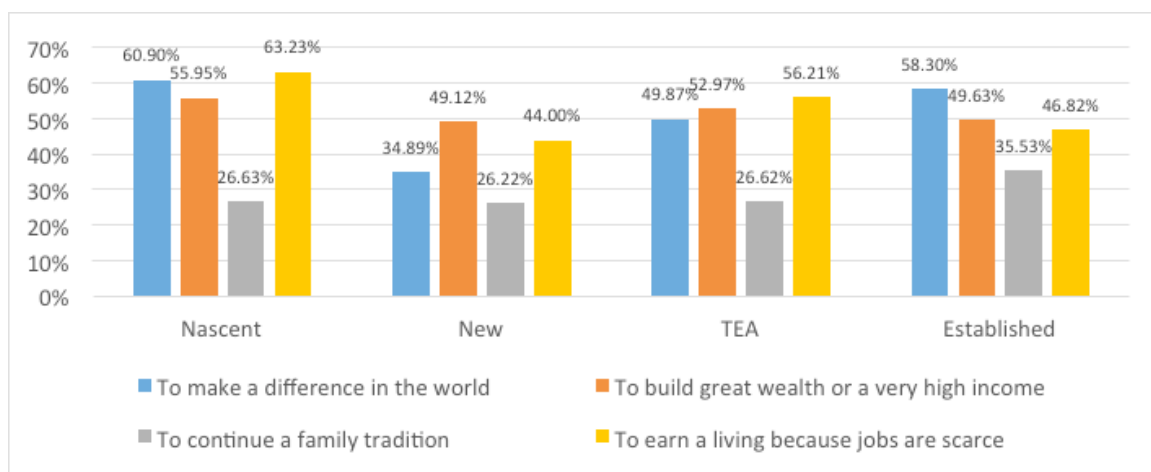


Figure 12: Prevalence of different motivations for entrepreneurship by entrepreneurial stage



Figure 13: Prevalence of different motivations for entrepreneurship by gender at the early stage

5.3 International position about motivations for entrepreneurship the year 2019

When comparing Oman to other countries of the zone plus the United States, Middle East, Asian and high-income countries, GEM averages reveal that there are cultural differences regarding the motivations to start-up businesses. Focusing the analysis on early stage (TEA) entrepreneurs, we can see that starting-up to make a difference in the world (see Figure 15) is a reason more often expressed among

American entrepreneurs than among those in the Middle East. Egypt, Morocco and Qatar are the societies that show the closest pattern, while Jordan's society is very distant from showing this as the most prevalent justification. In Oman this reason is much high for females than for males. Oman is above the GEM average for this indicator and around 16 perceptual points below the USA's indicator.

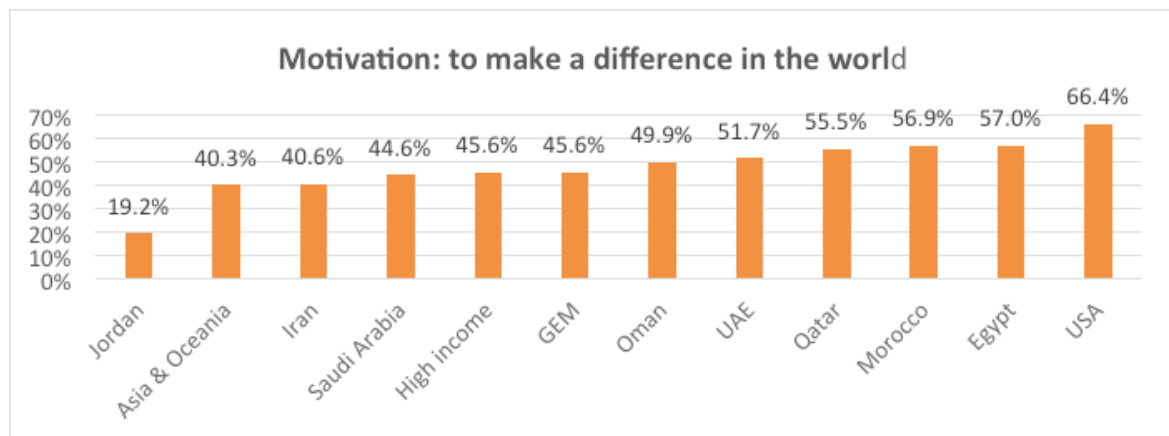


Figure 14 : International position on motivation “to make a difference in the world” for early-stage (TEA) entrepreneurs

Building great wealth or a very high income is a much more common motivation to start-up a new business among Middle East entrepreneurs. In Oman as shown in Figure 15, this reason is more evident for male than for female entrepreneurs. This reason is also prevalent in the USA, but almost at the same level of making a difference in the world.

Qatar's population is at the top of the rank with more of 85% of positive identification of this motivation, while Morocco closes the rank with a much more discrete proportion provided by 26.5% of the adult population. Oman appears below the GEM and above high-income averages and around also 16 perceptual points below to the USA's position.

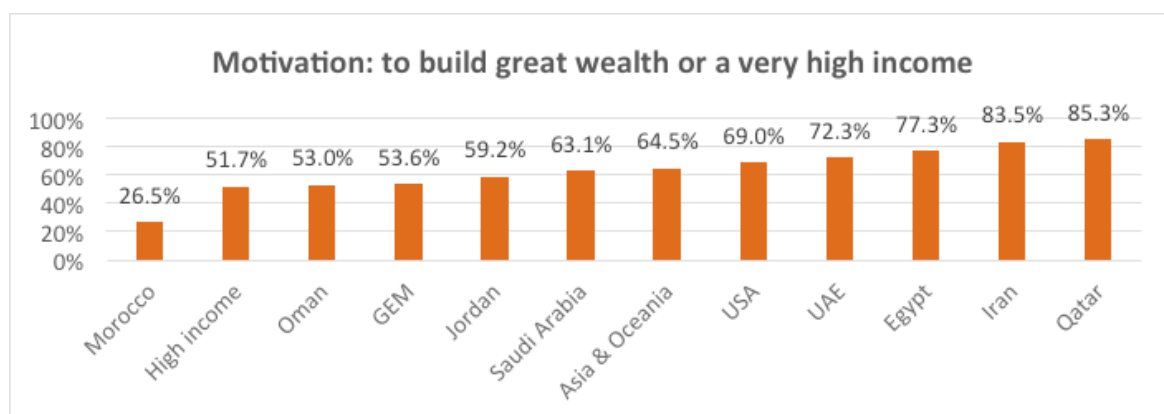


Figure 15: International position on motivation “to build great wealth or a very high income” for early-stage (TEA) entrepreneurs

To continue a family tradition is the most prevalent motivation to undertake entrepreneurship in Morocco, Qatar and Egypt, where family businesses still represent a notable proportion of firms in the market. All the Middle East countries enjoy an extended family business tradition, but since Figure 16 is showing results at the early stage of entrepreneurial activity,

these suggest that in several countries, recent entrepreneurs are developing other types of business models. Although in Oman there are a noticeable number of family business, it is lower than Gulf Cooperation Countries (GCC). However, the proportion of recent entrepreneurs linked to family businesses in Oman is below the USA and other high-income countries.

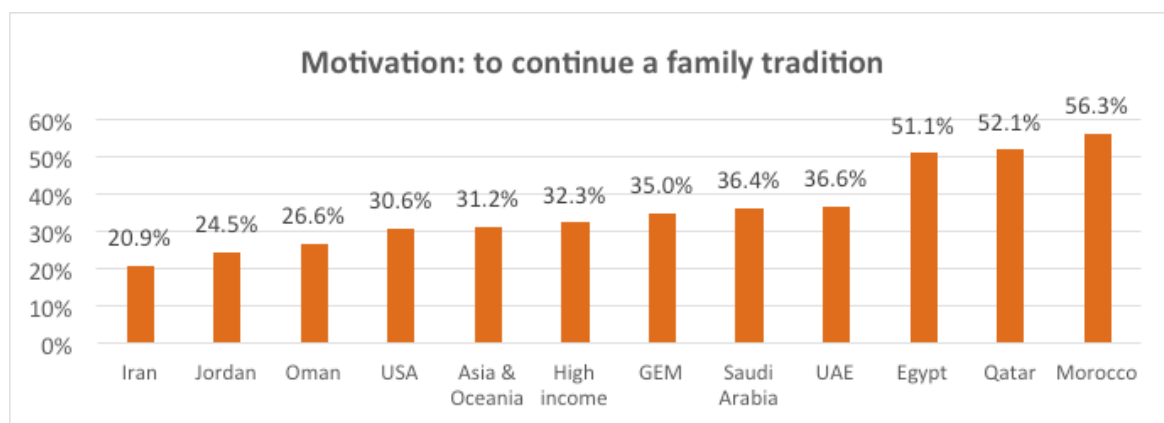


Figure 16 : International position on motivation “to continue a family tradition” for early-stage (TEA) entrepreneurs

To earn a living because jobs are scarce is the most prevalent motivation for early stage entrepreneurs in Saudi Arabia and Jordan. The rate is very high in these countries so, taking it as the closest to the concept of necessity entrepreneurship, the indicator reveals that this is the society where entrepreneurship is contributing to alleviating the need for job

creation to a greater degree. Oman is in the above high-income averages and below the GEM position as shown in Figure 17 . However, the surprising thing is that this indicator, although it is the most prevalent motivation for both male and female in Oman, its position is below Qatar, UAE and Saudi Arabia. The United States shows the lowest rate for this indicator.

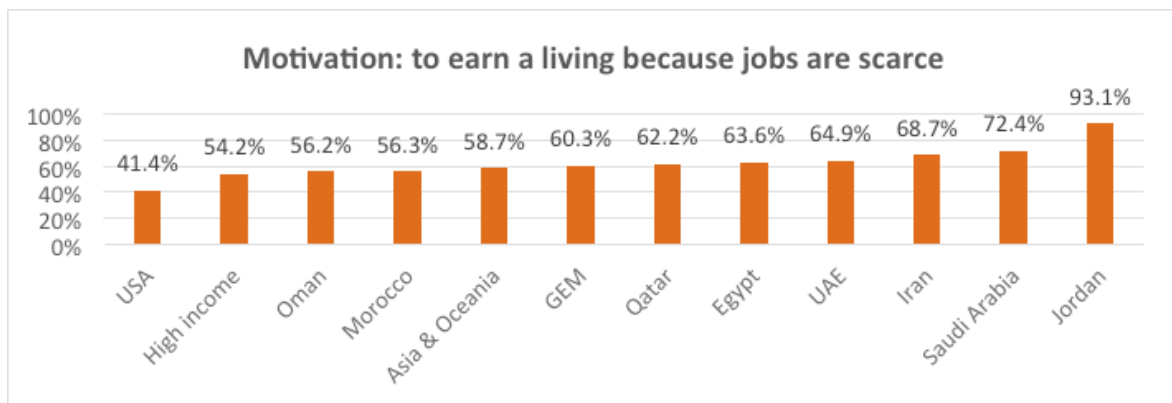


Figure 17: International position on motivation “to earn a living because jobs are scarce” for early-stage (TEA) entrepreneurs



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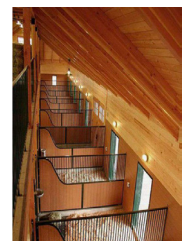
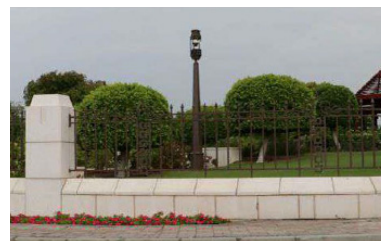
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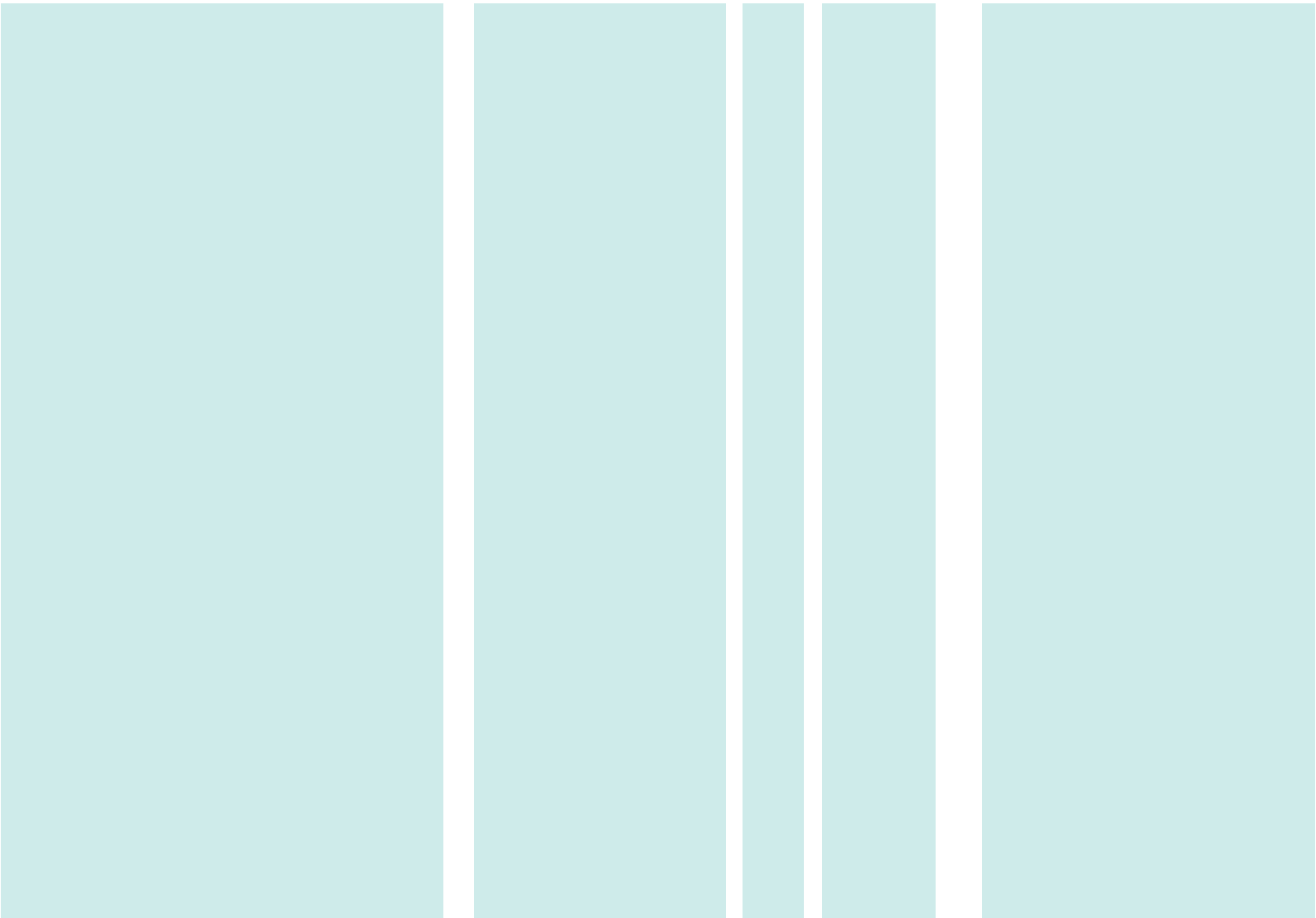
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6. Characteristics of entrepreneurial activities



6.1 Introduction

The effective contribution to economic and social development is determined by the quality of entrepreneurial activity, rather than the quantity. A comprehensive set of indicators provided by GEM characterize entrepreneurial activities derived from the annual data collection. Results from the analysis of these indicators permits GEM to assess the strengths and weaknesses of the entrepreneurial sector in providing valuable

information for the orientation and design of public policies, training activities, strategic plans of the private sector, and any other mechanisms that might favor the development of the entrepreneurial sector.

The following sections discuss detailed results of the analyses on different aspects of early-stage and established firms.

6.2 Sector of activity

Figure 18 and Figure 19 illustrate the activities of TEA and Established businesses (EBs) by sectors. The result in Figure 18 shows that Omani TEA firms (up to 42 months in the market) is moderately concentrated on the consumer-oriented sector (51.40%) followed by the transformative sector (36.40%). The involvement in extractive industry (1.48%) and business services (10.72%) appears to be less than other sectors.

By contrast, Figure 19 depicts the involvement of EBs (more than 12 months in the market)

and reveals that established businesses are penetrating more in the transformative industry (46.02%) followed by the consumer-oriented (29.06%), and business service sectors (17.22%).

Overall, there is not much difference by sector activities of TEA and EBs. Omani EBs are found more in the transformative sector and Omani TEA firms appear moderately concentrated in the consumer-oriented sector. Involvement in extractive firms is low among both TEA & Established businesses.

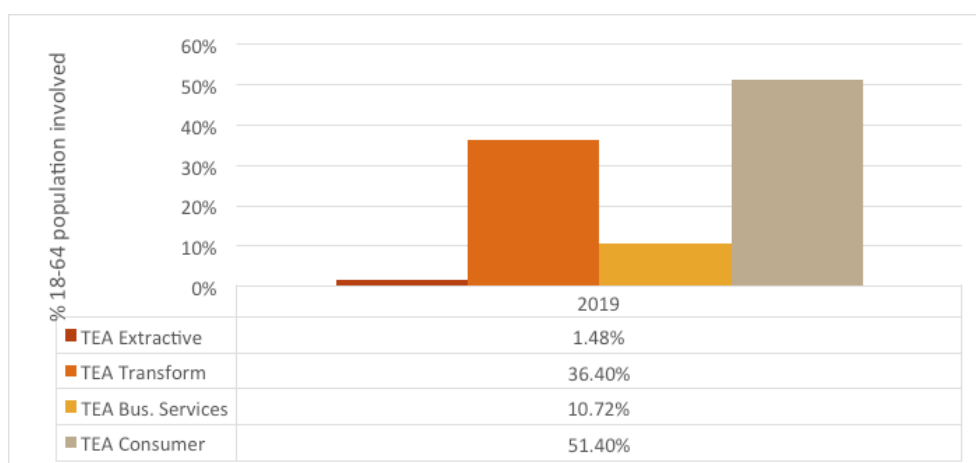


Figure 18: TEA (nascent + new) activities by sectors in Oman

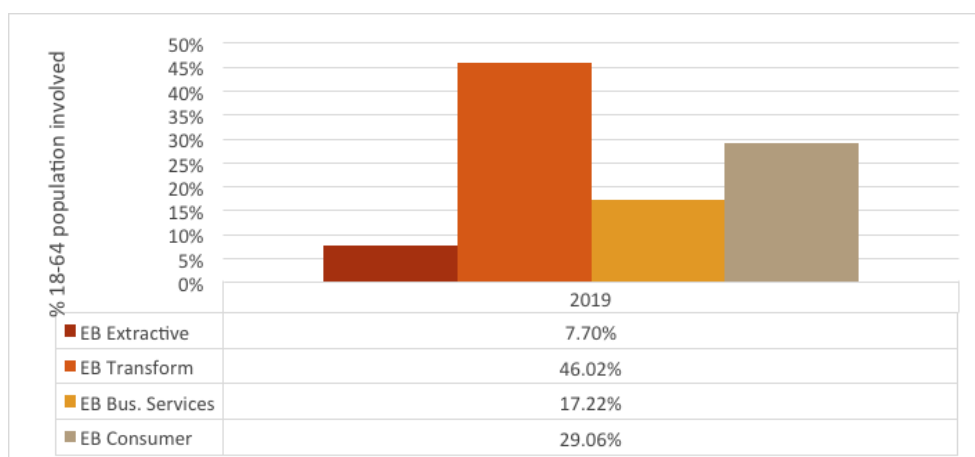


Figure 19: Established business activities by sector in Oman

6.3 Number of owners

Figure 20 depicts the distribution of the number of owners for nascent, new businesses, TEA and EBs activities. The result indicates that a high proportion of Omani business activities are still owned by one independent entrepreneur or by a small team of entrepreneurs. The distribution of the number of owners for nascent businesses, new businesses, TEA businesses, and EBs (see

Figure 20) is distributed most often between one to three owners. Established Businesses mostly (66%) have single owners, most of the early entrepreneurial activities have three owners. From the graph it may be inferred that most of the TEA businesses are started with two or three owners and as they become established business, most of them become single owner enterprises.

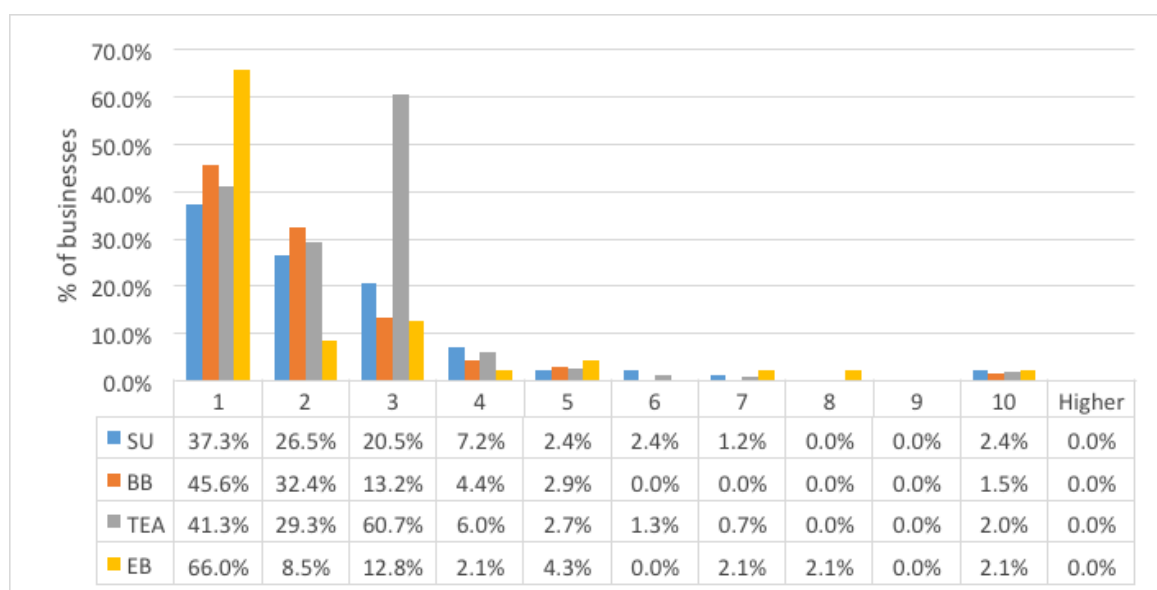


Figure 20: Distribution of the number of owners for Oman businesses at different stages of activity in 2019

shows that male led businesses tended to dominate female led business in 2019. With respect to the education profile of TEA, those with a Doctorate and secondary education were much more likely to form entrepreneurial teams in 2019, followed by those with a bachelor's degree. When it comes to income level, there appears to be a difference in the income of the TEA members. High income people (2.89%) tend to be more among TEA members.

Table 11 shows that male led businesses tended to dominate female led business in 2019. With respect to the education profile of TEA, those with a Doctorate and secondary education were much more likely to form entrepreneurial teams in 2019, followed by those with a bachelor's degree. When it comes to income level, there appears to be a difference in the income of the TEA members. High income people (2.89%) tend to be more among TEA members.

Table 11: Average number of owners for early-stage entrepreneurial activity in 2019 by gender, educational level, and income level

Complementary variables		Average number of owners (TEA)
Year		2019
Gender	Men	2.35
	Women	1.84
Education	Primary education	1.67
	Secondary education	2.29
	Territory education	2.03
	Bachelor degree	2.17
	Postgraduate degree holder	2.22
	PhD	3.00
Income	OMR 0–600	2.00
	OMR 601-960	1.50
	OMR 961-1440	2.25
	OMR 1441-1920	1.63
	OMR 1921-2400	1.64
	> OMR 2400	2.89

6.4 Number of employees

There is a significant difference in the number of employees working in the different types of entrepreneurial activity in Oman. the average number of employees for nascent, new and established businesses. In nascent businesses the average number of employees working was close to 2 employees, the new businesses had an average of 5.63 employees and established businesses had 20 employees which seem to be remarkably high compared to nascent and new businesses. The result suggests that established businesses were contributing the maximum with respect to employment generation in Oman followed by new businesses which also generated employment of average 5.6 employees.

Table 12 shows the average number of employees for nascent, new and established businesses. In nascent businesses the average number of employees working was close to 2 employees, the new businesses had an average of 5.63 employees and established businesses had 20 employees which seem to be remarkably high compared to nascent and new businesses. The result suggests that established businesses were contributing the maximum with respect to employment generation in Oman followed by new businesses which also generated employment of average 5.6 employees.

Table 12: Average number of employees for nascent and new entrepreneurial activity and for established firms in 2019

	Nascent (SU)	New (BB)	Established (EB)
Average	1.76	5.63	20.17
Standard deviation	9.09	10.21	50.62
Minimum	0.00	0.00	0.00
Maximum	60.00	64.00	322.00

The general data for the dimension of early-stage and established business activity in Oman is shown in

Figure 21 & 22. The figures compare the number of employees engaged in Early-stage entrepreneurial activities to those in Established businesses. The figures reveal that there is difference in the number of employees working in these two different environments.

The figures reveal that during the transition of the Early-stage entrepreneurial activities to Established businesses, employment generation has increased. Among the TEA Business the majority (67.9 %) of the businesses have one to five employees, whereas in the Established businesses the proportion of employees varies, with 38.6 % of the EB having six to nineteen employees which is relatively higher compared to the TEA firms.

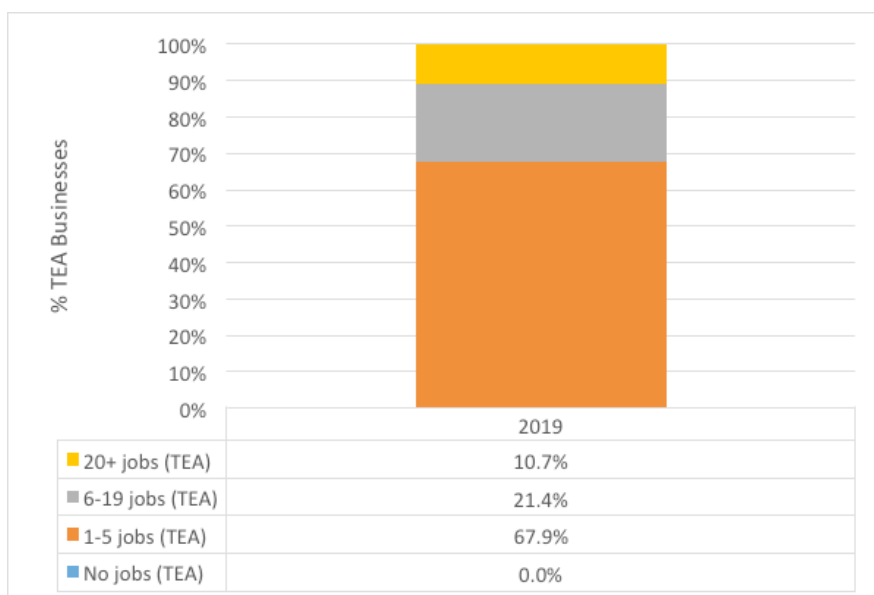


Figure 21: Early-stage entrepreneurial activities number of employees

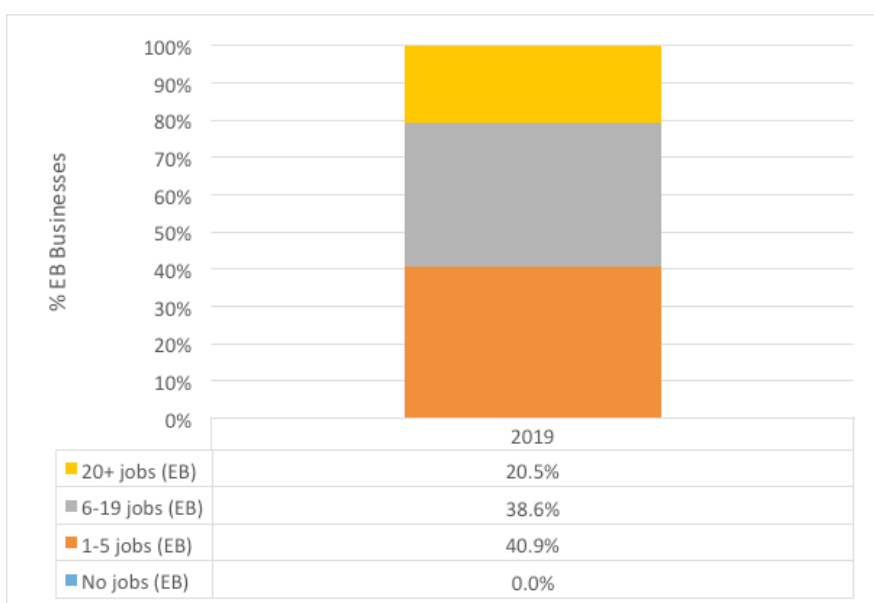


Figure 22: Established businesses number of employees

6.5 Job-creation expectations

GEM collects information to estimate the expectations of early-stage entrepreneurial activities and established firms regarding job creation in the coming five years. Figure 23 shows the results for Oman in 2019, where both

charts display a positive estimate regarding future employment generation and there is not much difference in the estimate between the TEA and EB sectors, both anticipating employment generation of 1-5 jobs.

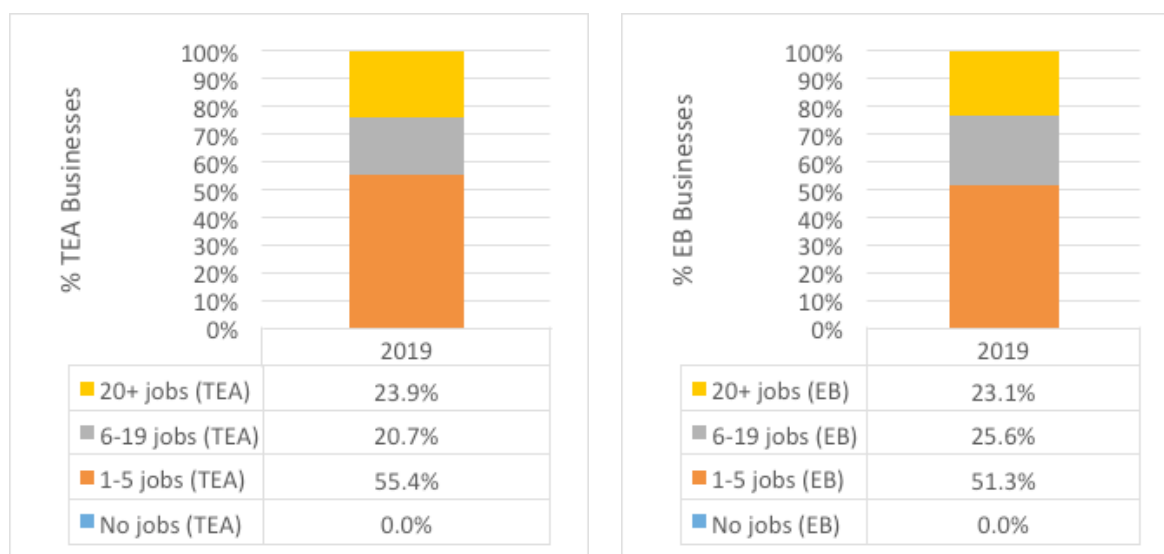


Figure 23: Early-stage entrepreneurial activities and EBs by expected number of employees in five years

There is a negative trend among TEA's for the lower category of job creation (1-5 jobs) and higher category (20+ jobs). A different evolution is observed in the established sector, where there is a positive trend in 1-5 new jobs category and 6-9 jobs categories, while the high growth categories demonstrate negative differences. In summary, as per the table 13, it can be concluded that a significant proportion of firms in Oman are small sized, medium sized, and limited, in terms of job creation, and in total the table clearly illustrates that there is more job creation among Established businesses than the TEA.

Table 13 shows that in 2019 the differences

between the proportion of expected jobs in five years and current jobs in percentage points are 0% for no job creation. There is a negative trend among TEA's for the lower category of job creation (1-5 jobs) and higher category (20+ jobs). A different evolution is observed in the established sector, where there is a positive trend in 1-5 new jobs category and 6-9 jobs categories, while the high growth categories demonstrate negative differences. In summary, as per the table 13, it can be concluded that a significant proportion of firms in Oman are small sized, medium sized, and limited, in terms of job creation, and in total the table clearly illustrates that there is more job creation among Established businesses than the TEA.

Table 13: Differences in percentage points: expected employees-current employees for early- stage and established firms

Year	TEA				EBs			
	No jobs (%)	1-5 (%)	6-19 (%)	20+ (%)	No jobs (%)	1-5 (%)	6-19 (%)	20+ (%)
2019	0.0	-12.5	-0.70	-13.2	00	10.4	13.0	-2.60
<p>Positive evolution: decrease in the proportion of firms with low number of employees or increase in the proportion of firms with high number of employees</p> <p>Negative evolution: increase in the proportion of firms with low number of employees or decrease in the proportion of firms with high number of employees</p>								

illustrates that the proportion of cases with expectations of high growth in job creation is notable (19.95%) for early-stage entrepreneurs. In turn, established owner-managers show a similar percentage of cases of high job creation expectation (14.30%). The proportion of early-stage businesses that have employees now, or in five years, is (4.78%).

Table 14 illustrates that the proportion of cases with expectations of high growth in job creation is notable (19.95%) for early-stage entrepreneurs. In turn, established owner-managers show a similar percentage of cases of high job creation expectation (14.30%). The proportion of early-stage businesses that have employees now, or in five years, is (4.78%).

Table 14: Complementary indicators on expectations of job creation for early-stage firms and EBs for the year 2019

Concept	2019
% 18-64 pop: TEA any jobs now or in 5 years	4.78
% 18-64 pop: TEA expects more than 19 jobs in 5 years	0.96
% within TEA: High job expectation (10+ jobs and over 50% in 5 years)	19.95
% within EB: High job expectation (10+ jobs and over 50% in 5 years)	14.30

6.6 Market, innovation, process components and scope

To date, GEM has assessed the presence of an innovation component in early-stage firms by asking owner-managers how many (intention) customers would consider the product/service they offered, to be one that is new, or they are unfamiliar with. Also, GEM studied the business market scope, classifying activities in terms of degree and intensity of exportation and, additionally, processes where an anxiety over the technologies used to produce the products or services exists.

During 2019, GEM refined the market scope indicators by asking owner-managers and intrapreneurs if they will have any customers in the area where they live, elsewhere in the country, or outside the country. Likewise, GEM refined the innovation and process indicators by asking owner-managers and intrapreneurs if any of their products or services were new to people in the area where they live, new to people in the whole country, or new to the world by one side, and if any of the technologies or procedures used for their products or services were new to people in the area where you live, new to people in your country, or new to the world, by the other.

This new approach is more like the typology provided by the Community Innovation Surveys administered by Eurostat. Thanks to this new system, GEM is now able to harmonize its measures of market scope, product scope and process scope making possible the creation of combinations of market, product and process

scope. The two resulting composite indicators estimate, on one hand, the percentage of early stage entrepreneurial activities that have at least national scope for market and at least national scope for new product or new process. On the other hand, the percentage of early stage entrepreneurial activities that have at least international scope for market and at least international scope for new product or new process. GEM also estimated these composite indexes for current intrapreneurs and for people acting as intrapreneurs for the last three years. Analyzing the performance of these new indicators, GEM scholars have found that there is a significant step up in expected future size between entrepreneurs who aim for local markets and those who aim for national markets, more so than firms that have international sales versus no international sales, which is all GEM has measured in the past.

However, in Oman, there is need to increase innovation level with respect to products and/or processes at international level. The values estimated for these new indicators in Oman are shown in Table 15. The results indicate that the proportion of early stage entrepreneurial activities that show at least national scope for market and at least national scope for new product or new process is very little (0.77%), The table also illustrates that TEA at least international scope for market and at least international scope for new product or new process is nil.

Table 15: Estimated composite indexes on market scope, new product or new process for early-stage entrepreneurial and intrapreneurial activities in Oman the year 2019

Concept	%
TEA at least national scope for market and at least national scope for new product or new process	0.77
TEA at least international scope for market and at least international scope for new product or new process	0.00
Active and leading as intrapreneur in past three years: at least national scope for market and at least national scope for new product	0.22
Active and leading as intrapreneur in past three years: at least international scope for market and at least international scope for new product	0.00
Active and leading as intrapreneur now: at least national scope for market and at least national scope for new product	0.10
Active and leading as intrapreneur now: at least international scope for market and at least international scope for new product	0.00

In the context of Market scope by activity stage, the individual analysis of market, new product and process components provides detailed information about each of these businesses' features by stage of activity. At the nascent stage, 81.3 % of firms said that they have customers in the area they are allocated, while 61.8% of them has or will have customers elsewhere in the country and 20% outside the country (see Figure 24: Market scope by activity stage). New entrepreneurs (between 3 and 42 months in the market) are focused locally (85.3%) and

in the national market (75%). TEA firms also have similar results. Regarding established businesses the percentage of customers located in their area, elsewhere in the country and outside the country are high compare to TEA, New and Nascent businesses. In conclusion, the results on market scope indicate that in most stages entrepreneurial firms have customers locally and at national level. Whereas with respect to international customers or export activities, intrapreneurs and established businesses shows a marginal percentage.

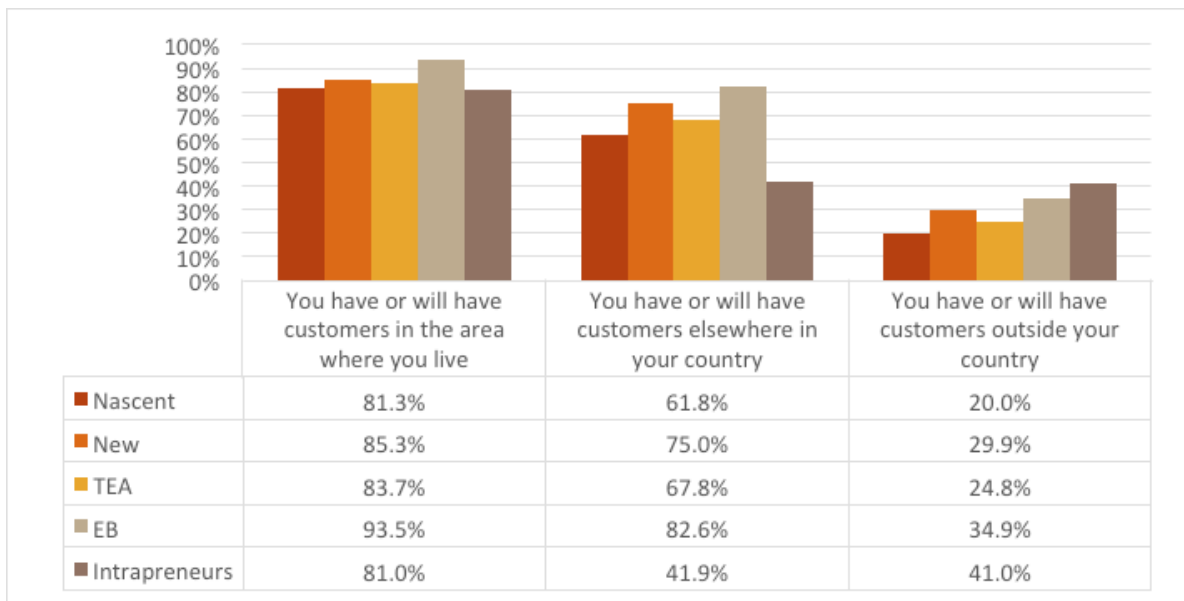


Figure 24: Market scope by activity stage

Complementarily, Figure 25 shows the results of export intensity for early stage (TEA), established and corporate entrepreneurship activities. In line with the previous results, majority of the TEA (80.9%) and established

businesses (70.7%) do not have customers outside the country. Corporate entrepreneurial activities are those showing the highest export intensity, followed by established firms.

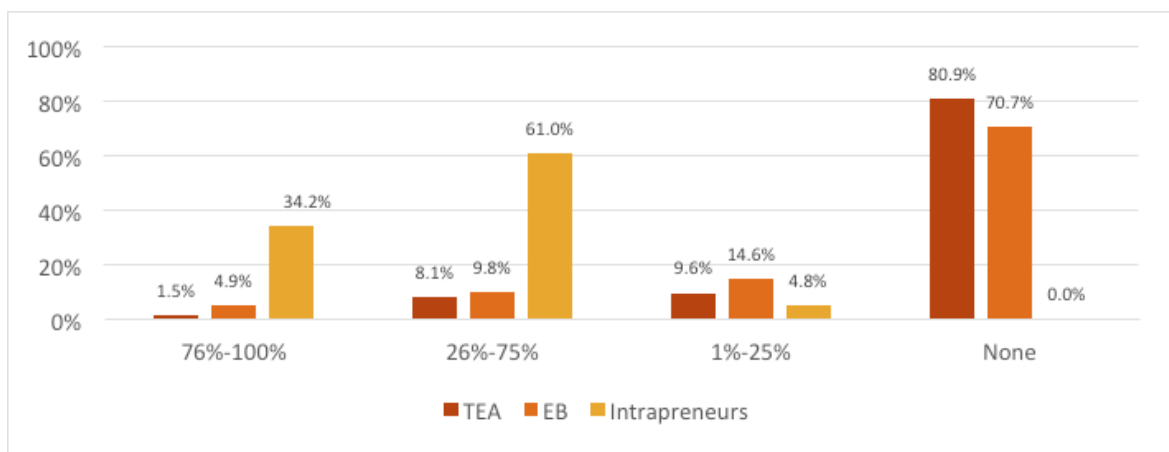


Figure 25: Export intensity for TEA, EB and corporate entrepreneurship activities with customers outside the country

The results illustrated in Figure 26 and Figure 27 provide an estimated picture of the scope of innovation and use of new technologies or procedures to develop the products and services at nascent, new and established stages. Figure 26 illustrates that the presence of the innovation

component is very scarce at all stages and its scope is of national dimension for nascent and established activities. The same can be concluded regard the scope of the use of new technologies or processes to develop products and services: it is national (see Figure 27).

3.7 % of established businesses said that they use innovative process or technology in their product or service as a new to the world as shown in Figure 27. A small proportion of all the three types of firms are using innovative technologies or processes which are new to the people of the

area where the business is allocated or to people living in the rest of the country. Among all the three categories of firms, majority of the firms said that they are not using new technology or procedures.

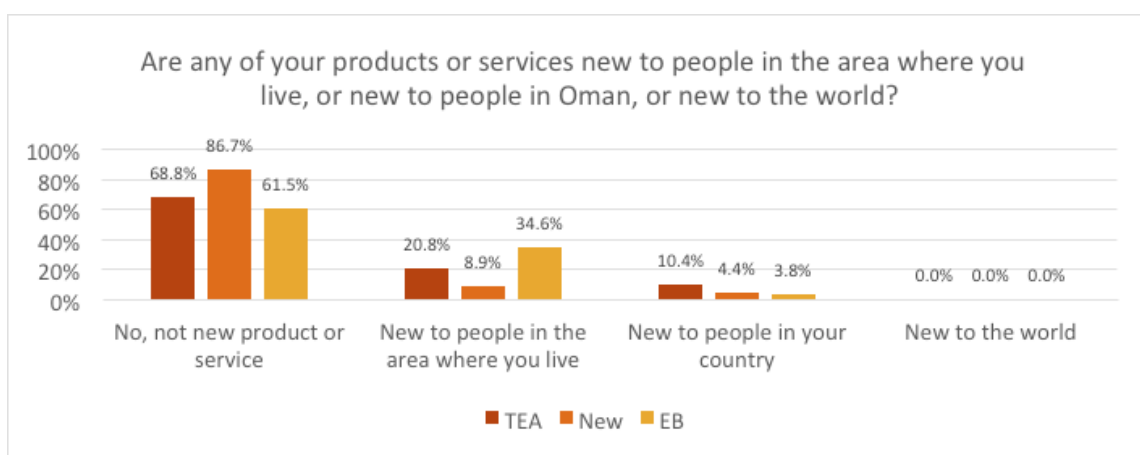


Figure 26: Scope of innovation component by stage of activity

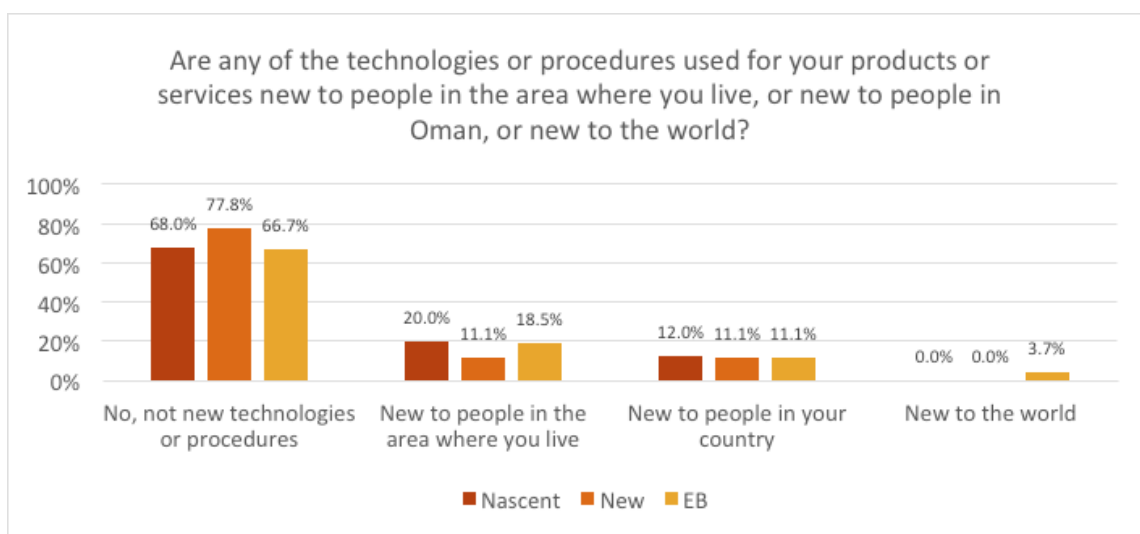


Figure 27: Scope of process component by stage of activity

6.7 Main motives for business exit and discontinuation

In the context of main motives for business exit and discontinuation in Oman 2019, 9 % of business were identified as discontinued because of government policies, 0.7% because of family reasons, while 25 % said they couldn't make a profit. In 2019 the main reason to abandon a business in Oman was due to another job or business opportunity (35.6%), followed

by non-profitability (25.1%) as shown in Figure 28. The other motives appear more marginal. In summary, the government may need to alter, improve and reconsider its policies, thus improving market outcomes, as they can only have increased revenue and economic development if investors are making a profit.

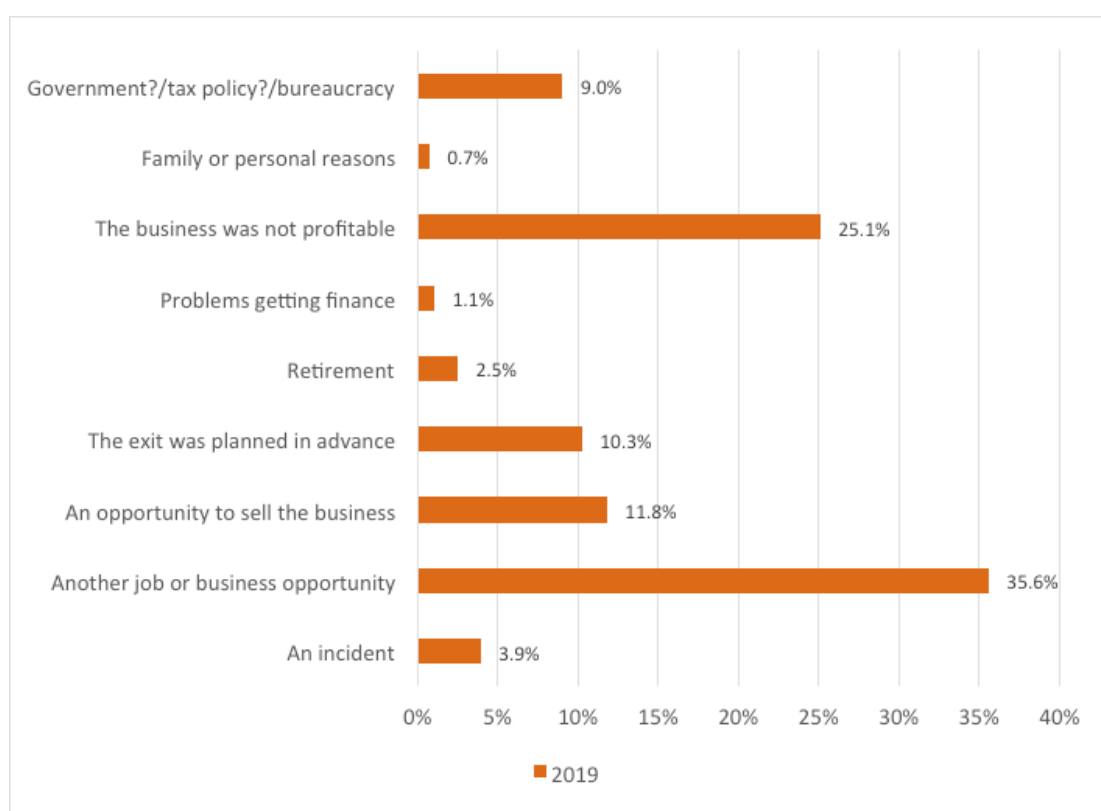


Figure 28 : Main motives for business exit and discontinuation in Oman 2019

6.8 International position on main indicators for characteristics of early-stage entrepreneurial activities

Figure 29 displays the international comparison of TEA by sector. The figure shows that, most of the TEA's in the Gulf countries concentrate on the consumer-oriented sector followed by transformative sector. It is also inferred that TEA in the Gulf countries lack concentration in

extractive industries. Oman shows the highest proportion of early stage entrepreneurial activities focused on the consumer-oriented sector. The USA and Iran demonstrate more balanced distribution than other selected countries within entrepreneurial activity among

the extractive, transformative, business services and consumer-oriented sectors. With respect to Oman, TEA is more distributed among the consumer oriented and transformative sectors

and is like the Gulf region. The results also show evidence of the lack of activity on the business services sectors, especially in Egypt, Oman, Jordan, and Morocco.

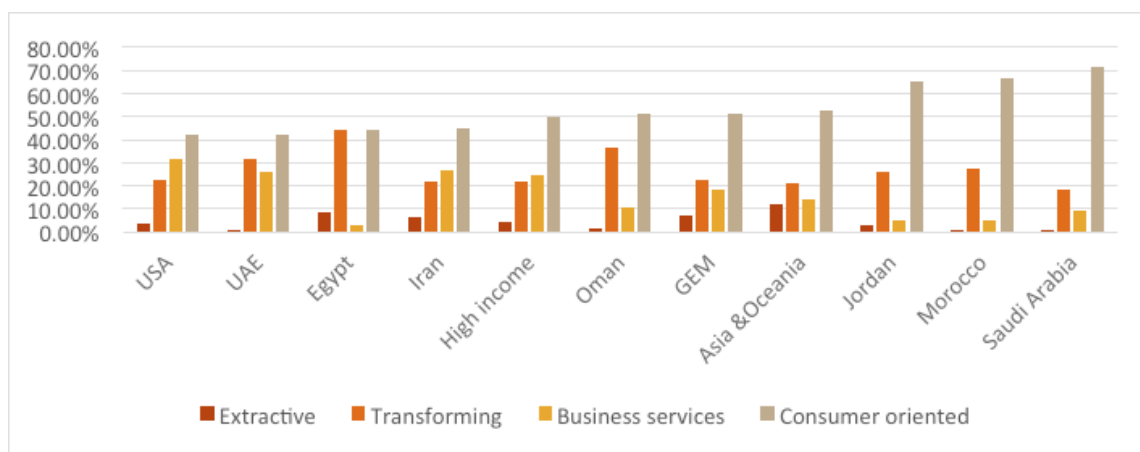


Figure 29: TEA by sector: international position

The international comparison between countries of the zone and the USA reveals that the participation of early stage entrepreneurial activities in the medium or intensive technological sectors is moderate in some countries (Iran and the UAE), and miniscule for others. Modern entrepreneurial ecosystems are specially characterized by the intensive presence of technological activities, so these results suggest that the involvement

of early stage entrepreneurial activity (TEA) in medium or high technology sectors in Oman is very much less than other countries in the Arab zone as shown in Figure 30. The best positioned countries identified through this indicator are closer to developing or are already developing modern structures where technological entrepreneurs tend to concentrate their activities.

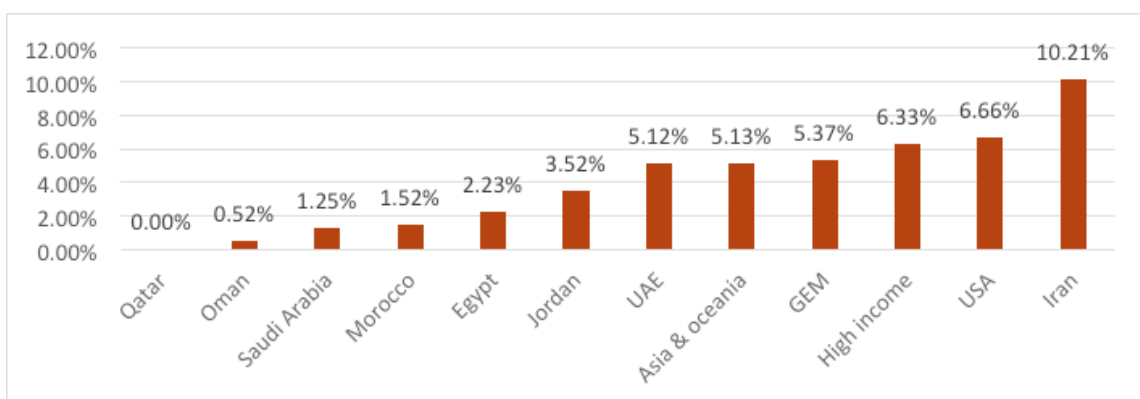


Figure 30: Prevalence of early stage entrepreneurial activity (TEA) in medium or high technology sectors: international position

As discussed previously, one of the factors that can determine the quality of entrepreneurial activities is the number of their owners, as independent initiatives are rarely innovative, competitive and pursue objectives of high growth. Modern entrepreneurship of high impact requires multidisciplinary teams formed

by two or more persons depending on the target sector and the business idea. The international comparison of the average number of owner-managers for early stage activities reveals that according table 32, Oman has an average of 2.13 owners which is close to the gulf countries and high income countries (see Figure 31).

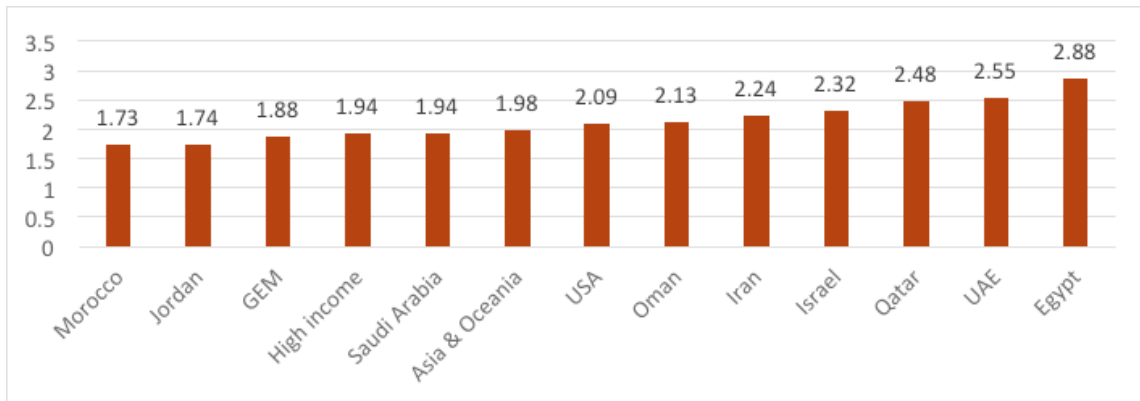


Figure 31: Average number of owners for early stage entrepreneurial activity (TEA): international position

Among the GCC countries and internationally, UAE is the best-positioned country in terms of jobs associated with early-stage activities (see Figure 32). Taking into consideration that most of them are micro or small firms, the UAE shows the highest rate of cases of firms with employees and with high job expectations in 5 years within this context. Almost 15% of early-stage activities have employees now, or expect

to have them within the next 5 years, while around 7% expect to create more than 19 jobs the next 5 years and more than 55% expects to create more than 10 jobs or duplicate the current number of employees in that time lapse. Qatar is the second country with the best expectations followed by Saudi Arabia, while Morocco, Oman, and Jordan are close to the rank with much smaller rates for all these indicators.

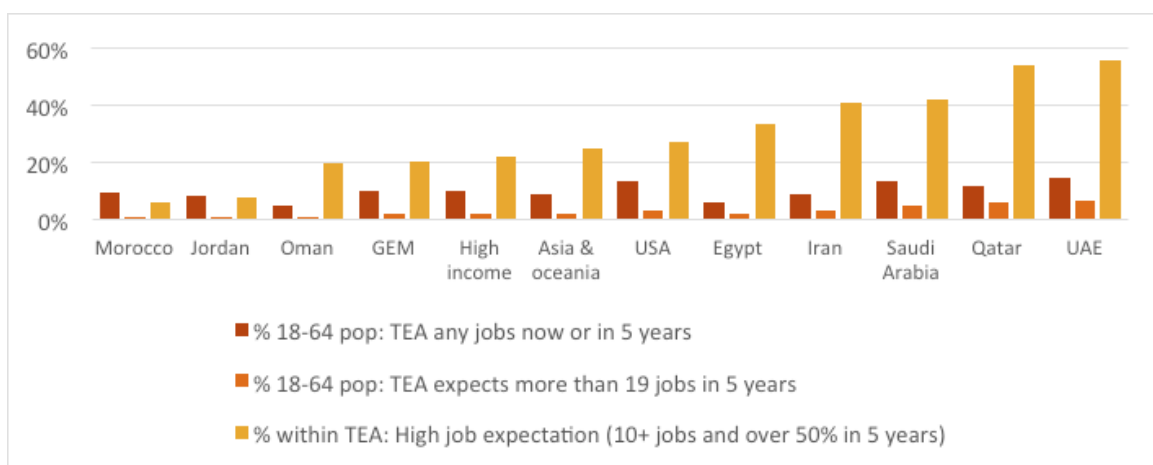
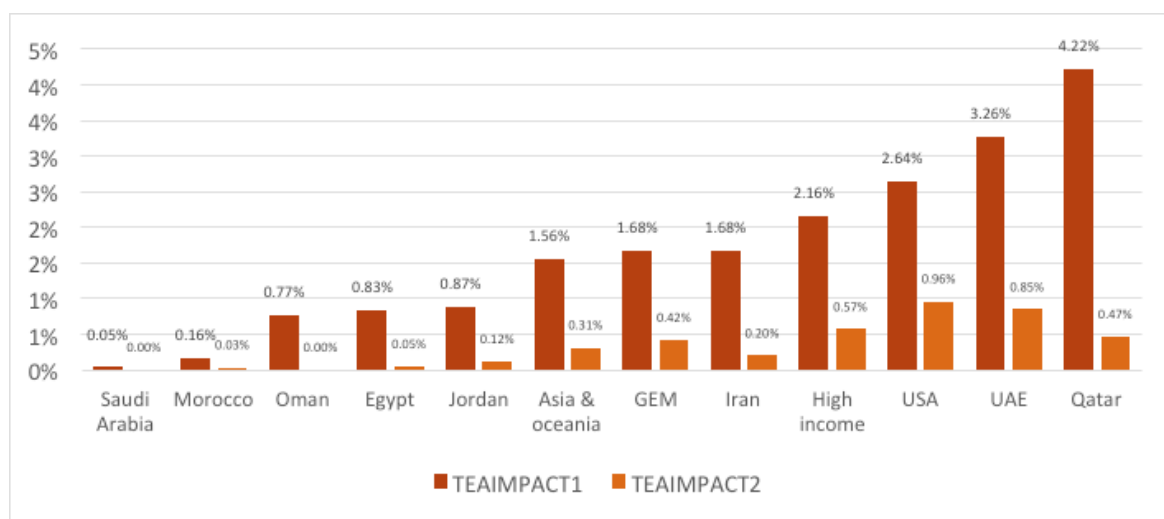


Figure 32: Proportions of early-stage entrepreneurial activities with any jobs now or in five years, with expectations of more than 19 jobs in five years, and with high job expectations within TEA: international position

During 2019, GEM featured two new composite indexes that represent the rates of early stage activities offering products or services that have at least national market scope combined with innovation and use of new technologies that have also national scope on one hand, and the rates of early stage activities offering products or services that have at least international market scope combined with innovation and use of new technologies that have also international scope, on the other. The higher the second indicator, the higher the impact of products and services developed by local entrepreneurs in the international markets. The results in Figure 33 show that, for the selected countries and zones of the globe, these indexes do not reach high values.

Taking in consideration the national scope, Qatar stands out as the country with the highest impact with an index of 4.22% of activities meeting the three conditions, while looking at the second index, Israel gets the best rate (aligned with the USA), of 0.98% of early stage activities that reach international markets, offering an innovative product or service which is new to the world and developed with technologies that are additionally, new to the world.

Thanks to these new indicators, GEM is able now to offer a better approach regarding the real impact of entrepreneurial activities in terms of innovation, internationalization and use of recent technologies, the factors that are determinant in the identification of high impact activities at national and international level.



Note*: TEAIMPACT1 is a composite index that shows the proportions of early-stage entrepreneurial (TEA) activities with at least national scope for market and at least national scope for new product or new process, while TEAIMPACT2 is a composite index that shows the proportions of early stage entrepreneurial (TEA) activities with at least international scope for market and at least international scope for new product or new process

Figure 33: Composite indexes on market, innovation and new technologies scope: international position

Regarding export intensity (see Figure 34), Oman stands out as a country with the lowest proportion (1.11%) among the countries of the Gulf region. The major revenue for the TEA firms is from domestic trade. The country/government should attempt to identify export opportunities for the goods/services manufactured by TEA Firms and help them

to operate in international markets, which in turn will generate more profitability. The government or the ministry of trade should create workshops for TEA firms regarding business opportunities for export activities. The table also indicates that TEA firms in Oman lack innovation in terms of their product, technology both at domestic and international level.

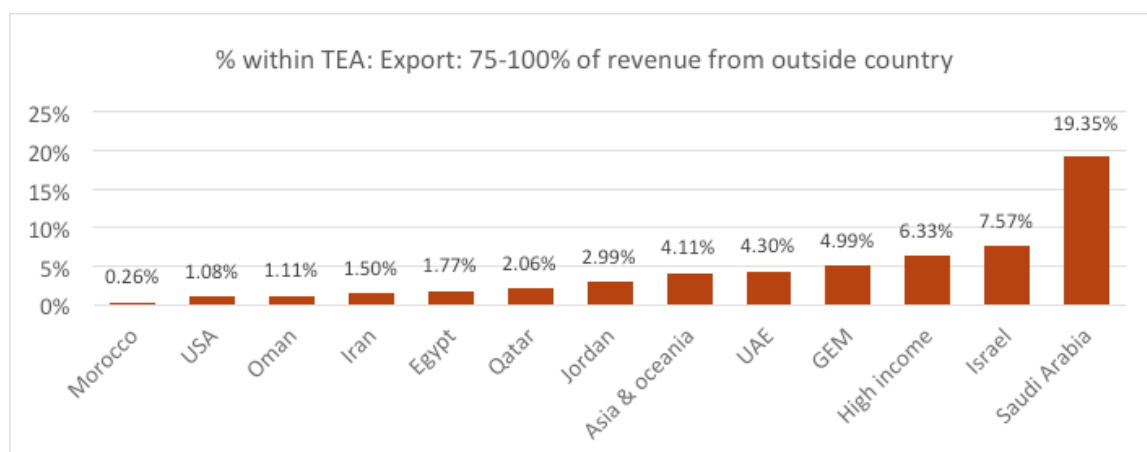


Figure 34: Presence of intensive export activity within early stage entrepreneurial activity (TEA)

The major reason for the exit or discontinuity of business among entrepreneurs in Oman was non-profitability (35.58%) of the business which was common among the entrepreneurs of comparative countries as mentioned in Table 16. The other major reasons for discontinuity were family or personal reasons (25.09%) followed by problems getting finance (11.81%), another job (10.25%) and bureaucracy (9.04%). Compared to other countries in the table, Oman ranks number one in family or personal reasons

as the main reason to exit business. Thus, from the table it is also inferred that marketability (opportunity to sell) is not a major problem for the Omani entrepreneurs. Further research should be carried out to explore the reasons for non-profitability and family or personal reasons among the Omani entrepreneurs, and if necessary, awareness /training or counselling should be given to entrepreneurs, which will enhance the continuity of entrepreneurial firms.

Table 16: Main reason to exit a business: an international comparison

	Opportunity to sell	Business not profitable	Problems getting finance	Another job or business opportunity	Exit planned in advance	Retirement	Family or personal reasons	An incident	Government Tax, policy, bureaucracy
Egypt	2.82	41.50	13.26	10.58	1.25	1.04	20.05	2.36	7.15
Iran	0.00	39.63	28.52	3.76	6.56	2.51	12.51	2.02	4.50
Jordan	2.18	50.89	12.98	1.93	0.65	0.93	11.23	2.47	16.75
Morocco	5.26	43.68	21.75	1.08	1.07	0.00	22.01	4.14	1.01
Oman	3.93	35.58	11.81	10.25	2.51	1.06	25.09	0.73	9.04
Qatar	10.50	33.91	16.40	6.44	3.42	0.48	23.12	2.88	2.84
UAE	3.31	38.91	24.69	12.79	0.00	0.64	14.34	0.72	4.60
USA	10.16	26.61	5.83	16.22	4.31	6.47	24.13	2.17	4.10
High income	8.49	26.85	10.00	11.92	4.43	6.19	20.14	3.41	8.56
Asia & Oceania	7.17	35.68	16.10	7.24	3.71	3.15	16.71	3.42	6.82
GEM	7.07	30.27	12.63	10.51	3.93	4.54	20.02	3.41	7.61

The Figure 35 illustrates graphically the main indicators of exit and discontinuation of the male and female 18-64 years old populations. A significant percentage of the female population (6.3 percent for TEA and

3.6 percent for nascent entrepreneurs) involved in entrepreneurs' activities suggests they are empowered and actively participant in business and entrepreneurship activities.

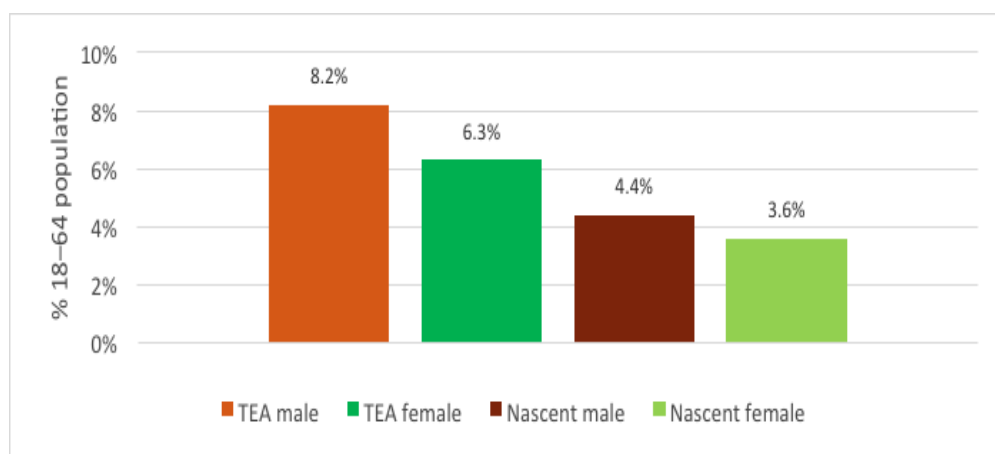


Figure 35: Exit and discontinuation of main indicators related to early-stage entrepreneurial activity by gender

Exit and discontinuation of main indicators related to senior early-stage entrepreneurial activity in Oman). This percentage comprises 3.2 percent nascent entrepreneurs (operating in the market up

to 3 months) plus 2.4 percent new entrepreneurs (operating in the market between 3 and 42 months).

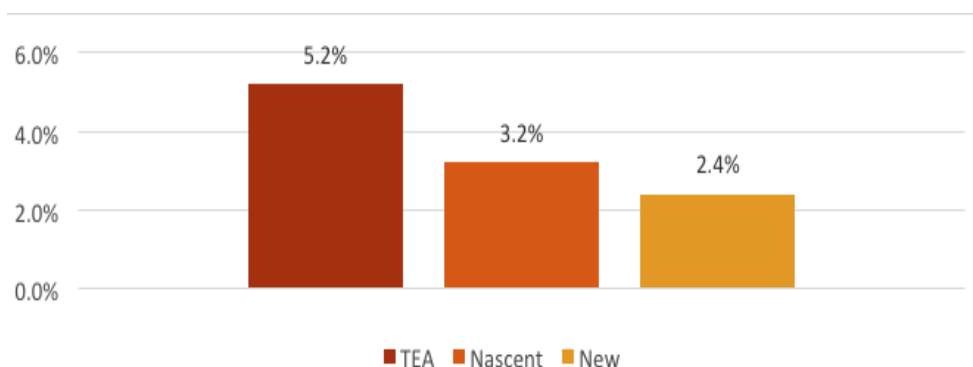
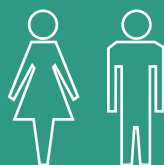


Figure 36: Exit and discontinuation of main indicators related to senior early-stage entrepreneurial activity in Oman



7. Characteristics of entrepreneurs

7.1 Introduction

GEM estimates its collection of primary data is a unique strength. This strategy allows the collection of information on specific characteristics of entrepreneurs, owner-managers, informal investors, intrapreneurs, and others in Oman. This detailed information provides a standardized profile of the

participants in the entrepreneurial process and helps researchers, policy makers, media, and other agents interested in the field to follow its evolution, work on inequalities, youth future, better regulations and the like. The following sections identify the personal characteristics of Oman entrepreneurship in 2019.

7.2 Gender

Table 17 illustrates male and female participation in early-stage entrepreneurial activity (TEA), taking as a base the total adult population on one hand, and the male and female adult populations on the other. This result show that 5.2 percent of male adults of the age group 18-64 years are involved in TEA activities as compared to 2.2 percent of the female population of the same age. Similarly, the total percentages of adults involved as nascent entrepreneurs 2.8 for male and 1.3 for female, new male entrepreneurs 2.4 and females at 1 percent. The results also show that over the total male and female adult populations, that males and females appear similarly involved on TEA activities within their respective populations with no statistical difference.

The study also shows that the main motives for involving in entrepreneurship activities for both male and female is to earn a living because jobs are scarce. Table 17 shows that 36.6 percent of adult male and 19.1 percent of adult females responded that they are involved with entrepreneurial activities to earn a living. The study also shows that 35.5 percent of males, 17.1 percent for female, prefer to be involved as entrepreneurs to build great wealth or very high income. Similarly, 27.2 percent male (19.2 percent female) informed that they became involved to make a difference in the world. This result implies that there are few gender differences existing in entrepreneurial motivation in Oman.

Table 17: Participation in early-stage entrepreneurial activity and reasons for it by gender in Oman

Male	Base: total population 18–64	Base: male population 18–64
Involved in TEA	5.2%	8.2%
Nascent entrepreneurs	2.8%	4.4%
New entrepreneurs	2.4%	3.8%
Male: motives	Base: TEA male in the total population 18-64	Base: male population 18–64
To make a difference in the world	27.2%	38.6%
To build great wealth or very high income	34.9%*	49.5%*
To continue a family tradition	19.7%	27.7%
To earn a living as jobs are scarce	36.6%*	51.6%*
Female	Base: total population 18–64	Base: female population 18–64
Involved in TEA	2.2%	6.3%
Nascent entrepreneurs	1.3%	3.6%
New entrepreneurs	1.0%	2.6%
Female: motives	Base: TEA female in the total population 18-64	Base: male population 18–64
To make a difference in the world	19.2%	64.9%
To build great wealth or very high income	17.1%*	57.9%*
To continue a family tradition	6.1%	21.1%
To earn a living as jobs are scarce	19.1%*	65.8%*
* Gender differences are statistically significant at 95% of confidence in Chi Square tests		

7.3 Age and seniority of early-stage entrepreneurship

The Oman population is much younger, on average, than the population of other countries. Table 18 shows that the total average age of the population between 18 and 64 years is 33.4 years. This indicates that those involved in entrepreneurship are also, on average, younger than in other countries. The result shows that the average age of entrepreneurs is 33.4 years. The standard deviation for this means is 9.54. The average age of TEA entrepreneurs are 32.8 years (SD: 8.94). However, established owner-managers are older in average (36.8 years) compared to the other categories of entrepreneurs. Finally, the average age of those who exited a business activity is 33.7 years, substantiating the earlier identified main

reasons to exit which are not retirement. This result is surprising because most entrepreneurs are very young, at an average 33.4 years old. This may be happened because business or entrepreneurship activities began in Oman relatively recently. Of recent years Oman has faced a very high level of unemployment rate, therefore a significant percentage of the young adult population may have been forced to become involved in entrepreneurial activities. Senior early-stage entrepreneurship in Oman is measured as the proportion of the population aged 50–64 involved in TEA, which has produced a percentage of 5.2 percent (see Figure 36)

Table 18: Mean ages for various entrepreneurial groupings in Oman

Collective	(Mean age (years	(Age SD (years
All population aged 18–64	33.4	9.54
Intention entrepreneurs	32.4	8.70
Nascent entrepreneurs	33.5	9.01
New entrepreneurs	31.9	8.77
TEA entrepreneurs	32.8	8.94
EB owner-managers	36.8	9.07
Exited business owner-managers	33.7	8.83

The motivation results for developing early stage entrepreneurial activities among senior early-stage entrepreneurs shows a stronger focus on building great wealth or a very big income compared to the general distribution

for all ages (see Figure 37). This is a significant difference that indicates that at this age interval (50–64 years), in Oman, this motivation exceeds that of undertaking out of necessity (estimated around a 57.1 percent).

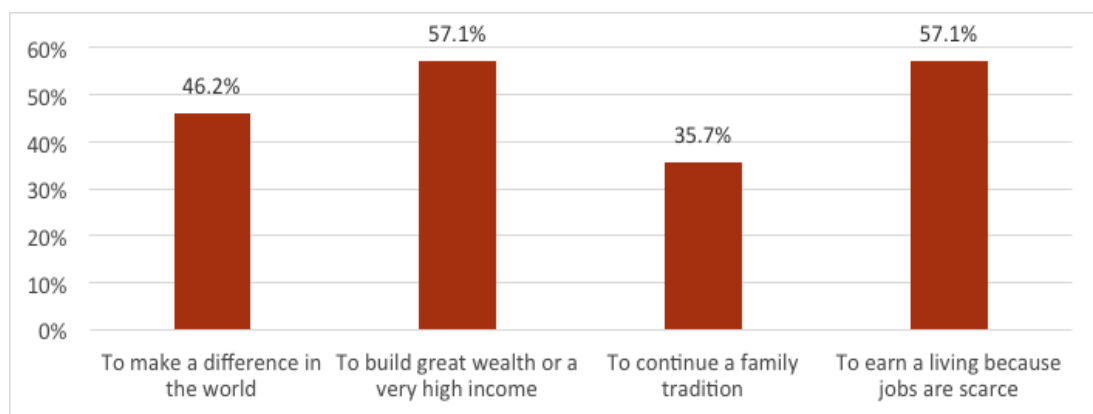


Figure 37: Motivation to develop early-stage entrepreneurial activity for senior early-stage entrepreneurs in Oman

Another important result of senior early-stage entrepreneurs is the diversification of their activities among three sectors with an important increment of their presence in the

transformative or industrial sector (see Figure 38) the year 2019 that represents almost a 50 percent of their contribution.

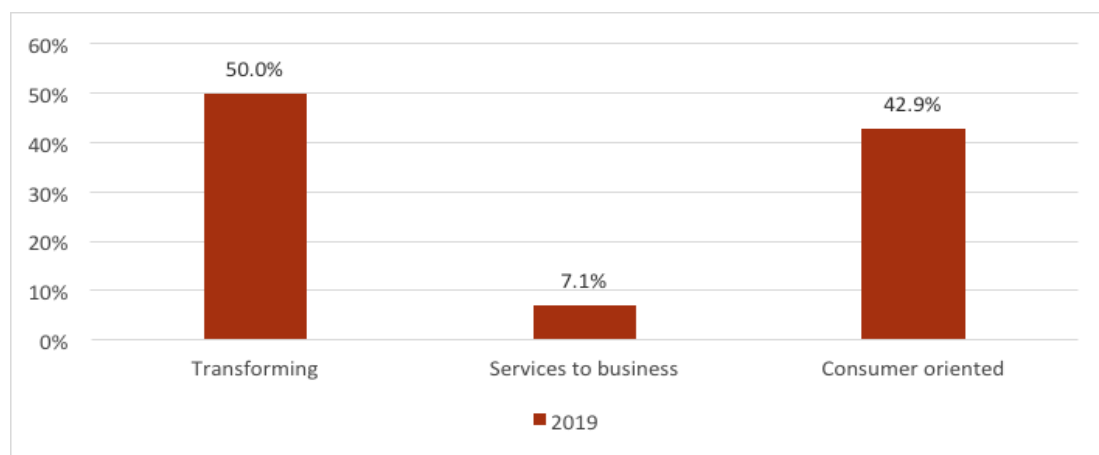


Figure 38: Sector of the early-stage entrepreneurial activities for senior early-stage entrepreneurs in Oman

As a conclusion, senior, early-stage entrepreneurship is constituted by a group of entrepreneurs composed of 75% of males and 25% of females, whose average age is 54.0 years. They continue to make a significant contribution to early stage entrepreneurial

activity in Oman, with more than half of their businesses at the consolidation phase with their relevant presence in the transformative and consumer-oriented sectors and mainly motivated to build great wealth.

7.4 Educational level

GEM classifies those involved in entrepreneurial and business activities according to four educational categories: none (the respondent did not finish any official educational program), some secondary (the respondent finished primary studies and all or part of the second school stage or professional studies), secondary degree; post-secondary (the respondent obtained a professional or university degree); and graduate experience (the respondent holds a postgraduate diploma or doctorate). Figure 39 shows these distributions among the populations involved in intention entrepreneurship, nascent entrepreneurship,

new entrepreneurship, TEA, and established activity. The distribution of educational levels shows that in all entrepreneurial stages, the most predominant educational level is some secondary studies. There are very few entrepreneurs without studies at all stages. This result indicates that a large proportion of entrepreneurs have not completed secondary studies, which is associated with a higher probability of not to survival and success of the business. In the future, as the generational shift occurs, the proportions of people with studies at all stages are expected to increase.

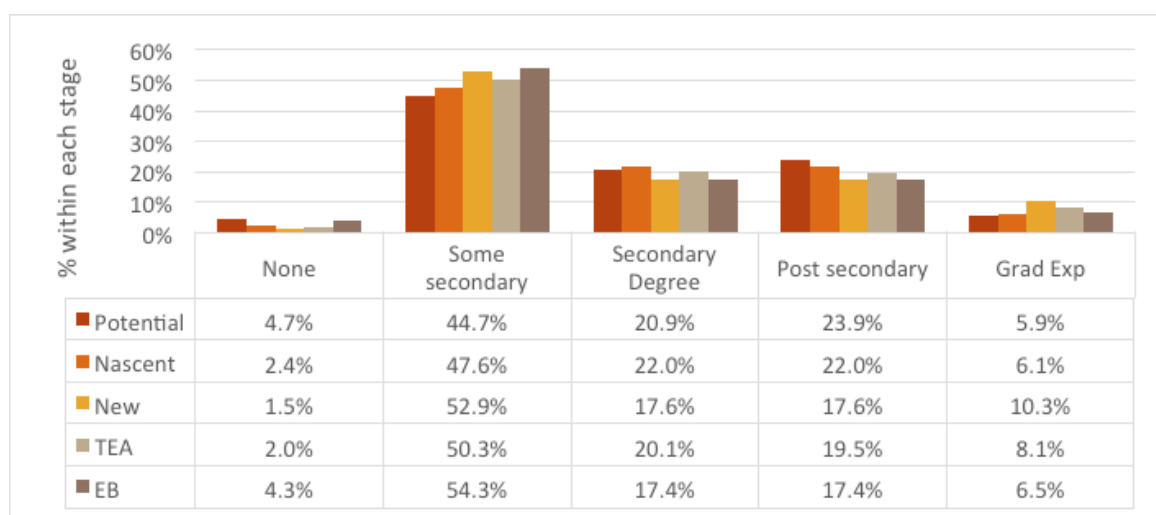


Figure 39: Educational level: distributions for intention, nascent, new, early stage entrepreneurs and established owner-managers

7.5 Work status

GEM also classifies the portion of the population involved in entrepreneurial and business activities by their work status. This variable is summarized in five categories: working full or part time; part time only; student; not working; and self-employed.

Figure 40 shows the work status distributions for intention, nascent, new, early stage entrepreneurs and established owner-managers. The results show that majority of

the entrepreneurs are full time or part-time workers. Around 61.7 percent FB entrepreneurs are either full time or part time worker and 31.9 percent are self-employed professional. Similarly, 29.4 percent new entrepreneurs are also self-employed. Another important aspect is that, among intention entrepreneurs, there is an 11.1 percent of students, 12.2 percent are not working, and 4-4 percent are part-time workers.

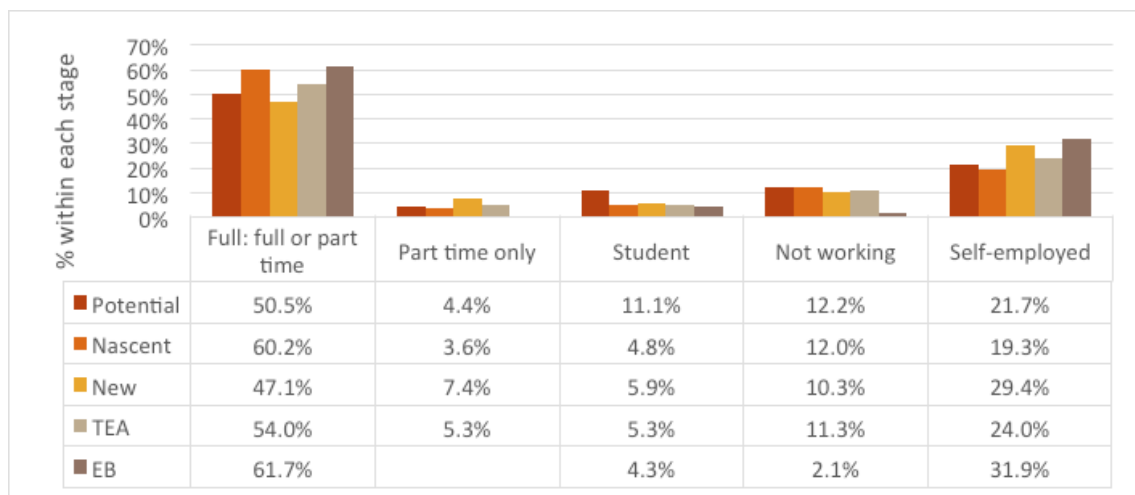


Figure 40: Work status: distributions for intention, nascent, new, early stage entrepreneurs and established owner-managers

7.6 Income

GEM classifies entrepreneurial and business activities by their income level in three categories: lower 33rd percentile; middle 33rd percentile; and upper 33rd percentile. Figure 41 shows the distribution of income for intention, nascent, new, TEA entrepreneurs and established owner-managers in Oman. Results show that majority of all categories of entrepreneurs

belong to the upper 33rd percentile category. However, 30 percent of nascent entrepreneurs are lower percentile. Finally, 68 percent of established owner-managers are situated at the upper percentile. The result suggests that majority of those that survive in the market for long reach a good economic status.

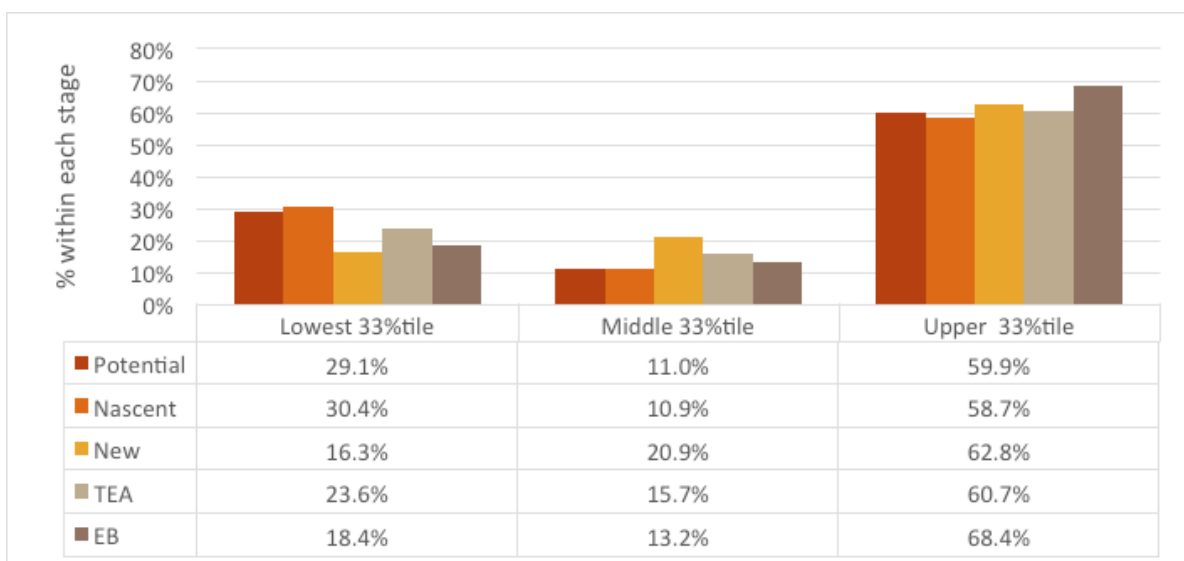


Figure 41: Income: distributions for intention, nascent, new, early stage entrepreneurs and established owner-managers

7.7 Household

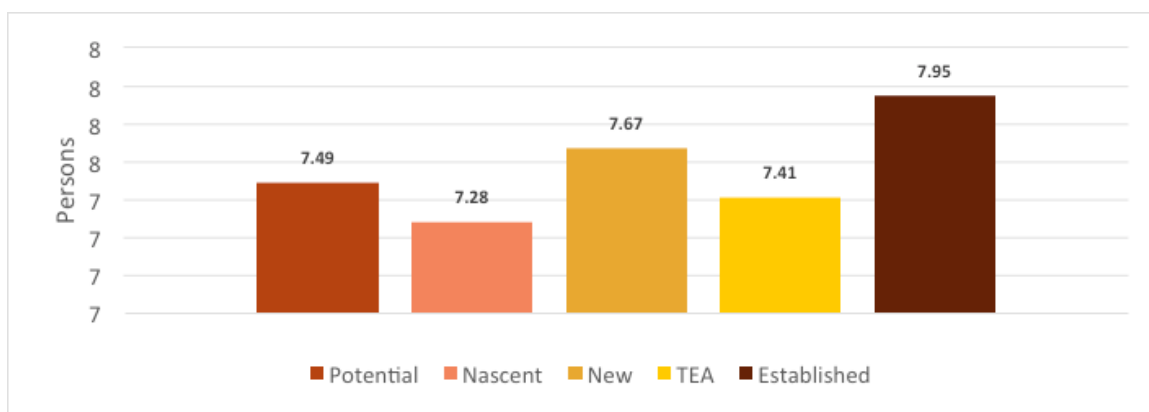


Figure 42 : Average size of households of intention, nascent, new, and early-stage entrepreneurs, and established owner-managers

To complete the socio-demographic profile of individuals involved in entrepreneurial activities, GEM surveys the size of their households in all stages of the entrepreneurial process. Figure 42 shows the average size of households of intention, nascent, new, and

early-stage entrepreneurs, and established owner-managers. It shows that the average household size of EB entrepreneurs is nearly 8 members whereas lowest family size for nascent entrepreneurs is closer to 7.

7.8. Oman’s typical profile of the early-stage (TEA) entrepreneur

This section describes the typical profile of the early-stage (TEA) entrepreneur of Oman. Table 19 shows that the typical early-stage entrepreneur is a male, whose age is 28 years,

who has a secondary degree, whose annual income is between OMR 1441-1920, who works full time in his business.

Table 19: Typical profile of the early-stage entrepreneur of Oman – exit and discontinuation

Gender	Male
Mean age	32.8
Median educational level	Secondary degree
Median annual income	OMR 1,920 -2,400
Work status	Full-time work
Mean household size	7.41

7.9 International position

In this section, we present the international rankings for selected countries of the economically and socially influential zone of Oman, and the USA, of the TEA rate by gender, age group, work status, educational level and income.

First, the results in Figure 43 show that female entrepreneurial activity is proportionally lower than male activity in all the territories compared, except in Oman and Qatar, where both rates are statistically similar. Oman has experienced a dramatic change in this indicator in a short time suggesting that recent legislation on female rights has prompted a significant impact. However, it is going to be necessary to verify this trend during the 2020 study. Qatar shows the highest rate of female activity, and Egypt the lowest. The other regional countries continue showing a notable gap between male and female TEA rates.

When interpreting these results, it is important taking in consideration that the figures are the proportions of women that develop early stages initiatives over the female population and the same about men. Thus, a female rate higher than a male rate is not indicating that there are more male entrepreneurs than female entrepreneurs in a country: it just indicates what is the proportion of women involved on early stage

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population, which, eventually, can be higher than the proportion of male entrepreneurs calculated over the male population. This type of result just will point out that, proportionally speaking,

the female population is, proportionally, more involved on entrepreneurship than a male population.

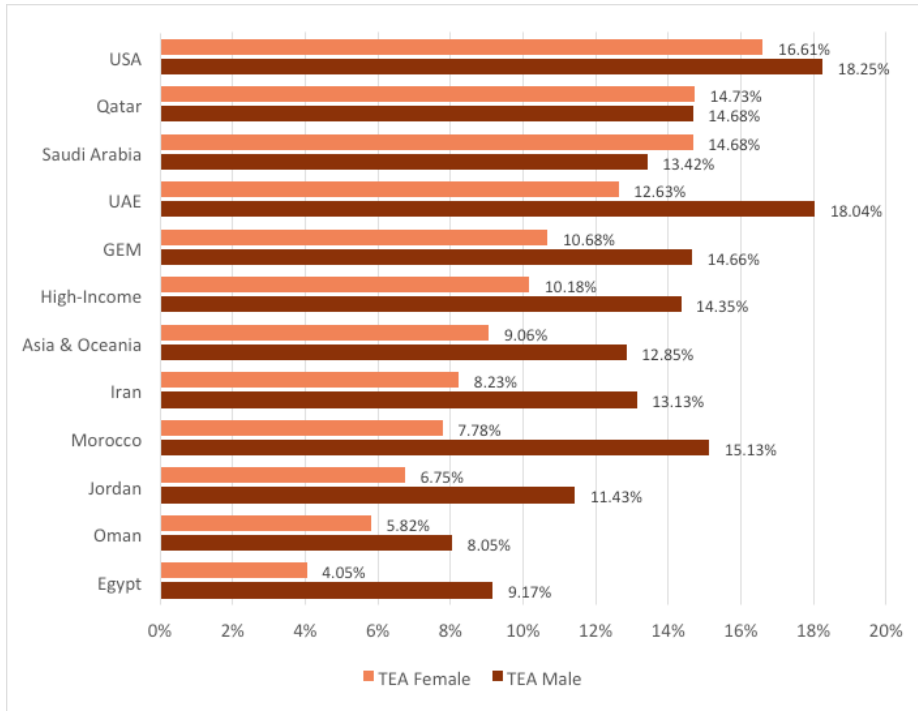


Figure 43 : TEA by gender (2019), ordered by TEA female

Figure 44 illustrates the age distribution of early stage entrepreneurs of each selected country. The younger groups dominate the panorama in Egypt and in Oman to a lesser degree, while in other countries entrepreneurial activity is significantly more developed by people aged 25–44. However, senior early-stage entrepreneurship rates are notable in several economies. In Egypt, Oman, Iran, and Israel, most entrepreneurs are aged 25–

44, while in Morocco, Jordan, Oman and the UEA the proportions of entrepreneurs are weighted more in favor of those aged 35–44. Oman and the UAE show good distributions of entrepreneurship age as the major concentration of entrepreneurs are positioned and identified by the research as the most appropriate to participate in this type of activity, after getting market and professional experience, yet young enough to respond to challenges.

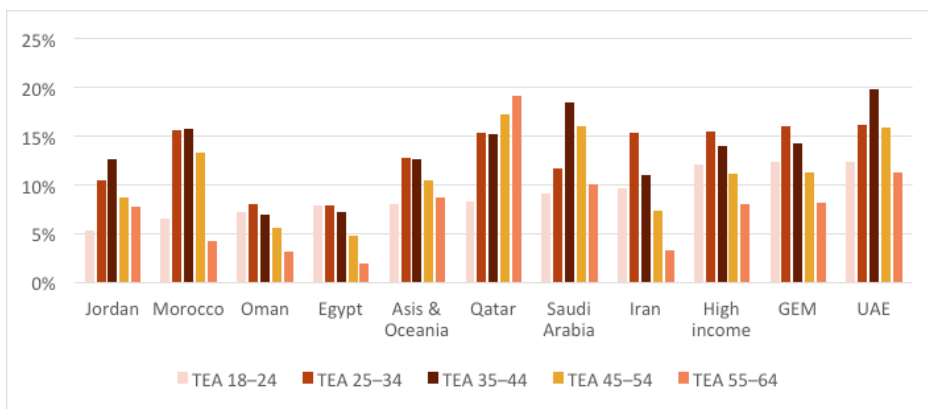


Figure 44: TEA by age (2019), ordered by TEA 18-24

Figure 45 provides an estimation of the proportions of individuals aged 18–64 involved in early-stage entrepreneurial activities according to three work-status categories: working, not working, or studying/retired. The figures indicate how early-stage entrepreneurship weighs on the active population. Not considering the USA, Morocco shows the highest rate among countries of the zone and Oman the lowest. In all countries, the highest proportion of people involved on early-stage entrepreneurial activities are already

working. However, this variable also captures black economy cases, that is, individuals that are not officially working but developing some type of entrepreneurial activity. The rates of these cases is significant in some countries, especially in Qatar, the UAE and Oman. Also, in Qatar, the involvement of students in entrepreneurial activities stands out compared to other countries. Oman shows very small proportions of these cases and appears as the most controlled economic zone based on these indicators.

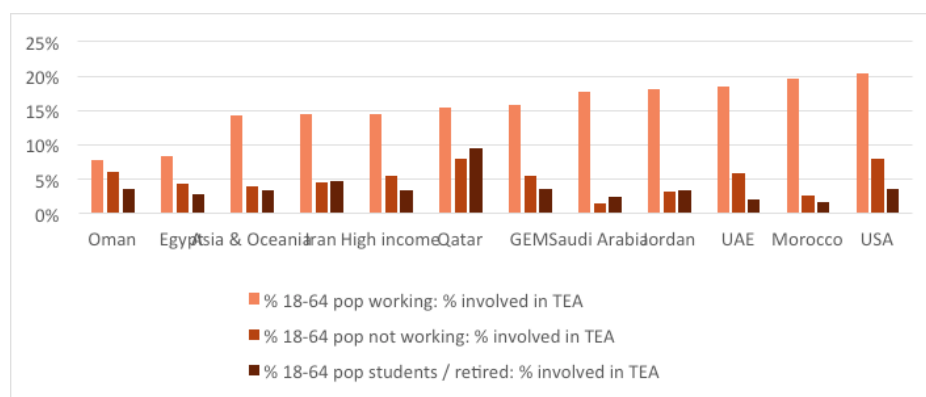


Figure 45: TEA by work status (2019), ordered by TEA working

Figure 46 classifies the proportions of populations aged 18–64 involved in early-stage entrepreneurial activities according to four categories of educational level: some secondary; secondary; post-secondary; and graduate experience. The distribution for Oman exhibits the highest proportion of entrepreneurs with graduate experience, followed at some distance by Qatar, Iran and rest of countries of

the zone. In the UAE, Israel, Morocco and Egypt, the proportion of graduate entrepreneurs has less weight. The educational level of entrepreneurs is one of the factors that determine the development of innovative and successful entrepreneurial activities, so it is desirable that a large proportion of early stage entrepreneurs possess positive educational attributes.

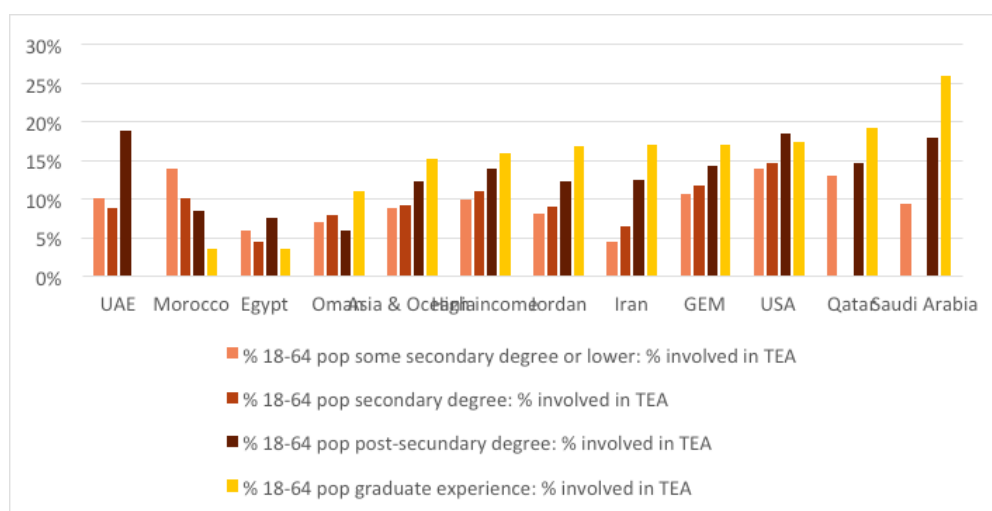


Figure 46 :TEA by educational level (2019), ordered by TEA graduate experience

Figure 47 classifies the proportions of populations aged 18–64 involved in early-stage entrepreneurial activities according to three categories of income level: lower third; middle third; and upper third. Except for Morocco, Qatar and Oman, all the distributions show the highest proportion of early-stage entrepreneurs in the highest income percentile. Meanwhile, the top positions of the rank are led by the UAE and Oman. A distribution that shows ascendant percentages from the lowest to the highest income percentile corresponds to a scenario where necessity entrepreneurship is low. This is the situation that show most of the selected countries of this rank. However, Morocco, Qatar, Oman and Jordan in part, show other

types of distributions where the proportion of entrepreneurs situated at the lowest income third is bigger than the proportion of entrepreneurs situated at the highest income third. These schemes correspond to scenarios where necessity entrepreneurship is relevant, undermining the economic impact of the early stage activity.

In conclusion, Oman is well positioned not only regard this indicator but also in those analyzed previously, results that governmental and societal initiatives are having a positive effect in making entrepreneurship an effective participant in Oman's economic transformation.

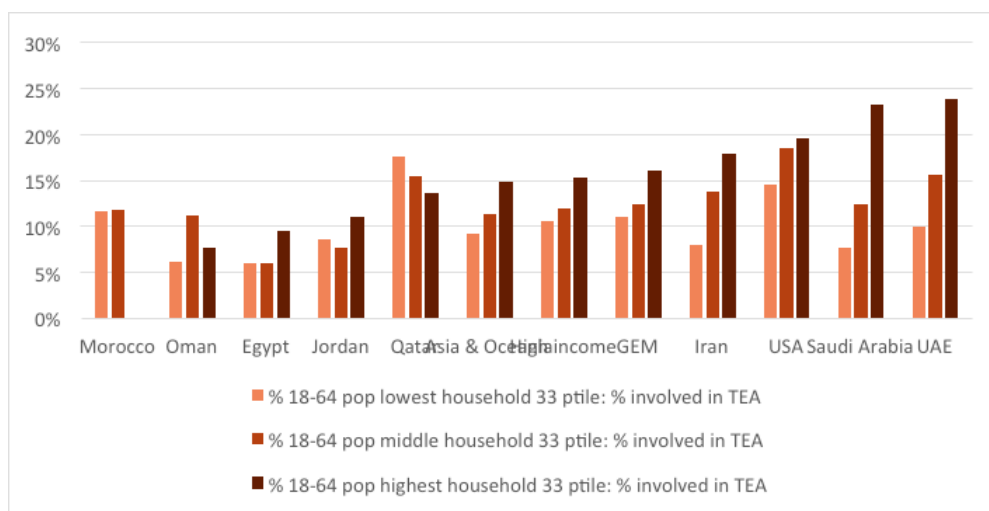


Figure 47: TEA by annual income level (2019), ordered by TEA highest 33% percentile

Innovative Technology for Educational Solutions L.L.C



التكنولوجيا المبتكرة للحلول التعليمية ش.م.م

Innovative Technology for Educational Solutions LLC “InnoTech” is an Omani SME founded by a group of Omani engineers to make a revolution in the industrial sector not only in Oman but in the Arab world as well.

InnoTech has these main products/services:

1. InnoBox, an educational kit for schools’ students to learn electronics in a safe, fun and practical way. An Omani product made by InnoTech.
2. 3D Printing, a must-to-have technology at every school to unleash the creativity for students to invent and create project.
3. Virtual Reality and Augmented Reality, one of the most important technologies for education. We are developers for both VR and AR educational content.
4. FabTech, fabrication technology training and assets for universities and colleges with annual technical support for sustainable development.
5. FabTech Mobile Lab, a mini fabrication lab that moves from one school to another to help children

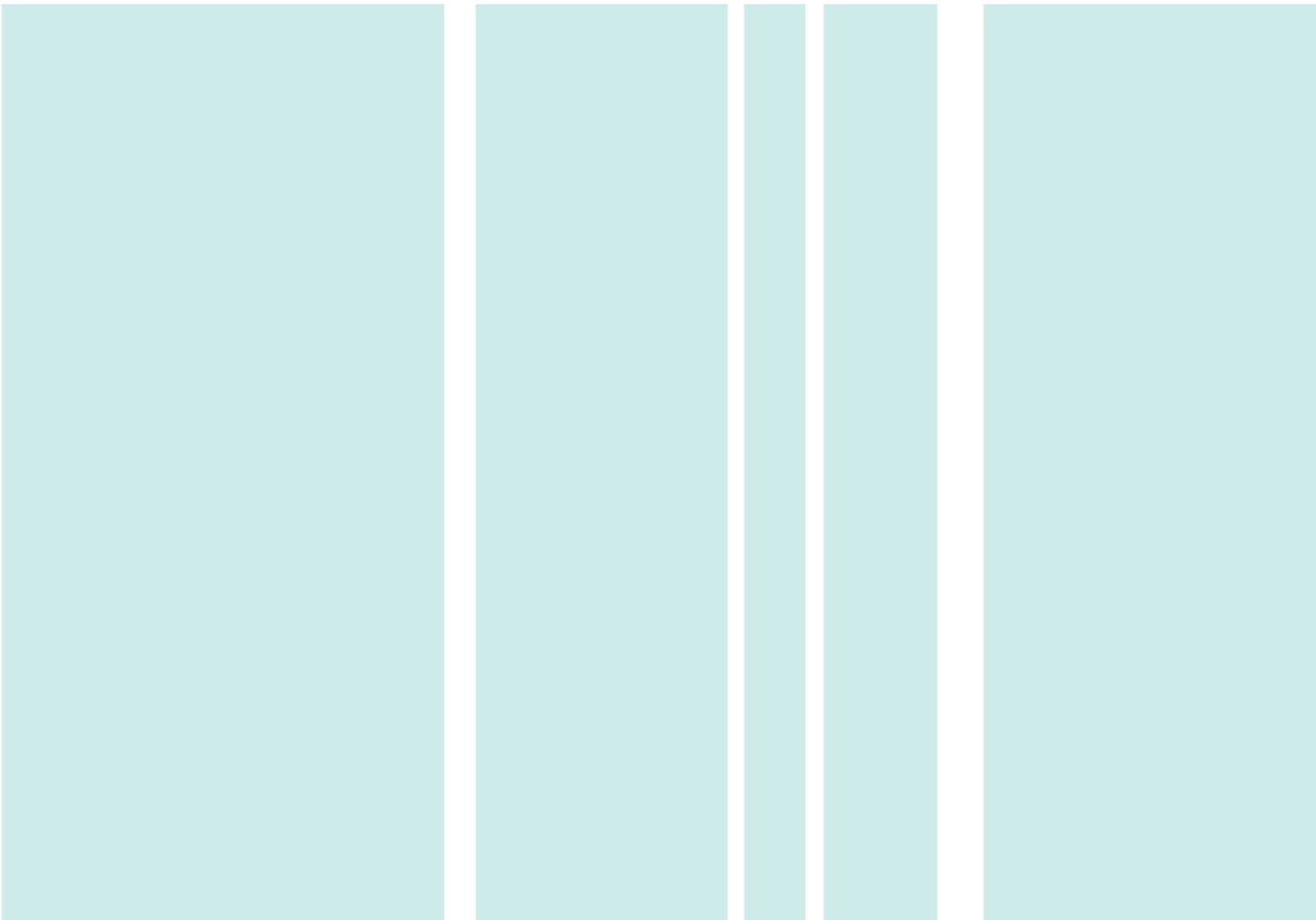
turn their ideas into manufactured innovations.

6. The Child Exploration Center in Sohar, the best place for all kids, students and families to play with more than 21 educational games from space, engineering, mathematics, history and all other skills needed for children.





8. Informal investment activity



8.1 Estimated proportion of adult population acting as an informal investor

Financing in business and entrepreneurship is one of the important components for the development of entrepreneurial activities. There are various sources of financing entrepreneurship, whether self-financing including financing from families, friends, or relatives, and also funding, and incurring debt to financial institutions. The government also provides financial support in various forms to encourage entrepreneurs. The Government of the Sultanate of Oman invites direct foreign investment and encourages investors to enhance entrepreneurial activities in Oman.

The GEM-Oman 2019 survey collected the information regarding formal as well as informal investment in business and entrepreneurship. This study also identified various forms of informal investment and their effect on entrepreneurial activities with consequent impact on the national economy. In this study we measured informal investors as a percentage

of respondents who answer positively, at a given moment, the question: “Have you, in the past three years, personally provided funds for a new business started by someone else, excluding any purchases of stocks or mutual funds”

The results for the year 2019 are shown in Figure 48, the informal sector is 14.40 % while early stage entrepreneurship is 6.94 % along with the TEA rates. The percentage of people who declared they had acted as informal investors. As GEM conducted this survey for the first time in Oman, so we cannot compare the progress over time, however, the percentage of informal investment appears reasonably good compared to the other similar countries such as KSA 11.8 percent (GEM 2018). The percentage of early stage of entrepreneurs (TEA) is relatively low, maybe because Oman also recently embarked on a pathway of economic diversity, which should encourage entrepreneurship activities.

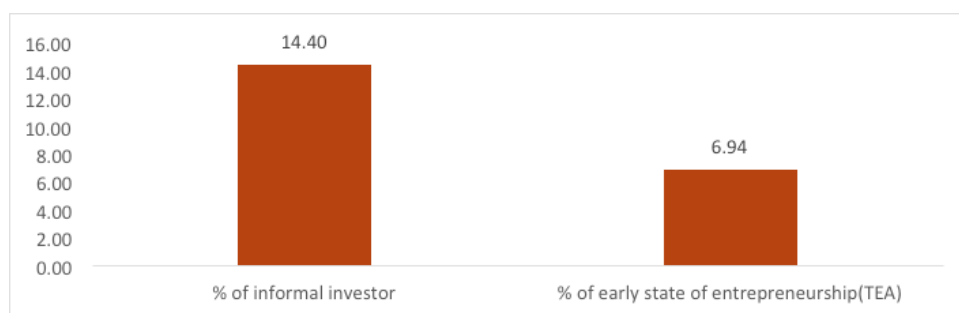


Figure 48: Estimated percentage of adult population acting as informal investors and TEA in Oman

8.2. Estimated amount of informal investment

Most individuals who affirmed they had acted as informal investors also provided the approximate amount of their investment. The results in Table 20 show the average amounts of informal funds in OMR and USD, along with their respective standard deviations, medians, and modes. The most robust indicator is the median, as the average is affected by extreme values (whether low or high).

The results of this section (Table 20) show the percentage of informal investors is 70.1 percent and the average invested amount is

OMR 9,759.69 (25,382.81 USD), the invested amount standard deviation is OMR 67,925.79 (176,660.05 USD). Median and mode value of the invested amount is the same OMR 2000 (5,201.56 USD). These results illustrate that most of the funding for entrepreneurial activities in Oman are financing from the informal sources. This means that informal investors have a larger role in entrepreneurship activities in Oman. However, the average amount of investment is relatively smaller. This means that majority of the informal investment is in small size businesses.

Table 20: Main indicators on informal funds invested in Oman

Indicators	2019
of informal investors who provided the amount %	70.1
Invested amount average (OMR)	9,759.69
Invested amount standard deviation (OMR)	67,925.79
Invested amount average (USD)	25,382.81
Invested amount standard deviation (USD)	176,660.05
Invested amount median (OMR)	2,000.0
Invested amount median (USD)	5,201.56
(Invested amount mode (OMR)	2,000.0
Invested amount mode (USD)	5,201.56

Taking the sampling results of the year 2019 as a reference, Table 21 provides a rough estimate of the impact of informal funds on early-stage entrepreneurial activity financing the period 2019 by elevating the results for the sample to the adult population.

The results show that Oman's population aged 18–64 (persons) is 1,346,645. It has been

discovered that 14.4 percent of the population in this age category are informal investors. Estimated total funds invested over the past 3 years, by applying the median to each informal investor is OMR 386,394,000. This means that each year the estimated amount of investment can be calculated to be OMR 128,798,000 (refer to Table 21 notes).

Table 21 : Total amount of funds informally invested in Oman over the period 2019 as a contribution to entrepreneurship finance.

Concepts	2019
Oman's population aged 18–64 (persons)	1,346,645
Point estimate of informal investors in the population over the last 3 years (%)	14.40%
Point estimate of the number of informal investors in the population over the last 3 years (persons)	193,197
Estimate of total funds invested in 3 years, by applying the median (OMR) to each informal investor	386,394,000
Estimate of total funds (OMR) invested each year, by dividing the previous amount by 3	128,798,000
Estimate of total funds invested in 3 years, by applying the median (USD) to each investor	1,004,925,877.76
Estimate of total funds (USD) invested each year, by dividing the previous amount by 3 (period 2015–2017)	334,975,292.59

Note: these results constitute a rough approximation, as they are calculated under the imprecise assumption that in each of the three years, the number of investors was the same, and the medians remained constant. Also, one should bear in mind that the results are based on a sample and under an estimation error at 95% of confidence. The result is therefore an approximation of the impact of informal funds on entrepreneurial financing.

8.3 Characteristics of informal investors

This section describes the personal characteristics of informal investors in Oman, from the results shown in Table 22. Results show that most of the informal investors are male (74.5%) and their average age is around 33.5 years. The lowest annual income range is represented at 33.2 %, while the highest is

represented to the tune of 57.9%. It has been identified that the education level of the informal investors is secondary or post-secondary level. Only 8.7 percent investors have graduate level of education and 82.9 percent investors are working (either full time or part time).

Table 22: Main indicators on informal investors' characteristics

Characteristic	2019*
Gender	
Male (%)	74.5
Female (%)	25.5
Age	
Mean age and standard deviation	33.5 (.873)
Annual income	
Lowest 33% percentile	33.2
Middle 33% percentile	8.9
Highest 33% percentile	57.9
Educational level	
None (%)	4.0
Some secondary (%)	38.3
Secondary (%)	22.4
Postsecondary (%)	26.5
Graduate experience (%)	8.7
Work status (reduced)	
Works full time or part time (%)	82.9
Not working (%)	8.7
Retired/student (%)	8.4
Knows recent entrepreneurs (%)	89.1
Sees good opportunities (%)	71.6
Involved in TEA (%)	9.3
Involved in EB (%)	4.0

**Note: the basis of calculating these indicators is the total sample of informal investors in each year.*

8.4 Relationship between informal investors and beneficiaries

GEM provides a description of the relationship between informal investors and their beneficiaries. In Figure 49 shows that close family member percentage is 26.2%, some

other relative is 52.5%, work colleagues are at 8.9%, with friends at 11.7%, while with a stranger the figure is a low 0.7%.

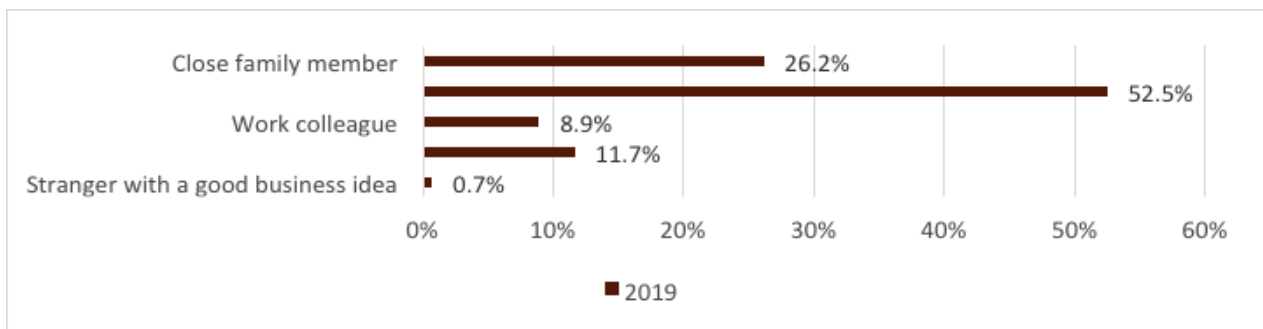


Figure 49: Distributions of categories of relationships between informal investors and early-stage entrepreneurs

8.5 International position

Figure 50 shows that the proportion of Oman's population committed to informal investment is the second highest in the Arab world. In general, countries of the Arabian Peninsula are those that show the most participative populations. Results show that in terms of percentage of the population acting as informal

investor rather than institutional options, Saudi Arabia is the highest position followed by Oman, Qatar and the UAE at a relatively short distance, while Morocco and Egypt show the lowest proportions of informal investors over their 18-64 years population.

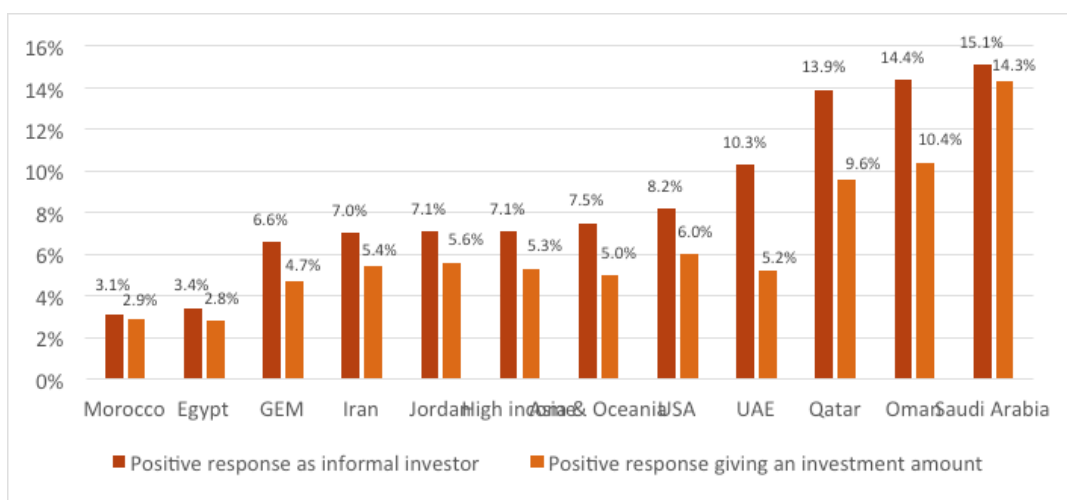


Figure 50: Estimated percentage of population acting as informal investors (2019)

However, looking at Figure 50 and Figure 51, which shows the average funds (USD) provided by informal investors, one can see that the averages for the UAE and Qatar are placed first in the group at a very big distance

from other countries, while Iran's average is last. Therefore, proportionally speaking, the impact of informal investment in the UEA and Qatar is higher than in other countries.

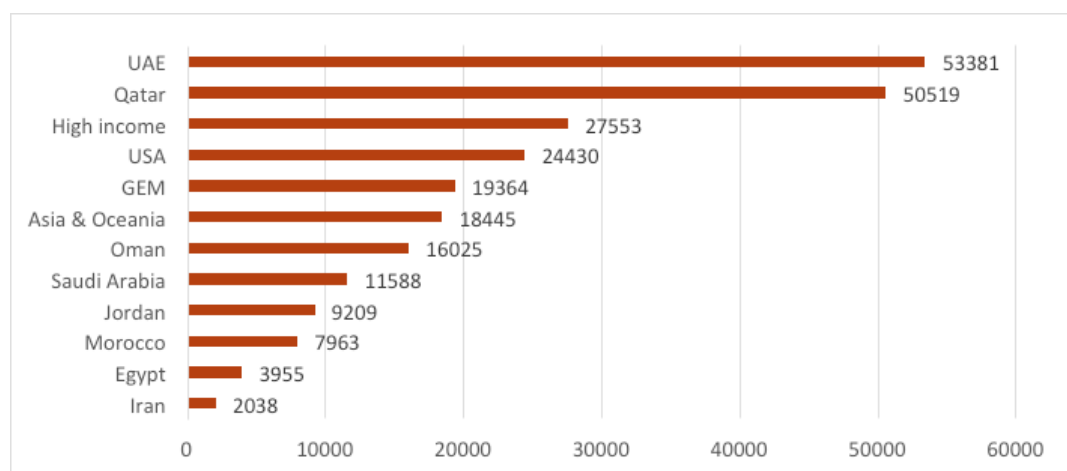


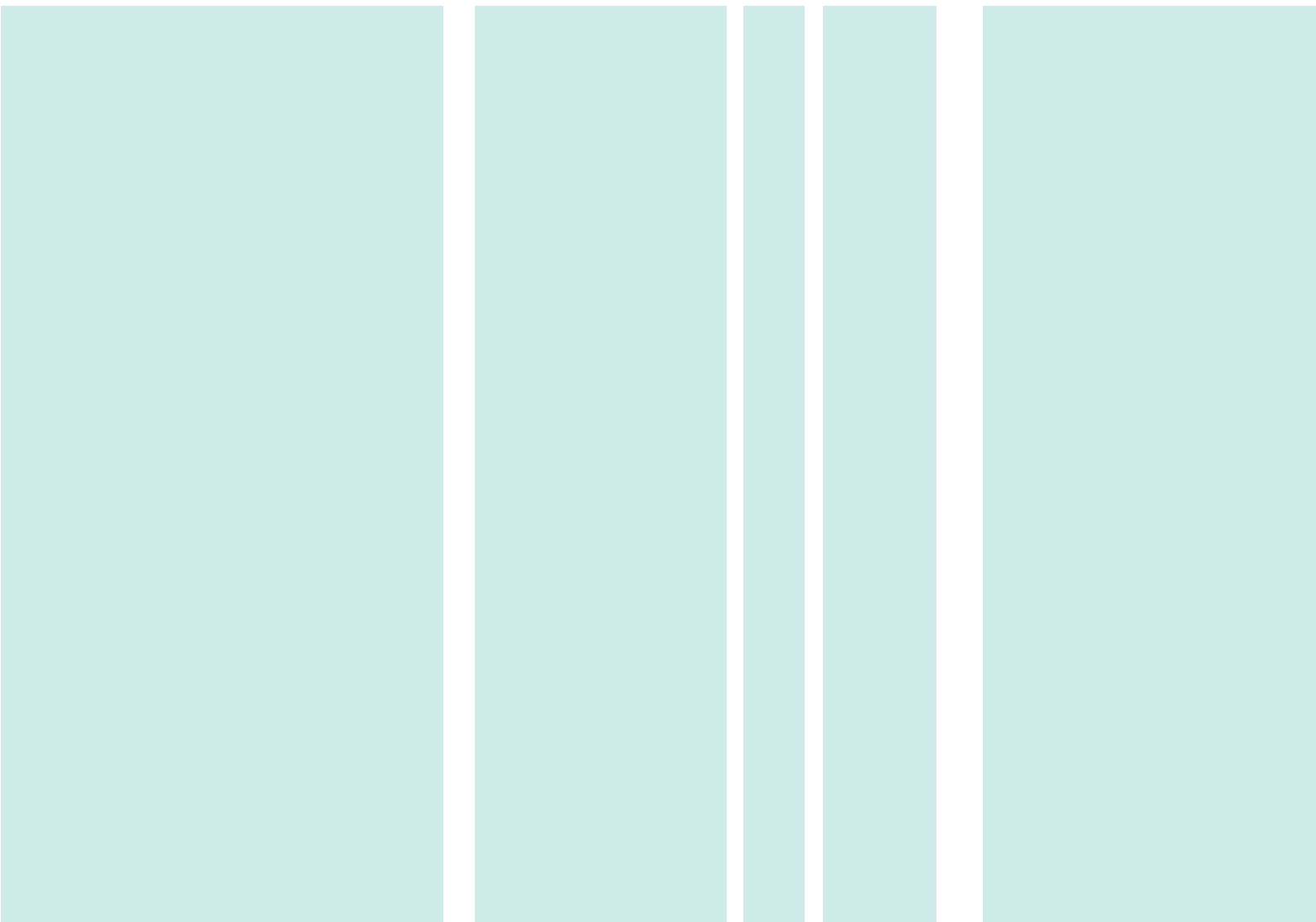
Figure 51: Estimated average funds invested by informal investors – average in USD (2019)

Oman's population is the most committed to informal investment in the zone, but in 2019, the average amount invested was substantially below the GEM and high-income countries' average, so the impact of this investment is lower than in other countries of the zone. The tradition of this type of help for independent entrepreneurs is certain, but the average

amount reveals that it is mainly focused on modest initiatives. To promote more ambitious investments requires the government to make accurate economic analysis of entrepreneurship, and design tax benefits that will attract greater numbers of informal investors who will act with greater enthusiasm, in favor of innovative entrepreneurs.



9. Entrepreneurship mindset



9.1 Introduction

The year 2019, GEM presents for the first time the Entrepreneurial Mindset Index (EMI), a simple index based on the META approach of Gorkan Ahmetoglu (2015), a scientific tool specifically designed to identify entrepreneurial intention and predict entrepreneurial success and that it has been validated with people from over 25 different countries. META sees successful entrepreneurs as opportunists who, through their creativity, drive and vision, create economic or social value. This is very different to the traditional GEM definition of an entrepreneur as anyone who starts their own business, no matter how insignificant it is, but it is of great interest to policymakers. The complete META tool is composed by four constructs on creativity, opportunism, proactivity and vision, assessed by 40 items, 10 per construct, plus 5 additional items to test for social desirability bias.

The following definitions describe the four concepts that integrate this index:

1. Entrepreneurial creativity: the ability to generate innovative business ideas (relates to non-conformity, originality and preference for novel experiences)
2. Opportunism: the tendency to spot new business opportunities (relates to being alert, informed, and detecting future trends)
3. Proactivity: the tendency to be proactive about projects and get stuff done (relates to energy, confidence and self-determination)
4. Vision: the ability to see the bigger picture, the motivation to

bring change and create progress (relates to values and having a higher sense of purpose)

Given the limited number of questions that can be added to the adult population's questionnaire, comprehensive multi-item scales are not suitable for GEM. Therefore, it implemented a 5-point Likert scale to capture the four key characteristics of entrepreneurial personality identified by meta-profiling namely, creativity, opportunism, proactivity, and vision (Metaprofiling 2013). The items or statements inserted in the GEM questionnaire representing these concepts and assessed by the complete sample have been:

- Other people think you are highly innovative, agree/disagree (to represent creativity)
- You rarely see business opportunities, even if you are very knowledgeable in the area, agree/disagree (to represent opportunism)
- Even when you spot a profitable opportunity, you rarely act on it, agree/disagree (to represent proactivity)
- Every decision you make is part of your long-term career plan, agree/disagree (to represent vision)

After analyzing the different possibilities of weighting, GEM scholars concluded that a very simple additive index composed of the four items added (after reversing the coding of the first two) then divided by four, was the wisest option with which to calculate the Entrepreneurship Mindset Index for a country.

9.2. The Entrepreneurial Mindset Index and its basic components for the Omani population

Within the Omani population, vision appears the most prevalent of the four components of entrepreneurial mindset, as shown in Figure 52, followed by creativity, opportunism and proactivity. These results indicate that Omanis people can bring changes and create progress in their societies. Furthermore, many people in Oman have creative ideas and they can bring novel and innovative business ideas. However, still the main hurdle for them is how to bring these ideas to fruition and commercialize them. They see there are many obstacles that constrain them from being an effective entrepreneur. Obstacles like policies, institutional failures,

access to financial, non-financial support, competition, finding niche markets, human capital and many others (Al Shukaili et al. 2018; González-Pernía, Jung, and Peña 2015). Still adults in Oman need more entrepreneurial skills to improve their proactivity, energy, confidence and self-determination. In summary, the four basic components of an entrepreneurial mindset have a positive impact in the TEA rate estimated for Oman in 2019 of 6.98%. It was mentioned earlier that 6.98 % of the adult population was involved in early-stage entrepreneurial activity, and this rate is affected positively with the four components of the entrepreneurial mindset.

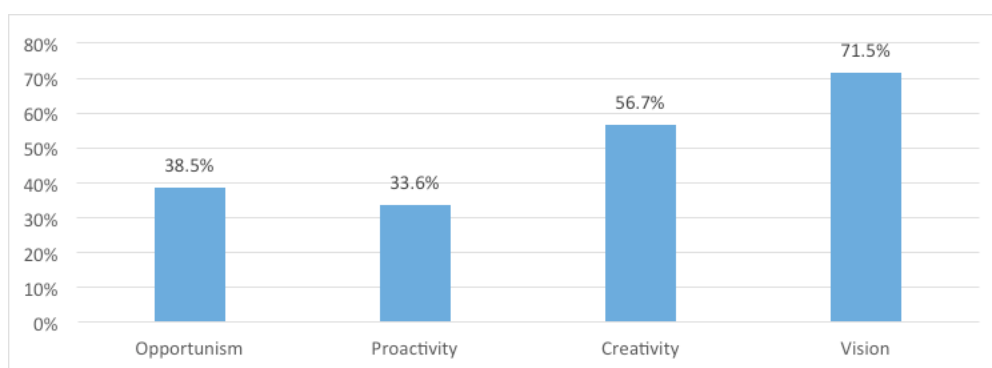


Figure 52: Prevalence of entrepreneurial mindset basic components in the Omani population

From a global perspective, the average of these four components, using the original Likert scale scores given by the respondents results in the Entrepreneurial Mindset Index (EMI)

for Oman, from Table 23. The index is of 3.29 points over 5, which can be interpreted as a moderate entrepreneurial mindset degree for Oman, slightly above the average.

Table 23: Entrepreneurial Mindset Index for Oman's 18-64 years old population the year 2019

Concept	Mean	Standard Deviation
Entrepreneurial Mindset Index	3.29	0.71

9.3 Significant relationships between the Entrepreneurial Mindset Index and selected socio-demographic variables

The average degree of entrepreneurial mindset is measured by the composite index presented in the previous section, and illustrates interesting differences in some variables by gender, educational level, and different types of involvement of individuals in entrepreneurial activities. Thus, the results showed in Table 24 shows that the EMI index is not significant between male and female in Oman. However, the average value of the EMI index is significant, and it increases as the educational level does. Furthermore, the results of Table

24 reveal that the EMI index is significant for some entrepreneurial activities which are higher for intention entrepreneurs, early-stage (TEA) entrepreneurs, corporate entrepreneurs and individuals acting as informal investors. In turn, in Oman, the entrepreneurial mindset index does not vary by gender, age group or by involvement on established businesses. The results strongly confirm the logical assumption that the greater the entrepreneurial mindset, the greater the likelihood of being involved in business activities.

Table 24: Average scores of the Entrepreneurial Mindset Index (EMI) by selected sociodemographic variables

	Categories	EMI Average	EMI St. Dev.	Conclusion
Gender	Men	3.18	0.72	The difference is not significant
	Women	3.20	0.71	
Educational level	None	3.09	0.76	The differences are significant
	Some secondary	3.15	0.73	
	Secondary degree	3.25	0.69	
	Post-secondary	3.22	0.71	
	Grad. Exp.	3.28*	0.71	
Intention entrepreneurship	Not involved	3.12	0.75	The difference is significant
	Involved	3.23*	0.70	
Early-stage entrepreneurship	Not involved	3.18	0.71	The difference is significant
	Involved	3.32*	0.71	
Established owner-managers	Not involved	3.19	0.70	The difference is not significant
	Involved	3.36	0.95	
Corporate entrepreneurs	Not involved	3.18	0.71	The difference is significant
	Involved	3.32*	0.78	
Informal investors	Not involved	3.17	0.71	The difference is significant
	Involved	3.27	0.72	

9.4 International position

Figure 53, figure 54, figure 55, and figure 56 all demonstrate Oman's international position relative to the four components of the EMI index. Starting with opportunism, the Omani population shows a close position to that of the USA in this, as more than half the American population acknowledges being in possession of this trait. Oman and Iran are the best positioned countries in the zone, while Jordan shows the lowest position. Approximately 40% of Oman's population have the identified opportunism traits. Oman is in the above of GEM and high-income averages for opportunism, which means that Omani entrepreneurs are able to identify opportunities as they arise, quicker than those in other countries.

Proactivity is the second ranked component. The Moroccan population stands out among

those in this indicator as almost half of it reports having this trait. Oman is also remaining in a top position close to the USA. Oman is ranked in higher positions in these traits in contrast to other GCC nations.

However, the rank on creativity gives lower rates than the two previous categories. The first position is for the USA, followed by Qatar, Iran and Saudi Arabia, and Jordan. The interesting figure is that Oman in the creativity component stands above the GEM and high-income averages and is aligned with the UAE position. Finally, Egypt stands out with a very high rate in the visual element, followed by Qatar and the UAE. Oman is in the middle international position in this component and around 70% of its population exhibits this trait.

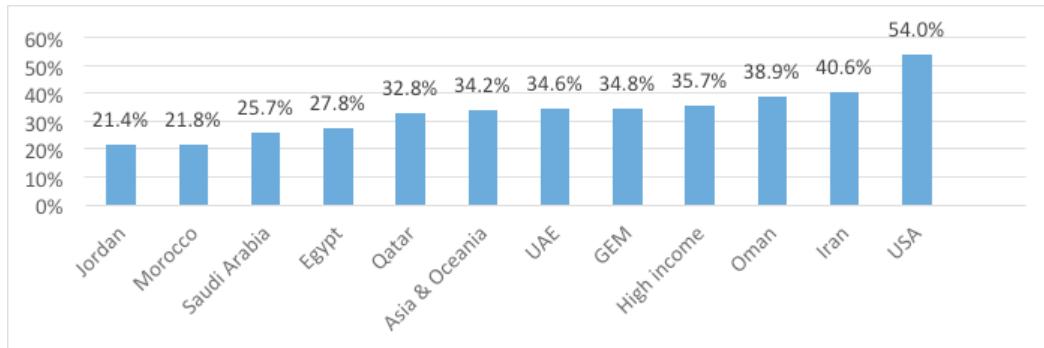


Figure 53: International position on opportunism

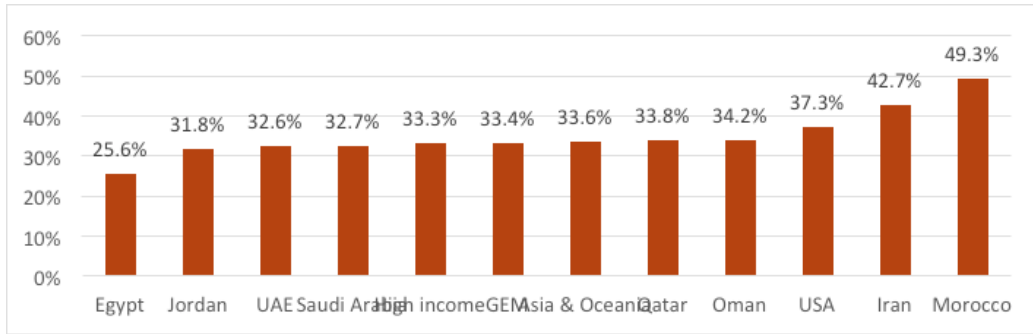


Figure 54: International position on proactivity

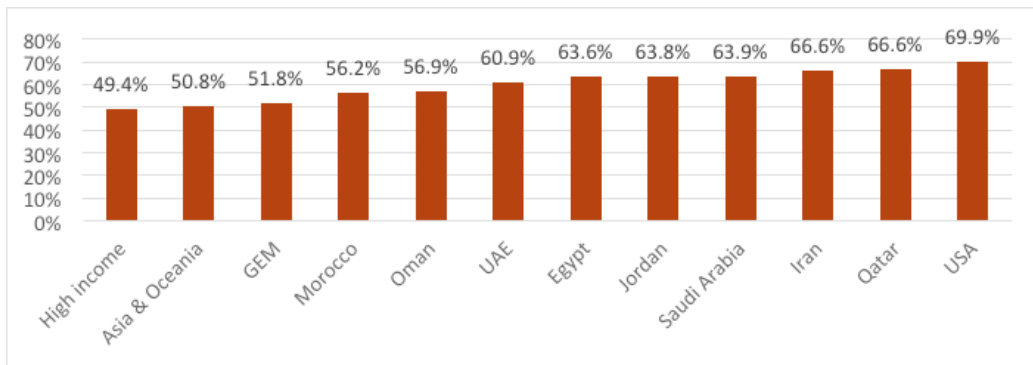


Figure 55: International position on creativity

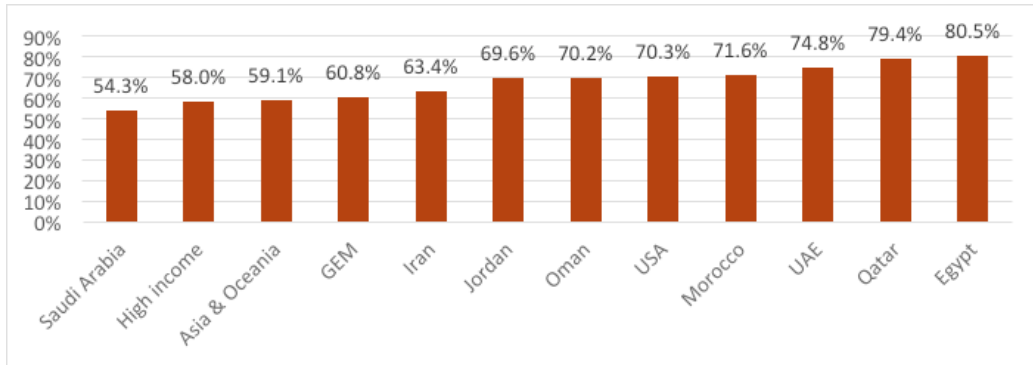


Figure 56: International position on vision



10. The context for entrepreneurs: perception of the quality of the national entrepreneurship framework conditions

10.1 Introduction

Entrepreneurs take the decision to initiate and manage a new venture in a specific environment or context which encompasses a wide range of local and national conditions that may facilitate or hinder these types of initiatives. For example, the specific environment may encourage entrepreneurial activity by providing accessible sources of financing for entrepreneurs, easy bureaucratic procedures, incubation facilities and other supportive elements. However, the context may discourage that same activity by having exorbitant business registration fees, restricted access to financing sources, lack of market dynamism and other unsupportive factors.

GEM Oman assesses the average state of the national context for entrepreneurship evaluating nine Entrepreneurial Framework Conditions thanks to the annual implementation of an experts' survey (National Experts Survey known as the NES). GEM requires the participation in the survey of a minimum of four experts for each of the nine framework conditions. This

10.2 Average state of the national entrepreneurial framework conditions exit and discontinuation

Since 2019 is the first year for Oman joining the GEM, it is difficult to evaluate the progress in the pool of Omani national entrepreneurial framework conditions. For this year (2019) Table 25 reveals the results of twelve national entrepreneurial framework conditions selected by GEM to assess the context for entrepreneurship in Oman. Results show moderate score levels between 4 and 6. Therefore, entrepreneurial financing, government policies, bureaucracy and taxes and governmental programmes, achieved insufficient Likert Scale scores. The internal market dynamic maintained its

year, as the first year for Oman GEM Report, the sample has been integrated by 36 experts, carefully selected according to their knowledge and experience in at least one of the framework conditions, and usually more. These conditions, taken together, specify a local environment for enterprise that, for the person trying to start a new venture, will be supportive in some ways and constrained in others. Individually and collectively, these conditions influence how easy, or how difficult, it can be to start a new business and then develop that new venture into a sustainable established business.

Individually and collectively, the state of these conditions influences the perception of entrepreneurs and owner-managers as to how supportive or unsupportive is the context for them to develop their activities determining to some degree their attitudes, aspirations and decision making. The next section shows the results provided by experts concerning the Omani context of the year 2019.

moderately positive perception along with the physical infrastructure, services, cultural and social norms components. The other conditions, entrepreneurial education, commercial infrastructure, R&D transfer and internal market burdens also generated insufficient scores. Entrepreneurship education at school stage remains as the worst evaluated condition: a pending issue, not only for Oman, but for most GEM countries. In Oman, still there is no special curriculum for students at schools which will assist them to understand the concept of entrepreneurship.

Table 25: Average state of the twelve national entrepreneurial framework conditions (NECI pillars) selected by GEM to assess the context for entrepreneurship

National entrepreneurial framework conditions	2019
Entrepreneurial finance	4.32
Government policies and support	4.46
Bureaucracy and taxes	4.15
Governmental programs	4.44
School: entrepreneurial education and training	3.47
Post-school: entrepreneurial education and training	4.40
R&D transfer	4.07
Commercial and professional infrastructure	4.56
Internal market dynamics	5.56
Internal market burdens	4.02
Physical infrastructure and services	6.16
Cultural and social norms	5.71
Scores are offered in a Likert Scale: from 0 = very insufficient to 10 = very sufficient	

On the international scene, there is evidence of positive improvement of the perception of some key conditions of the Oman's context the country scaled positions within the ranking of GEM countries for each individual condition. Table 26 shows the Omani position within the international ranking for each condition. The relative state of the two components of Physical infrastructure are the best positioned within the 2019 international GEM context, followed by

Internal market burdens or entry regulation, Commercial and professional infrastructure, Entrepreneurship education at post-school stage and social and Entrepreneurial finance. Compared to global indicators, Oman achieves a below average positioned in entrepreneurship education at school stage, followed by government policies: support and relevance, and R&D transfer.

Table 26: Rank position of main entrepreneurial framework conditions within the 2019 GEM context and exit and discontinuation

Entrepreneurial framework conditions	GEM rank over 54 economies
Year	2019
Entrepreneurial finance	34
Government policies: support and relevance	19
Government policies: taxes and bureaucracy	27
Government entrepreneurship programs	24
Entrepreneurship education at school stage	17
Entrepreneurship education at post-school stage	36
R&D transfer	27
Commercial and professional infrastructure	37
Internal market dynamics	19
Internal market burdens or entry regulation	37
Physical infrastructure	40
Cultural and social norms	20

Compared with the GEM average state (see Figure 57), Oman shows a better relative position for the cultural and social norms, and internal market dynamics. The Omani context shares similar average scores for government

entrepreneurship programs, government policies: support and relevance, government policies: taxes and bureaucracy and R&D transfer. Other conditions fall somewhat below GEM averages.

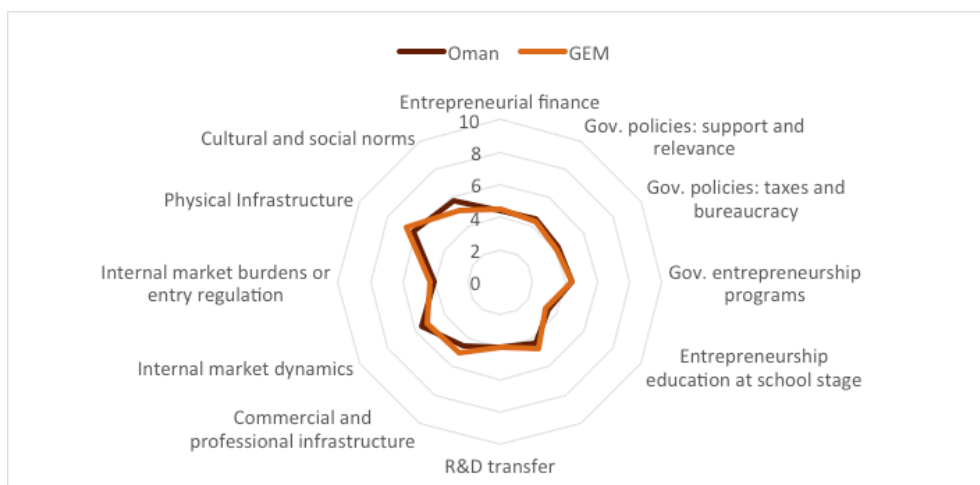


Figure 57: Positioning of Oman regarding the GEM average in relation to the state of the twelve main entrepreneurial framework conditions

10.3 The NECI: A general view of entrepreneurial framework conditions

In 2018 GEM introduced the National Entrepreneurship Context Index or NECI, a composite index representing in one figure the weighted average state of the set of national entrepreneurial framework conditions. The first version of this composite index was derived from the ratings given to each framework condition by the national experts, as well as the relative importance they attached to each condition. However, for 2019, GEM implemented a more objective methodological approach to determine the weights of the framework conditions on the composite index, introducing a new variable to assess the overall state of the context for entrepreneurship in the experts' questionnaire, and calculating a regression model using this variable as dependent and the results on the framework conditions as independent. Figure 10.2 illustrates the overall NECI ranking and scores out of ten points for this new measure of the NECI, for the 54 economies completing the 2019 GEM National Expert Survey.

Oman holds the 29th position (see Figure 55) of the 2019 ranking after climbing several positions thanks to having obtained a better evaluation by experts in most measurements. The average score of the NECI index is of 4.63 points. This value suggests that the Saudi entrepreneurship context is overall considered, at least sufficient for, or more supportive than unsupportive for developing entrepreneurial and established business activities.

Of the 54 economies evaluated by GEM experts, only 17 (35.7%) reached a sufficient or higher than average status that indicates that the environmental conditions for entrepreneurs are not, in general, significantly adjusted or oriented to meet the needs of their societies, to ensure entrepreneurial participation contributes more significantly to economies.

The government of Oman is working hard to build an entrepreneurial ecosystem that can assist at all entrepreneurial development stages. There are many entrepreneurship programs that have been offered either by the public or private sectors which are all focused on different types of hard or soft support. According to the "Mapping the SME Ecosystem in Oman" report published by The Public Authority for SME Development (Riyada, December 2018) that supports programs in Oman "highly focused on the early stages of SME creation [and] often these programs overlap or target similar groups such as schools and university students. The sustainability of the programs is also questionable due to sources of funding" (The Firm 2018; p.4). One of the strategic pillars of Oman Visions 2020-2040 is to transfer the economy from a traditional to a knowledge-based economy. Therefore, the government is looking to entrepreneurship and innovation as key players in job creation, to support economic diversification and transformation.

Although the results obtained in the year 2019 for NECI indicates that Oman needs to improve its entrepreneurial context to attract high numbers of entrepreneurial activities, it appears that the government with other stakeholders in the entrepreneurial ecosystem are working together towards greater entrepreneurial opportunities, training, support and investment. From this time forward, if the evolution of the international economy allows it, it is desirable that the Omani context not only be maintained, but improved, as some pillars of this index have not yet achieved sufficiency. The next section provides detailed information on the internal components of each of the twelve pillars of the NECI, information which reveals the elements requiring attention.

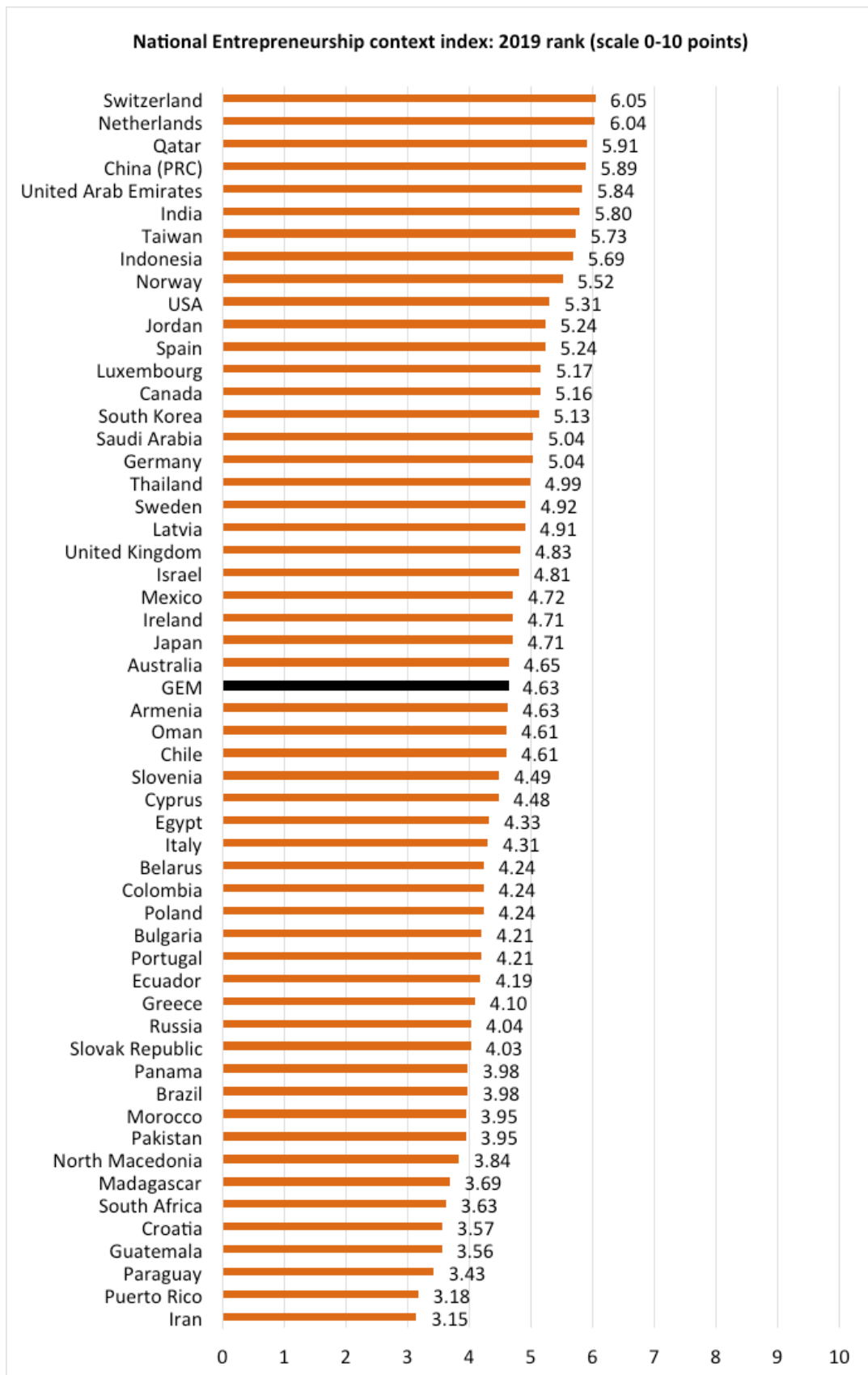


Figure 58: National Entrepreneurship Context Index (NECI) for 54 economies

10.4 Detailed information on the components of the national entrepreneurial framework conditions

The pillars that compose the NECI presented in the previous section are variables that summarize the scores provided by experts in the blocks of items devoted to each topic. In this section, detailed tables showing the average values on the internal components of these blocks are offered for the year 2019 only for

the Omani context. An analysis of the detailed expert evaluation refines the general view and makes it possible to detect the specific strong and weak points of the entrepreneurial context, in every section. The average results are offered on original Likert scales of 10 points, where 0 = completely false and 10 = completely true.

10.4.1 Financing for entrepreneurs

Starting by financing for entrepreneurs, the results in Table 27 shows that in Oman, the debt funding is perceived as the most accessible source of finance, followed by government subsidies, equity funding, informal investors and venture capital. The two first sources are, with high probability, giving support to traditional independent entrepreneurial activity, while the last are supporting innovative and technological based activities. Crowdfunding and professional business angels are perceived

as not enough contribution for financing entrepreneurs or are not much implemented or involved in the current context. In addition, the initial public offerings constitute a little bit higher than crowdfunding and professional business angels as a financing source but it is still not that much in comparison to other financing sources. The results give an evidence that Oman is still using the traditional financing methods.

Table 27: Average scores for the items evaluated by experts on the block on financing for entrepreneurs in 2019

Financing for entrepreneurs' block: in my country there is sufficient ...	Average score 2019
equity funding available for new and growing firms	5.06
debt funding available for new and growing firms	5.50
government subsidies available for new and growing firms	5.31
funding available from informal investors (family, friends and colleagues) who are private individuals (other than founders) for new and growing firms	4.47
funding available from professional business angels for new and growing firms	3.36
funding available from venture capitalists for new and growing firms	4.19
funding available through initial public offerings (IPOs) for new and growing firms	3.58
funding available through private lenders› funding (crowdfunding) available for new and growing firms	3.08

10.4.2 Government policies

Omani experts point out that support for new and growing firms is a high priority at the national and local levels and their responses are perceived as of a moderate level on average as showed in Table 28. However still three factors to the dissatisfaction of the experts are that taxation is not a burden, that taxation and other government regulations are applied in

a predictable and consistent way, and coping with government bureaucracy, regulations, and licensing requirements are not unduly difficult for new, growing entities. The weakest points related to government policies are perceived difficulties obtaining permits and licenses, and about public procurement issues.

Table 28: Average scores for the items evaluated by experts on the block on government policies in 2019

Government policies block: in my country...	Average score 2019
Government policies (e.g., public procurement) consistently favour new firms	3.39
Support for new and growing firms is a high priority for policy at the national government level	4.89
Support for new and growing firms is a high priority for policy at the local government level	5.08
New firms can get most of the required permits and licenses in about a week	2.89
The amount of tax is not a burden for new and growing firms	4.94
Taxes and other government regulations are applied to new and growing firms in a predictable and consistent way	4.69
Coping with government bureaucracy, regulations, and licensing requirements is not unduly difficult for new and growing firms	4.00

10.4.3 Government programs

The Omani experts recognized that there are an adequate number of government programs for new and growing businesses. They considered that science parks and business incubators are providing effective support for new and growing firms, and that there is a significant number of programs for entrepreneurs which are effective (see Table 29). In Oman there are a wide range of government programs for entrepreneurs which target creativity, innovation, and R&D. For instance, Innovation Park Muscat and The Research Council were cited in a report about mapping the SME ecosystem in Oman

(The Firm 2018). At somewhat lower level, but still positively, the experts considered that governmental programs are effective in supporting new and growing firms and that people working for government agencies are moderately competent and effective in supporting these activities. Although there are a wide range of government support units, experts are concerned that there is still no coordination between these programs and no single agency which can provide the complete diverse range of government assistance mechanisms for new and growing firms.

Table 29: Average scores for the items evaluated by experts on the block on government programs in 2019

Government programs block: in my country...	Average score 2019
A wide range of government assistance for new and growing firms can be obtained through contact with a single agency	3.28
Science parks and business incubators provide effective support for new and growing firms	4.92
There is an adequate number of government programs for new and growing businesses	5.00
The people working for government agencies are competent and effective in supporting new and growing firms	4.33
Almost anyone who needs help from a government program for a new or growing business can find what they need	4.28
Government programs aimed at supporting new and growing firms are effective	4.75

10.4.4 Entrepreneurship education and training

Globally, the entrepreneurship education and training block is the one that experts perceive as the worst within the context. All proposed items are scored below expectation. In addition, experts also consider that neither school, secondary or further education is encouraging creativity, self-sufficiency and personal initiative as detailed in Table 30. Items related to post-school entrepreneurship education are somewhat better scored by experts but are still considered unsatisfactory by experts. Vocational professional, and continuing education systems are considered

better than business and management education and university education in providing an adequate preparation for starting up and growing new firms. In summary, the experts in Oman are seeking effective entrepreneurship education and training to promote and enhance entrepreneurial activities in Oman. Their current assessment is that the needs are not currently being met and are pessimistic of progress in this area unless there is greater specific entrepreneurial implementation, across the post-school educational sector.

Table 30: Average scores for the items evaluated by experts on the block on entrepreneurship education and training in 2019

Entrepreneurial education and training block: in my country...	Average score 2019
Teaching in primary and secondary education encourages creativity, self-sufficiency, and personal initiative	3.94
Teaching in primary and secondary education provides adequate instruction in market economic principles	3.19
Teaching in primary and secondary education provides adequate attention to entrepreneurship and creation of new firms	3.28
Colleges and universities provide good and adequate preparation for starting up and growing new firms	4.22
The level of business and management education provides good and adequate preparation for starting up and growing new firms	4.32
The vocational, professional, and continuing education systems provide good and adequate preparation for starting up and growing new firms	4.67

10.4.5 R&D transfer

According to the experts, the R&D transfer block is another that needs attention as a contributing element contextual to promote entrepreneurship. In 2019, Omani experts perceived that still there was insufficient attention given to the transfer of knowledge from universities and research centres to companies, and no effective support available for engineers and scientists to have their ideas commercialized. Add to that, the access of the business sector to research in

general is below expectations, as mentioned in Table 31. However, they do perceive that firms are closer to being able to afford the latest technology. Finally, there is some agreement that the science and technology base should efficiently support the creation of world-class new technologically-based ventures in at least one area and that there is government subsidy support available to acquire new technology for new and growing firms.

Table 31: Average scores for the items evaluated by experts on the block on R&D transfer in 2019

Research and development block: in my country...	Average score 2019
New technology, science, and other knowledge are efficiently transferred from universities and public research centres to new and growing firms	3.78
New and growing firms have just as much access to new research and technology as large, established firms	3.92
New and growing firms can afford the latest technology	4.67
There are adequate government subsidies for new and growing firms to acquire new technology	4.11
The science and technology base efficiently support the creation of world-class new technology-based ventures in at least one area	4.19
There is good support available for engineers and scientists to have their ideas commercialized through new and growing firms	3.78

10.4.6. Commercial and professional infrastructure

Regarding commercial and professional infrastructure, experts in Oman, think that it is not easy for new and growing firms to get good subcontractors, suppliers, and consultants, and those available are insufficient and expensive. In Oman the banking sector is providing good services as to the experts' perception (see Table

32). Data on entrepreneurial and consolidated activity obtained on this sector is for one year only, and the government appears to be working hard to improve the infrastructure to facilitate and promote opportunity recognition by entrepreneurs.

Table 32: Average scores for the items evaluated by experts on the block on commercial and professional infrastructure in 2019

Commercial and professional infrastructure block: in my country...	Average score 2019
There are enough subcontractors, suppliers, and consultants to support new and growing firms	4.19
New and growing firms can afford the cost of using subcontractors, suppliers, and consultants	4.08
It is easy for new and growing firms to get good subcontractors, suppliers, and consultants	4.03
It is easy for new and growing firms to get good, professional legal and accounting services	4.94
It is easy for new and growing firms to get good banking services (checking accounts, foreign exchange transactions, letters of credit, and the like)	5.67

10.4.7. Internal market dynamics, regulations and burdens

Experts perceive the dynamics of the domestic market in Oman as sufficient though describing it as continuously changing in the field of goods and services transactions for both consumers and companies. Instead, there is a barrier to enter the market by new and growing firms

as experts caution that they will face a certain degree of blockage by companies consolidated in the market. Experts warn that the antitrust legislation needs better enforced and it is still under average. See Table 33 for more details.

Table 33: Average scores for the items evaluated by experts on the block on internal market dynamics, regulations and burdens in 2019

Internal market dynamics and burdens component: in Oman...	Average score 2019
Markets for consumer goods and services change dramatically from year to year	5.75
Markets for business-to-business goods and services change dramatically from year to year	5.36
New and growing firms can easily enter new markets	4.56
New and growing firms can afford the cost of market entry	4.06
New and growing firms can enter markets without being unfairly blocked by established firms	3.54
The antitrust legislation is effective and well enforced	3.59

10.4.8 Physical infrastructure

The physical infrastructure in Oman could be the best of the national entrepreneurial framework conditions as it has its score above average. Therefore, the physical infrastructure in support of the activity of new and growing companies is positive especially in terms of roads, utilities, communications, and waste disposal. Although all the conditions in this sector are

above score 6 (see Table 34) , still experts see that communications services in Oman are expensive and need to be improved. The other facilities for obtaining basic electricity, water, gas and similar services, as well as access to communications and the internet have good perceptions from the experts.

Table 34: Average scores for the items evaluated by experts on the block on physical infrastructure in 2019

Physical infrastructures and services component: in Oman...	Average score 2019
The physical infrastructure (roads, utilities, communications, waste disposal) provides good support for new and growing firms	7.11
It is not too expensive for a new or growing firm to gain good access to communications (phone, Internet, etc.)	5.50
A new or growing firm can gain good access to communications (telephone, Internet, etc.) in about a week	6.14
New and growing firms can afford the cost of basic utilities (gas, water, electricity, sewers)	6.00
New or growing firms can gain good access to utilities (gas, water, electricity, sewers) in about a month	6.19

10.4.9 Cultural and social norms

The Omani experts rated the social and cultural norms block as the second-best entrepreneurial conditions framework. In that sense, the experts agreed that the national culture is highly supportive of individual success achieved through personal efforts. In addition, they agree that culture emphasizes responsibility, self-

sufficiency, autonomy, and personal initiative (see

Table 35) . Although they are positive about some culture components, they more reserved about the promotion of entrepreneurial risk-taking, creativity and innovativeness.

Table 35: Average scores for the items evaluated by experts on the block on cultural and social norms in 2019

Cultural and social norms component: in Oman...	Average score 2019
The national culture is highly supportive of individual success achieved through personal efforts	6.14
The national culture emphasizes self-sufficiency, autonomy, and personal initiative	6.00
The national culture encourages entrepreneurial risk-taking	4.69
The national culture encourages creativity and innovativeness	5.67
The national culture emphasizes the responsibility that individual (rather than the collective) has in managing his or her own life	6.08

10.5 Experts' recommendations to improve the national entrepreneurial framework for the year 2019

As a complement, the expert questionnaire contained an open-ended questions section that provided information on the main constraints, supports and recommendations to improve the national entrepreneurial framework.

An analysis of the distribution of topics cited by experts in the open section (see Table 36) reveals that the five top topics cited as constraints faced by entrepreneurs in the national context are related to government policies, access to finance, capacity for entrepreneurship, cultural and social norms. Other experts claim that cultural and social norms, economic climate, work force features, and different performance of small, medium and large companies can also be considered as constraints for the development of entrepreneurship sector in Oman.

For the field of government policies, experts maintain the need to streamline and modernize bureaucratic procedures should be given to a central government agency (for instance, the Public Authority for SME Development) instead of many government institutions which are all of the them contributing to setting entrepreneurship policies.

On the other hand, in the financial field, one of the issues raised by the experts is the difficulty faced by entrepreneurs in the initial stage in terms of having sufficient financing to address the costs of start-up and resistance to achieve some consolidation. Add to that, the lack of creative and innovative financing sources like crowd-funding sources in the Sultanate.

In terms of support, the top five topics from 2019 have been: Government policies, internal market openness, financing support for entrepreneurs, government programs, entrepreneurial education, the national capacity for entrepreneurship, cultural and social norms.

The government policies are the factor which the experts mentioned as both constraints and supports, as well they highlight about the impact of access to finance, entrepreneurship capacity, and entrepreneurial education as the most topics which are similar between the constraint and support factors. Others highlight about finding new and creative funding sources such as venture capital and angel finance availability for some businesses.

The experts have addressed several actions and recommendations throughout, to improve the entrepreneurship context in the short term. Several experts show through their comments that improve entrepreneurial policies, reduce the bureaucracy, train and educate government and agency staff to respond more quickly and effectively to customer's needs, develop consultative processes, support innovation and creativity, and drive and sustain an entrepreneurial eco-system.

On the other hand, some experts request from The Public Authority for SME Development to develop a holistic strategy with very clear pathways, outputs, KPIs, and collaborate with other SME ecosystem and key stakeholders (Ministries, companies, NGOs, Banks, Funding agencies, incubators) and a clear process for the transfer of R&D to the private sector to achieve Oman Vision 2040 goals. In terms of economic diversification for non-oil and gas sectors like tourism, renewable, mining, food security, technology and other, and to help the national economy to transfer and change from traditional economy to knowledge-based economy.

Finally, there is a need to eliminate hidden trade and unfair competitive practices engaged in by larger, longer established, and financially secure companies.

In that regard, the top five topics cited in their recommendations are:

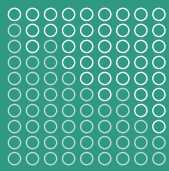
- Fostering entrepreneurial education in schools, universities and other academic institutions,
- Continued reviews of emergent government policies
- Financial support,
- Continued investing in efficient government programs
- Improve and investing in R&D transfer.

The focus of government programs should not only be on start-up support but also in innovation, supporting SMEs to reach out to global markets, and to extend support to accelerate small business, support, and sustain them.

Moreover, the government policies and programs should encourage more involvement from all stakeholders within the entrepreneurial ecosystem through good research and technology parks, knowledge clusters, and incubations for new and developing firms.

Table 36: Distribution of topics cited by experts in 2019 on constraints, supports and recommendations about the entrepreneurship context

Topic	Cited as a constraint %	Cited as a support %	Action recommended %
Financial support	44.12	32.26	32.35
Government policies	55.88	41.94	38.24
Government programs	17.65	22.58	20.59
Entrepreneurial education	17.65	22.58	44.12
R&D transfer	11.76	0.00	23.53
Commercial infrastructure	0.00	6.45	0.00
Internal market openness	20.59	38.71	17.65
Physical infrastructure access	8.82	16.13	2.94
Cultural & social norms	11.76	16.13	0.00
Capacity for entrepreneurship	20.59	16.13	20.59
Economic climate	11.76	12.90)	5.88
Work force features	11.76	3.23	2.94
Perceived population composition	5.88	0.00	2.94
Political, institutional and social context	5.88	3.23	14.71
Economic crisis	0.00	0.00	0.00
Corruption	2.94	0.00	0.00
Different performance of small, medium and large companies	11.76	3.23	2.94
Internationalization	0.00	9.68	8.82
Labour costs, access and regulation	2.94	6.45	0.00
Information (lack of, access to...)	5.88	9.68	14.71
Others	0.00	0.00	0.00



11. Technical Annex



The Oman GEM survey is based on the collection of primary data through an Adult Population Survey of a randomly selected sample of adults, representative, in terms of gender and geographical distribution, of those aged 18-64, in the Omani population. In addition, the Oman national team collected expert opinions about

components of the entrepreneurship ecosystem through a National Expert Survey (NES). Table 11 shows the APS and NES fieldwork sheet, including the technical details regarding the sampling and methodology applied to these surveys for 2019.

Table 37: Omani APS and NES fieldwork sheet

Sampling features	Information
APS = GEM adult population survey	1,346,645
Target population	Adult (18–64 years of age) residents in Oman
Target population size	1,346,645 persons
Sample size	2,000 persons
Sample design	Random dialing digit
Type of sample	Random
Confidence level	95%
Sampling error	±1.54%
Maximum variance	$p = q = 0.5$
Sampling period	May–July 2019
Interview method	Telephone interview
Sampling methodology	Random dial from list
Fieldwork carried out by	Horizons Statistical Consulting www.hrz-stat.com
Data recording and SPSS database creation	Horizons Statistical Consulting www.hrz-stat.com
Monitoring, quality control, final verification	GEM Oman
NES	
Target population	Experts in nine entrepreneurial conditions
Sample	36 experts
Type of sample	Convenience sample
Sampling period	May–July 2019
Interview method	Online
Fieldwork carried out by	GEM Oman National Team
Data recording and SPSS database creation	GEM Oman National Team

APS vendors' information

Horizons Statistical Consulting
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