An exemplary process

- Strong Partnership with The Research Council
- Fact finding and feedback collection
- Key roles: Grand Committee, National STIP Group
STIP structure

- Innovation indicators and benchmarking
- Framework conditions - National Innovation System
- Key actors and interactions, Government policies
- Pillars of the National Innovation Strategy
  - Human resources, Intellectual Property, Diversification
- Policy recommendations
- Summary of Recommended Actions
  - 50 specific actions distilled from STIP Review analysis
Innovation indicators and benchmarking

- Oman ranks 80th, 53rd on innovation inputs
  - Inefficient innovation system
  - ... but with creative dynamism

- Goal: To join the global competition in innovation
Framework conditions

- Governance
  - Effectiveness of political, institutional environments

- Macroeconomic context and business environment
  - Labor market and oil wealth as disincentives
  - An economy dominated by large firms, unfavorable for SMEs
  - A risk-averse society

- Physical and human capital
  - Good physical infrastructure but inadequate digital infrastructure
  - Basic education requires reform, tertiary education advancing
  - Weak research capabilities
Key actors and interactions 1

▪ Business and industry
  • Large companies: cautiously engaged in innovation
  • Limited technology transfer

▪ Academic environment
  • Higher education, research and innovation: mixed experiences
  • Education, labor and technology: persisting issues

▪ Fragmented innovation system
  • Weak clustering, the problem of scaling up
  • Research lacking critical mass
  • Low level of cooperation
Key actors and interactions 2

Government policies and programs

- Coordination can be improved, significant potential impact
- TRC and R&D Programs are well diversified
- Limited support for innovation initiatives, low inter-agency cooperation
- New initiatives on the rise
- Venture capital
- Agriculture and public R&D
  - Over-regulated environment with policies in need of synchronization
Innovation system: A work in progress

- National Innovation Strategy
  - Knowledge economy, digital society
  - Supporting SMEs: funding, coaching, identifying STI
  - Primary and secondary education: Entrepreneurship
  - Innovation and science park projects
  - STI, NIS: strategic vision and strong political support
Strategic pillar: Human Resources

- Half of students study liberal arts, 73% of labour is foreign
  ... fast growth, large oil revenues = large demand for imported labour
- Goal: Increase vocational studies, match industry demand
- Primary and secondary education reform
- Manage public sector employment, wage difference in firms
- Omanisation and labour market destratification
  ... Investment in innovative and high-tech business
- Fiscal sustainability
- Strategic priority: NIS, Diversification
Strategic pillar: Intellectual Property

- 2010: 27 patents applied or in force; 1964 trademarks and 176 industrial design filings
- IP laws compliant with international practice
- Improving human and institutional capacity
- IP closely linked to entrepreneurship and risk-taking
- Awareness building on role of IP in firms, academia
- Complex goals of preservation, enabling access and enhancing commercial exploitability
- Consideration of use of open and public licenses
Strategic pillar: Diversification

- Oman is diversifying, 59% of GDP is non-oil
- Development, structural transformation, diversification
- Markets tend to underinvest in innovation
  \[\text{… national economies remain undiversified}\]
- Oil-based economy is unsustainable in the long-run
- Export diversification is more important, but too slow
- Strategic considerations: SMEs, FDI, technology transfer
- Sectors with diversification potential
  \[\text{… low-tech perception can mislead on innovation potential.}\]
Policy recommendations

- **Strategic prerequisites**
  - National mobilization on common mission: Innovation compact
  - Top level coordination, policy education at the highest levels
  - A pragmatic approach, policy stages and a holistic methodology

- **Innovation agenda: Action for longer-term impact**
  - Stimulate youth creativity and entrepreneurship
  - Strengthen R&D and innovation support
  - Launch a large scale program on environmental stewardship
  - Foster international cooperation and regional integration
  - Develop evidence-based policies
Three Principles for Oman’s Innovation Compact

- The Omani Identity
- The Omani Sense of Excellence
- The Imperative of Sustainability
Three Missions for the Governance of Oman’s Innovation System

- **Communicate** vision, success stories, social media
- **Inspire** all stakeholders, creativity, entrepreneurship
- **Lead** change at all levels, everyone has a role to play