

PROMOTING LOCAL BUSINESS CAPABILITY

Dhofar International Development & Investment Holding Co. (DIDIC), with an investment asset base of over US\$600 million, will continue to play a vital role in the future development of local economy and talent, says its CEO, Ramez El Amoudi. Excerpts of the conversation with him

What makes Dhofar region an attractive investment proposition for domestic and foreign investors?

Dhofar sits at the cross-roads between East Africa, Asia and the GCC, making it an ideal place to position industries aiming to service these vital economic regions. With all indicators pointing to global growth being driven by Africa and Asia in the future, Dhofar is perfectly situated to serve these markets. This idea is not new and has been tested in the past, with multiple industries growing out of Dhofar to cater to the exports market in Asia, Africa and beyond.

What role Dhofar could play in Oman's march on the path of sustainability, diversified economic development and exports growth?

Dhofar's climate and geography offers a multitude of possibilities for sustainable development in

areas such tourism, agriculture, and aquaculture, all of which can have a vital role to play in diversifying Oman's economy and contributing significantly to the Sultanate's GDP. Moreover, with a young and growing population, there remains many opportunities to cater to Dhofar's own population whose needs and ambitions can be met through sustained investment efforts that cater to the local population's ambitions and outlook.

We are also keenly aware of Dhofar's advantageous geographical position, most importantly its proximity to Africa. Many people around the world believe that Africa will be the next growth engine for the global economy as the continent's development continues apace, with the natural impact of such development on the populations' consumption and spending habits as increasing wealth and

economic participation leads to increasing demand for a wide range of products and services. So, in light of that, I believe that there exists a great opportunity in Dhofar to pivot some of the economic output towards Africa, particularly in terms of exports of goods and services.

As the leading investment company, what has been the contribution of DIDIC in Oman's progress over the decades?

In carrying out its mission to be a leader in the development of the Sultanate's economy, DIDIC has been at the forefront of promoting and supporting homegrown businesses, many of which have grown to become household names such as Bank Dhofar and Dhofar Insurance Company. DIDIC has also sought to replicate that success with many Dhofar based businesses such as Oman Vegetable Oil &



Derivatives Company, Salalah Medical Supplies Company and Octal Holding, where in addition to promoting the companies, sustained efforts and support has been continuously extended over the years to ensure that such businesses continue to grow both locally and internationally as most of these companies have developed excellent track records in exports.

Tell us about your key investments currently.

Our key investments are in Bank Dhofar, Dhofar Insurance and Oman Investment & Finance Co. (OIFC).

Bank Dhofar is the second largest bank in the Sultanate and has been at the forefront of advances in the banking sector in Oman for some time, driven by its strategy to consolidate its position as a leading bank in the country through four focus areas: unparalleled customer experience, strong brand, performance-based culture, and a lean operating model. The Bank has made tremendous strides across all these areas as evidenced through the numerous awards it has been granted over the past few years like the Best Mobile Banking application in Oman by Global Banking & Finance Review and the best customer experience transformation strategy award by Customer Experience, Middle East.

Another core investment is Dhofar Insurance, a company whose turnaround over the past three years makes us very proud and is a clear representative of what the right management team can achieve with discipline and hard work. As insurance penetration in Oman lags well behind the country's regional

peers and is very far from what more developed markets' insurance markets look like, we feel that Dhofar Insurance is well positioned to continue to grow and expand, both through the natural growth in the market and through the introduction of new products and services and greater reliance on insurtech that is having a transformative effect on the insurance industry worldwide.

OIFC is also one of our core investments and is at the forefront of payment services in the Sultanate, where it has played a vital role in developing that industry over many years, with much more to come as the company gradually develops into a leader in payment services technologies. With renewed focus on digital payments and a keen understanding of its principals and customers, we expect great things from OIFC in the near future and look forward to continue to play a role in assisting and guiding the company to achieve its objectives.

The Covid-19 pandemic has reshaped the business dynamics world over. Has there been a shift in your business and investment strategy as a result of the pandemic?

It would not be fair to say that our investment strategy has undergone a significant shift due to the pandemic, although the pandemic did bring some of the ideas that were already under development into sharper focus. This is particularly true with respect to our desire to diversify our investment exposure beyond Oman's borders to add more resilience to the portfolio.

As witnessed during the COVID

crisis, some international markets, especially in North America, not only weathered the storm but actually thrived, reaching multiple new records over the past two years, which is the exact opposite of what we saw on the MSX where both prices and volumes dropped significantly, so while the pandemic was not the reason we are seeking international diversification, the uneven way it played out internationally as far as markets are concerned only provided more validation to our plans.

Having said that, DIDIC will always remain an Oman focused company with a vital role to play in the future development of the local economy and talent; we are just looking at a more balanced way of meeting that commitment while safeguarding the interests of our stakeholders.

What is your strategy to take the company forward?

Moving forward the focus will be to both grow and diversify. Of course, achieving that aim may be done in several ways such as through mergers and acquisitions or through a gradual rebalancing of our investment portfolio. We are currently seeking several opportunities across multiple fronts to reach our goal with discussions with various stakeholders taking place regularly to ensure that the transition is smooth and that the right expectations are set.

Regardless of how we ultimately decide to reach our goal, the process will be very transparent and driven by sound risk assessments while also ensuring that DIDIC continues to play a vital role in the development of the local economy.