



# Local Content Stimulation Framework for the Telecommunications and Information Technology Sector

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Department Tech Ecosystem Development  
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## Introduction

The Ministry of Transport, Communications, and Information Technology (MTCIT) is implementing the Local Content Stimulation Program for ICT Sector to enhance local digital economy content and integrate roles between private and public sector entities. Local content is a key element of Oman Vision 2040, aiming to increase and improve sustainable employment for citizens while enhancing the integration of Omani goods and services into procurement processes of local companies, contributing to their growth and expansion.

## General Objectives

- Increase the percentage of local content in the ICT sector.
- Regulate the ICT sector in accordance with procurement laws and local content requirements.
- Establish capable local companies with the potential to expand in local and global ICT markets.
- Identify opportunities to enhance local content for the localization of industries, services, and jobs.
- Support SMEs operating in the ICT sector.
- Regulate opportunities and prioritize local tech startups and companies in the ICT sector.

## Terminologies

1. **Local Content:** The added value to the national economy resulting from the use of local content elements.
2. **Local Content Elements:** Key factors that contribute to maximizing in-country value, including Omanization of the workforce, utilization of local goods and services, development of local vendors and SMEs, and investment in national assets and capabilities
3. **National Product:** A locally manufactured product recognized with a national product identity by the Ministry of Commerce, Industry, and Investment Promotion.
4. **Local Product:** A good or service manufactured within Oman.

5. **Mandatory List of Goods:** A classified list of goods issued by , Projects, Tenders and Local Content Authority which must be used in contracts, including registered local and national technologies.
6. **Mandatory List of Services:** A classified list of services issued by Projects, Tenders and Local Content Authority, which must be used in contracts, including registered local technologies.
7. **Local Content Plan:** A plan outlining local content targets for all project stages.
8. **Made in Oman:** A product, material, or equipment included in the list of Omani-origin goods issued by the Ministry of Commerce, Industry, and Investment Promotion (<https://www.originoman.om/members-list-arabic.aspx>).
9. **Technology Localization:** The process of transferring tech knowledge to align with local needs by developing competencies, enhancing research, innovation, design, development, and local manufacturing of global technologies.
10. **Micro, Small, and Medium Enterprises (MSMEs):** Any micro, small, or medium enterprise registered with the SME Development Authority and the Tender Board in Oman.
11. **Tech Startups:** Any startup registered with the SME Development Authority and holding a startup Ryiada card.
12. **Locally Registered Companies:** Companies with a valid Omani commercial registration (CR).
13. **GCC Tech Companies:** Companies with valid commercial registration from any GCC country.
14. **International Tech Companies:** Companies with valid commercial registration outside Oman and the GCC.
15. **Freelancers:** Independent professionals relying on their skills and expertise to complete work and holding a valid Omani commercial registration.
16. **Tech Companies Directory:** A database maintained by MTCIT containing information on registered ICT companies in Oman (<https://oman.om/compinfoAr.aspx> ).
17. **Local Supplier Development:** Activities planned by contractors to support locally registered SME suppliers in contract execution, including efforts to improve supplier standards, efficiency, technology localization, and workforce training.



## Local Content Regulations for ICT Government Tenders

The table below outlines the local content regulations for ICT government tenders. These regulations are used to determine the required elements in the local content plan and the methodology for encouraging local content based on the project budget. These regulations are to be used by project managers and local content specialists in government entities.

Project Budget (OMR)	Local Content Stimulation Methodology	Company Categories	Criteria Weight (Technical + Content + Financial)	Required Elements in Local Content Plan					Required Documents for Local Content Evaluation
				Omanization	Micro, Small, and Medium Enterprises (MSMEs)	Local supplier development	Digital goods and products	Investment	
1-25,000	Compliance with the mandatory list and specified company category  Compliance with financial circular (1/2015)	Freelancers, Local Tech Startups, Micro and Small Tech Companies	%10	<b>At the company level:</b>  Compliance with Omanization requirements as per Ministry of Labor certification	Achieved According to the Specified Company Categories	Achieved According to the Specified Company Categories	Mandatory List of Goods, Priority for Locally Developed and Manufactured Products	Not required	<b>Ministry of Labor:</b> Omanization report  <b>SME Development Authority:</b> Riyada Card or startup certification (if applicable), Small and Medium Enterprises Registration and Classification Certificate, Commercial Registration



25,001 – 50,000	<p>Compliance with the mandatory list</p> <p>Contracting - local companies with priority for specified category</p>	Freelancers, Local Tech Startups, Micro, Small, and Medium Tech Companies	%20	<p><b>At the company level:</b> Compliance with Omanization requirements as per Ministry of Labor certification</p> <p><b>At the project level:</b> 40%</p> <p>Compliance with the mandatory list of Omanized jobs</p>	Mandatory Services List, Subcontracting at least 10% for Large Company Category	<p>Achieved if contracting with the specified company categories.</p> <p>Optional if contracting with large companies, provided they implement a "Supplier Development Program" to support SMEs.</p>	Mandatory Goods List, Priority for Locally Developed and Manufactured Products	Not Required	<p><b>Ministry of Labor:</b> Omanization report</p> <p><b>SME Development Authority:</b> Riyada Card or startup certification (if applicable), Small and Medium Enterprises Registration and Classification Certificate</p> <p><b>For large companies:</b> Submission of a Local Content Plan, Commercial Registration</p>
50,001 – 250,000	<p>Compliance with the mandatory list</p> <p>Contracting local companies with priority for specified categories</p>	Local Tech Startups, Micro, Small, and Medium Tech Companies	%25	<p><b>At the company level:</b> Compliance with Omanization requirements as per Ministry of Labor certification</p> <p><b>At the project level:</b> 40%</p> <p>Compliance with the mandatory list of Omanized jobs</p>	Mandatory Services List, Subcontracting at least 15% for Large Company Category	<p>Achieved if contracting with the specified company categories</p> <p>Required if contracting with large companies to implement a "Supplier Development Program" to support SMEs</p>	Mandatory Goods List, Priority for Locally Developed and Manufactured Products	Not Required	<p><b>Ministry of Labor:</b> Omanization report</p> <p><b>SME Development Authority:</b> Riyada Card or startup certification (if applicable), Small and Medium Enterprises Registration and Classification Certificate</p> <p><b>For large companies:</b> Submission of a Local Content Plan, Commercial Registration</p>
250,001 – 3,000,000	<p>Compliance with the mandatory list</p> <p>Priority for the specified category of companies</p>	Local Tech Startups, Small, Medium, and Large Local Tech Companies	%30	<p><b>At the company level:</b> Compliance with Omanization requirements as per Ministry of Labor certification</p> <p><b>At the project level:</b> 40%</p> <p>Compliance with the mandatory list of Omanized jobs</p>	Mandatory List of Technical Services, Subcontracting at least 20% for Large, Gulf, and International Companies.	<p><b>Achieved according to the following company categories:</b></p> <ul style="list-style-type: none"> <li>Local tech startups</li> <li>Local small and medium-sized tech companies</li> </ul> <p><b>Required from companies to implement a "Supplier Development Program" to support the following SMEs:</b></p> <ul style="list-style-type: none"> <li>Large local tech companies</li> <li>Gulf tech companies</li> <li>International tech companies</li> </ul>	Mandatory Goods List, Priority for Locally Developed and Manufactured Products.	Mandatory to have a technology localization plan.	<p><b>Ministry of Labor:</b> Omanization report</p> <p><b>SME Development Authority:</b> Riyada Card or startup certification (if applicable), Small and Medium Enterprises Registration and Classification Certificate</p> <p><b>For large companies:</b> Submission of a Local Content Plan, Commercial Registration</p>



Above 3,000,000	Compliance with the mandatory list and specified company categories  Priority for the specified category of companies	Local Tech Startups, Medium and Large Local Tech Companies,	%30	<p><b>At the company level:</b> Compliance with Omanization requirements as per Ministry of Labor certification</p> <p><b>At the project level:</b> 40%</p> <p>Compliance with the mandatory list of Omanized jobs</p>	Mandatory List of Technical Services, Subcontracting at least 30% for Large Companies.	<p><b>Achieved according to the following company categories:</b></p> <ul style="list-style-type: none"> <li>Local tech startups</li> <li>Local small and medium-sized tech companies</li> </ul> <p><b>Required from companies to implement a "Vendor Development Program" to support the following SMEs:</b></p> <ul style="list-style-type: none"> <li>Large local tech companies</li> <li>Gulf tech companies</li> <li>International tech companies</li> </ul>	Mandatory Goods List, Priority for Locally Developed and Manufactured Products.	Mandatory to have a local representation. Mandatory to have a technology localization plan.	<p><b>Ministry of Labor:</b> Omanization report</p> <p><b>SME Development Authority:</b></p> <p>Riyada Card or startup certification (if applicable), Small and Medium Enterprises Registration and Classification Certificate</p> <p><b>For large companies:</b></p> <p>Submission of a Local Content Plan, Commercial Registration</p> <p>Submission of a Local Content Plan</p>
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Table 1 – Local Content Regulations

\*An exception is made for companies that are directly awarded contracts, such as companies providing software licenses, with the requirement to negotiate and agree on the mechanism, methodology, and level of investment in local content

## Implementation Mechanism

### Before Tender Issuance:

- ✓ The -government entity must verify the following:
  - Local content elements must be included in the tender file based on the project budget and the regulations outlined in [Table 1 – Local Content Regulations](#).
  - The tender file must specify that offers failing to meet local content requirements will be disqualified.
  - The weight of local content in the evaluation criteria is part of the technical evaluation weights, as outlined in [Table 1 – Local Content Regulations](#).
  - The type of work within the field of ICT and the appropriate subcategory for the project's scope (classification of work within the ICT sectors) must be defined.
  - The company category should be determined based on the estimated cost, as specified in [Table 1 – Local Content Regulations](#).

## Tender Submission Period:

- Ensure that competing companies have submitted the required documents as per [Table 1 – Local Content Regulations](#).
- Ensure that competing companies have submitted the local content plan in accordance with the [Local Content Application Guide for Government Projects and Contracts](#).

## • Tender Evaluation Stage:

- The contracting entity must review the local content plans of competing companies in accordance with the [Local Content Application Guide for Government Projects and Contracts](#).
- Offers that do not meet local content requirements will be disqualified.
- The local content value in the project for all companies must be analyzed according to the [Local Content Application Guide for Government Projects and Contracts](#).

## • After Tender Award:

- The contracted company must submit a detailed local content plan in accordance with the [Local Content Application Guide for Government Projects and Contracts](#).
- The contracting entity must ensure that the local content requirements are met according to the model in the contracted company's proposal.
- The contracted company must designate a local content manager who will be responsible for implementing the local content plan.
- The local content manager in the contracted company must submit periodic reports outlining the progress of the approved local content plan throughout the contract period.
- In case the contracted company fails to implement the local content plan, the contracting entity must take action in accordance with Clause 7 – Penalties in the [Local Content Application Guide for Government Projects and Contracts](#).

## Monitoring Mechanism

Given the importance of monitoring and tracking the achievements in local content for projects in the ICT sector, government entities should provide a summary report on local content elements for each project as follows:

	No.	Project Name Tender No.	Project Overview	Company Name & CR Registration Number	Total Project Value (OMR)	Project Duration & Start Date	Project Status (Ongoing / Completed / Pending)	Subcontracted Value to SMEs (OMR) (Scope of Work in ICT)  Examples of Scope of Work: System and Platform Development, Digital Content.	Total Employees in the Project	Total Tech Employees in the Project	Tech Employees in the Project Number of ) (Omanis)	Additional Value (If Any)
Example	1	Administrative System	Specialized task management system for provided services	Company X, 123456	2 million OMR	3 years, May 4, 2023	Ongoing	<b>Example:</b> 1. UI/UX Design – Company A – 100K OMR 2. Cybersecurity Services – Company B – 150K OMR	Supervisory: 5 Administrative: 3 Technical: 15	Supervisory: 5 Administrative: 3 Technical: 15	Supervisory: 1 Administrative: 1 Technical: 5	AI Programming Training for 5 employees – 10K OMR

**Note:** The report will be updated based on Tender Board system once it is activated.

### Report Requirements:

- The report must be prepared for each project after the contract is awarded to the executing company.
- Updates on the implementation of local content elements should be provided at the following project completion stages: **25%, 50%, 75%, and 100%**, according to the project duration.
- The report should be sent to the following email: **tahfeez.tech@mtcit.gov.om**.
- For any inquiries, contact can be made via email or phone/WhatsApp at: **24166420**.





## References:

Reference No.	Online Link	Issuing Entity
1	<a href="#">Guideline for Local Content in Government Internal Procurement</a>	Tender Board
2	<a href="#">Local Content Application Guide for Projects and Government Contracts</a>	
3	<a href="#">Mandatory List of Services, Products, and Jobs</a>	
4	<a href="#">Mandatory List of Jobs in the ICT Sector</a>	Ministry of Transport, Communications, and Information Technology
5	<a href="#">Classification of Work Types in ICT Fields</a>	