

IMPACT AND ROLE OF SME BANK LOANS IN OMAN

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ABSTRACT

Omani economy is a middle sized economy heavily dependent on non renewable natural resources namely natural gas and petroleum products. This situation is not sustainable in the long run, hence there is a diversification of the Omani economy in the fields of different industries, and emphasis on privatization has become a necessity. The research paper will highlight the Omani economy with degree of market orientation and the level of economic development contributed by the SMEs. Major economic events and policies will be featured with the period of past three years and its future implications to the same will be pursued. Future macro economic trends in the SME sector will be concluded from the above research.

The research objective is to ascertain the SME bank loan contribution towards Omani economy and its future implications. Research Hypothesis is that SME bank loans are the key market players in the Omani economy. The research will highlight the importance of the SME sector to the economy and its contribution to the banking sector. As a college devoted to banking sector, the research will suggest vital solutions for the SMEs to contribute towards the banking sector. The debts taken by SMEs contribute towards the fund utilization of banks and it promotes employment opportunities, capital generation and utilization of resources in the banking sector. The research will also help the college to build its future academic courses and training courses accordingly.

RESEARCH METHODOLOGY

- Secondary data
 - Published data from the Government sources
 - Reputed and reliable data / information selected from financial organizations.
- Primary data
 - Interview method
 - Questionnaire method

Data Analysis will be pursued with the help of different statistical models, various tests, charts, graphs and other tools.

Research Questions

What is the contribution of SMEs towards the overall economy in terms of GDP, NDP, and employment (results in figures and percentages)?

- a) Do bank loan and its lucrative rate of interest help SMEs to secure a better finance?

- b) What are the roles of government and other regulatory authorities?

MODE OF DATA COLLECTION

- Paper surveys
 - Interview method
 - Questionnaire method
 - Secondary data collection
- Telephone surveys
 - Interview method
- Web based surveys
 - Questionnaire method
 - Secondary data collection

IMPACT OF INTENDED RESEARCH

Macro Level

- Statistical results will help improve the banking sector debt loans and NBFC loans
- Appropriate suggestions and research findings will help SMEs to utilize their loans in more productive ways and increase their feasibility and sustainability.

Micro Level

- The college will utilize the research findings for their future training courses pertaining to banks and SMEs.
- Importance of SMEs will help generate our college student inputs and keenness for pursuance of future research in the same field.

KEYWORDS: Role of SME Bank Loans in Oman, Small and Medium-Sized Entities. Difficulties and Opportunities