INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE AND MANAGEMENT

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Business Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email addresses, infoijrcm@gmail.com or info@ijrcm.org.in.

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____________

THE EDITOR

IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF ______________________________________.**

(e.g. Computer/IT/Finance/Marketing/HRM/General Management/other, please specify).

DEAR SIR/MADAM

Please find my submission of manuscript titled '____' for possible publication in your journal.

I hereby affirm that the contents of this manuscript are original. Furthermore it has neither been published elsewhere in any language fully or partly, nor is it under review for publication anywhere.

I affirm that all author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if our/my manuscript is accepted, I/We agree to comply with the formalities as given on the website of journal & you are free to publish our contribution to any of your journals.

NAME OF CORRESPONDING AUTHOR:

Designation:

Affiliation with full address & Pin Code:

Residential address with Pin Code:

Mobile Number (s):

Landline Number (s):

E-mail Address:

Alternate E-mail Address:

2. **INTRODUCTION**: Manuscript must be in British English prepared on a standard A4 size paper setting. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of the every page.
3. **MANUSCRIPT TITLE**: The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.
4. **AUTHOR NAME(S) & AFFILIATIONS**: The author (s) full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address should be in italic & 11-point Calibri Font. It must be centered underneath the title.
5. **ABSTRACT**: Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para.
6. **KEYWORDS**: Abstract must be followed by list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
7. **HEADINGS**: All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS**: All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT**: The main text should be in a 8 point Calibri Font, single spaced and justified.
10. **FIGURES &TABLES**: These should be simple, centered, separately numbered & self explained, and titles must be above the tables/figures. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS**: These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES**: The list of all references should be alphabetically arranged. It must be single spaced, and at the end of the manuscript. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio," Ohio State University.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITE

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Economic and Political Weekly, Viewed on July 05, 2011 http://epw.in/user/viewabstract.jsp

EXPORT GROWTH OF NON – OIL SECTOR IN OMAN: THE ERA OF LIBERALIZATION

DR. THRESIAMMA VARGHESE
ASST. PROFESSOR
FACULTY OF BUSINESS
SOHAR UNIVERSITY
SULTANATE OF OMAN

ABSTRACT

Sultanate of Oman has seen many economic changes and developments in Oman economy during the post liberalization era. His Majesty Sultan Qaboos attaches great attention to economic diversification strategy, which aims at developing the non-oil sectors, expanding production base and reliance on high value added products that target export. In this context, a number of major projects have been approved and are under way. A major change in the economy is the share of hydrocarbon sector in the overall nominal GDP declined from 50.5% in 2008 to 40.9% in 2009, while the share of non –petroleum GDP increased from 50.6% to 61.3% during the same period. (CBO, Oman, 2009). Oman government's one major plan is to reinforce its non-oil sectors' contribution and increase its share to the national economy. The main aim of this paper is an evaluation of export growth of non-oil sectors of Oman. This paper will identify the crucial non-oil export commodities in Oman and its main trade partners. One of the main areas which have covered in this paper is the volume of trade and the trend of growth of non-oil exports, a comparison between pre &post liberalization in Oman. Here we have made an attempt to find out the targeted growth of non-oil export sector in Oman during 2010.

JEL CLASSIFICATION
C33, Q13, Q32, Q33

KEYWORDS
Compound Annual Growth Rate, Foreign Trade, Globalization, Liberalization, Non-Oil Export.

INTRODUCTION

We have seen many economic changes and developments in Oman economy after liberalization. His Majesty Sultan Qaboos attaches great attention to economic diversification strategy, which aims at developing the non-oil sectors, expanding production base and reliance on high value added products that target export. In this context, a number of major projects have been approved and are under way. His Majesty underlined the current developmental seventh Five-Year Plan (2006-2010) that has ambitious objectives of achieving an annual growth rate of not less than three per cent for fixed prices, as well as improving the standard of living of nationals and establishment of a number of major industrial and tourism projects. The plan also focuses on generating more jobs and setting up the principles of the economy that depend on knowledge and development of the role of the private sector in the national economy and increasing direct foreign investment. It also aims at spreading and developing the educational, health, clean water, electrical, housing and environmental services as well as the state administrative apparatus. A liberal trade regime has been integral to Oman's economic performance over the past few years, with high real GDP growth, low inflation, and surpluses in both its overall fiscal position and external current account. Despite the global financial crisis, the macroeconomic performance of the Omani economy in 2009 has been strong (CBO, Oman). This is very clear from the increase in the government expenditure by over 11 per cent to meet the requirements of the development projects. Still nominal GDP contracted by 23.5% in 2009 as against an impressing growth of five consecutive years since 2004.Another major change in the economy is the share of hydrocarbon sector in the overall nominal GDP declined from 50.5% in 2008 to 40.9% in 2009,while share of non –petroleum GDP increased from 50.6% to 61.3% during the same period.(CBO,Oman,2009).Measures were also taken to reduce inflation from 12.4 per cent in 2008 to 3.6 per cent in 2009.The Omani government plans to reinforce its non-oil sectors' contribution and increase its contribution to the national economy. Oman aims at increasing the national industrial production by the year 2020 (Vision 2020 plan, Oman.). During 2008-2009 Oman has seen signifying high degree of trade openness.

REVIEW OF LITERATURE

Trade has always been a major force in economic relations among nations. In the World Economic and Social Survey conducted by the United Nations, international merchandise trade amounted to about 15 per cent of the world's GDP (Henderson 1998). The advantages of international trade have been discussed in many research publications. Put simply, trade enables a nation to specialize in those goods it can produce more efficiently and sell such goods that are surplus to its own requirements. Trade also enables a country to consume more than it would be able to produce if it depended solely on its own resources, and encourages economic development by increasing the size of markets (Husted and Melvin 1993).The tremendous growth of international trade over the past several decades has been both a primary cause and an effect of globalization. The volume of world trade since 1950 has increased by 20-fold from US$320 billion to US$6.8 trillion (World Bank Report, 2008).

A large part of the opening of domestic economies can be attributed to unilateral decisions, as in China and India (World Bank Report, 2007).World trade has exploded since the early 1960s. World exports have grown from just under US$1 trillion a year (in dollars, year 2000 value) to nearly US$10 trillion a year, that is, annualized growth of some 5.5% per year. Exports are clearly outpacing global output, which increased at some 3.1% per year over the same period. Between 1970 and 2004, the share of Exports relative to global output have more than doubled and is now over 25%.

World Bank has taken a study on Trade in services and found out that it has been growing at a pace similar to trade in goods at the global level because of liberalization of trade. Rising from US$358 billion in 1984 to US$2,000 billion in 2004, the share of services exports in total exports of goods and services has advanced modestly from 16% to 17.5% (World Bank Report, 2007).

WTO analyzed the world trade between 1970 and 2004, and reported that exports as a proportion of world output doubled to more than 25%; new technologies have diffused rapidly across the globe, and the total private financing of developing countries reached nearly US$1,000 billion in 2004. Globalization is likely to remain a driving force, with exports as a proportion of world output likely rising to 34% by 2030 (World Bank, 2007).World merchandise exports rose 13% in 2005), for the first time exceeding the US$10 trillion mark. Commercial services exports rose by 11% to US$2.4 trillion in 2005 (WTO Report, 2006).

A study has been done in Brunei (Anaman, Kwabena, 2003) using compound annual growth rate (CAGR) of ten macroeconomic variables over the two periods and it shows that the growth was modest for total non-oil exports over the period. Since the mid 1990s, the Sultanate of Oman has been implementing a development strategy centered on a liberal trade regime and aimed at, inter alia, reducing its high dependence on crude oil and natural gas (almost 50% of its GDP, 65% of government income, and over 90% of merchandise exports). To this end, Oman is promoting downstream industries and tourism; improving education and health services; modernizing its infrastructure; and addressing some structural problems, including the privatization of state-owned enterprises (National Economy of Oman, 2008).

THE OBJECTIVES OF THE STUDY

As the Omani government plans to reinforce its non-oil sectors' contribution and increase its contribution to the national economy, it would be good to evaluate the contributions of non-oil sectors to the Oman economy so far. Our main objectives are:

1) To evaluate the non-oil export growth of Oman.
2) To identify the major non-oil export commodities and strategies for non-oil export in Oman.
3) To find out the volume of export of non –oil sectors and identify the major export partners of Oman

METHODOLOGY

This study has mainly taken a qualitative methodology. However, this also used quantitative methodology also by analyzed the non-oil export data of Oman since 1996(secondary data) and calculated the compounded annual growth rate of non-oil export sector in Oman.

VOLUME OF EXPORT OF NON-OIL EXPORTS IN OMAN

We can see from the Table .1 that, despite slump in global demand, total non-oil exports of Omani Origin registered only a modest decline of 5.8% to RO 1849.5 million in 2009 from RO.1962.9 million in 2008.

TABLE 1: VALUE OF NON-OIL EXPORTS OF OMANI ORIGIN (RO million)

Classification	2005	2006	2007	2008	2009	% change 2009/2008
Live animals and animal products	90.6	74.5	86.9	174.7	126.2	-27.8
Vegetable products	16.1	12.9	15.4	24.5	21.0	-14.3
Animal or vegetable fats &oil	28.5	28.8	36.2	77.5	64.6	-16.6
Foodstuffs,beverage,tobacco&related products	35.5	32.1	38.1	48.5	60.7	25.2
Mineral products	50.5	216.1	450.1	623.8	400.9	-35.7
Products of chemicals and allied industries	89.2	138.7	176.7	307.2	376.7	23.6
Plastic,Rubber&articles thereof	33.0	31.9	112.9	187.3	250.5	33.7
Textiles &articles thereof	14.2	10.9	7.2	4.6	3.5	-23.9
Base metals &Articles thereof	95.8	123.7	120.7	164.8	367.2	122.8
Others	101.9	142.7	246.5	350.0	175.2	-49.9
Total	555.3	812.3	1290.7	1962.9	1849.5	-5.8

Source: Directorate General of Customs and Ministry of National Economy, Oman, 2009.

While exports receipts from mineral products &live animals ,animal products declined by 35.7% and 27.8% respectively in 2009.Base metals ,plastic and rubber articles &products of chemicals recorded growth of 122.8%,33.7%and 23.6%,respectively (Table.1).The increase in receipts from non-oil exports of certain commodities during 2009 was mainly attributed to start –up of operations (at full capacity)at several industrial projects ,including Sohar aluminum, Sohar international urea& chemical industries etc.(CBO,Oman,2009).

DESTINATIONS OF NON-OIL EXPORTS FROM OMAN

Even though Oman's non-oil exports market is quite broad based, the concentration is very high. UAE and India together accounted for almost 55 per cent of the country's non-oil exports in 2009. According to the CBO report, the share of UAE in total non-oil exports increased further from 34.9 percent in 2005 to 39.5 percent in 2006.

TABLE 2: DESTINATIONS OF NON-OIL EXPORTS OF OMANI-ORIGIN (RO Million)

	2006		2007		2008		2009	
Country	Non-oil export	%of total	Non-oil export	% of total	Non-oil export	%of total	Non-oil export	%of total
UAE	320.9	39.5	522.7	40.5	635.9	32.4	485.9	26.3
Saudi Arabia	49.0	6.0	59.2	4.6	163.9	8.3	130.6	7.1
U.S.A	15.6	1.9	19.5	1.5	54.2	2.8	68.3	3.7
Jordan	4.4	.6	4.3	.3	8.9	.5	11.1	.6
Yemen	20.9	2.6	27.5	2.1	25.9	1.3	25.2	1.4
Kuwait	15.7	1.9	17.1	1.3	30.0	1.5	16.4	.9
Qatar	31.9	3.9	51.2	4.0	98.0	5.0	72.1	3.9
Iraq	11.2	1.4	16.2	1.3	70.1	3.6	41.3	2.2
Pakistan	16.0	2.0	35.2	2.7	36.0	1.8	61.9	3.3
Syria	3.0	.4	10.1	.8	8.1	.4	11.4	.6
India	124.5	15.3	175.9	13.6	247.4	12.6	264.3	14.3
Somalia	16.3	2.0	14.4	1.1	18.2	.9	23.4	1.3
Bahrain	6.6	.8	9.3	.7	17.6	.9	14.2	.8
Taiwan	8.0	1.0	26.3	2.0	41.4	2.1	16.3	.9
Iran	12.2	1.5	7.3	.6	20.9	1.1	5.6	.3
Others	156.2	19.2	294.5	22.8	486.4	24.8	601.5	32.5
Total	812.4	100	1290.7	100	1962.9	100	1849.5	100.0

Source: Directorate General of Customs and Ministry of National Economy, Oman, 2009.

India emerged as the second most important market for Oman in 2005 with a share of 12.7 per cent, which further increased to 15.3 per cent in 2006 on account of higher export of fertilizer by OMIFCO. The Table.2 shows that trade with UAE it is showing less improvement of 26.3%in 2009 but in India on the same time shows a little improvement by a growth of 14.3% in 2009 while it was 12.7% in 2008. Despite the growth in trade between the US and Oman, the share of the US in Oman's total non-oil exports has been going down. From 7.6 per cent in 2004, it declined to 3.4 per cent in 2005, further to just 1.9 per cent in 2006. But, we can find out little improvement in Oman-US non-oil export in 2009 with 3.7% .It is because of the US-Oman FTA, this trend is expected to continue as more Omani exporters will target the US market. Similarly, exports to other advanced countries, whose currencies had exhibited significant cumulative appreciation against the US dollar since 2002 (such as the Euro-area and the UK), did not show much increase. These were also not the leading destinations for Oman's non-oil exports. In fact, the potential competitive advantages that should have arisen following the sustained depreciation of the US dollar were not there, as is made clear by the country-wise information on Omani exports.

STRATEGIES FOR NON-OIL OMANI –ORIGIN EXPORT SECTOR

Oman government has started OCIPED which is trying to promote the non-oil sectors growth & it is trying to promote the SMES more because it will definitely give development to the Oman economy. Directorate General of Export Development (DGED) of Omani Centre for Investment Promotion and Export Development (OCIPED) whose role is to develop non-oil exports of Omani origin, has hailed the significant growth achieved in non-oil Omani origin exports during the first ten months of 2008. In ancient days, Oman, then known as Majan, was at the forefront of international maritime trade as Omani dates, traditional handicraft and fragrances were very popular in Africa, Middle East, Europe and Asia. With the discovery of hydrocarbon reserves in the 20th century, like rest of the other Gulf States, Oman's economy shifted focus to the oil and gas sector. However, with the increased stress on diversification of the economy, Omani products across different categories are coming to the fore and gaining wider acceptability in the international market. In accordance with Oman's long-term development strategy (Vision 1996-2020), the contribution of agriculture and manufacturing to GDP are expected to increase, respectively, from 2.8% to 5%, and from 7% to 29% during the period, whereas the shares of services, and oil and natural gas are to fall to 7% (52.3% in 1996), and 19% (over 40% in 1996), respectively. The value of non-oil Omani origin exports touched RO 1,962 million during January-October 2008 as against RO 1290 million during the same period in 2007 registering an impressive growth rate. But in 2009 the trade figure shows little less than 2008 that is RO.1849.

In fact, the strong growth recorded by exports of non-oil products of Omani origin has been one of the most impressive aspects of the country's macroeconomic performance in 2006. Growing by 46.3 3 per cent over 2005, the value of non-oil exports (excluding re- exports) stood at RO812.3 million in 2006. In 2002, these were worth just RO261.6 million.

It is clear from the table that in 2009 growth was driven to a large extent by the 400 .0 per cent increases in exports of mineral products (cable pipes, iron and steel products, etc.). It was followed by the chemicals and allied industries sector, which registered a growth of 376.7 per cent in 2009, over and above the 307.6 per cent growth seen in 2008. The strong performance of this sector was primarily due to the export of fertilizers by Oman India Fertilizer Company (OMIFCO), which was initiated in 2005. On the other hand product categories, the Bank said, "in the non-oil export basket, most of the other items, such as live animals and animal products, vegetable products, foodstuffs, etc., exhibited negative growth, reflecting the growing demand within the economy for such items in the face of rising inflation. Export of textiles and articles thereof continued to exhibit the negative trend that started in 2004, reflecting primarily the impact of termination of the multi fiber agreement (MFA) related quotas under the WTO. (WTO, 2006).

However, it is the changing portfolio of the non-oil exports' basket that indicates the shift in the economy's thrust on manufacturing industries the main srategies which OCIPED is following: firstly they are Identifying the thrust products and target markets.and then Find opportunities to leverage various trade pacts.Then Fix export targets and monitor them. Extend support services.Identify thrust products and target markets,find opportunities to leverage various trade pacts is their next attempt.They are also Fixing export targets and monitor them, and also Extending support services.Oman Now we are having Trade Statistics for International Business Developments through Trade Map and Business information for going global through Product Map. Oman has a Comprehensive source of tariffs and market access measures through Market Access Map. If anybody wants know about a country profile we will get it from country map. Oman is first country in GCC and second in the Arab states to establish a trade map &it is also the first country in GCC & Arab states to establish product map covering 72 non –oil sectors.(OCIPED,2008).Oman provides customs duty for 500 products in 180 countries. (OCIPED, 2008). It is also available a generalized System of Preferences for Omani Products and market Reports for select products in target countries. . The Omani Center for Investment Promotion and Export Development (OCIPED has developed a comprehensive export development strategy for non-oil products of Omani origin.

Free trade agreements and exchanges of services involve the transfer of patents or duties on new products or new forms of production, are accelerating the corporate penetration of new technologies from numerous countries. This is also fostering a rapid rise in the cross-border flow of information that is economic and technological, but also political and cultural, which could lead us to a form of the "global village" (Marshal McCluhan, 1968) .This flow is fostered in particular by new discoveries in telemetric and new forms of information organization using exchanges of computerized documents. (OECD,1991).So in Oman the non-oil export opportunities to leverage the GCC Customs Union and various FTAs ,signed / on the anvil Arab FTA, FTA with USA, GCC-EU FTA and GCC- India like that collaborations.

On its part, OCIPED has chalked out a strategic framework to achieve this target. OCIPED have prioritized the products for a focused approach. The products in the thrust area have been segmented into four categories." The first, high-value products whose exports are valued at RO50 million and above. Urea comes in this category. The second is of medium-value products, whose exports are worth RO5-50 million. They are likely to grow rapidly and may need support initiatives that are generic like infrastructure, trade pacts, etc, electric cables, steel tubes, marble, vegetable oil, steel bars and rods, BOPP films and products, aluminum profiles, lead acid, copper wire, detergents, biscuits and other cocoa products, potato chips and condiments, among other fall in this category.

The third category is of low-value products, whose exports are between RO3 and 5 million. They have the potential to graduate to the medium band and may need product-specific support from OCIPED and other entities. Products in this category include steel billets, ceramic tiles, metal furniture, plastic tableware and kitchenware, rubber and plastic mattresses, and air conditioners, among others. The last is a special category comprising products whose exports are currently between RO1 and 3 million but which have a good growth opportunity. Frozen fish, dates, glass containers, canned tuna, surgical gloves, tomato paste, switchgears, transformers, electric heaters and mushroom are part of this category. This export performance have been in line with the export strategy adopted by OCIPED, which has identified thrust products and target markets for the period 2006 – 2010. Omani manufacturers today export products that range from steel, cement and fine ceramic tiles to foodstuffs, fibre-optic and electrical cables, and from electrical transformers, industrial packaging materials and fertilizer to world-famous perfume. Here are some of Oman's most successful non-oil exports.

ANALYSIS AND DISCUSSION

The growth of non-oil export is showing different pattern of growth because of the economic scenarios prevailed in particular years. The non-oil Omani origin exports increased from RO. 173 million during the year 1996 to RO. 1850 million in 2009.

TABLE 3: NON-OIL EXPORTS OF OMAN (RO Million) -1996-2009

Year	Non-oil export of Oman(RO Million)
1996	173
1997	203
1998	199
1999	201
2000	247
2001	266
2002	261
2003	304
2004	420
2005	555
2006	812
2007	1291
2008	1963
2008	1963

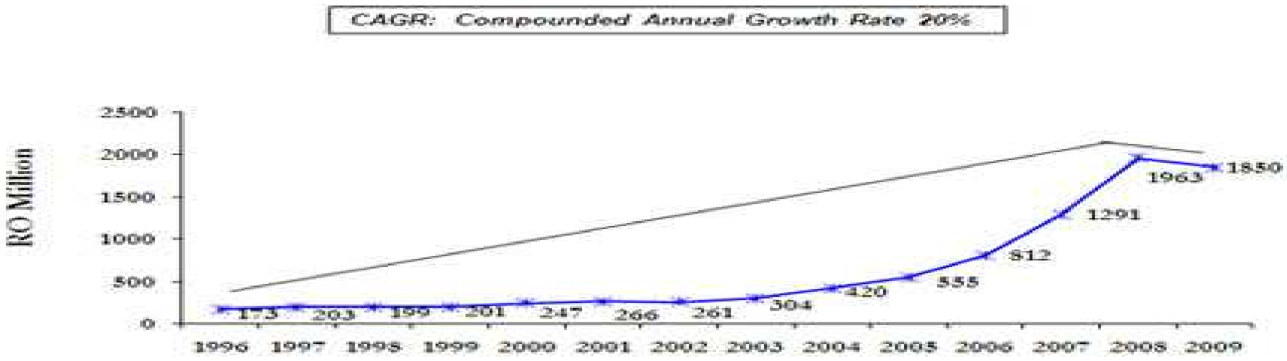
Source: Directorate General of Customs and Ministry of National Economy, Oman, 2009.

The Table .3 is showing the trend of growth of 10 years, 1996-2009. The compound growth rate, directly tracks how the value of exports, imports or trade is changing over time. This is one of the most common indicators used when assessing the progress of an economy in any area of economic activity. (Krugman.P.R.2000).Often the rate is calculated at the level of product groups to identify 'dynamic sectors' or at the regional level to indicate 'dynamic regions.' The compound growth rate is the annual growth rate required to generate a given total growth over a period of length n. If n is equal to 1, this is simply the percentage change in exports. The growth rate may also be calculated for a subset of destinations, or for a subset of products, with appropriate modification. The growth rate can also be calculated for imports and/or trade (imports plus exports). The formula for finding out the compounded annual growth rate (CAGR) is **{x1w/x0w} ^1/n-1}100**

where X1 is the export flow in the end period &X0 is the total export flow in the start period.' n' is the number of periods (not including the start).

The Graph .1 below is showing the compounded annual growth of non-oil sector of Oman since 1996 registering a Compounded Annual Growth Rate of 20%.

GRAPH 1: THE COMPOUNDED ANNUAL GROWTH RATE OF NON-OIL SECTOR IN OMAN



Source- Computed using the secondary data.

It is clear from the Graph.1 that during 1997 to 1998 the growth of export is showing no growth at all. It was RO 203 in 1997 and it reduced to RO.199 in 1999. This trend is same in the year 2001 and 2002 .During 2001 the volume of export was RO.266 but it reduced to RO.261 in 2002.Because of global recession year 2009 has seen a slump in non-oil export in Oman (OR.1850 Million) While it was OR 1963 Million during 2008.All other years it has been showing an increasing trend of growth of non-oil export in Oman. Compounded Annual growth is showing a rate of 20% it is a good sign for Oman's non-oil sector. This growth trend is mainly because of the globalization &trade liberalization in Oman.

CONCLUSION

The Oman's non-oil export sector's growth patterns discussed above been helpful for Oman economy's total growth. Oman non-oil sector has learned to sustain and keep its pace in global world and is growing smoothly. The flexibility and innovativeness of this sector has made this sector to prosper and flourish with a high share of GDP of overall economy. Oman's non-oil export products compete on markets spanning more than 80 countries in Asia, Africa, the European Union and the Americas. Oman demands an exacting performance from its private sector: regulations laid down for Omani products are on par with the strictest worldwide. Thus it can be inferred that Oman's non-oil sector has effectively made an impact and created its market in rest of the world. As per projections made by the Omani Centre for Investment Promotion & Export Development (OCIPED), Oman is targeting non-oil exports to touch RO 2,750 million by the end of the year 2010. That means an almost five-fold growth in the period 2005-2010, with a compounded annual growth rate (CAGR) of 38 per cent. It is encouraging to note that growth has achieved consistency and uniformity in most of the cases. It means that this sector has started organizing itself in tune with the globalization, which is a healthy sign.

REFERENCES

Anaman, K. A., T. H. Mahmod. (2002)."*Supply of Non-Oil Exports in Brunei Darussalam from 1961 to 2000",* Unpublished paper. Department of Economics, Universiti Brunei Darussalam.

Buffong, S. M., K. A. Anaman. (1999). *"Analysis of the Sources and Composition of Imports and Demand for Major Categories of Imports in Brunei Darussalam".* Southeast Asia: A Multidisciplinary Journal 1-2 71-85.

Chwo-Ming, J. Y., D. S. Zietlow. (1995). *"The Determinants of Bilateral Trade among Asia-Pacific Countries"*, ASEAN Economic Bulletin 11 298-304.

Central Bank of Oman. (2008*)."Annual Report*", www.cbo.om

Deardorff, A. (1998). *"Determinants of Bilateral Trade: Does Gravity Work in a Frictionless Model?, In The Regionalisation of the World Economy"*, edited by J. Frankel, pp. 7-28. Chicago: University of Chicago Press,.

Hellvin, L., L. Nilsson.(2000). *"Trade Flows between Trading Blocs: The Case of the EU's Trade with Asia and NAFTA",* Stockholm, Sweden: Ministry of Foreign Affairs,

Henderson, C. W. (1998).*" International Relations: Conflicts and Cooperation at the Turn of the 21st Century",* Boston: McGraw-Hill,

Hummels, D., J. A. Levinsohn. (1995*). "Monopolistic Competition and International Trade: Reconsidering the Evidence ",* Quarterly Journal of Economics, 110 799-836.

Husted, S., M. Melvin. (1993). "*International Economics",* 2nd ed. New York: HarperCollins College,

International Monetary Fund. "*International Financial Statistics Yearbook",* Washington, D.C.: International Monetary Fund (various issues).

Krugman, P. R., M. Obstfeld. (2000). *"International Economics Theory and Policy".* 5th ed. New York: Addison-Wesley Longman.

Mahmod, T. H., K. A. Anaman. (2001). "*A Study of the Composition and Destination of Non-Oil Exports in Brunei"* ,Journal of International Marketing and Exporting 6 47-57.

Michalet, C.A. (1985). *" Les multinationals et la crise ,Revue Tiers Monde***"**, vol. 26, issue 104, pages 931-932

Marshal McCluhan. (1968)." *War and Peace in the global Village",* New York, McGraw –Hill,

National Economy of Oman. (2008). "*Annual Report*".

OECD. (1991). " *Rebalancing in public and private sectors in developing countries:the case of Jamaica"*,OECD Development centre ,Technical paper,Paries.

Riedel, J. (1998*)."Trade as an Engine of Growth: Theory and Evidence, In Economic Development and International Trade"*, edited by Greenway. London: Macmillan Educational Limited.

Tinbergen, J. (1962*). "Shaping the World Economy: Suggestions for an International Economic Policy"*, New York: The Twentieth Century Fund.

Todaro, M. P.(2000*)." Economic Development".* 7th ed. New York: Addison-Wesley.

World Bank (2008*). "Annual Report".*

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mails i.e. **infoijrcm@gmail.com** or **info@ijrcm.org.in** for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator