

MARKET



ACCOMMODATION

Renaissance backs Duqm with OMR100m investment

Times News Service

MUSCAT: Samir Fancy, chairman of Renaissance Services, has confirmed his company's commitment to OMR100-million project to establish permanent accommodation facilities for contractors in the Duqm Special Economic Zone (DSEZ).

In a wide-ranging interview, Fancy spoke of the need for large private sector companies to get behind projects of national importance, support the long-term vision for Oman, create in-country value, and share opportunities and economic value with local communities and small and medium enterprises (SMEs).

"Renaissance is a company that has developed its values and competences here in Oman, and now competes and operates successfully abroad. But our home-base of Oman is still one of our largest markets. We generate 20 per cent of our revenue here. That percent-

age may diminish as we expand abroad, but the scale and value of our business still grows each and every year at home."

The Duqm Permanent Accommodation for Contractors (PAC) project is the latest major investment for Renaissance in Oman. It will house over 16,000 people, principally blue-collar workforce, but also with accommodation for supervisors and managers.

"Renaissance has five PAC facilities in the Petroleum Development Oman (PDO) oil and gas fields, at an asset value in excess of some half a billion dollars," Fancy explained.

"They are a world-class standard Oman can be proud of. We deliver higher standards at lower costs through economies of scale. Blue-collar employees are properly cared for in quality buildings, with good food and excellent recreation and medical facilities. We want to do the same in Duqm on a larger scale. Because of the size and design at Duqm we can give

more to our customer for every dollar. It will be more cost-effective to stay in our PAC than to live in a portacabin with no supporting lifestyle facilities. That's the beauty of our business model, and the Renaissance Contract Services team has an outstanding record of delivering these projects with stunning success, safe, on time, in cost and profitable. I believe they are best in class bar none. Work has already started at the site with piling, excavation and earthworks contracts underway. And, according to the Renaissance chairman, the company will imminently announce award of the two main construction packages.

"The cumulative value of the full project investment shall exceed quarter of a billion dollars, but the resultant value creation for Renaissance shareholders will be excellent. Renaissance will be the majority shareholder, but will offer opportunity of shares for local community investors, Omani Pen-

sion Funds and Sovereign Wealth Funds. This spreads the benefit between public company shareholders, pension beneficiaries and, most important, the local community in the Duqm area and the Al Wusta region."

Fancy expressed his admiration and support for SEZAD and the government's plans for ports and logistics infrastructure. "Three areas stand out where Oman can be globally competitive on a comparative basis within the region: ports, logistics and tourism. Imagine Oman's three great ports at Sohar, Salalah and now Duqm, all in prime positions on the Indian Ocean rim, backed up in future by outstanding logistics links throughout the peninsula by road and rail, and all this supported by terrific new airports."

"The amount the government is investing in this infrastructure is fantastic. Success in these three areas will bring long term sustainability and diversity to our econo-

my and reduce our reliance on the blessings we have of oil and gas. But the government cannot be expected to act alone. Private sector needs to put its collective shoulder behind the government's effort. I am proud that the Renaissance board is doing this through initiatives such as our Duqm project."

Fancy also says Renaissance has a philosophy that focuses on in-country value, and the benefits should be shared beyond stock ownership. "This project will generate Omani jobs. Wherever possible we will use Omani goods and services. And we have a programme to help develop SMEs by enabling them to grow on the back of our supply chain. We show them how to serve us safely and profitably. But we won't compromise on safety, speed, quality and price," he adds. "Otherwise how can they successfully compete for themselves and for Oman? - But we will help get them there."

When asked about the risks in

building for 16,000 people when that population of workforce is not currently in Duqm, Samir Fancy was resolute: "Look, Renaissance has successfully built projects in war zones and other harsh foreign and local environments, always evaluating and mitigating risk. We believe in Oman. The government has built an amazing Port and Drydock. Airport and roads are under construction. Railways will follow. The Duqm refinery is coming. Insh'Allah our timing will coincide with the start of the Refinery construction. Our accommodation enables projects. Then each project enables the next. If we all get behind His Majesty's vision for this great nation then wonderful things will happen. Projects such as Duqm are creating prosperity and sustainable growth for the future. A combination of a best-in-class management team, professional advisors, and blue chip customers, gives us both comfort and confidence for the future."