

The Riyada Entrepreneurship Card and SME Access to Public Procurement in Oman: Working-Capital Implications

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Abstract

Oman's Entrepreneurship Card, issued by the SME Development Authority (Riyada), gives card-holding firms access to reserved public procurement, financing routes and support programmes. The number of card holders reached 32,103 at the end of June 2026, and government purchases under OMR 25,000 are reported to be reserved for card-holding firms. Preferential access to procurement is valuable, but public contracts can pay later than private customers, so winning work can strain the working capital of small firms. This paper summarises the card's reported benefits from public sources and sets out a practical working-capital test for SMEs before they bid: modelling contract cash flows in a 13-week forecast, pricing contracts on full cost and margin, and allowing for financing costs. The paper argues that procurement access and finance readiness should be treated as one decision.

Keywords: public procurement, SMEs, Oman, Riyada, working capital, cash flow forecasting · **JEL:** H57, G32, L26, O53

1. Introduction

Preferential access to public procurement is a common instrument for supporting small and medium enterprises. In Oman, the Entrepreneurship Card issued by the SME Development Authority (Riyada) is the gateway to that access. This paper describes the reported benefits of the card and examines the working-capital consequences for the firms that use it.

2. Method

The paper reviews national press reports and the official programme website, accessed in October 2026, and applies a cash-flow planning lens drawn from the author's finance practice with Omani SMEs. It does not report primary data on payment times; the working-capital test is a planning method, not an empirical estimate.

3. The card and its reported benefits

By the end of June 2026, 32,103 Omani enterprises held the Entrepreneurship Card, after 19,267 new cards were issued in the first half of the year (Muscat Daily, 2026).

Reported benefits include allocation of selected tenders and projects to card holders, with government purchases under OMR 25,000 reserved for card-holding firms (Oman Observer, n.d.); financing routes through Riyada's work with Oman Development Bank; incubation, advisory and training programmes; and offers from private-sector partners. A separate card exists for technology and innovation-focused start-ups. Eligibility rules are published by Riyada (Riyada, n.d.).

4. Why procurement access is a working-capital question

A contract creates costs before it creates cash. Staff, materials and subcontractors are paid during delivery, while the invoice is issued on completion or on milestones and paid after approval. When the customer is a

public body, approval steps can extend the time between delivery and receipt. For a small firm, a contract that is profitable on paper can still create a cash shortfall during delivery.

The risk grows with success: a firm that wins several reserved contracts at once multiplies the funding gap. Without planning, the firm either delays suppliers, damaging its standing, or borrows at short notice and at higher cost.

5. A working-capital test before bidding

(1) Model the contract week by week. Place each cost in the week it is paid and each receipt in the week it is likely to arrive, using realistic rather than contractual payment dates, inside a rolling 13-week cash forecast.

(2) Price on full cost. Include direct cost, an allocation of overhead, VAT treatment and the cost of financing the gap identified in step 1. The margin must cover all of these.

(3) Arrange funding before signing. Where the forecast shows a gap, agree a facility in advance. Lenders, including routes linked to Riyadh and Oman Development Bank, will ask for current financial statements, management accounts and the cash forecast itself.

(4) Keep compliance current. VAT registration where required and compliant invoices avoid payment delays caused by rejected documents.

6. Conclusion

The Entrepreneurship Card widens access to public demand for Omani SMEs. The benefit is realised only when firms can finance the delivery. Treating the bid decision and the cash plan as one decision protects the firm and improves the value of the programme. Future research could measure payment times on reserved contracts and their effect on SME liquidity.

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