

Our World

THE SULTANATE OF OMAN

Living the Renaissance

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For the past 42 years, the Sultanate of Oman has been enjoying strong socioeconomic development. Hugging the southeastern tip of the Arabian peninsula, Oman has a history to celebrate and a future to truly look forward to

The year 1970 marks one of the most significant milestones in Oman's history. It was in that year that His Majesty Sultan Qaboos bin Said took over the reins of the country and set the country on a course of major social reforms, administrative modernisation and openness to the outside world. The past four decades under His Majesty the Sultan's leadership have had such a positive impact on the country that the period has been termed the "Blessed Renaissance".

Indeed, in late 2010 the United Nations Development Programme (UNDP) conducted a survey of 135 countries worldwide, measuring their progress in health, education and income according to the Human Development Index. The report named Oman as the nation most improved during the preceding 40 years.

Not content to rest on his laurels, His Majesty the Sultan continues implementing reforms to raise quality of life. For example, uprisings in Oman during the Arab Spring were soon quelled with the government's vow to provide Omanis with 50,000 new jobs in the public and private sectors, as well as with unemployment benefits in the meantime. Other novelties were an increase in the number of scholarships available to Omani students.

Also in 2011, His Majesty the Sultan made modifications to the political structure; by amending the Basic Law of State, he gave citizens more say in the country's governance. Reforms such as this are hinting that Oman is gradually

shifting away from the current system of administration and towards a constitutional one.

Considered a haven of peace and stability in the region, Oman's foreign policy is one that seeks regional stability and cooperation.

As Yousuf Bin Alawi Bin Abdullah, Minister Responsible for Foreign Affairs, puts it: "The fundamentals of the Sultanate's policy in its relations with other countries are based on dialogue and mutual respect." Consequently, Oman remains one of the few countries that have maintained friendly ties with Iran, and as

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His Majesty Sultan Qaboos bin Said

such, has served as a diplomatic tie between the latter country and the rest of the world. In fact, Oman helped facilitate the September 2011 release of North Americans and Europeans who had been detained by Iran.

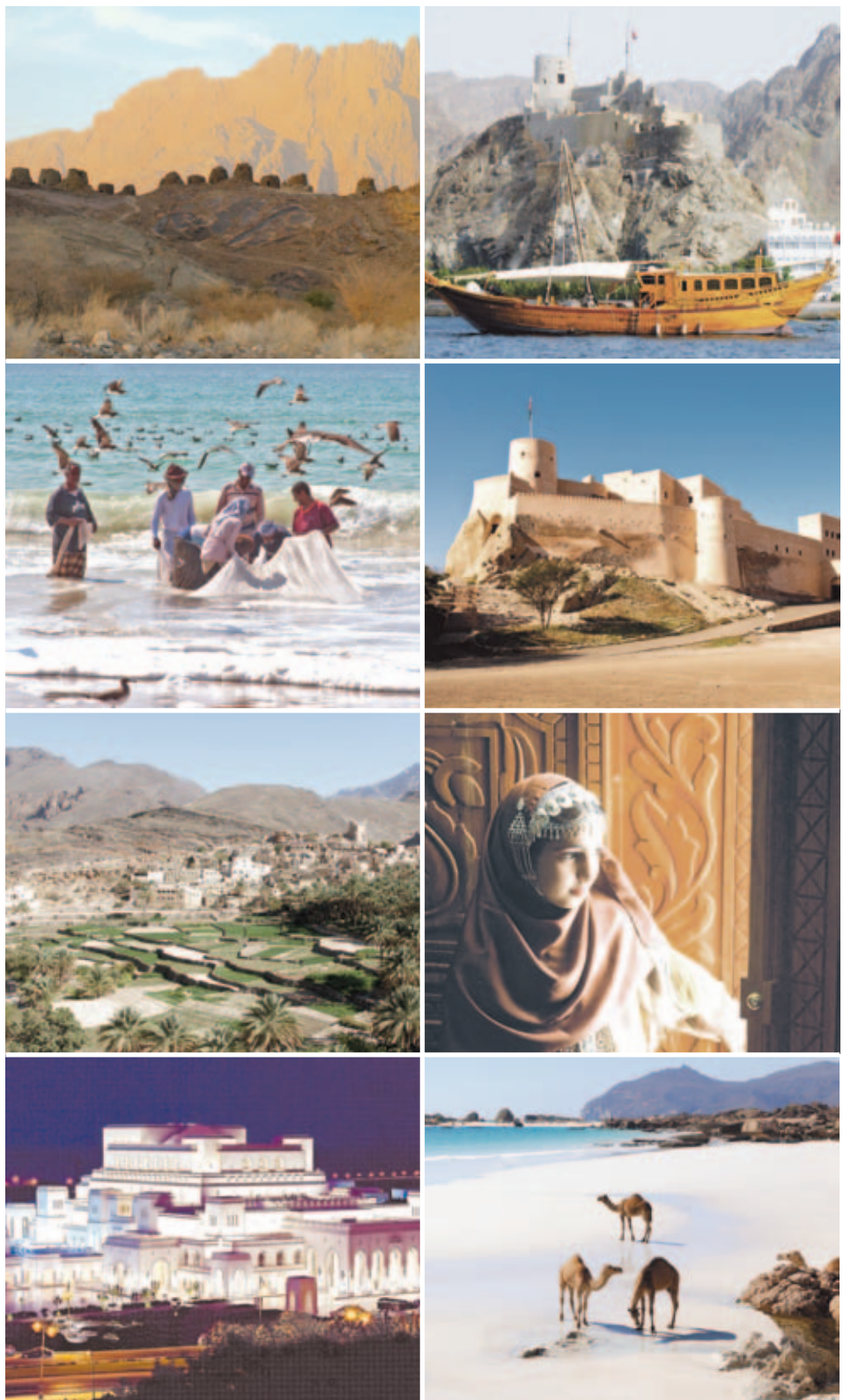
While not turning its back on its giant neighbour across the Arabian Gulf, Oman does embrace moderation. His Majesty the Sultan, in his October 2011 speech to the Council of Oman, said: "As the monopolisation of opinion and its imposition on others should not be permitted, radicalism and immoderation should also not be tolerated because all that will disturb

the required balance upon which wise decisions that consider the interests of all were based."

The last 42 years under His Majesty the Sultan's rule have also witnessed strong economic growth, due in no small part to the oil and gas sector. The government expects to receive \$22.8 billion in revenues, nearly 70% of which will stem from oil sales and another 12.5% from gas exports. Nevertheless, Oman is joining the ranks of many other oil states in the pursuit of a more diversified economy. By 2020, the Sultanate plans for the oil sector to contribute just 9% to total gross domestic product (GDP), which grew by a healthy 5.5% last year, reaching \$71.89 billion.

In its Eighth Five Year Plan (2011-2015), the government is promoting non-oil exports and is increasing spending on infrastructure projects. According to the Ministry of Finance, more than \$17.9 billion has been allocated to new projects to date, including the building of five hospitals, 29 schools and the Al Batinah Expressway, as well as for new infrastructure on the Samail, Ibri and Duqm industrial estates, and for the implementation of scientific research and information projects.

His Majesty the Sultan has Oman's present and future at heart, and in his speech called on the people to participate in laying the groundwork for a better future. "Therefore every nation that desires to live – in the full meaning of the word – needs to roll up its sleeves and work tirelessly and diligently with dedication and the love to give generously to utilise its capacities and skills and invest in its resources and potential, so that it can build a great and illustrious present and prepare for a decent and prosperous future."



Oman and US build on historic ties

The two countries have shared trading interests ever since American merchant ships began docking in Muscat at the end of the 18th century

From the 1833 Treaty of Commerce and Amity – the first bilateral accord between the US and an Arab Gulf nation – to the 2006 Free Trade Agreement (FTA), Oman and the United States enjoy a longstanding and multifaceted relationship.

The appointment of Ambassador Hunaina Al Mughairy, the first Arab woman ambassador in Washington, in 2005 acknowledged Oman's progressive stance, and signalled a new period of cooperation between the two nations. She was recently awarded the Ambassador of the Year award from the National US-Arab Chamber of Commerce (NUSACC), and has used her 16 years of living in the country to not only visit 35 of the nation's states, but to also forge a series of diplomatic and commercial agreements.

"The relationship between Oman and the US stands as a model of how free people, determined to maintain their territorial integrity and political independence, can and do co-



His Majesty Sultan Qaboos bin Said with Hillary Clinton during her recent visit to the Sultanate of Oman

operate for their mutual interest," said the ambassador.

The clearest indicator of this "mutual interest" came with the FTAs implementation in 2009.

Export markets opened up across an array of products and services, and major US firms such as Dow Chemical, Occidental and Bechtel are now active in the country, with Oman's exports worth \$2.2 billion in 2011, while US exports ex-

panded by nearly 30% year-on-year to \$1.4 billion.

"American investors have shown a keenness to activate the bilateral investment relations," explains Khalil Abdullah Al Khonji, Chairman of Oman's Chamber of Commerce and Industry (OCCI). "As of today, US companies have investments in oil, auto, foodstuff, textile and infrastructure sectors."

Much of the government's procurement is now open to US firms, and management regulations have relaxed. Companies can own 100% of their businesses without a local partner and dispute resolution procedures are being developed.

The creation of the US-Oman Business Council, a project between the OCCI and the NUSACC, will further engage investors over the

country's geographical and political position on the Arabian Sea.

"Although Oman has a small population, our neighbours are highly populated," adds Al Khonji. "That is a big market for US companies and a good opportunity because we have a longstanding relationship with the US."

And as Hunaina Al Mughairy explains, these factors provide

sizeable opportunities for investors and the country itself.

"US companies will get a new market and another staging area to enter the markets of Africa and India," she said. "And we offer unmatched incentives to foreign investors which aim at guaranteeing the long-term objectives that serve the interests of the investor community, as well as the country and its people."

Financial sector improvements aid economy

Oman is developing its fiscal and monetary policy co-ordination to ensure continued financial sector growth

Owing to its location, Oman has long attracted trade and investment to its shores. This first came in the form of merchant ships docking in Muscat. Today, steady growth and an open and accessible economy attract a range of foreign investors.

Oman ranked 32nd in the 2011/12 World Economic Forum's Global Competitiveness Index, while GDP grew by 5.5% in 2011 (CIA World Factbook figures). Income from oil helped the country to invest in infrastructure, while its position outside of OPEC – and the fact that much of its energy exports go to Asia – helped buffer Oman from Euro Zone problems.

Relaxed foreign investor regulations, a developed financial sector and the rial's pegging to the US dollar have also boosted investment, as Hamood Sangour Al Zadjali, executive president of the Central Bank of Oman, explained.

"Oman has emerged as an attractive destination for foreign direct investment due to its free market system, stable macroeconomic environment and political stability," he said. "The future of Oman's banking system remains promising

with international rating agencies affirming and upgrading its sovereign rating."

Inflationary pressures are also expected to weaken, partly due to the strengthening US dollar, allowing the Sultanate's Eighth Five Year Plan to target growth areas.

"The 2012 budget provides for the highest single year spending of \$26 billion," said Darwish Ismail Al Balushi, Minister Re-

sponsible for Financial Affairs. "That's an increase of 23% against the original 2011 budget with focus on job creation, human resources development, and infrastructure spending."

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"It is designed to speed the pace of economic diversification and further promote the role of the private sector in the development process," added Al Zadjali. "The government also plans to enhance the existing co-ordination between fiscal and monetary policy."

These plans have already seen improvements across the

levels of non-performing loans are ascribed as the basis of Omani banking sector stable and promising outlook," said Al Balushi.

A new avenue of potential lies in Islamic financing, with two banks approved but yet to commence operations. Some proposals forecast 15-25% market share in the medium term.

Oman is also improving the performance of its stock market operations. Indexes suffered over the past year, but the Sultanate hopes engaging with

local high net worth individuals – and technology, including the recently installed NFCV 900 system – will help the market grow.

"In the region we are seeing good indications," said Ahmed Saleh Al Marhoon, director general of Muscat Securities Market. "This means confidence is returning to the exchanges and people will begin to invest more."

Oman has also focused on its insurance sector. The Capital Market Awareness Campaign 2011 toured the Sultanate to drive awareness of mitigating risk. Tied in with Oman's improving banking and stock market operations – and their enviable GDP growth and geographical location – the Sultanate seems well placed to make the most of its burgeoning economy.

"Oman has made considerable investments in the USA ranging from strategic and trade imports to our sovereign wealth funds investments," Al Balushi said. "And we will continue with the political reforms and encourage all elements to get engaged in defining the economic prosperity road map."

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"THE GOVERNMENT IS ENGAGED IN MAKING THE INVESTMENT CLIMATE AS CONDUCTIVE AND INVESTOR-FRIENDLY AS POSSIBLE."

Hunaina Al Mughairy, Ambassador of Oman to the US



"OMAN'S STABLE ECONOMIC PERFORMANCE HAS SEEN IT RANKED AS THE WORLD'S 32ND MOST COMPETITIVE COUNTRY."

Darwish Ismail Al Balushi, Minister Responsible for Financial Affairs



"EXISTING COMMERCIAL BANKS OPERATING IN OMAN CAN OPEN WINDOWS FOR THE PURPOSE OF ISLAMIC BANKING."

Hamood Al Sangour Al Zadjali, Executive President of Central Bank



"OMAN'S STRATEGIC LOCATION QUALIFIES IT TO BECOME THE GATEWAY TO AFRICA AND GCC COUNTRIES."

Khalil Abdullah Al Khonji, Chairman of the Oman Chamber of Commerce and Industry

A knowledge-based future in sight

Oman's Information Technology Authority is working to bridge the digital divide within the country

The initiative to equip Oman with an advanced IT infrastructure assumes that even the most sophisticated technology can be effective only when the people who stand to benefit from it know how to make it responsive to their own needs. Nearly a decade after the Digital Oman Strategy (or e.oman as it is known) was drawn up, Dr Salim Al Ruzaiqi, CEO of Oman's Information Technology Authority, remains confident that this once-distant goal is within sight.

"We see technology as a tool to achieve specific goals such as economic diversification and job creation," said Dr Al Ruzaiqi, "and a high level of IT literacy in society at large is the key." Accordingly, the government has identified the groups earmarked for its priority training initiatives. Government employees, women, and would-be business entrepreneurs head the target list, while at the same time a more widespread consciousness-raising campaign seeks to make the general public more

open to the idea of a computer-enhanced society.

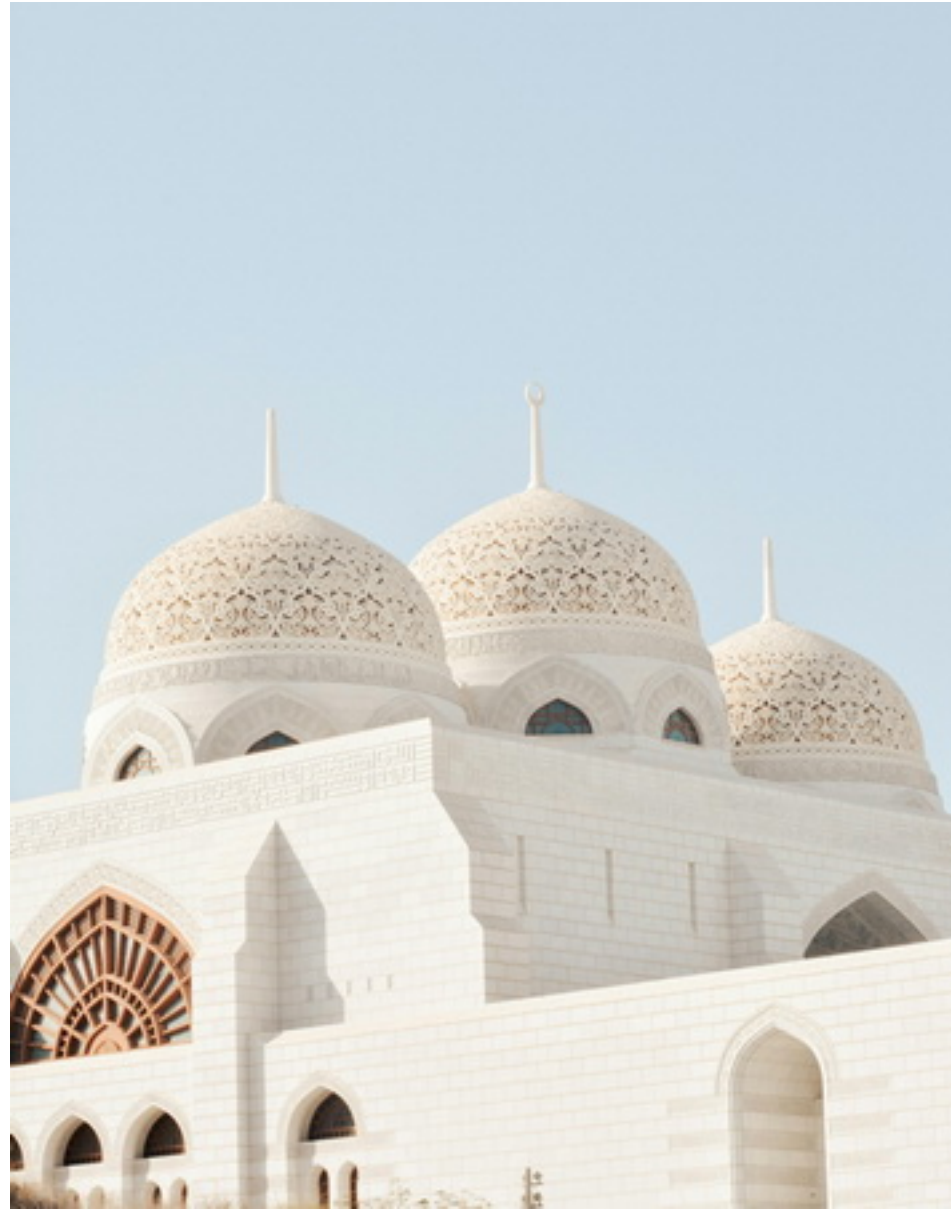
Government employees are important because the Sultanate sees the Internet and other electronic delivery systems as the future access gates for many of the services they provide. "One key capacity building initiative, the Government IT Training and Certification programme (GITTC), focuses on training nearly 100,000 government employees to improve IT literacy within the government," noted Dr Al Ruzaiqi.



Dr Salim Al Ruzaiqi, CEO of ITA

The women of Oman, he added, have been granted exclusive use of nine of the 19 Community Knowledge Centres (CKCs) that have been set up in towns across the country over the past two years, as one-stop centres offering free access to computers and the Internet, as well as serving as classroom venues for training in basic and advanced digital skills. Over 24,000 men and women have taken part in the courses to date and the waiting list just keeps getting longer.

Finally, the Omani government hopes to have IT on board in its campaign to overcome long-standing cultural roadblocks and encourage the growth of small businesses and start-ups among individuals just out of college. Entrepreneurship as a career is being talked up in schools because "young people in Oman are really talented; they just need someone to show interest in their aspirations," Dr Al Ruzaiqi emphasised. "We want to increase the quality of life and opportunities available to the next generation."



TRA modernises Oman’s telecoms

Working with the government, the Telecommunications Regulatory Authority’s top priorities lie in broadband penetration and market competition

In recent years in the Sultanate of Oman, the telecommunications industry has experienced rapid and exciting growth. The Telecommunications Regulatory Authority (TRA) has played a key role in facilitating the building of a modern infrastructure for the sector, educating citizens in Internet literacy, and liberalising the market to further promote competition and encourage investments.

The TRA, which enforces regulation for the Omani telecommunication operators and implements the policies

set up by the government, has emphasised development and growth of broadband Internet throughout the nation as a top priority. The TRA is supporting the Ministry of Transport and Communications in the development of the National Broadband Strategy in an effort to extent connectivity to every business and home even into rural areas. This follows a nationwide government modernisation effort called the e-Oman project, which aims to provide electronic services to citizens and businesses as well as the government entities.



Dr Hamed Salim Al Rawahi, Chief Executive of TRA

“The major development that we are looking at in the next five to eight years is the broadband side of telecoms,” said Omani Minister of Transport and Communications, Dr Ahmed Mohammed Al Futaisi. “We would like to have a broadband network in every house in Oman.”

Another important role of the TRA is to promote effective competition in the mobile services market. At the request of the Omani government, the TRA will be analysing the market to determine the viability of adding

a third operator to compete with the country’s established two telecommunication firms, Omantel and Nawras.

“The market is still not saturated,” opined Dr Al Futaisi, adding that the two current operators are implementing 4G technology during this year. “There is strong demand from the public to introduce a third operator and increase competition, improve services and reduce prices.”

Expanding the cellular phone market and further developing the telecommunication sector in general is part

of Oman’s plan to shift its economy away from relying primarily on the hydrocarbon industry.

“One of the key elements of Vision 2020 of Oman is to diversify the economy into non-oil sectors and the e-Oman plan has identified the development of a knowledge-based society to play a significant role in the diversification process,” said Dr Hamed Salim Al Rawahi, the TRA’s chief executive. “Telecoms have been a significant enabler and stimulant for the wheels of the economy.”

Omantel leads the telecom industry

With a successful track record spanning more than 40 years, the pioneering telecommunications supplier has been named number one six years in a row

For six consecutive years, the telecommunications enterprise Omantel has been named the leading company in Oman, playing a vital role in the modernisation and growing prosperity of the country.

Although Oman, located on the southeast corner of the Arabian Peninsula, has itself experienced challenges within its economic market, Omantel has enjoyed great success in 2010, leading the cellphone market within individual and corporate customers as well as significantly increasing its subscribers and revenue.

“All in all 2011 has been a challenging year at a market level, but we were the winner in our market,” explained Amer Awadh Al Rawas, CEO of Omantel, noting that the company has further increased productivity after being able to take on 200 new employees. “The success of our company in 2011 is also a reflection of how happy our staff is.”

According to Al Rawas, Omantel’s growth reflects the potential for a thriving economy in Oman. He goes on to say that the government has laid the necessary foundations for

attracting intentional investors and helped develop some of the necessary infrastructure within the telecommunications sector that Omantel takes full advantage of for its continued development.

In fact, Omantel projects further growth especially within the area of broadband Internet. Oman is one of the most connected countries in the region with seven international cables passing through the country and two more in the works. It has also just introduced the Europe India Gateway, bringing the country to a

total of six submarine cables in operation.

“This puts Oman on the map in terms of becoming one of the most connected countries in the area,” stated Al Rawas, adding that besides building telecommunications infrastructure, Omantel has also introduced 4G LTE technology as the first operator in the Sultanate and the third in the Arab world.

These constant improvements in the telecom sector as well as continued quality service have earned Omantel considerable recognition. In a survey conducted by the Oman Daily Observer, Omantel was named the number one best brand in the telecom category and number two out of 180 other national companies. Furthermore, many international financial research houses named Omantel’s stock as the best performing in the region of Eastern Europe, the Middle East and Africa in the second half of 2011.

Al Rawas attributes much of this recognition to the efficiency of the company after



Since 1970, Omantel has offered a full spectrum of telecommunications solutions

Nawras pushes the industry forwards

Emphasising broadband, the Omani telecommunications firm goes the extra mile for its loyal customer base



Although only launching its business in 2005, the telecommunications company Nawras, based in the Arabian country of Oman, has already established itself as innovative and firmly focused on the customer experience. Serving consumers and corporates, the company counts the Ministry of Finance and the Oman Airport Management company amongst its valued customers.

The Omani company prides itself on being “pleasingly different”, which according to Nawras’ CEO Ross Cormack “is a concept where we do things in a totally unique way that delights our customers, going the extra mile.”

This emphasis on quality has pushed penetration up from 30% to 170% within the telecommunications sector.

The company has also made available over 15,000 locations where clients can buy recharge cards.

Whereas 25% of the company’s customers are using a large quantity of data services such as messaging, e-mails, social networking and streaming, the remaining 75% leave room for significant growth in the mobile sector.

“Our company is about delivering broadband services to business, residences, and

IN AUGUST 2010, NAWRAS LAUNCHED A HIGHLY SUCCESSFUL IPO, THE LARGEST IN OMAN SINCE 2005

every city on the planet,” remarked Cormack. “There are definitely plans to extend our connectivity. Right now, we are in the early stages of the discussions on installing alternative submarine cables to give us further capacity and diversity.”

A major milestone for Nawras was its IPO launch in August 2010, the largest in Oman since 2005. Being the only stock market launch in the world that particular week, Nawras enjoyed tremendous success and recognition. The company is currently undergoing an extensive network modernisation programme, growing 3G coverage and capacity as well as preparing for a 4G LTE launch.

However, economics is only one component of Nawras’ philosophy. The company is also extensively involved in Corporate Social Responsibility (CSR) in Oman, including the prominent Nawras Goodwill Journey, where employees from the company visit those less fortunate during the annual Ramadan holiday. “What we do in our core business is the same thing that we do for our sponsorships and CSR programmes. We listen to what people want and try to deliver it to them.”

people on the move. This is the current growth market,” said Cormack, adding that Nawras increased its home broadband customer base by 250% in the first year. “The three areas of major growth are broadband, broadband and broadband.”

The company’s vision is in sync with the government’s initiative to provide high-quality Internet services to over 90% of the population by 2018. In fact, Cormack notes that last year the data usage in the Nawras network grew 18 times over.

Much of this growth is a reflection of the sophisticated and extensive telecommunications infrastructure that Nawras has in place in Oman. In 2011, the company celebrated the establishment of its first sea cable in the Arabian country going from Oman to Mumbai.

“This means that we have a direct connection to nearly



Keeping Oman well connected

From ports and roads to airports and railways, Oman is developing a world-class infrastructure to further enhance the social and economic development of the country

A functional transportation network and well-developed infrastructure are critical for an export-driven and tourism-orientated country like Oman, therefore making investment in infrastructure is a priority and necessity with regard to the country's 2020 vision.

Now, Oman is embarking upon the implementation of major projects linked to the building of roads, seaports, airports and rails. Dr Ahmed Mohammed Al Futaisi, Minister of Transport and Communications, explains the benefits this growth will bring.

"We hope that by 2016 all of these mega projects will be operative because such a major transformation of our transport network will contribute greatly to Oman's economic development by boosting trade and economic activities on one side, and providing jobs for our people on the other," said Dr Al Futaisi.

There are currently six airports under construction in Oman, two of which are international (Muscat and Salalah) and the other four (Sohar, Ad Duqm, Ras Al Hadd and Adam) will link the regions together.

Along with the airports, ports are also being developed to maintain and expand



"A MAJOR TRANSFORMATION OF OUR TRANSPORT NETWORK WILL CONTRIBUTE GREATLY TO OMAN'S ECONOMIC DEVELOPMENT."

Dr Ahmed Mohammed Al-Futaisi, Minister of Transport and Communications

Omani maritime traditions. Under the Eighth Five Year Development Plan, \$1 billion

has been committed to the development of Oman's seaports.

"We have developed major port projects like in Sohar, Salalah and Duqm and there are three others in Muscat, Shinas and Khasab. Given the Sultanate's long coastline and strategic location at the tip of the Arabian Peninsula, Oman's ports certainly are a key piece of infrastructure. Some 160 miles west of Muscat, Sohar is the largest industrial hub in Oman and has taken over the commercial activities that had heretofore

taken place at the Port Sultan Qaboos (PSQ), which in turn will focus more on tourist traffic.

According to Jamal Aziz, CEO of Sohar Freezone and Deputy CEO of Sohar Industrial Port Company (SIPC), Sohar was chosen as the primary location for the oil and gas industries and today offers a strong industrial base in metals and petrochemicals, as well.

Under the private management of SIPC (a joint venture between Oman and the Port of Rotterdam), Sohar Port boasts world-class infrastructure and convenient connectivity, thanks to an excellent road network and airport in the Sohar area.

The Sohar Free Zone – which has already been injected with \$14 billion for infrastructure development – offers an excellent investment climate for international investors; for example, full foreign ownership is permitted.

At the other end of the country, the Port of Salalah has the advantage of lying along some of the most important global shipping lanes. Being just 14 years old, the port was built to suit the needs of modern ships. Indeed, with a quay length of 2,505 metres and a depth of 16-18 metres, it is the only

one between Singapore and Europe that can accommodate S-class container ships, and consequently ranks among the top 30 container ports worldwide.

Salalah's Free Zone, established in 2006, is already under expansion as its tenants – which include methanol plants, shipyards and petrochemical companies – are looking to expand capacity.

The once sleepy fishing settlement of Duqm, in central Oman, is the new home of a major port, dry dock and special economic zone. The port and the town are growing in conjunction, as new jobs – not only in construction but also in the industries that are opening up there, such as ship-

building, ship repair, petrochemicals, and oil refining – attract more people from other areas in the country.

Built in the 1970s, the Port Sultan Qaboos in Muscat has seen traffic outgrow capacity. "The port in Muscat will be transformed from a commercial port (the majority of the container traffic will be transferred to Sohar) into a completely tourism-based port, providing a great boost for tourism activities in Muscat and Oman in general," said Dr Al Futaisi.

The ports of Shinas and Khasab are smaller terminals that receive mostly tourism traffic and support the local trade and commerce in their respective regions.



Muscat Int'l Airport will soon have capacity to handle 12 million passengers annually

Asphalt and steel: better road and new railway connections

Heavy investment in intranational highways and roads and a GCC rail network are all under way

For a country that as recently as 40 years ago had only about 620 miles of mostly unpaved roads, Oman has over the intervening years taken enormous strides to expand and improve its national transportation infrastructure.

The country of 2.9 million people in the lower right-hand corner of the Arabian Peninsula now boasts about 18,500 miles of roads, about 8,000 of which are asphalted, and is preparing to invest billions of dollars in coming years to add hundreds more miles of roadways, and to widen and improve hundreds of miles of existing highways.

Oman's government is planning to spend about RO3 billion (\$7.8 billion) on road projects through the end of 2013 alone. A big part of that money will be dedicated to the project to build the 165-mile, eight-lane Batinah expressway, which when finished will be the widest highway in the country.

Another huge project is the widening and lengthening of the currently 444-mile road linking Oman's capital city of Muscat and the southern city of Salalah. The road will go from being an undivided, one lane road to a highway with two lanes in each direction. The government also plans to spend about RO500 million on projects to ease traffic problems within the city of Muscat.

These upcoming projects, along with recently finished roads such as the 34-mile Muscat Expressway, all have the dual goals of improving the flow of road traffic around the country and making Oman's rapidly expanding road and highway network safer.

Investment on new or wider roads is growing, but the government is also improving existing roads, adding flyovers and underpasses, building new interchanges and re-aligning highways and other roads to help reduce the number of accidents.

Oman and its partners in the Gulf Cooperation Council, are also looking beyond road transportation and are planning to build a railway system more than 1,200-miles-long linking them all together. Construction on the GCC railway could start as soon as 2014, and it could start operations as early as 2017.

The railroad, as currently planned, will begin near Kuwait's border with Iraq, pass south along the Arabian Peninsula coast of the Arabian Gulf through Saudi Arabia, Bahrain and Qatar, then turn east to pass through the United Arab Emirates and then turn south again to enter Oman. An extension through Oman to its border with Yemen is also being considered.

Aside from railways, Oman and its neighbours are also linking up by asphalt. "We are putting a lot of effort in having roads that connect us with neighbouring countries," said Dr Ahmed Mohammed Al Futaisi,

Minister of Transport and Communications.

All these ground linkages represent a huge step forward for the region's people and economies. As Al Futaisi said, "It's going to be a new era in our transportation sector."



\$7.8 billion has been earmarked for road projects through the end of 2013

Building a new aviation hub on the Arabian Sea

Air transport in Oman plays a key role in the country's development strategy and is vital to encouraging the growth of a vibrant tourism industry



The expansion of Muscat International Airport is set to create more than 1,500 new jobs and attract new airlines

The Sultanate of Oman is in midst of an ambitious plan to transform itself into a major, regional air travel gateway between Europe and Asia, by building and expanding a total of six airports.

The two international airports in Muscat and Salalah will expand on existing services and capacity, however all six airports are designed to have 4km runways (Muscat International having two 4km runways) and passenger terminal buildings capable of handling large domestic and international aircraft.

The new regional airports located in Sohar and Duqm (industrial centres), Ras Al Hadd (ecotourism destination), and Adam (future civil aviation training city) are intended to boost local economies and promote tourism. The first of the new airports are expected to begin operations in 2014.

The development of Muscat International Airport (MCT) is the nation's biggest civil engineering project ever. The existing terminal in Muscat handled 6.48 million passengers in 2011, an increase of 13% over the previous year, while in the first half of 2012, traffic increased by 20%. MCT is being

enlarged to have a capacity of 12 million passengers annually in 2014. A three-phase plan for subsequent expansions envisions boosting capacity to as much as 48 million.

Eng. Salim Al Aufi, CEO of the newly established Public Authority for Civil Aviation (PACA), believes that the private sector can help MCT meet the deadlines and ensure high standards. "We need to start setting up the market so that the new airports are fully utilised and really pushed to their maximum commercial utilisation soon after opening up. That can only happen by opening up and allowing the private sector to invest more in the civil aviation sector," he said.

There are opportunities for local and foreign contractors and service providers, from the provision of office furniture for the MCT training centre, to the delivery of marine rescue crafts and training.

Providing excellent connections to a number of international destinations, MCT is well established already, having won the award for best staff service in the Middle East two years in a row.

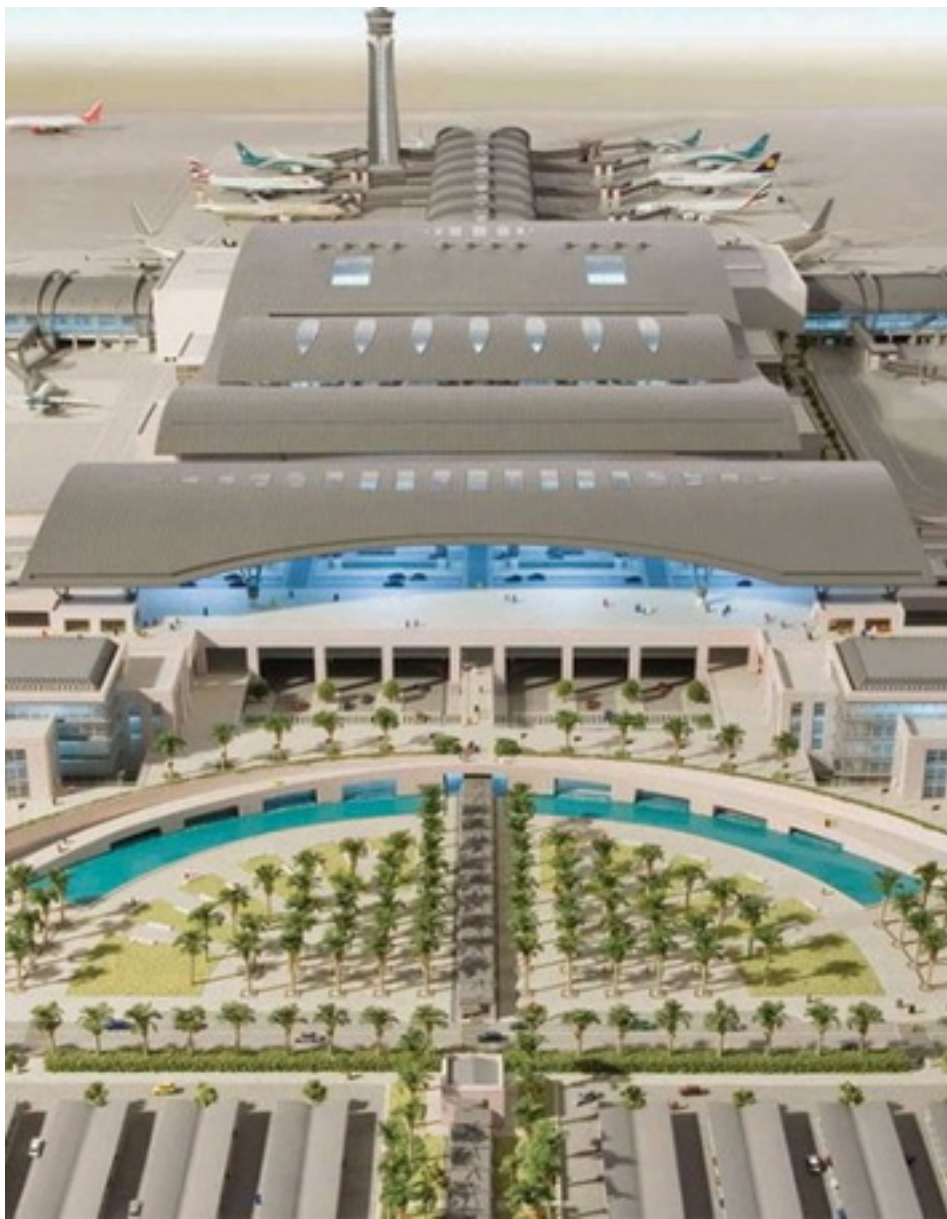
"We want MCT to be amongst the best in the world

in terms of the level and quality of services," said Eng. Khalaf Said Al Shueili, Readiness General Manager at Oman Airports Management Company (OAMC), the state-owned entity overseeing the project. "It has to send the message that Oman is open to the world."

Salalah, home of the second international airport, is the third-largest city in Oman with about 163,000 people. It is located in the southern region of Dhofar, near the border with Yemen. In 2011, 513,000 passengers passed through Salalah. That number is expected to double to 1 million by 2014, thanks to a new airport which will double the current capacity and has future options for more expansions.

"The transit business is huge. In Muscat we are just scratching the surface of that opportunity, while in Salalah it is yet to start," remarked Eng. Al Aufi.

However, the Omani authorities don't just want people to transit; they want to encourage tourism in Oman. "Oman has its own culture and heritage," said Eng. Al Shueili. "It has already reached out to the world, inviting others to come and experience Omani culture, its traditions and unique flavour."





New Special Economic Zone at Duqm (SEZAD) brings opportunities

The new town of Duqm with a special economic zone at its core should generate substantial growth in the central region of Oman as it takes shape over the next two decades

Duqm, once a small, sleepy fishing town on the south-east coast of Oman, is today a busy, industrial place attracting investment and business from all corners of the globe. Oman has continued to focus its efforts on accelerating growth, with the target of decreasing dependence on income from oil and enhancing its labour skills, to comply with His Majesty Sultan Qaboos' Vision 2020 Plan.

The objective of the strategy is to spread economic development around the country by investing in non-petroleum industries to diversify commerce formations, whilst also utilising the Sultanate's vast natural resources and protecting its many distinctive forms of heritage. Yahia bin Said Al Jabri, chairman of the New Special Economic Zone at Duqm (SEZAD), highlights the importance of the work done and still being undertaken in Duqm.

"The SEZAD has been created in order to contribute to the country's GDP, as well as to help in the creation of employment for the Omani people and to boost the social and economic development of the area. Over the next five years we should have up to \$8 billion of direct investment in Duqm," said Al Jabri.

The Duqm SEZ is a model of an integrated economic development composed of eight zones with a land area of more than 1,777 km². Other than the world-class port with dry dock facilities, Duqm will have a free trade zone, an industrial area, a



A win-win situation: H.E. Yahia Bin Said Bin Abdullah Al-Jabri, Chairman of SEZAD, watches as Peter Broers, CEO of the Port of Duqm Company and M. J. Park, CEO of Oman Drydock Company, shake hands on their deal

refinery, a petrochemical plant, an airport, as well as residential and commercial facilities. "We have designated an area of 23 km² for the new town, which will be the backbone of the development area and we have provisions to extend it to accommodate up to 67,000 residents by 2020," said Al Jabri.

Duqm Refinery & Petrochemical Industries Company (DRPIC) is spearheading the development of a \$6 billion giant refinery complex with a capacity of 230,000 barrels per day, which should be completed in the fourth quarter of 2017. The

massive joint venture between Oman Oil Company and Abu Dhabi's International Petroleum Investment Company (IPIC) is set to be the largest investment in Oman's rapidly expanding industrial sector. It will also anchor an ambitious petrochemicals cluster envisaged in the later phases of Duqm's development as an industrial hub.

The construction of a high-capacity gas pipeline from Saih Ni-hayada in central Oman to Duqm is one of the many initiatives undertaken by the government to accelerate industrial and regional development. Fea-

sibility studies have recently been finalised and Oman Gas Company (OGC) is planning to build a 230km and 36-inch pipeline which will have the capacity of approximately 25 million cubic metres per day, providing sufficient supplies to fuel future power needs. The project is achieving the integral aim of feeding natural gas to the power generation, water purification projects and cement plant, as well as the refinery and petrochemical complex and feedstock in Duqm.

"As a key pillar, the infrastructure development plays a

paramount role in determining the success of the SEZAD. Furthermore, our priority is to create an estimated 10,000 to 15,000 direct and indirect jobs in Duqm," said Al Jabri.

In addition to this, the state-of-the-art port at Duqm plans to start exporting limestone for mining companies by 2013. The mining companies are in discussions with port authorities to potentially use the port's bulk terminal to export their products worldwide, especially to India. There are large deposits of limestone around the port of Duqm and a geological study has iden-

tified two main areas with near endless quantities at Al Safiya, 15km west of the port, and Al Hydaybah, 20km south of the port. According to Reggy Vermeulen, commercial director of Port of Duqm, some companies are even in talks to process limestone and other minerals at the near by industrial zone.

With the creation of such an expansive project, an efficient transport network is a must to link Duqm to other locations in Oman, and to the rest of the world.

"A high standard arterial road network is under implementation to link Duqm with all major towns and cities in Oman, and also with the United Arab Emirates (UAE) and the Kingdom of Saudi Arabia. The airport is scheduled to open in 2014, accommodating 500,000 passengers per year and also cargo. Further development of the Duqm SEZ will also benefit from the planned rail network," said Al Jabri.

Tourism is another market the SEZAD will look to explore. With the opening of the new airport and the plans to build hotels and commercial facilities, the vision for Duqm is to transform it into a hub for everyone.

"Once completed, Duqm will be one of the largest industrial free zones in the world. This area will act as a catalyst for the urbanisation and commercialisation of the Al Wusta region and it is expected to play a major role in diversifying the Omani economy and creating jobs," concluded Al Jabri.

Full steam ahead for Port of Duqm's development

As part of the Special Economic Zone in Duqm, the newly developed Port of Duqm will provide the centrepiece to the new hub being created



The Omani government went into partnership with the Port of Antwerp to bring in expertise in port operations

The Port of Duqm Company (PDC) is a 50/50 joint venture between the Port of Antwerp and the government of Oman. "The main objective is to bring in the knowledge to operate and manage the port. The Port of Antwerp is a big player in the European market with a proven international track record of expertise," said Peter Broers, CEO of the PDC.

Due to the scale of the port in Duqm, PDC aims to engage professional terminal operators for each specific discipline, i.e. a container operator, a dry-bulk operator, a liquid-bulk operator, and a multi-purpose operator. According to Broers, this approach will greatly improve the performance of the port.

Strategically located in the central part of Oman, the Port of Duqm is well placed to become the main entry and exit point for all

the oil and gas fields and related activities in this region. The area is also rich in minerals and the PDC will look to capitalise on this to stimulate development in this sector. "With vast lime-

"THE PORT WILL BECOME THE MAIN ENTRY AND EXIT POINT FOR THE OIL AND GAS ACTIVITIES IN THE CENTRAL PART OF OMAN."

PETER BROERS,
CEO of the Port of Duqm Company

stone, gypsum, and dolomite deposits around Duqm, it could become a focus for mining activities and other associated industries," said Broers.

The whole port develop-

ment is estimated to cost approximately \$2 billion and the port should start full-fledged operation by 2015. In the meantime, PDC has started 'Early Operations' catering to the needs of a major group of clients – companies engaged in oil field development.

The Early Operations phase centres on a 300m long quay wall which is ready to receive ships carrying project cargos. The 300m quay is part of a 2.2km long commercial quay, whose substructure is substantially complete.

"For the moment, we are working on project cargo and since the beginning of our Early Operations we already received two project cargos that could not be received in any other port in Oman... Duqm is the only port in the Sultanate capable of receiving this kind of over-sized cargos," concluded Broers.

ODC turns the Duqm vision into reality

The first ship repair yard in Oman with the capacity to service and repair the largest crude oil or gas carriers in the world was officially opened in June 2012

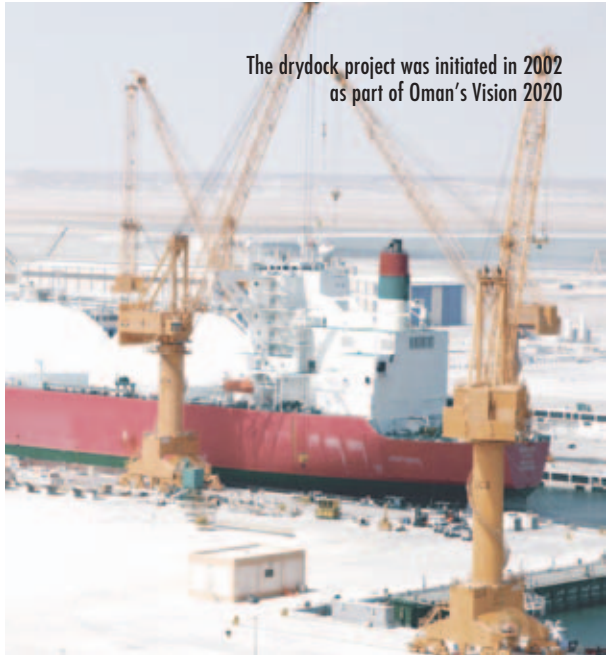
Oman Drydock Company (ODC) was established in 2006 by the Omani government which owns 100% interest in the project. That same year, Daewoo Shipbuilding & Marine Engineering (DSME) was awarded a contract to operate and manage the dry dock for 10 years, with a 10-year extension if neither party objects.

"It is a great asset to have one of the world's leading shipbuilding companies operating and managing the shipyard for us," said Khalil Al Salmi, deputy CEO at ODC. "One of the major benefits of our partnership with DSME is the transfer of technical expertise, know-how and technology."

According to M. J. Park, the ODC's CEO, "there are many reasons why Duqm was the best choice in terms of location for the ship repair business. The government of Oman has three key objectives: to diversify the economy, to create employment for young Omanis, and to develop the regional balance. Duqm is the perfect location to fulfil these goals and bring employment and prosperity to the central Al Wusta region."

An additional key factor that makes Duqm unique among the other Middle East docks is that it lies outside the Strait of Hormuz, and is well placed on strategic trade routes in the Indian Ocean. "More than 30% of the world's oil and gas, and over 60% of LNG comes from the GCC region," said Al Salmi. "There are approximately 80,000 vessels in service worldwide and we want to capitalise on our competitive location and take a share of that market."

Duqm dry dock is on its way to become a fully integrated ship repair services centre to rival competitors in the region, including Drydocks World Dubai and ASRY in Bahrain. With its



The drydock project was initiated in 2002 as part of Oman's Vision 2020

world-class infrastructure (two graving docks and an upcoming floating dock) and state-of-the-art technology the ODC is planning to generate more than \$200 million by 2020. Currently, the dry dock can accommo-

"MORE THAN 30% OF THE WORLD'S OIL AND GAS, AND OVER 60% OF LNG COMES FROM THE GCC REGION, WE WANT TO CAPITALIZE ON OUR LOCATION."

M. J. PARK,
CEO of Oman Drydock Company

date up to 25 vessels simultaneously, and when at capacity, it will be able to service around 200 ships a year.

Initially, ODC plans to concentrate on general ship repair, but in the second phase the fo-

cus will be on special repair and conversions, while part of the long-term strategy is to get involved in offshore installations.

A major priority for ODC is the development of human resources. "It is the first time a dry dock business is established in Oman, so there are no experienced workers in the local labour market," explained Park. "The number of jobs will be increasing continuously, year by year. Our plan for this year is to have 2,000 employees, and by the year 2020 we should employ approximately 4,000 people. This is a very labour-intensive business and we want to hire as many young Omanis as possible."

The ODC's market is widely scattered and their marketing campaign is targeting Europe, particularly Greece and Germany, as well as Asia, the Middle East and the US. An important advance for ODC was when it repaired its first American ship in March 2012. Park concluded – "it was a good start for us – our first American ship."

Tourism, making a difference

On the occasion of the Sultanate of Oman’s 42nd National Day, Minister of Tourism Ahmed Al Mahrizi discusses tourism’s contribution to Oman

Oman is an emerging destination for global tourism. In the eight years since the Ministry of Tourism’s formation, Oman claims to be the Gulf’s niche destination. The sultanate’s portfolio of high-end resorts and hotels is impressive and growing, but Oman’s tourism strategy also showcases the country’s unique cultural heritage and environmental values. So why is tourism important to the sultanate and what are the sector’s plans?

Ahmed Al Mahrizi took the reins of Oman’s Tourism Ministry in March 2012, previously having served as the sultanate’s Ambassador to France – a source market targeted by Oman’s tourism campaigns and Oman Air since its entry to Paris in October 2009.

“The Ministry’s formative years were used to provide a policy and regulatory framework to nurture private investment, facilitate the delivery of strategic infrastructure and services, establish ties with key tourism agencies, establish international representation and promote Oman on the world stage. We have taken a managed approach to ensure that we do not reach a point where visitor levels exceed the accommodation supply or jeopardize the quality of visitor experience.”

Oman’s approach to tourism differs to that of most of its neighbors in the Gulf. A year after the Ministry’s formation, a dedicated tourism development, property management and hospitality company (OMRAN) was established under its wing to accelerate the delivery of strategic infrastructure. OMRAN now manages around 10 joint venture projects with a capital value estimated at \$1.6 billion. Its most visible is Oman’s Convention and Exhibition Center (completion 2016) that will launch the sultanate into the global business and MICE tourism sector.

The range and diversity of OMRAN’s development profile is impressive, from hotels in Duqm, Oman’s new city on the east coast, to boutique resorts at Salalah and Khasab, to an indulgent eco lodge on the cliff line of Al Jabal Al Akhdar, high in the Hajar Mountains. Through design, scale and setting, these resorts express quality, uniqueness and Oman.



“OMAN’S TOURISM SECTOR IS DIVERSIFYING AND BROADENING ITS BASE AWAY FROM HOSPITALITY AS MORE OMANIS INVEST IN THE SECTOR, AND WE NEED TO BUILD ON THIS.”

AHMED AL MAHRIZI,
Minister of Tourism

In 2005-06 the government also invested in national carrier Oman Air and underwrote its international expansion to now include over 40 international destinations, with multiple daily services to nearby aviation mega hubs in Dubai, Abu Dhabi and Doha. Other strategic developments have been the establishment of the National Ferry Company in 2009 to provide fast connections between Muscat and Khasab, the major tourism destination on the Musandam Peninsula. As well, the ministry oversees Oman Sail, an ambitious program to make Oman a competitive sailing nation and, in doing so, to build international awareness in Oman through branding and sailing promotions.

On the back of record investment and a strong domestic economy, the Minister says: “We are moving in the right direction but we need to be proactive and innovative to capture the benefits of tourism. Also, we need to better explain the benefits of tourism at large so they see tourism as a value-added activity that can coexist with traditional values. With this understanding in place, benefits will flow to the country.”

The hospitality sector alone accounts for around 3% of Oman’s GDP and has generated over 10,000 jobs, with jobs growing at 6%. When

transport and visitor service activities are considered, the numbers are much bigger. The Ministry believes tourism can make a larger contribution to GDP by 2015, made possible by the roll-out of internationally significant tourism attractors including the convention center and a large portfolio of niche 5-star resorts set in 5-star locations, from beaches to the high plateau of Al Jabal Al Akhdar, Oman’s green mountain with its ancient terraced gardens.

To ensure that the tourism benefits are achievable, Minister Al Mahrizi will oversee a strategic review of the tourism sector including the Ministry’s roles, functions and priorities.

He says: “A high level strategic overview is timely, given the changes in global and regional financial settings, changes in tourism distribution systems and travel demand. Oman’s tourism sector is diversifying and broadening its base away from hospitality as more Omanis invest in the sector, and we need to build on this.”



Oman’s beautiful landscapes play with color contrasts: turquoise blue waters, ochre rock and sand, and green vegetation

Beauty has an address

Maitha Al Mahrouqi, Undersecretary at the Ministry of Tourism, is building global awareness among the travel and tourism trade, media and consumers

If there’s an operational priority for Oman’s Tourism Ministry, it’s about brand. That’s the message from the Ministry of Tourism’s Undersecretary, Maitha Al Mahrouqi who says, “Oman’s brand value is the thread that ties everything together. From the moment you board an Oman Air flight, are greeted at reception or enjoy our attractions and services, we all need to be giving the same message.”

Oman is a newcomer to global tourism and creating an identifiable consumer image is not easy in the cluttered and highly competitive world of destination marketing. Compared with its regional neighbors, its marketing budget seems minuscule, but already the sultanate is winning business as the destination for an authentic Arabian experience set in world-class natural settings.

Oman’s brand awareness campaign on BBC Worldwide

and BBC.com carry Oman’s marketing tagline: Beauty has an address. Ms. Al Mahrouqi says: “Our strapline conveys the experiential quality of a visit to Oman. Through personal interaction with Oman is to sitting back and seeing our beautiful landscapes, vis-



Maitha Al Mahrouqi,
Undersecretary at the Ministry of Tourism

itors will realize that beauty has an address. Our advertisements are evocative and contrast tradition, modernity and environmental quality. We think this is attractive to responsible tourists. The same approach will also work for us as we build leisure, meetings, and incentive and stopover business.”

It might not have the marketing budget and punch of the campaigns of its neighboring countries, but Oman’s hoteliers will say that it has the highest repeat rate of visitors and the longest length of stay profile. International Air Transport Association data for July 2012 points to another record year for tourism arrivals.

Total arrivals are up 14% with several country markets recording massive year-on-year growth. This is especially the case for Switzerland (+74%) and Italy (+37%) following the start of non-stop services from

Zurich and Milan to Muscat. Ms. Al Mahrouqi describes this as Oman’s “resonance” as a uniquely authentic destination.

Oman’s Tourism Ministry is giving greater priority to integrated consumer campaigns. Ms. Al Mahrouqi says: “We look forward to working on digital platforms that boost our consumer profile and allow air fares, accommodation and tour bookings to be booked dynamically. This will add value to our branding work, widen our consumer base and build market share in our targeted segments.”

Advances in travel to and within Oman over the next decade such as fast rail services to its Gulf neighbors will open-up access to Oman.

Likewise the redevelopment of Port Sultan Qaboos into an internationally significant tourism precinct (from 2015) will see Muscat repositioned as the authentic cruise gateway to the Gulf and a must-see destination stopover for world cruises.



Muscat, a city for the people

Nestled between water and mountains, Muscat enjoys a magical setting where quality of life is on the rise

Recently cited as a must see destination in *National Geographic* and the *Lonely Planet* and named Arab Tourism Capital in 2012, Muscat is the rapidly up-and-coming capital city of Oman.

Located in the north-east of the country between the Gulf of Oman and the Al Hajar mountain range, it enjoys a magical setting. A port and trading post since the early first century, it has

fine historic architecture and a rich multicultural history which has assimilated influences from Persia to Portugal.

With plenty of sunshine throughout the year and access to kilometres of unspoilt beaches, Muscat has become the destination of choice for those seeking upscale properties, interesting cultural heritage and relaxation.

Now an ambitious development programme led by Eng. Sultan Hamdoun Al Harthy, Chairman of Muscat Municipality, along with a strategic plan from Oman's Tourism

Ministry led by Ahmed Al Mahrizi, promises to unleash Muscat's huge potential.

Muscat Municipality's urban strategy aims to balance its heritage and natural beauty with urban regeneration. The programme called "Muscat – A City for People," comprises many projects – development of road networks, contemporary public markets, parks, hotels, parking areas, a smart city fibre-optic project; and a dedicated municipality contact centre.

Key construction and tourism developments include

the Oman Convention and Exhibition Centre to be completed in 2016, comprising 3,000 seats and four hotels totalling 1,000 rooms and the new Muscat International Airport and the National Museum, which are also under construction.

Inaugurated in October 2011, the stunningly beautiful Royal Opera House Muscat (ROHM) is the first opera house of its scale in the entire GCC region. Opera is a rather foreign concept in the Middle East and the ROHM has harmoniously introduced this tradition as a way to unite the

West and the Arabic world. Brett Egan, interim CEO of ROHM, said: "Ideally this will promote the establishment and convergence of Arab and Western cultures in other places throughout the world. This is essentially a Western paradigm that has been interpreted through an Arabic lens."

Muscat is also benefiting from Oman's investment in transport with national carrier Oman Air now reaching over 40 international destinations.

Eng. Sultan Al Harthy, who has recently been nominated for the "2012 World Mayor

Prize" said: "Oman is an exceptional place with a rich cultural and historical heritage and humanism at the core of its development policies and approach to life. Oman has a huge potential – a transparent and open society with a great future ahead."

Sultan Al Harthy believes there are plenty of opportunities for investors in Muscat: "These include integrated tourism complexes, high-end business districts; regeneration of older areas of the city; and the transformation of Sultan Qaboos Port into a tourist zone."



A host of new buildings are making Muscat a thoroughly modern city

Riding the Wave of success

Muscat is home to one of the region's most successful and beautiful developments: The Wave

The Wave, Muscat is the premier lifestyle destination in the Sultanate of Oman and enjoys 100% freehold status. It was developed through a joint venture between the government of Oman and UAE-based developer Majid Al Futtaim Properties, one of the most successful retail and hospitality developers in the region. A unique multinational and mixed-use community, once complete The Wave, Muscat will comprise 1,000 villas, 3,000 apartments, three five-star hotels and one four-star hotel, Oman's largest private marina and Oman's first Greg Norman designed 18-hole PGA Standard championship golf course.

"People have confidence in Oman; it is becoming a haven for investors due to its stability in the Gulf. The Wave, Muscat is now seen as one of the most successful real estate projects

in the whole of the Gulf region," said CEO Michael Lenarduzzi.

Apart from acquiring their own piece of the beauty and tranquillity of Oman, foreign buyers and their direct relatives also enjoy a full two-year renewable residency permit and as it is a freehold project tenants receive a lifetime, inheritable ownership title. And it is a lifetime that residents will undoubtedly want to spend here: with four miles of fine sand beaches that cool the evenings and make for magnificent sunrises, The Wave, Muscat's location couldn't be more beautiful. This is no secret to Omanis, who comprise nearly half of the buyers. The rest are British, Indians "and then a smattering of Europeans – mainly Germans and Dutch – and of course the GCC region, the strongest being Kuwait," said Lenarduzzi.

Construction at The Wave, Muscat began in 2006 and is due to be fully complete around 2020. To date, more than 1,200 properties have already been sold. When a new product of-



The Wave, Muscat was named Best Luxury Development at the Homes Overseas and International Property Awards

in June, will start around \$210,000.

Since breaking ground in 2006, The Wave, Muscat has garnered several major international and national design awards, including the Homes Overseas and International Property Awards for the Best Luxury Development, Best Development Design, Best Marina Design, Best Apartment Design and Best Golf Course Design.

Most recently, The Wave, Muscat won five new awards in the Arabian Property Awards 2012 including two regional awards as Best Leisure Development Arabia, Best Golf Development Arabia, and three five-star local awards as Best Golf Development Oman, Best Mixed-Use Development Oman and Best Leisure Development Oman.

fering of 160 apartments was launched in 2010, 90% were sold on the very first day. Some 900 units are now occupied.

The golf course – already fully completed and operational – is a major draw at The Wave, Muscat. Inspired by Oman and designed by the legendary Greg Norman, the 18-hole links course affords golfers breathtaking views of sea and mountains. A golf academy, equipped with the latest fully computerised training and teaching equipment, is dedicated to helping newcomers to the sport – especially Omanis,

for whom golf is still new – learn the ropes.

"We have a similar approach with Almouj Marina, where Oman Sail is doing a wonderful job in promoting sailing for the country," said Lenarduzzi. "They are reaching out, training youngsters and making sailing accessible for all. We work very closely with them to hold international events, such as the Extreme 40 Sailing Series event, which we host once a year. This is considered to be the Formula 1 in sailing and is very prestigious."

One hundred and twenty berths comprise the first phase of the marina – located in a section called Al Marsa Village, which will be The Wave, Muscat's social and cultural epicentre complete with dining, shopping and leisure facilities.

The demand for properties is high, and the wide range of price points available at the development provides a home for every sort of buyer. Prices for the beautifully appointed apartments in the marina village, the next residential offering from The Wave, Muscat to go on sale

Oman Air for best luxury travel

Oman Air paves the way, being the first in the region to offer in-flight WiFi services



Wayne Pearce, CEO of Oman Air

Within the Arabian Peninsula, Oman Air is continually recognised as both a reliable provider and an innovator, offering high quality service, increasing destinations, as well as premiering cutting-edge services.

Along with being the world's first airline to offer integrated in-flight cellular phone and WiFi services which earned it a passenger's choice award for best in-flight connectivity and communications, Oman Air has also been named best business class in the world two years in a row.

"We have exceptional first

and business class products and have won several awards," said Wayne Pearce, CEO of Oman Air, adding that with greater demand for flights on his airline, they will be increasing routes and aircraft. "We are looking at strengthening our current network and adding to our long haul operation."

In fact, while Oman Air will have 28 aircraft by year-end, this number will jump to 40 after the next phase of the fleet expansion, which includes firm orders for 787 Dreamliners and 737 800s.

Besides aircraft, the airline

has also greatly expanded the number of destinations it serves. While domestically Oman Air offers a high frequency of daily flights between Muscat, the nation's capital, and Salalah, the second-largest city, it also makes multi-daily regional trips to Dubai and Abu Dhabi. Within Europe, Oman Air connects with major hubs such as London, Frankfurt, Munich and Paris, adding Zurich and Milan last year.

With these new routes as well as the development of the new Muscat International Airport, projected to open by the end of

2014 with an expected 12 million passengers per year, the airline will be able to cater to the increasing demand.

This growth in customers was seen clearly last year when the airline experienced a tremendous increase in both revenue and travellers. Although the global increase in passenger volume was only up by 5.9%, the Omani airline's growth was up 16%, increasing revenue by 35%. According to Pearce, this year in the first quarter, Oman Air's passenger traffic has already grown at around 24% with the same fleet.

The route and aircraft expansion the airline has experienced are only part of its business plan. Pearce explains that bringing tourism and business travel to the country is also a top priority.

"Our prime goal is to sell traffic into Oman and promote the country as a unique destination. In order to do that, we work very closely with the Ministry of Tourism," explained Pearce. "We also want to encourage the Omanis to travel the world by offering them optimum services on board our aircraft."



Oil and gas production soars

Raising production of oil to 1 million barrels per day is a target Oman is striving to achieve

With production rising to levels unseen in the country since the year 2000, Oman has proven that it is possible to reverse the trend of declining oil resources, said the country's Minister of Oil and Gas, Mohammed Hamad Al Rumhy. Furthermore, with more than 20 enhanced oil recovery (EOR) techniques projects planned, Oman boasts one of the most advanced upstream programmes in the world.

"We are breaking new ground in Oman. And though a lot more needs to be done before we declare recent discoveries commercial, the ministry is very encouraged with the results achieved so far," he comments, adding that discoveries made last year alone are expected to add 150 million barrels to the country's scope of possible reserves.

"We have brought new projects into production through the application of new technologies and we have embarked on a number of EOR techniques, some of which are a world first and which we are very proud of. All these projects have contributed positively to our goal of increasing production. We have seen a steady increase in production year-on-year and are aiming to produce around 915,000 barrels per day (b/d) of oil this year."

Increased exploration has also played a key role in raising production rates, and the government continues to encourage new participation in the sector. Indeed, 12 new exploration blocks were tendered last year, and Oman's oil and gas sector is ripe for American technology, said the minister.

"Oman has a very interesting but challenging hydro-



"AS A RESULT OF SIMILARITIES BETWEEN THE U.S. AND OMAN WITH REGARDS TO EOR, THE U.S. OFFERS LOTS OF THE KNOW-HOW AND TECHNOLOGIES THAT WE REQUIRE."

Mohammed Hamad Al Rumhy, Minister of Oil and Gas

carbon profile. Therefore, the strategy is to invite companies with technical capabilities and experience that can add value by providing new technology. As a result of similarities between the US and Oman with regards to EOR, the US offers lots of the know-

how and technologies that we require," he states.

The government is hoping that new exploration will boost daily production over the million barrel mark in the near future. "The oil and gas sector is the vital nerve centre of the national economy and its contribution to national income is projected to reach 81% of the total this year. Consequently, the Sultanate places great importance on the sector and we are determined to make inroads in production to achieve at least a million b/d," Rumhy said.

Furthermore, the oil and gas sector not only represents a lucrative economic activity for Oman, but it is also a huge employer, especially of Omani nationals. Indeed, according to Rumhy, "Omanisation" levels have reached over 80%.

CC Energy, a success story

Thinking outside the box led this exploration and production firm to important discoveries

Currently producing 15,000 barrels a day with estimated reserves of 100 million barrels, Lebanese-based CC Energy Development (CCED) is one of Oman's greatest oil and gas success stories. A creative migrational theory led the company to new discoveries overlooked by numerous others in decades of drilling in Blocks 3 and 4 before CCED stepped onto the scene in 2007.

"Over the last 40 years, a lot of major oil companies drilled many wells in these blocks without any success. There were others that did not pursue it because there is also heavy oil that required advanced oil recovery and expensive technology. We came in with a different idea. We were successful because we thought differently than the previous companies from a geological point of view," said CEO Shahrokh Etebar.

A US-educated petroleum engineer and former Texaco executive, Etebar explains that the others believed that the oil 'kitchen' (the source that creates the oil) in the blocks was not mature and that the oil must be migrating from other areas west of the blocks. Contrarily, CCED felt there was too much oil in the block's reservoirs for a migration of that distance. In addition, a 1986 discovery by a Japanese company led them to believe the migration path was not in a westward direction at all.

"Our belief was that the oil migration was vertical, and the previous assumption that the kitchen in that area was not mature was not true. We drilled a couple more wells that proved that we were right – there was a source rock and the migration was

vertical. That was in 2009. We have continued drilling since then and so far our success rate has been over 88%, which is quite remarkable, particularly considering the failure of all the major companies before us," said the CEO.

Partnered in Blocks 3 and 4 with Tethys Oil (30%) and Mitsui E&P Middle East (20%), CCED – which con-

trols the remaining 50% and is the operator – is today the fourth largest producer in the country and is on schedule for 37 new wells this year (and another 65 in 2013) in its two fields: Farha South in Block 3 and Saiwan East in Block 4. A 50-kilometre pipeline runs between the fields, both of which produce premium crude (Farha registers 42° API gravity, and Saiwan 33° API).

A privately owned oil and gas exploration and production company, CCED is part of the larger Consolidated Contractors Group, a major oil and gas engineering and construction conglomerate. CCED was established with the aim of acquiring exploration and development assets in the MENA and CIS regions. By the end of 2012, its investment in Oman will exceed \$350 million, and in the anticipation of new discoveries, Etebar said the company plans to invest an additional \$400 to \$500 million over the next five years.

"SO FAR OUR SUCCESS RATE HAS BEEN OVER 80%, WHICH IS QUITE REMARKABLE, PARTICULARLY CONSIDERING THE FAILURE OF ALL THE MAJOR COMPANIES BEFORE US."

Shahrokh Etebar, CEO of CC Energy Development



Oman well-oiled as OOC delivers growth

A business enterprise which prides itself on expansion and networking is starting to reach its maximum potential within the industry

If Omanis have an organisation of which they can be proud, it is Oman Oil Company (OOC), one of the country's leading oil firms. Its focus on diversification and investment has helped it become a major player within its sector.

A vital part of the company's strategy is the focus on sustainable growth when choosing partners. At the moment the firm's portfolio is comprised of investments across Europe, the Middle East and Asia. In addition to its overseas investments, OOC is one of the leading partners in the local development of the Duqm Economic Zone through initiatives like the planned refinery and petrochemical complex which is expected to be completed in 2017.

OOC is a commercial investment company owned by the government of the Sultanate of Oman. It was incorporated in 1996 to strengthen



Ahmed Al Wahaibi
CEO of Oman Oil Company

the country's efforts to diversify the Omani economy and to promote Omani and foreign private-sector investment.

OOC's local and international investment covers areas such as exploration and production, metals and refining. Over the years, it has built a strong portfolio of investments and partnerships with global companies, while focusing on its main principles of value creation and

knowledge transfer to ensure economic growth in Oman.

Becoming one of the main energy and infrastructure investors in the region is one of the company's aims. Developing links with the hydrocarbon industry and the fundamentals of investing and portfolio management has also given OOC the edge.

Adding value to Omani oil and gas has been another main theme in the company's local investments. It has successfully established several projects in the country that diversify the economy and provide additional employment opportunities. Thus far, OOC has already provided 7,000 jobs.

OOC's projects also help to attract significant foreign direct investment (FDI). The company diversifies investment internationally to generate growth with stable income and attracts global majors to develop projects in Oman. Indeed, FDI constitutes 47% of OOC's total investments, which are distributed in the GCC countries, Europe and Asia.

OOC has also developed many training and career opportunities.



OOC's portfolio includes 32 investments across 10 countries, including the UAE, Spain (shown here) and China



The company was established in 1996 in part to promote private sector investment

For Daleel, patience pays off

Production on the Daleel oil field (discovered by a Japanese firm in 1989) increased substantially once Daleel Petroleum LLC took over in 2002

"There are many reasons behind our success here, but the number one is patience. We are very patient when it comes to investing time, capital and human resources. In Oman, you have to spend more time and capital in order to develop your operations. If you don't want to spend time on doing the necessary studies, you will not have the chance to invest the capital. And if you don't want to invest the initial capital,

then you will miss out on opportunities," said the CEO of Daleel Petroleum, Gong Changli.

Established in 2002 as a 50/50 joint venture between China National Petroleum Company and the Omani multinational, MB Holding, to take over the concession for Block 5, Daleel Petroleum employed horizontal water-flooding technology, successfully increasing production in the block from

4,500 barrels per day (b/d) at its onset to more than 38,000 b/d in 2012 and boosting estimated reserves from 10 million barrels in 2002 to 145 million barrels today. Now the third largest producer in the country after Petroleum Development Oman and Oxy, the company is targeting 50,000 b/d by 2015.

"Our operations can be broken down into three stages. The first was from 2002-2004, which was the study and understanding period when we were only producing to cover our costs. In 2004-2007, we had a period of stable increases. In Block 5, we have four fields, and the main one is Daleel. So in the second stage we focused on the Daleel field and drilled the first pilot well using the horizontal well technology paralleled with water-flood injectors. In the third stage from 2008 until



"IN MY OPINION, A MAJOR CHALLENGE MEANS A MAJOR OPPORTUNITY, AND THERE ARE MANY OPPORTUNITIES IN OMAN."

Gong Changli,
CEO of Daleel Petroleum

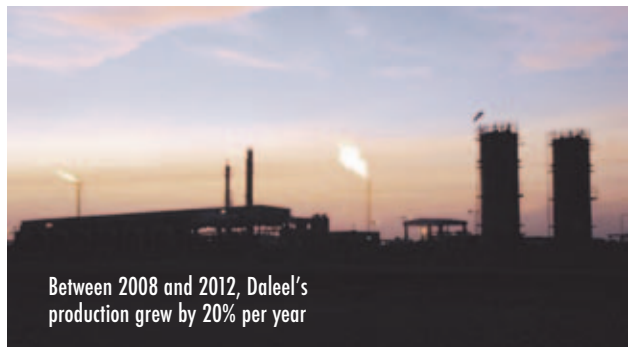
today, we went through a period that we call the 'jump increase'. If you look at our production charts, you will see a dramatic increase of about 20% per year during this period. In 2012, I believe we will finally be able to produce more than 13 million barrels," said Changli.

"So it all depends on your strategy. We were looking at the long-term prospects and not just short term benefits. We have been injecting water in Daleel field since 2004 and this has been the main reason of our success. In 2008, we started using this technology in all the four

fields and we have had good results. In my opinion, a major challenge means a major opportunity, and there are many opportunities in Oman."

Looking forward, Changli said the company is preparing for the tertiary phase of exploration in which it will use enhanced oil recovery techniques. So far, pilot projects have showed positive results. Next year, Daleel will launch a cutting edge 3D seismic data analysis that the CEO feels is likely to show the presence of gas as well.

"This will allow us to see what is going on in the entire block at about 3 miles below the surface. It is also very likely that we may discover tight gas, which will be a challenge for us as we are specialised in oil. So if we do find some gas, we will have to see what to do with it," he said.



Between 2008 and 2012, Daleel's production grew by 20% per year

Al Ghalbi brings value to Oman

Dozens of companies such as Al Ghalbi actively participate in the sultanate's vision to create more jobs and add value to the Omani economy

The recent Arab Spring was a key catalyst for the development of the In Country Value (ICV) strategy in Oman, a drive to create jobs for Omanis through increased procurement of local goods and services.

Though the ICV strategy is new, in practice Petroleum Development Oman (PDO), the largest employer and producer of oil and gas in Oman, has supported the Omani people for decades, working with local community businesses.

One such business, Al Ghalbi, International Engineering & Contracting (www.alghalbi.com), owned by Sheikh Ali Suleym Al Junaibi, is a pioneer in helping local communities benefit directly from big business.

Al Ghalbi was created in 1998 under the Local Community Contractor (LCC) initiative, a process introduced by the Ministry of Oil & Gas (MOG) to ensure local communities could benefit from the oil and gas industry in Oman. As a result, PDO contacted local tribes to inform them about works that needed to be carried out and the opportunities available to contractors.

Sheikh Ali Al Junaibi was contacted by PDO and in due course he set up Al Ghalbi, a family company to provide mechanical works to PDO. With support and training from PDO and the MOG, Al Ghalbi landed its first contract to cold cut old pipes for scrap and took on 10 employees. Since then it has not looked back. Al Ghalbi

has become involved in construction, the provision of "High Density Bentonite" lines, demolition and pipeline maintenance – it has just been awarded a new five-year contract to continue maintenance of PDO's entire 5,000-mile pipeline for the whole of Oman.

Today Al Ghalbi works with many national and international companies – including Daleel Petroleum, Occidental Oman, Shell and Oman Gas – and employs approximately 700 people, of which over 60% are Omanis involved at every

level of the company including upper management. Al Ghalbi also helps local communities by supporting water projects and infrastructure.

Sheikh Al Junaibi, chairman and CEO of Al Ghalbi, said: "The new ICV strategy in Oman, is a great opportunity for Al Ghalbi, one of the original local community businesses to work with the oil and gas industry. Al Ghalbi now works within the framework of ICV across sectors from oil and gas to agriculture and manufacturing.

"Oman is an open and transparent country. It's a great place to do business and the investment climate is very attractive. It's easy for any business to come to Oman and companies like PDO and Oman Gas are excellent partners. Today there are many opportunities in Oman, for example in the development of the manufacturing industry in Duqm where the government is currently seeking partners," he concluded.





Commerce and industry toward 2020

Oman is diversifying its economy away from oil and gas, placing a special emphasis on the development of small and medium enterprises (SMEs)

Oman's oil and gas sector has long served as the backbone of the nation's economy, projected to contribute 81% to the national income this year and employing much of the population.

However, despite a resurgence in oil production in the country recently and the hard work of the government in accommodating the needs of this now fast growing sector, the availability of oil and gas remains a challenge for the development of the industry. It is clear that diversification is needed if the country is to achieve its 2020 vision of boosting its capabilities and broadening its sources of income to reduce the country's dependency on oil.

"Large industries have been a great contributor to national income, but such plants are highly automated and therefore can create only a limited amount of jobs," said Minister of Commerce and Industry, Eng. Ali Masoud Al Sunaidy, noting the need for diversification.

Indeed, diversity is coming. In the immediate future lie



Ali al Sunaidy, Minister of Commerce and Industry

plans to develop renewable energy projects to offset changes in gas supply and to open more opportunities for foreign investment. Companies like the Oman Oil Company (OOC) are employing new technologies gleaned from partners in the United States, enabling a bounce back of supply and a year-on-year increase in production levels.

Foreign investors are attracted by Oman's competitive advantages: the country's location, well-developed in-

frastructure, government incentives, political stability and natural resources.

Nevertheless, the limited availability of local workforce with the adequate skill sets and expertise are key challenges for new emergent sectors. It is in skills development and technological advancement that Oman wants to tap into international management and expertise. This mood echoes the sending of 50 Omanis overseas this year for expert training and qualification in the field of business, who will return to Oman to aid the development of the small to medium enterprise (SME) sector.

SMEs constitute a huge part of the trade institutions in Oman, more than 90% of the total number of companies and around 20% of the country's gross domestic product (GDP). The government is largely to thank for this, having shown strong support for the development of the SME sector through funds like the SME Development Fund.

SMEs, along with the main manufacturing industries of

food processing, building materials, fertilisers and heavy metals are key diversifiers of the Oman economy which will provide a future for Omani entrepreneurs and employment opportunities for Oman's young and fast growing population. Indeed it is Oman's young population and the country's industrial development which hold great potential for creating jobs for Omani nationals towards 2020.



Oman has rich deposits of chrome, copper, marble and iron ore

These estates are mainly geared around light and consumer industries, while further industrial estates are already planned.

However the availability of gas remains a potential obstacle for industrial development. While Oman has signed a number of LNG supply contracts, there is a limited amount of gas left over for industrial users, meaning the authorities have to be very selective when it comes to allocating gas.

GMM makes Oman global chrome supplier

Since 2005, GMM has been a significant player in developing Oman's vast mineral resources

Rumours of the existence of substantial reserves of chrome ore sent Abdullah Ahmad Sulaiman Al Hady scurrying over Oman's mountains for a mine of his own. It took him two years to find it and led to the establishment of Gulf Mining Materials Co. (GMM) in 2005.

Today, in addition to mining large quantities of chrome ore, GMM is the only company in Oman making chrome concentrate using low-grade chrome ore which otherwise is not usable. GMM has interests in marble mining and processing (having a modern marble processing plant with the latest technology), limestone, iron ore, laterite, manganese, gypsum, shipping, minerals trading and hospitality. The company's operations span Oman, UAE, Egypt, Turkey, Albania, South Africa, China, India, Thailand and Singapore.

"As an expert chrome ore min-



"WITH OUR INTENSE MARKETING AND MINING EFFORTS, TODAY WE ARE THE THIRD LARGEST EXPORTER OF CHROME ORE TO CHINA."

Abdullah Ahmad Sulaiman Al Hady, Chairman of GMM

ing company, there are a lot of opportunities available to us for operating mines in other countries. This is particularly true in Albania, South Africa, Egypt and Kazakhstan, though we are also considering expansion in new markets like Russia and Vietnam," explains GMM Chairman Al Hady.

"As far as competition goes, we are market leaders at home now, and set the price for Oman chrome ore. The major competition in chrome comes from South Africa and Turkey, but

through our consistent efforts to establish the GMM name and our cost efficiencies, we have been able to establish our products successfully in China and India, which has resulted in continuous demand despite the recession and competition."

Indeed, GMM has been instrumental in placing Oman on the global map of chrome ore mining and exporting countries – an achievement that Al Hady counts as his greatest success. "Until 2006, Oman was nowhere on that list of suppliers of chrome

ore. With our intense marketing and mining efforts, today it is the third largest exporter of chrome ore to China," he said.

Named Ernst & Young's Middle East Emerging Entrepreneur of the Year last year, Al Hady now has a new goal – to position his company as leader of the entire mineral industry in Oman, adding new minerals, like iron ore, zinc and gypsum to its specialties.

"This will stem from GMM's foray into more minerals apart from chrome ore. We are steadily moving in that direction and will also contribute substantially to the realisation of His Majesty's goal of reducing Oman's reliance on oil," he said.

Other medium-term goals, according to Kanwal Gambhir, CEO of GMM, are to establish a ferrochrome plant (for which construction begins this year), to hire an additional 600 people in the next five years, and to boost its mineral business in Albania and South Africa and its aluminium alloy business in the UAE.

The Omani oasis of peace

Oman today offers a unique symbiosis of some of the finest and most advanced civilizations of the world

The intimidating effects of political disruptions never assumed seismic proportions in Oman. It would be an understatement to say that the sultanate skirted what the Western media so enthusiastically hailed as 'Arab Spring.' The contagion, in fact, was tamed, captivated and stripped of its thunder in Oman. The sultanate quickly seized the opportunity to push forward some of the pending reforms, brought in several administrative changes and created new economic opportunities for the sons and daughters of this soil.

The Renaissance thus assumed a new dimension, gained a new height and took a giant leap forward towards the next level of excellence. H.M. Sultan Qaboos bin Said once again, in a display of astuteness, showed that even disruptions can offer opportunities for growth and development. The air in the sultanate got permeated with the fragrance of sweeping and effective changes.

Oman's aspirations and the demands of its countrymen have always been perceptibly different from those of their regional brethren – both in terms of essence and character. The aspiration of this nation was to seek improvement of the lives of citizens and not to radicalize the society or the administration, but to purge it of all that may potentially derail the nation off its path of continuous development.

Four decades of relentless development have not only created a prosperous and wealthy Oman but also a new generation of emancipated, proud and an empowered population. The emancipated and proud nationals of the country, the children of the Renaissance, are contented with the

adroitness of their monarch and they feel blessed.

Forty-two years ago, when the sultanate, led by its young and visionary ruler H.M. Sultan Qaboos initiated the Renaissance to take an inward looking nation to the threshold of the 21st century, little did the world imagine that so onerous a task could be achieved so fluently in such a record time.

There is no debate on the fact that Oman today stands head over shoulders above the rest of other Gulf and North African countries in terms of stability, both political and economic, peacefulness, and in availability of amenities – civic, health care, financial etc. And according to acclaimed international indexes, Oman occupies the top position in the entire Gulf region as the best place to live in and do business.

One of the principal cornerstones of the sultanate's stability lies in its unique foreign policy, which is marked by balancing interests, tolerance toward differences, and a determined search for mutual benefits. While others in the Middle East were busy pursuing policies driven by ideology and short-term gains, Oman pursued its own course, holding on to the belief that peaceful co-existence is critical to the holistic, long-term goals of security and prosperity. The country had been an extremely reliable broker of peace in the past – a benefactor of global security.

The vision and dynamism of H.M. Sultan Qaboos portrayed a certain idea of Oman and engaged all his energy in the restoration of its past glories on the foundations of its legacy to achieve the best of the modern Western and Eastern civilizations.

For AVOD, food a priority

During these difficult and volatile times, the Omani company has managed to progress both at home, with its market leading brands, and abroad

Despite the various challenges faced, Areej Vegetable Oils & Derivatives (AVOD) has truly stood the test of time. Having been established in 1982, the company overcame the crash of oil prices in 1985 to later become the thriving business it is today.

It is now one of the 15 largest companies in Oman, and employs around 600 workers. The company manufactures and markets products such as cooking oils, margarines, mayonnaise and butter products. With AVOD currently expanding and preparing to construct a new facility, these are heady days for this vibrant firm.

Prem Maker, executive director of the company explains



Prem Maker, Executive Director of AVOD

as to how it has become successful in Oman and also carved out an export niche

"We are dominant in the local market with almost 70% market share in Oman, which we cover with 30% of our total output. Another 60% of our balance goes to the GCC countries, and the remaining 10%

goes to the Middle East," he said.

"We also have niche products for export where we partner with distributors' brands. We are becoming the hub for supporting the manufacturing activities of multinational companies such as Kraft, Unilever and Heinz in the business of oils, fats, margarine and mayonnaise in the GCC and North Africa."

The group, he said, is "fully automated and vertically integrated". It has in place the SAP management system and company workers enjoy working in a modern computer-aided environment. Technology is imported and the group is well capable of dealing with technical issues in maintenance and project work.

AVOD has greatly enhanced Oman's employment prospects. Maker explains that the company employs around 600 people, around 60% of whom are Omanis. However, Maker is not

content merely with what has been achieved. Instead he has a keen eye on the future.

"We have to be proactive. Even though there are skills which are not available in Oman today, we are committed to training the local workforce and developing Omanis in the skills they can pick up quickly," he said.

Employees are given substantial benefits. Private medical insurance is provided by the firm for workers and special attention is given to developing the strengths of the local workforce, and AVOD does its utmost to create a good working atmosphere. Any wonder that it is going further than many other firms.



Two traditional sectors still strong

The agriculture and fishing sectors make up a significant portion of the country’s exports, while employing nearly a tenth of the population

Although the tough world fiscal climate has left many economies relatively stagnant, Oman has seen annual growth rate in both its fishing and agriculture sectors of 11.5% and 6.3% respectively. The agriculture sector has achieved a remarkable progress during the last four decades. The growth rate exceeded 10% during the last five-year development plan, which is far beyond the target set in the Vision 2020. This was achieved despite the fact that Oman is geographically located in a difficult climate zone resulting in limited rainfall and therefore limited availability of ground water and other water resources.

According to the Omani Minister of Agriculture and Fisheries, Dr Fuad Jafar Al Sajwani, “Almost one-tenth of the population either work in or live on these two sectors. That is why the government is so keen to support these activ-



Dr. Fuad Jafar Al Sajwani, Minister of Agriculture and Fisheries

ities and provide lucrative subsidies to them.”

In fact, within the fishing sector, which makes up 0.5% of the country’s total GDP, the government has put significant measures in place to prevent overfishing and ensure

the sustainability of national fisheries.

“As we are endeavouring to transform the fishing sector into a modern one this should be carried out in a more sustainable manner and in harmony with the environment,” explained Dr Hamed Said Al Oufi, Undersecretary for Fisheries Wealth, noting that around 95% of fish production in Oman comes from traditional methods. “We look for strategic partners and companies that are more socially responsible and have a more sustainable approach.”

Furthermore, Omani fisheries export more than half of their nearly 160,000 tonnes of fish per year mainly to countries in the GCC, Asia and Europe.

Oman is also currently implementing fish farming, which the minister believes will unleash “huge untapped potential.” Fish farming is a most promising activity for economic diver-

sification in Oman. The foundations have been laid and we are seeking experienced, committed and technically competent companies to benefit from the opportunities presented. The sector will provide new business opportunities, employment for young Omanis and will maintain the competitiveness of the Sultanate at regional and international levels of the fish farming industry.

Besides fisheries, agriculture plays an important role in Oman, with over 70,000 hectares of cul-

tivated area. Agricultural production has been augmented by effective management and utilisation of the available resources, i.e. applying modern irrigation systems, using green houses, and adopting hydroponics and other techniques. In order to sustain the sector, which makes up 0.8% of the national GDP, the Ministry of Agriculture and Fisheries is developing a national strategy to protect water resources and increase productivity, using advanced technology not only for pest control, but also to con-

trol diseases with the livestock, two-thirds of which is goats.

The Omani government has placed considerable importance on both its agriculture and fishing industries, which Dr Al Sajwani calls “the backbone of the economy.” He adds that the ministry’s hard work will encourage future investments: “We are committed to developing an advanced, sustainable and socially responsible sector that will provide attractive returns to investors and lasting benefits to Oman.”



Trawling was banned in Oman’s fishing sector, one that makes up 2% of the nation’s total gross domestic product

Sustainable and successful fishing

Oman Fisheries Company is one of the largest private companies in Oman, heavily exporting to Europe and Asia and looking to expand further to the US

Oman enjoys over 1,800 miles of coastline and its pristine waters teem with fish and shellfish. Its lucrative fishing industry has an output of 170,000 tonnes per year and is considered the country’s most important non-oil source of income.

With a net worth of RO18 million (\$47 million) Oman Fisheries Company (OFC) ranks amongst the largest publicly owned companies in Oman with over 17,000 shareholders. It owns four plants in Oman, with a fifth under construction, and has international operations in Yemen, Saudi Arabia, Bahrain and two representative

offices for sourcing from India and Vietnam.

Said Al Rawahi, General Manager of OFC, aims to increase the turnover to RO40 million by 2015 but does not believe that such ambitious expansion plans should come at a cost to the environment or the local community. In fact, OFC recently voted in favour of the government ban on trawler fishing – a practice known to destroy underwater ecosystems and deplete fish stocks.

Al Rawahi explains: “In supporting a ban on trawling, we have created a win-win situation which benefits the environment,

the way of life of local fishermen, while at the same time improved quality of stock. We’ve trained fishermen on how to recognise, take care of and enhance the quality of the catch.”

Founded in 1987, no one shareholder is entitled to take more than a 0.25% stake in the company. Local fishermen – who also make up most of its 250 strong fleet – own 70% of the company. Of OFC’s annual catch of 35,000 metric tonnes, the majority is exported to Europe, the US, China and the Far East.

In order to grow the lucrative fishing sector in Oman and

take advantage of soaring global seafood demand, Oman’s fishing industry plans to further develop its fishing infrastructure. Al Rawahi believes that Oman’s fishing industry offers significant potential for investors, particularly in the area of fish farming.

“Fish farming is an excellent opportunity for overseas investors to explore in Oman. Our advantage is that we do not have heavy industries so our pollution levels are extremely low. We conducted a pilot project for fish farming at OFC, which proved to be very successful.

However, in order to maximise the potential of fish farming here we need to create our own hatcheries and seek partners in this area. For those investors that take a stake in the development of Oman’s fishing sector the rewards will prove extremely lucrative.”

Higher education, top priority

Wider access to higher education to help innovation and entrepreneurship is one of the principle aims of the government of Oman

The Sultanate of Oman is committed to establishing wider access to quality higher education to help to drive forward national social and economic growth.

The Sultanate has seen a rapid expansion of the higher education system over the last 18 years. Only one private college existed in the country in 1995, but a further 18 colleges have been added to the educational system since then. Together with state-funded institutions, total enrolment in higher education within the country was over 81,000 students for the academic year 2010/2011, equating the about 29% of the 18-24 age cohort.

State-owned higher education institutions still provide the majority of seats, soon to be bolstered by the establishment of a new university for science and technology, Oman University.

Dr Rawiyah Al Busaidiyah, Minister of Higher Education said: “This very exciting project represents another milestone in the history of higher education in the Sultanate. Oman University is expected to open its doors in 2016 and, over the succeeding decade, to enrol 15,000 students.



Dr Rawiyah Al Busaidiyah, Minister of Higher Education

One of the major challenges facing many of the new tertiary educational institutions in Oman is funding. Securing a world-class learning establishment can be expensive, particularly if locals are to be enticed to study at home rather than taking places in major universities abroad. The government recognises this as a potential problem and has injected a “one-time endowment” of some \$44 million to qualifying universities.

Partnerships with national and international companies are another funding model that is being considered. The Oman Tourism College and the International Maritime college of Oman are both government-

owned institutions with partnerships with the private sector. This model is proving successful, with courses at those universities meeting current demands within the tourism and maritime industries.

As the educational system within Oman matures, so too will the donor culture. The government must ensure that quality is injected into the system, not only to secure top-class outputs but also to encourage and attract funding from external sources.

Additional spaces added to the education system, together with wider access for those who wish to study at a higher level, will help to ensure Oman is at the forefront of science, technology and other subjects of national interest.



A long-term research strategy

The Research Council (TRC) in Oman is set to lead the way in the development of a national plan for scientific research within the sultanate

Established in June 2005 by Royal Decree, the policy-making body and funding agency is responsible for encouraging and promoting research, innovation and science to create value for business, markets and to enhance the needs of the wider society.

The formation of TRC is a significant step in the scientific development of Oman. Research is fundamentally important for a nation to build

its economic growth and prosperity and Oman, with its rich oil reserves, will prosper from the formation of this new body.

TRC has developed a National Research Strategy for Oman. Dr Hilal Ali Al Hinai, Secretary General of The Research Council, said: “When we started developing the strategy and programmes for TRC, we had to take stock of what we have in terms of research capacity.

“The challenge is how to capture value not only from knowledge generated through domestic research but also the knowledge available internationally. In our research strategy we support knowledge generation via research but we are also trying to complete the cycle, so that we capture value from research expenditure. The value could be in finding a solution to a social problem, or creating jobs for the young people coming out of the education system.”

The main themes of the National Research Strategy, which are linked to the Sultanate’s overall devel-

opment plans, are: achieving research excellence in fields of national importance; creating a supportive environment for research; and disseminating knowledge and utilising academic research.

One important area of strength for TRC is the oil industry within Oman. Challenging oil reservoirs require new technologies for recovery of the more difficult to reach reserves. Oman has become respected internationally for using the latest Enhanced Oil Recovery (EOR) technologies in its reservoirs.

EOR can be used as a vehicle for developing research and innovation capacity to meet the needs of the country in areas such as renewable energy. For example, gas is currently used to heat steam which is pumped into the ground to reduce viscosity of the oil, improving recovery rates. With funding from the TRC, researchers may be able to develop solar energy for heating steam, rather than using gas.

The Research Council plans to build on the expertise from Oman’s oil and gas industry to carry out internationally recognised research into contemporary ways of working.

TRC is the government body in charge of research-related policies and allocation of the funds for research projects

