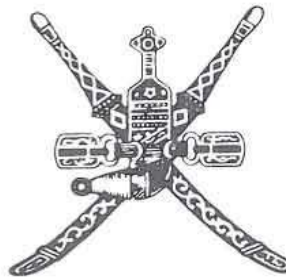


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His Majesty meets his people

GENERAL REVIEW

Oman today enjoys stability, a healthy economy and a rising standard of living — enviable conditions in a country which, not so long ago, had been regarded as being the most backward in the Arab world. His Majesty Sultan Qaboos referred to these successes when he spoke to his people on National Day last year, which had been dedicated to the youth of Oman. Also present were youth delegates from 45 countries, whose attendance was a testimony to the goodwill and friendship which Oman has won from the nations of the world.

In his speech at the National Stadium in Muscat, His Majesty spoke of the role of the youth of Oman. He said, "Your role now is to prepare yourselves in the educational and cultural fields, and to set an example in shouldering the responsibilities of the future. This will not be easy, since it is your obligation, before anything else, to safeguard the achievements and gains which have been attained by your fathers in the past. You must work to increase, in every way you can, the welfare and development of our country in the public interest, bearing in mind that welfare, progress and tranquility cannot be achieved without hard work and dedication.

"When one is young, one must think and plan with ambition for the future. It is a time for imagination, expectations and hope, but, also young people must waste no time in getting down to the practical work of carrying out their national obligations. With this in mind, we are determined to take special care of our Omani youth in order that they shall be qualified for the duties that will be entrusted to them in maintaining the dignity and independence of our country, our Muslim principles, and our historic Omani customs and traditions, which have been inherited from our forefathers."

His Majesty told the young people that the world they were inheriting was one in which "fanaticism, intolerance, and disregard and disrespect for the rule of law have become a byword, where we see violence and oppression on all sides, and we see man sometimes in despair of the future of humanity. But we believe that the day must come when these evils are defeated. This is the aim which every one of us, of every nationality, must seek to work for and achieve."

In welcoming the delegations from the 45 countries, His Majesty stressed that the "youth of the Free World have an important role to play in restoring human dignity, in encouraging peace and strengthening understanding between peoples." He said, "We hope that your presence among us will be a constructive contribution, and an effective impulse for this

peace and understanding.”

Oman's political and economic stability is vitality important to the world, since its territorial waters include the navigable southern half of the Strait of Hormuz through which passes more than half of the world's oil supplies. His Majesty has affirmed that the Sultanate will provide all assistance for the peaceful navigation of international shipping through the Strait.

In October last year, the land forces of Oman and the other five GCC countries — Saudi Arabia, Kuwait, United Arab Emirates, Bahrain and Qatar — held their first joint exercises in the United Arab Emirates. Air and naval joint exercises are being held this year.

During 1983, the Sultanate continued to play an active role in further successful moves to increase and expand the effectiveness of the GCC. The GCC has made considerable progress in political and economic cooperation. Last year, the Council implemented an economic agreement which allows, among other things, free entry of products of a member country into the other states. A Gulf Investment Corporation, with funds of US\$2.1 billion was also set up. Member countries contribute equal shares to the fund.

On the political front, the Sultanate, together with its brother states of the GCC, views with grave concern the continuing war between Iraq and Iran, which poses a serious threat to the stability of the region and to the world economy. Consequently, at the fourth GCC Summit Meeting held in Doha, Qatar, in November 1983, His Majesty Sultan Qaboos and the other Gulf leaders expressed support for the latest United Nations Security Council resolution calling for an end to military operations by Iraq and Iran. The Heads of State also urged Iran to respond to the Security Council initiative and to refrain from interfering with free navigation in the Strait of Hormuz.

A key principle of Oman's foreign policy is one of non-involvement in super-power rivalry. However, its adherence to the principles of non-alignment has not prevented Oman from taking a stand on regional and international issues.

The Sultanate has consistently condemned the Israeli occupation of the West Bank and the Gaza Strip, and strongly supports the Palestinian people's right to the establishment of a sovereign state. His Majesty believes that every effort should be made to solve the Arab-Israeli problem by peaceful means.

In April last year, His Majesty paid a State Visit to the United States where he gave President Reagan his views on matters



Celebrating National Day

of concern to the Sultanate and the Arab World. During his visit, His Majesty called on the United States to make every effort in pursuit of peace in the Middle East. His Majesty has frequently expressed the view that it is a world responsibility to actively work for a solution to the Middle East problems.

Oman strongly supports the United Nations resolutions and other international calls to the Soviet Union to withdraw its invading forces from Afghanistan and to respect that country's sovereignty, independence and non-aligned status.

Similarly, the Sultanate has supported resolutions by the Association of South East Asian Nations (ASEAN) and other international bodies calling for the withdrawal of Vietnamese forces from Cambodia.

Last year, Oman and Algeria agreed to establish diplomatic relations in view of the current challenges faced by the Arab nations. Algeria's first ambassador to Oman presented his credentials to His Majesty in May.

Oman and Malaysia also opened embassies in Kuala Lumpur and Muscat respectively, thus strengthening the already close ties between the two countries.

In October, Oman and South Yemen announced their intention to establish diplomatic relations at ambassadorial level.

1984 promises to be a year of sound economic growth for

Oman, with higher production in the non-oil sector. At the same time, oil production will be maintained at 400,000 barrels per day (b/d). Output was raised to around this level in the last quarter of 1983 with the discovery of high quality oil reserves, enabling the government to increase production by about 50,000 b/d to compensate for lower oil prices and maintain the country's reserve base at a healthy level.

Initial estimates for the 1984 budget are encouraging, showing an increase in non-oil revenues of 76 per cent over last year's total. This anticipated increase of RO 199 million will more than offset the posted fall of RO 81 million from oil revenues which are estimated at RO 1,100 million. With the much higher non-oil revenues and the relatively small drop in oil earnings, the government budgeted for an 8 per cent increase in total revenues of RO 1,561 million as against last year's total of RO 1,443 million. Although government expenditure estimates are about 7 per cent higher, Oman will have a lower deficit — RO 204 million as against last year's RO 207 million. Government spending is put at RO 1,765 million compared with RO 1,650 million last year.

The government has therefore achieved, to a considerable degree, one of the basic targets of its first (1976-1980) and current development plans: to diversify the country's economy away from heavy dependence on oil into manufacturing, agriculture, fisheries, and industries utilising its other natural resources.

The lower oil income, though serious, is less of a problem than is generally realised. Of greater significance is the fact that Oman has found more oil, thereby increasing its recoverable reserves to 3.5 billion barrels. At the start of the first five-year plan in 1976, the country's oil reserves were only about 1.3 billion barrels. Output, which had peaked at around 370,000 barrels per day (b/d) in 1976, began to decline. It was estimated that Oman's oil would run out in about 10 years. The government launched an extensive exploration programme through Petroleum Development Oman (PDO), of which it owns 60 per cent. Discoveries of heavy crude were made, mostly in the south; and at the beginning of the current plan in 1981, reserves were around 2.5 billion barrels. In the current budget estimates, the government is again investing heavily in developing the oil industry.

Another positive factor is that Oman's oil exports are made from its terminal at Mina al-Fahal on the Gulf of Oman and are therefore not subject to the uncertainties imposed by the Iraq-Iran war on passage through the Strait of Hormuz.



His Majesty is a keen sportsman and is seen here presenting a prize to a winning rider

With sound economic prospects for the year, government officials have indicated that, apart from delays in implementing a few projects, development will continue as projected under the current five-year plan. Development spending this year will be concentrated on income-generating projects and infrastructure schemes which contribute directly to economic growth and to the well-being of the people.

As well as having the benefits of a modern government infrastructure, the Omani people have a direct voice in the day-to-

day planning and development of the country's economy and social services, through the State Consultative Council. The Council, which was set up in the autumn of 1981, completed its first term of two years in November last year.

The first term of the Council proved so effective that membership has been enlarged from 45 to 55 members to enable more citizens to participate. The new Council, which held its first session in January 1984, now comprises only 19 government representatives, nine of whom are serving in their personal capacity; the remaining 36 represent private and regional sectors of the population.

Under their terms of office, Council members initiate, debate and make recommendations on current issues which are made directly to His Majesty.

In addition to his direct contact with his people through the State Consultative Council, His Majesty also keeps in constant touch with Omanis at grass roots level by touring the country extensively. These annual tours, which have become popularly known as "meet the people" sessions, enable His Majesty to find out for himself whether the government is meeting the people's needs and if they understand and accept its policies.

Public utilities important to the well-being of the people have continued to expand, with particular priority being given to the Health and Education services.

Throughout the 14 years of its intensive growth, Oman has not lost sight of its cultural heritage. His Majesty has insisted that the precepts of the Muslim religion and Oman's ancient traditions be carefully preserved in the process of the country's modern economic and social development.

HISTORY

Oman constitutes one of the oldest ethnic and political entities in the Arabian Peninsula. Archaeological evidence shows that the first human activity in Oman dates back to the Stone Age, tens of thousands of years ago. Evidence of the country's trading relations with other peoples can be traced to the beginning of the third millennium B.C., when the world's first recorded long-distance commercial seafaring was that of the voyages made by ships from Magan — the old name for Oman — bearing wood, copper and other minerals to the land of Sumer which existed before Babylon.

The recorded history of Oman begins with the advent and settlement of Arab tribes in the second century B.C. They came from Yemen and Najd, and included the Azd, from which the ruling family is descended.

The southern province of Dhofar once formed part of the ancient South Arabian civilisation of the Sabeans and the Himyarites.

Oman was one of the first countries to embrace Islam, and the Muslim religion has, through the centuries, acted as a strongly unifying force within the country and is today the foundation of the political and legal systems and, indeed, the whole national life. During the commercial Golden Age of Oman, between the 7th and 15th centuries, Omani ships spread the message of Islam as far afield as Africa and China.

The advent of the Portuguese to Oman in 1507 brought the Golden Age to a temporary halt until Lisbon's domination of the Omani coasts was ended in 1649. The Portuguese were pursued out of the Gulf to East Africa, where many of their strongholds were captured, and Oman became the first non-European power to spread its influence to that continent.

During the 17th and 18th centuries, Oman was the dominant maritime power of the Western Indian Ocean, and the considerable wealth which accrued was used primarily in the development of the country's agriculture. Internal stability, however, became threatened towards the middle of the 18th century when the Ya'aruba family lost control over the country and Oman became exposed to the dual threats of foreign invasion and internal disintegration. It was at this period, however, that Imam Ahmad ibn Sa'id, Governor of Sohar, succeeded in rallying the nation and averting the danger. His assumption of power in 1747 inaugurated the reign of the Al-Busaid family, who have continued as the ruling house to the present day.



Abubakar mosque — Uttaya

Imam Ahmad ibn Sa'id's successors, notably Sultan Sa'id ibn Sultan, continued to develop Oman as a major maritime commercial power, and established trading agreements with a number of European countries and the United States in addition to preserving the long-standing relationship with Great Britain. After the death of Sultan Sa'id in 1856, Oman experienced alternating periods of prosperity and stagnation until an entirely new era of development dawned in 1970 with the accession to power of His Majesty Sultan Qaboos.

GEOGRAPHY

Oman is located in the extreme south-east corner of the Arabian Peninsula with a total land area of 300,000 sq.kms of mountainous terrain interspersed with wadis and green valleys where the efforts of man have both created and cultivated arable land. To the north it borders on the Strait of Hormuz, to the east the Arabian Sea, to the west Saudi Arabia and the United Arab Emirates, and to the south South Yemen.

In land area, Oman is the second largest country in Arabia. A number of islands in the Arabian Sea form part of the Sultanate, the most important being the island of Masirah which faces Hekman near Jaalan and the Kuria Muria islands. The Omani coastline on the Arabian Sea stretches for 1,700 kms.

A mountain range extends from Ras al Hadd in the east to join other ranges that stretch southwards from Ras Musandam. The height of the mountains varies from 1,000 to 3,075 metres at Jebal al Akhdar, the "Green Mountain", which is covered with vegetation and is highly cultivated with many fruit trees. To the east of the mountain ranges lies the fertile Batinah coastal plain which extends for 270 kms between the sea and the mountains from Muscat to the border with the United Arab Emirates.

The Regions

Oman can be divided into a number of distinct topographic areas:

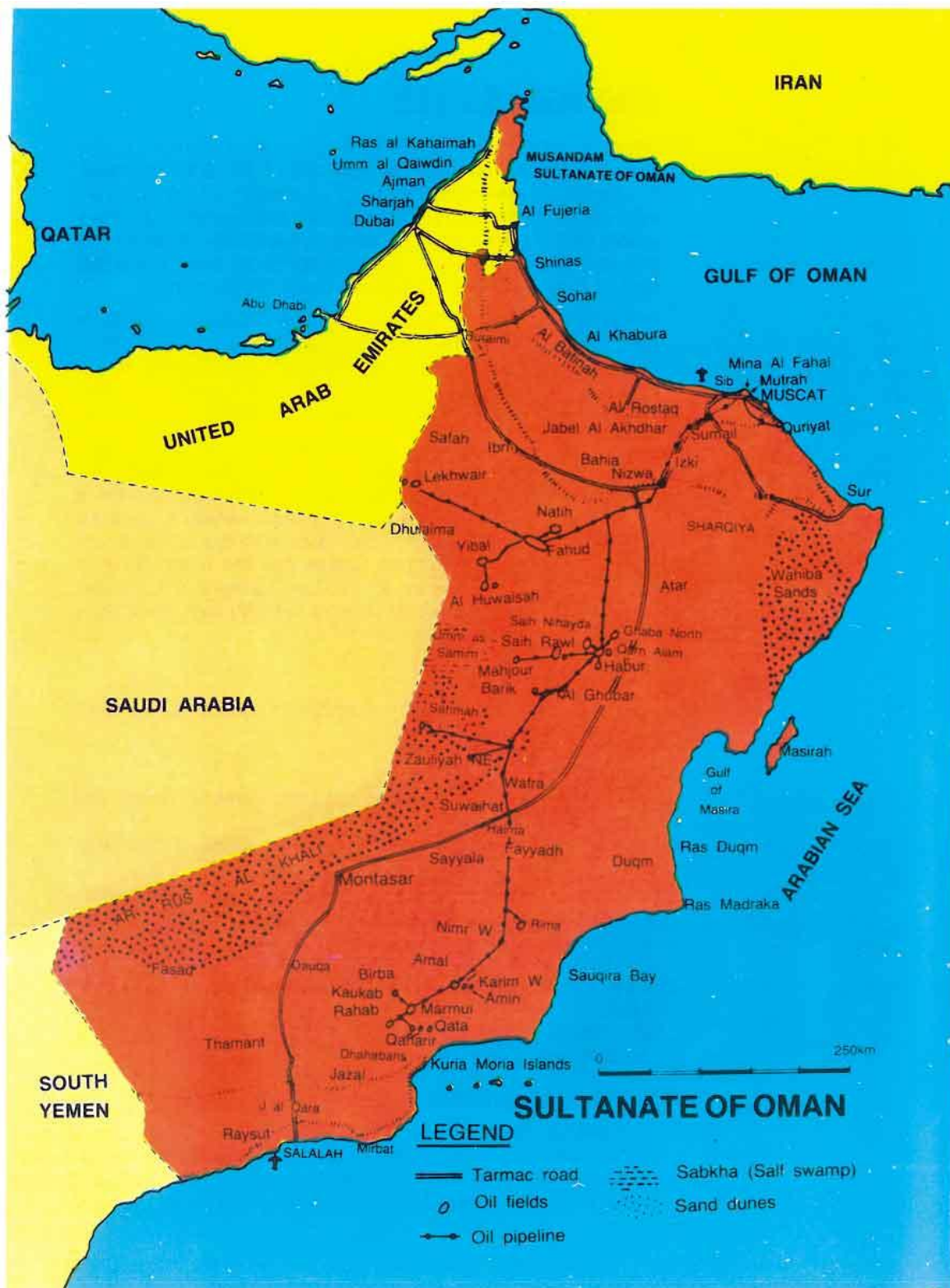
1. The Capital Region

The Capital Region is the largest urban area in Oman and includes the following :

- a) Muscat, comprising Kalbouh, Riyam, Doha, Sidab, Bustan, Qantab, Yiti and Khayran.
- b) Greater Muttrah, comprising Muttrah, Ruwi, Wattayah, Wadi Adai, Amarat, Bajriya, Akhday, Majij, Bierein, Jajar, Munthariyah, Jahlout, Wadi Meih and Raja'.
- c) Baushar, comprising Qurum, Sarouj, Khuweir (Qaboos City), Ghubra, Al-Azaiba, Falaj al-Sham, Sanab, Hamam and Misfa.
- d) Seeb, comprising Mawaleh, Heil, Kharis, Gahshiba, Ma'baila and Orq Hadid.

2. The Batinah Plain

The Batinah Plain runs south-east for 270 kms from Oman's border with the United Arab Emirates, almost as far as the city of Muscat. It lies between the sea and the mountain range of Hajar al-Gharbi, its width varying between 50 kms to 150 kms.



Agriculture is largely limited to a coastal strip which broadens inland to varying degrees. The Batinah Plain is one of the most densely populated areas in Oman. Its most important towns are : Barkaa, Masna'a, Soueik, Khaboura, Sah'm, Sohar, Liwa and Shanas.

3. The Hajar al-Gharbi (Western Rock) Mountains

Like the Batinah Plain, these mountain ranges run parallel to the coast from the United Arab Emirates in the north to Wadi Maawel in the south. The highest peaks, up to 3,000 metres, lie in the south-east at Jebel al Akhdar. There are many population settlements on Hajar al-Gharbi, the most important being Rustaq, Awabi and Nakhl. The southern flank of the mountain range is known as "Dakhiliyat Oman", the interior or "heart" of Oman.

4. The Interior

This is the central hill region that descends from the northern base of Jebel al Akhdar southwards to the desert. It is bounded on the west by Dhahira and on the east by Sharqiya. The area has four main valleys : Batha', Halafein, Bahla and Samail. The Halafein and Samail valleys together form a natural break in the Hajar al-Gharbi mountain range, providing the traditional road linking Muscat and the Interior. It is the most densely populated area of Oman and its main towns are : Nizwa, Bahla, Samail, Izki, Manah, Bidbid and Adam.

5. Dhahira area

This is a semi-desert plain, sloping from the southern flanks of the Western Hajar into the Rub al Khali (Empty Quarter). It is bordered to the north by Yangal, Jau and Buraimi and to the south it is divided from Oman proper by Jebel al Kawt (Deyar al Durooa') and from the east by Deyar Bani Hinah. The major settlements are on two principal wadis, Wadi Dank and Wadi Al Ain, the towns being Dank, Ibri and Yanqal. The northern extension of the plain of Dhahira is known as Jau. In this small area between the border of the United Arab Emirates and the Western Hajar the population is concentrated around the irrigated date cultivation of the Buraimi oasis.

6. Sharqiya area

The Sharqiya is an area of sandy plains and valleys lying on the inland side of the Eastern Hajar. It is bordered to the south east by the district of Jalaan and to the south by the Wahiba Sands. The main towns are Ibra, Mudaibi, Samad, Biddiya, Dabil and Sinaw. The Jaalan is a sandy plain forming the southern extension of the Sharqiya and extending to the Arabian Sea. It

is bordered on the northern side by the Eastern Hajar and on the southern side by the Wahiba Sands. It is inhabited by associated tribes such as Bani Bu Ali, Bani Bu Hasan, Bani Ra'ib, Al Hasan, Janabah etc. The main towns are Bilad Bani Bu Ali, Bilad Bani Bu Hasan, Wafi and Kamil.

7. Barr-al-Hekman

The Barr-al-Hekman is an area of approximately 650 square kilometres. Masirah Island is situated to the east by a channel of 14 kms. The area of the Barr consists of salt flats and on occasions the sea covers as much as 5 kms of the land area. Most of the population (Hekmanies) live on the Island of Mahawt and are fishermen.

8. The Southern Region (Dhofar)

The Southern Region of Oman accounts for a third of the country's total area and can be divided into two climatic zones. The first is the coastal plain, with a maximum width of 10 kms, which stretches from Raysut in the west to Taqa beyond Salalah. Here the fertile alluvial soil benefits from the seasonal rains between June and September. The rains also irrigate the tree-dotted hills that rise 1,500 metres above the coastal plain. To the north-west, the region's border with the Kingdom of Saudi Arabia lies in the Empty Quarter. The main towns and villages of this region are : Salalah, Taqa, Marbat, Sudh, Thumrait, Rakhout, Dalkut, Saleem and Mughsin.

9. The Musandam Region

Musandam is the northernmost part of the Sultanate. Its rugged mountains rise 1,800 metres above sea level and are criss-crossed by other ranges. The main towns are : Khassab, Diba' and Bakha. They are inhabited by the Al-Shahouh tribes, the descendants of Laqit ibn al-Hareth bin Malik bin Fahm.

Provinces

The Sultanate is divided into 41 wilayat (provinces) in each of which the government is represented by a wali (provincial governor). Muscat has its own governor with assistants in Muttrah, Seeb and Bauchar, as has the Musandam Governorate with assistants in Khassab, Baia and Bakha.

Climate

The climate varies from region to region. In the coastal area it is hot and humid in summer; in the interior it is hot and dry with the exception of some higher locations where it is temperate all the year round. In the southern region, the climate is more



Aerial view of the Sultanate's Capital, Muscat

temperate. The country's rainfall is generally low and irregular although heavy local rains are sometimes experienced with the exception of the southern region where heavy rains regularly occur between June and October as a result of the annual monsoon.

Population

Oman's population is now estimated to be one and a half million. The majority of the people are engaged in agriculture, trade and fishing.

GOVERNMENT

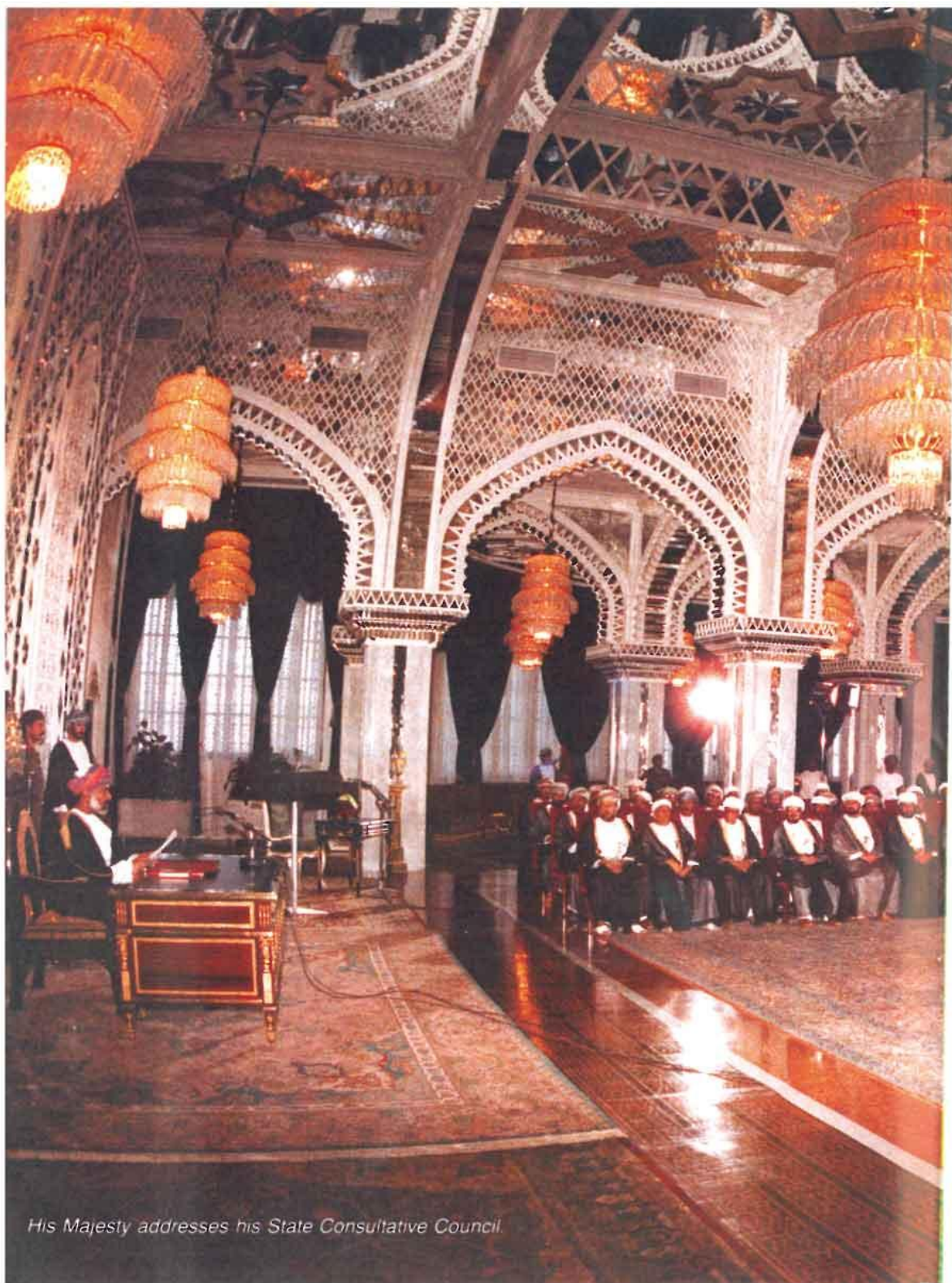
The administrative system of the State comprises, under His Majesty the Sultan, the Cabinet of Ministers, and Secretariat to the Cabinet, Ministries, Governorate of the Capital City, the State Consultative Council and the Specialised Councils.

The Cabinet of Ministers is the highest executive authority, deriving its power from His Majesty the Sultan to whom it is collectively responsible.

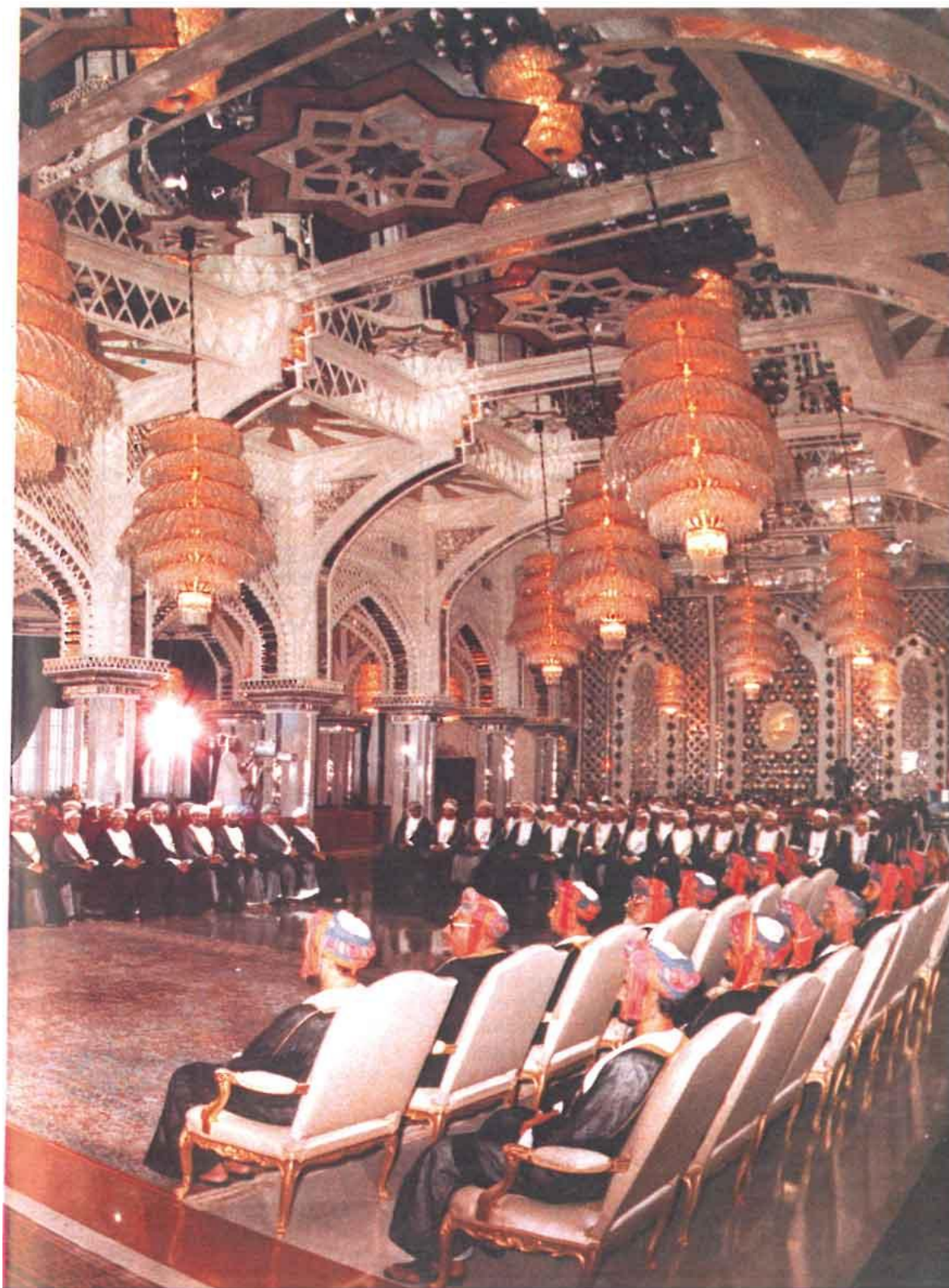
Laws and decrees are authorised by His Majesty. International treaties, agreements and charters signed or approved by His Majesty become law from the date of their publication in the Official Gazette.

The Cabinet of Ministers consists of:

- His Highness Sayyid Thuwainy bin Shihab
— Special Representative of His Majesty the Sultan
- His Highness Sayyid Fahr bin Taimour al-Said
— Deputy Prime Minister for Security and Defence
- His Highness Sayyid Fahad bin Mahmoud al-Said
— Deputy Prime Minister for Legal Affairs
- His Excellency Qais Abdul Munim al-Zawawi
— Deputy Prime Minister for Economic and Financial Affairs
- His Excellency Sayyid Hamad bin Hamood
— Minister of Diwan Affairs
- His Highness Sayyid Faisal bin Ali al-Said
— Minister of National Heritage and Culture
- His Excellency Abdul Hafidh bin Salim bin Rajab
— Minister of Agriculture and Fisheries
- His Excellency Khalfan bin Nasser al-Wahaibi
— Minister of Electricity and Water
- His Excellency Sayyid Hilal bin Hamad al-Sammar
— Minister of Justice, Awqaf and Islamic Affairs
- His Excellency Dr Mubarak bin Saleh al-Khaduri
— Minister of Health
- His Excellency Said bin Ahmed bin Said al-Shanfari
— Minister of Petroleum and Minerals
- His Excellency Ahmed bin Abdullah al-Ghazali
— Minister of Land Affairs and Municipalities
- His Excellency Sayyid Salim bin Naser al-Busaidy
— Minister of Communications
- His Excellency Yahya bin Mahfoodh al-Mantheri
— Minister of Education and Youth Affairs



His Majesty addresses his State Consultative Council.



Omani people greater participation in the planning and development of the country's economic and social affairs.

Its first two-year term ended in October last year. Membership of the Council has been enlarged from 45 to 55 to enable more citizens to participate. The new Council, which held its first session in January 1984, comprises only 19 government representatives — nine of whom are serving in their personal capacity. The remaining 36 represent private and regional interests.

Based in Muscat, the Council is independent both administratively and financially. The current President of the Council is the former Minister of Electricity and Water, H.E. Hamoud bin Abdullah al Harthy.

Members of the Council must have Omani nationality and be aged 30 years or over. They are appointed for a two-year period, but their term of office can be extended for one or more terms.

The Council has an executive body composed of the President, the Vice-President and members representing the government and private sector. Members of the executive were chosen by a majority vote at the first session of the Council.

There are at least four ordinary sessions of the full Council each year. The Council has the authority to appoint special sub-committees, temporary or permanent, to look into particular matters referred to them by the Council.

Specialised Councils

The Specialised Councils were set up by Royal Decree. They are under the chairmanship of His Majesty the Sultan and comprise members of the Council of Ministers. In addition to their official membership, the Councils include popular participation, thus giving the people a direct voice in government decisions.

Some of the Specialised Councils are:

The Development Council which plans objectives and general policies for economic development; supervises projects and procedures which fall within the overall State Plan, and coordinates the activities of the different ministries and government departments in the execution of the current development plan.

The main function of the Water Council is to coordinate exploitation of water resources so as to ensure that a balance is maintained between availability and requirements.

The Council for Financial Affairs applies the financial policy of

the State and draws up the national budget. Among other matters it studies the financial allocations for economic development projects.

The duties of the Council for Natural Gas include supervising concessions for prospecting and production of oil and natural gas.

The Defence Council deals with matters relating to Defence which are referred to it by His Majesty the Sultan.

Apart from being concerned with the Sultanate's education policy, the Education and Training Council ensures that the output of trained Omani manpower is geared to the Sultanate's requirements.

The main function of the Administrative Council for Aquatic Resources is to conserve fishing rights in Omani waters, which extend 200 nautical miles offshore.

The Supreme Youth Council was established in May 1982 and construction will begin this year of a complete sports city. Several more clubs for young Omani people will also be set up.

Municipal Councils were first established in 1980, in some 30 towns in the Sultanate. These Councils are a form of local government, dealing with local matters such as siting of new public buildings, zoning, land grants, municipal services and local ordinances.

FOREIGN AFFAIRS

Oman's foreign policy is guided by three principles:

To extend the hand of friendship to all nations on a mutual basis of non-interference in each other's internal affairs. To remain non-aligned with regard to super-power rivalry. To work closely with other members of the Gulf Cooperation Council (GCC) to achieve regional cohesion, economic and political stability and social progress.

Oman views cooperation and unity of action among the Gulf States as vital to the security and prosperity of the region. It also sees such cooperation as giving the Gulf States a stronger voice in Arab and international affairs. The progress made by the GCC since its formation in May 1981, particularly in the political, security and economic fields, has affirmed the validity of Oman's basic approach to regional cooperation.

The continuing war between Iraq and Iran and the resultant threat to the stability of the Gulf region are matters of grave concern to Oman. Oman has, therefore, supported regional and international efforts to get the two countries to end hostilities.

At the fourth GCC summit meeting, held in Doha, Qatar, in November 1983, His Majesty Sultan Qaboos and the other Gulf leaders expressed support for the latest United Nations Security Council resolution, calling for an end to military operations by Iraq and Iran. The Heads of State also urged Iran to respond to the Security Council initiative and to refrain from blocking free navigation in the Strait of Hormuz.

The Doha conference also reviewed the joint security and military capability of the GCC States.

His Majesty Sultan Qaboos has made it clear that if traffic through the Strait of Hormuz is interrupted in consequence of the Iraq-Iran war, Oman's position is that the issue becomes a collective Gulf and international responsibility and not that of Oman alone since the Strait is the gateway for all the Gulf countries and for the movement not only of their crude oil but also of all other trade.

To test their capability as a joint defence force, the armies of Oman and the other five GCC States — Saudi Arabia, Kuwait, Qatar, Bahrain and United Arab Emirates — held their first joint exercises last October in the United Arab Emirates. Air and naval joint exercises are being held this year.

The GCC States achieved further progress in cooperative efforts in other fields: in March last year, they implemented an



President Reagan welcomes His Majesty the Sultan on his arrival in Washington for the State Visit

economic agreement which had been approved the previous year by the Heads of State Summit Conference in Manama, Bahrain. One of the provisions of this agreement enables GCC nationals to trade in member states in manufactured goods, agricultural produce, fisheries and livestock and as contractors in the building industry. Industrial and agricultural products and goods made of other natural resources of member countries are exempt from customs duties provided they originate from a GCC State. Oman, however, will continue to impose taxes on several products such as cement and its by-products, plastics, dyes, oils, industrial cleaners, car batteries and electric lamps since these are in the process of being produced in the Sultanate.

With a view to making further progress in other fields GCC ministers and other officials met regularly throughout 1983 and dealt with such matters as foreign affairs, security, education, culture, information, health and social affairs and labour.

Apart from participating in GCC ministerial conferences, Oman also attended several meetings involving other Arab countries. These included the Conference of the Organisation of Arab Cities in Algiers in April, the Arab League Council and Arab Ministers of Information meeting in Tunis in September, and the meeting of Arab Social Affairs Ministers and Arab Interior Ministers in Baghdad in December.

In 1983, His Majesty Sultan Qaboos visited several friendly countries with the aim of strengthening bilateral relations and exchanging views over issues of mutual interest.

The first of these visits was to Jordan on 29 March. During his three-day visit His Majesty reviewed with His Majesty King Hussein bilateral relations and the situation in the Arab World. Their talks also dealt with ways of strengthening the already close Omani-Jordan relations in the political, military and other fields. This followed His Majesty King Hussein's earlier visit to the Sultanate in January 1983.

In May, His Majesty met Egyptian President Hosni Mubarak on board the Royal Yacht at Suez for talks on Arab and international issues, with particular regard to the Palestinian problem and the situation in Lebanon. President Mubarak had earlier stopped over in Salalah after attending the summit meeting of the Non-aligned Movement in New Delhi in March.

Last year, Oman signed agreements on trade with Iraq and exchanges of information with Egypt and Tunisia. The Sultanate also became a member of the Arab Tourism Organisation.

Also, last year, Oman and Algeria took a significant step in formalising bilateral ties. The two governments announced in April that they had agreed to establish diplomatic relations in view of the current challenges faced by the Arab nations. Algeria's first ambassador to Oman presented his credentials to His Majesty in May.

In October, Oman and South Yemen announced they would establish diplomatic ties at ambassadorial level. This followed the agreement signed in October 1982 when both sides pledged to work for better relations between their two countries on the basis of non-interference in each other's internal affairs, this being a fundamental principle of His Majesty's relations with other countries. These moves towards a rapprochement, after a long period of strained relations, came

following the mediation efforts of Kuwait and the UAE, two of the Sultanate's brother States of the GCC. Discussions are currently in progress between the Sultanate and South Yemen to resolve outstanding border issues.

By pursuing a policy of non-alignment, Oman has tried to ensure that it does not become involved in super-power conflicts. However, its adherence to the principles of non-alignment has not prevented Oman from taking a stand on regional and international issues. Hence, Oman has consistently upheld the United Nations Charter and taken an active role in the world body and other international forums to promote peaceful relations and cooperation among states.

Oman has consistently condemned Israeli occupation of the West Bank and Gaza Strip, and supports the Palestinian people's right to the establishment of a sovereign state. His Majesty has frequently affirmed his belief that every effort must be made to produce an honourable solution to the Arab-Israeli problem through peaceful means. Oman believes that the United States and the West also have a responsibility to help bring about a settlement that will be equitable and satisfactory to the Palestinian people.

The Sultanate also opposes interference in the affairs of the Horn of Africa by foreign countries.

Oman continues to support international efforts to end the Soviet occupation of Afghanistan and to restore that country's independence.

The Sultanate has supported efforts by the Association of South East Asian Nations (ASEAN), and other international bodies seeking the withdrawal of all Vietnamese forces from Cambodia.

In Central America, Oman has opposed the intervention of forces from outside the American continent, and supports the efforts of the Al Contadora Group to hold a joint dialogue between the countries concerned to find peaceful solutions.

Oman views with increasing concern the growing tension in the Indian Ocean area as a result of the rivalry of the two super-powers, particularly as a result of the continued Soviet occupation of Afghanistan. Oman is, therefore, in favour of the convening of the forthcoming Colombo conference on the Indian Ocean as a de-militarised zone. Oman also attaches great importance to the establishment of a new international economic order which should be based on a fair relation between the prices of raw materials and finished products and which should take into account the needs of the developing countries.



His Majesty maintained close cordial relations with brother Arab leaders during the past year. Here, accompanied by His Majesty King Hussain, His Majesty inspects a Guard of Honour of the Jordanian Army during a visit to Amman

His Majesty paid a five-day State visit to the United States in April. During his visit, he gave President Reagan his views on matters of concern to the Sultanate and the Arab World, and called on the United States to continue its efforts in pursuit of peace in the Middle East.

April also saw Oman and Malaysia opening embassies in Kuala Lumpur and Muscat respectively, thus strengthening the already close ties between the two countries.

Omani and Canadian relations were enhanced with the visit to the Sultanate of the Canadian Prime Minister, Mr Pierre

Trudeau, in early December. Mr Trudeau had an Audience with His Majesty during his three-day visit. The two leaders discussed Arab and international issues, with particular reference to the situation in the Gulf region. Mr Trudeau also had talks with Omani ministers and senior officials on economic and other matters of mutual interest to the two countries.

Oman also took an active part in a number of other international conferences — the Non-aligned Summit in New Delhi, in March; the Group-77 ministerial meeting in Argentina, also in March; the conference of the World Meteorological Organisation in Geneva, and the Asian Conference on the Question of Palestine, sponsored by the United Nations and held in Malaysia in May.

Countries with Resident Ambassadors or Consuls in the Sultanate:

Embassies:

Republic of Algeria
People's Republic of China
Arab Republic of Egypt
Republic of France
Federal Republic of Germany
Republic of India
Islamic Republic of Iran
Republic of Iraq
Republic of Italy
Japan
Hashemite Kingdom of Jordan
Republic of Korea
State of Kuwait
Kingdom of Morocco
The Netherlands
Islamic Republic of Pakistan
State of Qatar
Kingdom of Saudi Arabia
Democratic Republic of Somalia
Democratic Republic of Sudan
Republic of Tunisia
United Arab Emirates
United Kingdom
United States of America
Yemen Arab Republic

Consulates:

Republic of Austria
Kingdom of Belgium

Republic of Cyprus
Kingdom of Denmark
Republic of Greece
Republic of Portugal
Kingdom of Sweden
Federal Republic of Switzerland

The following are represented by non-resident Ambassadors:

Republic of Argentina
Australia
Republic of Bangladesh*
Federal Republic of Brazil
Canada
Republic of Chile
Republic of Djibouti
Republic of Finland
Republic of Gambia
People's Republic of Guinea
Republic of Indonesia
Malaysia*
Republic of Mali
Republic of Malta
Islamic Republic of Mauritania
United States of Mexico
Kingdom of Nepal
Republic of Niger
Kingdom of Norway
Socialist Republic of Romania
Republic of Senegal
Republic of Sierra Leone
Kingdom of Spain
Thailand
United Republic of Tanzania
Republic of Turkey
Federal Republic of Yugoslavia
Republic of Zaire
Republic of Zambia

* Represented in Oman by a Charge d'Affaires

Oman's Embassies Abroad

Algiers
Amman
Baghdad
Bahrain
Beijing (Peking)
Bonn

Cairo
Djibouti
Doha
Islamabad
Jeddah
Khartoum
Kuala Lumpur
Kuwait
London
Mogadishu
Nairobi
New Delhi
Paris
Rabat
Rome
Sanaa
Seoul
Tokyo
Teheran
Tunis
Vienna
Washington

Consulates

Bangkok
Bombay
Cyprus
Geneva
Hong Kong
Karachi
New York

DEFENCE

The continuing political instability in the region has made it vital for the Sultanate to maintain its defence capability in a high state of readiness. Accordingly, the Forces were further strengthened in 1983 with increased recruitment and the addition of sophisticated equipment. They also underwent intensive training exercises.

Oman and the other five members of the GCC — Saudi Arabia, Kuwait, the United Arab Emirates, Qatar and Bahrain — have affirmed that the security of the Gulf region is a collective responsibility.

Late last year, the Sultan of Oman Land Forces participated in the first joint military exercise of member states of the GCC. This was followed early this year by a joint air exercise involving the air forces of Oman and the United Arab Emirates. Oman's Air Force is also to participate in joint exercises with the air forces of the other GCC States. Naval manoeuvres involving the naval forces of Oman and the other five GCC States are also to be held.



Army border patrol



A ship of His Majesty's Navy on patrol in the Strait of Hormuz

Apart from purely military duties, the Armed Forces provide assistance to the civil authorities by operating a flying-doctor service to the remoter areas of the country, an air/sea rescue service, and road-making and well-boring programmes.

Sultan of Oman's Land Forces

Well-trained and equipped with the latest weapons, the Army has maintained a high level of efficiency since defeating the foreign-inspired Dhofar rebellion in 1975. During 1983, two newly designed camps, which include family accommodation and medical centres, were established in Ibri and Ibra for the Northern Frontier and Desert Regiments. More such camps will be constructed as part of an overall plan to expand the Army's capabilities and improve its amenities.

Sultan of Oman's Air Force

The Air Force has acquired new aircraft and further improved its air defence system. New installations and improvements to existing facilities were made at Air Force stations. During the year, more Omanis went into service as pilots and ground crew.

Sultan of Oman's Navy

A number of bigger and more powerful vessels joined the Navy's fleet of fast patrol boats last year to guard Oman's 1,700 km. long coastline. One of the Navy's main tasks is to keep Oman's territorial waters in the southern half of the Strait of Hormuz safe for the world's oil tankers. The patrol vessels are armed with sophisticated weapons including Exocet missiles. A new naval base is being built that will meet all requirements of the rapidly expanding naval force.

Engineering Division

The Engineering Division of the Ministry of Defence is responsible for designing, constructing and maintaining bases,



A Jaguar aircraft of the Sultan of Oman's Air Force being prepared for operations



His Majesty takes the salute at a March Past of his Armed Forces

training camps, military hospitals and other installations. It also provides the three Services with water and power supplies. Part of its duties includes building and maintaining roads.

Welfare

A special unit looks after the welfare of servicemen and civilians working with the Ministry of Defence. Among the welfare services the unit provides are aid to families of killed or disabled servicemen, housing loans, and low-cost houses for service personnel. The unit also operates shops selling food-stuffs and other goods at low prices.

POLICE

1983 was another year of expansion for the Royal Oman Police. During the year, more men and women were recruited and four more police stations built. A newly-formed Highway Patrol helped to reduce traffic accidents by 25 per cent. A computer system was introduced to simplify and expedite work in several police departments; this system will be expanded this year.

Members of the force continued to provide a friendly but effective service to the public, thus maintaining public cooperation and respect for the force. Effective policing and strict upbringing in Omani families are the main factors for Oman's extremely low crime rate.

Oman had only 17 policemen in 1967. The men were known then as the "Capital Police" and their duties were confined to Muscat. Shortly after His Majesty Sultan Qaboos succeeded to the throne in 1970, the force was increased to 209 men. Today, the Royal Oman Police has over 7,500 men in 14 divisions. There are 39 police stations and numerous police posts and police points throughout the country. The force is attracting many better educated Omanis since a police career is now a highly respected one.

In recognition of the work done by the police force, His Majesty renamed it the Royal Oman Police in 1974 and presented it with its own Colours.

Training

The Police Academy at Nizwa provides training courses in basic police work and in specialist subjects such as fingerprinting, criminal investigation, Islamic law, criminal photography and foreign languages. An important part of the training is the instilling in the recruit that he or she is first and foremost a servant of the public.

Some officers and senior members of the rank-and-file are also sent overseas for attachments to police forces of friendly countries to gain experience in specialised fields. Serving members of the force are also encouraged to continue with their general education, and those who are academically qualified can apply for university courses.

Marine Division

The Marine Division maintains law and order at the ports of Mina Qaboos and Mina Raysut, and along Oman's 1,700 km coast. It carries out regular patrols in its fast boats in Omani



Police officers undergo language training

waters, including the important Strait of Hormuz. Besides carrying out checks for illegal immigrants and contraband, the patrols regularly visit isolated coastal villages, delivering food and medical supplies. Searches for overdue fishing boats and pleasure craft, evacuation from villages in emergencies, and security coverage for visits by V.I.P.s are among the Division's other duties.

Air Wing

Police helicopters carry out regular aerial patrols and answer emergency calls for medical assistance, as well as transporting essential supplies to areas inaccessible by road.

Policewomen

Before 1972, the Omani policewoman's main role was to carry out security checks at Seeb International Airport. Today, policewomen perform duties similar to those of their male colleagues; these include traffic and criminal investigation duties.

Traffic Division

A Highway Patrol, formed just over a year ago, has been



Women officers operating the sophisticated police communications network

largely responsible for bringing down road traffic accidents by 25 per cent. Highly mobile and with sophisticated radio communications, the men of this section carry out patrols in the Capital area and other districts.

Mounted Division

This Division was formed in November 1974. Its duties include patrolling the border areas in the south and participating in important national occasions.

Immigration

The Immigration Department is an important part of the Royal Oman Police. Special training is given to police personnel selected for immigration duties, with particular emphasis on polite processing of visitors and command of foreign languages.

Fire and Prison Services

Both these departments are manned by regular members of the Police Force.

International Relations

The Royal Oman Police is an active member of Interpol and the Arab Social Defence Organisation which comes under the Arab League. The Sultanate, as a founding member of the GCC, also works closely with the police forces of the other five member-states.

ECONOMY

1984 is expected to be a year of sound economic growth for Oman with higher production in the non-oil sector. At the same time, oil production will be maintained at 400,000 barrels per day (b/d). Output was raised to around this level in the last quarter of 1983 with the discovery of further high-quality oil reserves, enabling the government to increase production by about 50,000 b/d, to compensate for lower oil prices and maintain the country's reserve base at a healthy level.

Initial estimates for the 1984 budget show that non-oil revenues will bring in RO 461 million, an increase of 76 per cent over last year's total. The anticipated increase of RO 199 million will more than offset the posted fall of RO 81 million from oil revenues which are estimated at RO 1,100 million. With the much higher non-oil revenues and the relatively small drop in oil earnings, the government has budgeted for an 8 per cent increase in total revenues—RO 1,561 million as against last year's total of RO 1,443 million. Although government expenditure estimates are about 7 per cent higher, Oman will have a lower deficit—RO 204 million as against last year's RO 207 million. Government spending is put at RO 1,765 million compared with RO 1,650 million last year.

The government is allocating RO 5 million to the Oman Agriculture and Fisheries Bank which by law must reserve two-thirds of its loans for small farmers and fishermen.

With government financial and technical assistance, there has been steady growth in agricultural production. The fishery sector has consistently recorded high growth rates. In 1982, growth in this sector was 34 per cent and the upward trend is expected to continue for the rest of the current five-year plan (1981-1985). Development expenditure for the agriculture and fisheries sector in 1984 is estimated at RO 9.25 million. Oman is now exporting fish and some agricultural produce to other Gulf states.

The government, which owns 60 per cent of Petroleum Development Oman (PDO), has allocated RO 100 million to PDO's development expenditure for 1984 and RO 59 million to its recurrent expenditure. Government investment in PDO has certainly paid off: in the past six years, PDO has added more to Oman's oil and gas reserves than it has extracted. Recently, discoveries of high-quality oil were made in Central Oman with indications of more finds. One of the new fields at Zauliya, with 50 degree API crude, will come on-stream this year. Production is estimated at 6,000 to 10,000 barrels per day.



Modern computer room at the Ministry of Finance

Gas production at Yibal is being expanded to meet Oman's increasing use of gas to replace oil as fuel.

Oman's oil refinery is to increase its output to 40,000 barrels of crude per day this year; production may further increase later to 50,000 b/d. Part of the increased output is likely to be exported.

Primarily, the budget estimates indicate that the government has made considerable progress towards achieving the long-term major target of its first (1976-1980) and current development plans, which is to diversify the country's economy away from heavy dependence on oil into manufacturing, agriculture, fisheries and industries utilising its other natural resources. With the successful development of Oman's non-oil based industries, revenue from oil this year amounted to only 70 per cent of the total government income. In previous years, it has accounted for more than 90 per cent.

Government officials have indicated that development will continue as projected under the current five-year plan. Development spending is likely again to be concentrated on income-generating projects and infrastructure schemes which contribute directly to economic growth and the con-

tinued improvement of the living standards of the people.

Several non-oil based industries started trial production runs late last year. Among them was the Sohar copper mining and refining complex, operated by the state-owned Oman Mining Company (OMC). The company made its first trial shipment of 500 tonnes of pure copper ingots last September. Its export earnings are expected to be over RO 7 million this year. OMC has found more deposits, at Darus and Rakah, with fairly high copper content. The company is also mining chromite and has exported some small quantities.

Eight possible copper-bearing sites have been discovered outside the OMC concession area. Prospecting is likely to be carried out this year by other, private, enterprises.

Oman Cement Company (OCC), another government enterprise, is producing a daily average of 1,800 tonnes of cement. It has captured part of the local market and is to pursue export outlets. OCC is sited at Rusail Industrial Estate and has an annual production capacity of 624,000 tonnes.

Oman's second cement plant near Raysut in the southern region has an annual production capacity of 120,000 tonnes. The Sultanate also has large deposits of limestone and gypsum.

Since 1982, over 640 small to medium-sized industries have come on-stream, producing such items as plastics, food and dairy products, cement blocks, paper tissue and sanitary paper products, nails, tiles, liquid soap, footwear, polystyrene insulation material, aluminium window frames, animal feed and wooden furniture. A factory has been recently opened producing scent based on the traditional Omani frankincense which is already achieving good export sales. Part of this industrial output is being exported to other member states of the GCC, which signed an economic agreement last year. The agreement allows free entry of products of Gulf origin into member countries. Oman expects to be able to increase exports with the removal of tariffs. With the setting up of the Gulf Investment Corporation, the Sultanate is likely to attract investments for joint ventures to produce chemicals, electrical equipment and building materials. Member states contribute equally to the Corporation's US \$2.1 billion funds.

The private sector which, with government assistance, has successfully participated in manufacturing and agriculture and fisheries projects, is being given more aid to expand its role in developing the economy. Financial and other assistance is given to Omani entrepreneurs through the Oman Development Bank and the Agriculture and Fisheries Bank. There is

also a special fund of RO 109 million to help Omani businessmen raise equity capital for launching industrial ventures.

A main project in the government assistance programme is Rusail Industrial Estate. The first phase of developing the 90-hectare estate has been completed and some factory plots for small and medium-sized manufacturing companies have been allocated.

New projects proposed for Rusail include production of aluminium doors and windows, cosmetics, plastic syringes, food



Industrial skills are important for Oman's economic growth

processing, pre-stressed concrete blocks and electric bulbs. Industries which are to be relocated to Rusail include fibre-glass, paints and building materials, and steel fabrication. 60 per cent of the applications so far have been for new projects, with 40 per cent for relocation of existing enterprises.

The plastic syringe factory for which a license has already been granted, is a joint venture between Omani and Arab entrepreneurs from some of the other member states of the GCC.

Foreign Investment

A number of incentives are offered to foreign investors. These include:

- (1) Tax exemption for five years or more for pioneer industries.
- (2) Long and medium-term loans on attractive terms from the Oman Development Bank, provided such funds are used to finance projects in industry, agriculture, fisheries, petroleum and minerals.
- (3) Assistance in preparing pre-investment and feasibility studies.
- (4) Planning and implementation of selected projects by the Commission for Promotion of Industries.
- (5) Government participation in major projects.
- (6) Provision of land and infrastructure services on industrial estates.
- (7) Tariff protection of up to 25 per cent if necessary.
- (8) No restriction on free transfer of a company's profits or of an individual's remittances outside the Sultanate.
- (9) No personal income tax.
- (10) No import duties on some types of food and equipment. A duty of 4 per cent is imposed on items which do not fall within the customs duty-free category.

The Oman Development Bank encourages discussion with all potential investors with ideas for the development of the Sultanate's resources. Viable projects in the private sector involving investments of RO20,000 or more will be considered for financing.

Investment Legislation

Foreign investment participation in industrial development is governed by the Foreign Business and Investment Law. A company with foreign investments should have a paid-up capital of not less than RO150,000, but the Committee for

Foreign Capital Investment may recommend a reduction to a minimum of RO 30,000 for approval by the Development Council. The share of Omani nationals in the paid-up capital of such a company shall not be less than 35 per cent.

These joint companies are exempt from income tax for five years from the date of their establishment. If they are engaged in an economic development project, and provided that their paid-up capital is not less than RO100,000, the period of tax exemption may be extended for another five years. Income tax rates are as follows:

	Rate of tax
(i) Companies having 51 per cent or more of Omani share capital	: 15 per cent
(ii) Companies having Omani share capital of between 35 per cent and 51 per cent	: 20 per cent

The tax is calculated only on income in excess of RO20,000 per annum. Other rates apply to companies which are wholly owned by foreign nationals and which are not exempted from income tax.

Thus, Oman has a notably free economy where considerable facilities and encouragement are given to the entrepreneur—local or foreign—to set up industries contributing to the economic development of the country.

Chamber of Commerce and Industry

The Oman Chamber of Commerce and Industry was established by Royal Decree in 1973 to encourage commercial and industrial development in the Sultanate, and all business organisations in Oman are expected to be members.

The Chamber acts as a bridge between Omani and foreign businessmen and promotes, organises and protects the economic interests of the local business community. Among the services it provides are information about potential fields of operation, the categories of members, and clarification of practices and procedures governing trade and industry in Oman. Both local and foreign businessmen can obtain statistical data and other details about local markets, and members are kept in touch with foreign markets by means of the Chamber's bulletins and magazines.

The Chamber legalises documents, invoices, agency and labour contracts, and issues certificates required in trade and industry. It acts as arbitrator in the event of commercial disputes between local members and foreign businessmen, and

participates in discussions of problems with various government organisations.

The Chamber also sponsors visas for foreigners wishing to establish business relations in Oman who do not have a contact in the Sultanate or an Oman Embassy or Consulate in their country of origin.

High on the Sultanate's priority list for development is the Musandam, its northernmost region. Here, under plans formulated by the Musandam Development Committee, local fisheries and agriculture are being expanded; roads are being driven through the mountainous terrain to connect ports and other localities, and other amenities provided for the people.

Branches of major banks have been established at Khasab, Bukha and Bayah, and the Oman Housing Bank has recently opened a regional facility in Khasab. Youth clubs have also been set up in several parts of the Musandam; a youth centre, which will have facilities for hosting visiting sports teams, a theatre, library, swimming pool and other facilities is under construction in Khasab.

As part of the extension of communications in the area, small airports have been built at Khasab, Bayah, Limay and Bukha; and commercial air services to the first three of these places from Muscat will commence in July 1984.

OIL AND GAS

More oil has been discovered in Oman, enabling its main producer — Petroleum Development Oman (PDO) — to raise output by 50,000 b/d to a current daily average of 400,000 b/d without unduly depleting the country's proven reserves.

With the recent discoveries, these reserves now stand at 3.5 billion barrels which will enable the company to meet its commitment to increase output to 450,000 b/d by the end of the decade. The recoverable reserves are sufficient to allow PDO, which is 60 per cent owned by the government, to maintain production at the higher daily average well into the next century.

At the start of the current five-year plan the reserve base was about 2.5 billion barrels and production was pegged at 330,000 b/d. The government's economic policy is not to pump out more oil than is necessary to finance development projects.

Among the more important of PDO's recent discoveries were five light oil fields in central Oman. The oil from these fields will enable Oman to maintain for some considerable time the quality of its crude exports at 34½°API — 35°API. Oman's export crude is a blend of light oil from existing fields in central and northern Oman and heavy crude from the south. In recent years, most of the oil found was heavy crude in the southern fields. The fields in central and northern Oman were developed in the late sixties and early seventies and their present production of 240,000 b/d is being maintained by secondary recovery methods. The discovery of the five fields of high grade crude in central Oman was therefore most timely.

The current price of Omani oil, as at 1st January 1984, was US\$29 per barrel. Oman has no difficulty in finding buyers since its oil exports are shipped from Mina al-Fahal on the Gulf of Oman, thereby avoiding the Strait of Hormuz.

Japan is the largest buyer of Oman's oil and is expected to take up as much as 65 per cent of its total output this year. Revenue from oil this year is estimated at RO1,100-million.

In view of the safer access to Omani ports, members of the GCC are studying a proposal to build a pipeline carrying crude from certain GCC countries to a terminal in Oman. Also under consideration is a plan to build a joint GCC refinery in the Sultanate which would have an export capacity of 250,000 b/d.



Ministry of Petroleum & Minerals

Oman began refining crude for its domestic market in November 1982. Its refinery at Mina al-Fahal is expected to increase production to 40,000 b/d this year from last year's total of 38,000 b/d. The plant, which has a 50,000 b/d capacity, produces petrol, kerosene, jet fuel, marine distillates, bunker oils, and butane which is bottled for household consumption.

The new finds in central Oman are at Zauliya, Suwaihat, Sayyalah, Fayyadh and Wafrah. The quality of their crude ranges from 38°API - 50°API. Their location near the edge of the great Oman salt basin, a syncline that extends into Saudi Arabia, has raised expectations that more oil will be discovered in the region.

The Zauliya field with 50°API will come on stream this year. Production is estimated at 6,000-10,000 b/d. Suwaihat is expected to begin production next year with output also estimated at around 6,000-10,000 b/d. Three smaller fields — Rasha, Barik and al-Ghubar — producing from around 3,000-5,000 b/d — are also due to come on stream next year.

The Sayyalah and Wafrah deposits are being developed, with

production scheduled to begin in 1986. Another field, at Amal, is also due to come on stream in 1986.

Among the recent finds is a large field of heavy oil, about 22°API, at Nimr. Development of Nimr is scheduled for 1987.

Part of the increased output this year is from Rima in south Oman which came on stream in October 1982 and is currently producing 45,000 b/d. Oil from Rima is of the light 34°API quality, unlike most of the crude in the southern area which is heavy. As one of the two major oil centres in southern Oman, Rima also handles production from other fields. Reserves in the south are around one billion barrels. Another large field, Marmul, produces about 44,000 b/d. The oil is heavy — around 22°API.

Total production from Rima, Marmul and smaller fields in the south is around 150,000 b/d.

Oil from the southern fields is piped through a line from Marmul to Nahada to join the main oil line ending at Mina al-Fahal, Oman's oil export centre. Parts of this section will be looped to provide for increased flow from the southern fields.

Upgrading of the southern line is part of PDO's programme to overhaul and enlarge its entire pipeline network. In 1982, 46 kms of the main line which links Fahud to Mina al-Fahal were replaced and several sections repaired. Further replacements of the main oil line are due to start under a contract, signed recently.

The new network will have a capacity of 650,000 b/d unboosted flow, which could be increased up to one million b/d with the aid of compressors.

PDO is also upgrading camps at Yibal and Qarn Alam, and is considering building satellite camps at Sayyalah, Nimr, and Lekhwair. Under the 1984 budget, the government has allocated PDO recurrent expenditure of RO59 million and investment capital of RO100 million.

PDO was the sole producer in Oman until the Elf-Aquitaine Oman group began production of 45°API crude at its Sahma field in 1980. Sahma is within the group's Butamul concession and production was 12,000 b/d until the end of last year. Water started building up in two of the four wells and production began declining to about 10,000 b/d at the beginning of this year. A further decline to around 8,000 b/d is expected unless another well which is to be drilled in the Sahma field early this year proves productive. Otherwise, the



Oman discovers more oil (Photograph by PDO)

Sahma field will have enough oil for output at 8,000 b/d for about another 10 years.

Elf spudded several exploratory wells last year in the Butamul concession. Three struck oil, but not in commercial quantities. Another exploration well will be drilled this year in the northern part of the concession.

In Elf's offshore Musandam concession, gas condensate of 50°API has been found in its Bukha well. Reserves are estimated at 35 billion cubic metres in a reservoir over 300 metres deep. The company is conducting further production tests.

Two more wells are to be drilled this year, at Elf's Sywan concession.

Last year, Gulf Oman Petroleum found small quantities of oil with high water content in an exploratory well at Safah I in its Suneinah concession, south-west of Ibri. A second well, Safah II, proved more promising and could produce about 1,700 b/d of crude. Occidental Petroleum Corporation replaced Gulf as operators at the beginning of this year after becoming majority shareholders in the Suneinah concession last year.

Three other companies, which took up concessions in 1981, have reached different stages of exploratory work. Amoco Oman Oil Company is working on two concessions, covering 49,000 sq. kms in Oman's northern mountains. The company is hoping for a strike after finding gas condensate in the Sharja mountains. Under its contract, five wells must be drilled before 1986. Amoco is spending about RO 24 million during the current five-year plan on seismic surveys and exploration. If oil is found, Amoco will hand 85 per cent of the profits to the government, rising to 87.5 per cent if more than 100,000 b/d are produced.

Japex Oman completed 2,800 kms of seismic surveys in its Wahibah concession in mid-1983 and spudded its first well two months later. The company must drill four exploration wells or spend around RO 15 million — whichever is less — before the first concession review in 1985.

Japan Petroleum Development (Oman) has finished its seismic work, and commenced drilling last November.

PDO's development expenditure under the current 1981-1985 plan is estimated at RO 904 million, while a total of another RO 185 million is projected for the other oil companies.

Gas

Oman is increasingly using its large reserves of gas to provide cheaper power. As part of this policy, several pipelines, linked to the main Yibal-al Ghubra line, have been built to supply gas to industries and power stations. The al-Ghubra power and desalination complex in the Capital area has been using gas as fuel for several years now. The main pipeline linking al-Ghubra to the Yibal gas fields was completed in 1978.

In 1981, a 250-km spur line was completed to take gas from the Yibal-al Ghubra pipeline to Sohar where a gas-fired

power station now supplies electricity to the Sohar copper mining and refining complex. The station also provides domestic supplies for the township of Magan, where workers of the copper complex are housed, and to the ancient city of Sohar itself. Gas is also being used to fuel existing and projected power plants along the Batinah coast.

The power station at Rusail Industrial Estate is powered by gas. One of the estate's first factories to utilise this cheaper power is the Oman Cement Company which began production early this year.

Another major gas pipeline was completed in 1982, carrying



Keeping the oil industry going (Photograph by PDO)

gas from Saih Nihayada in central Oman to Rima and Marmul in the south to provide fuel for power stations in the two oil centres.

All the natural gas reserves in Oman were discovered during exploration for oil and remain the exclusive property of the government. Oman has both "associated" and "non-associated" gas resources. Almost all the reserves are located in the concession areas granted to PDO. Gas condensate has also been found onshore in the Suneinah concession, south-west of Ibri, operated by Occidental Petroleum Corporation and, as noted earlier, offshore at Musandam by Elf Aquitaine Oman.

The PDO gas projects are centred at Yibal where a natural gas liquids (NGL) plant came on stream in 1979. Two other NGL plants are also in production in Fahud and Saih Rawl. The NGL plants extract petroleum liquids which are mixed with crude oil to improve quality. However, most of the gas is conserved by reinjection into the oil fields to boost oil production.

To meet increasing demands for gas supplies, two more wells will be drilled in the Yibal gas fields in 1984 and 1985. PDO has carried out several projects to maximise the use of associate gas. New compression facilities were commissioned at Fahud and Natih last year and similar ones in Yiba are nearly complete. These facilities should enable PDO to achieve its target of utilising 80 per cent of all the associate gas produced with the oil.

More gas reserves have been found, thereby increasing Oman's proven reserves to 8.24 trillion cubic feet. By the end of the current five-year plan, it is estimated that Oman will save the equivalent of four million barrels of diesel oil a year by using gas as fuel.

MINING

Oman shipped its first consignment of 500 tonnes of refined copper, from its Sohar mining complex, last year. The shipment was to test the world market for refined copper. More significantly, it showed that Oman had made further progress in diversifying its oil-based economy into industries utilising its other natural resources, and in opening up the country to spread employment opportunities more evenly. The first batch of ingots was shipped from a new port at Majis, 17 kms north of Sohar.

The Sohar mining and refining complex which produces 99.97 pure copper ingots is operated by the government-owned Oman Mining Company (OMC). Revenue from copper exports this year is estimated at RO 7.15 million.

Oman's main copper reserves are at Baida, Arga and Liasail in the Sohar area. Together, they contain some 11 million tonnes of ore with a copper content of 2.1 per cent. Opening up of the mines began in mid-1979. The complex has plants for crushing, concentrating, smelting, pelletising and refining the ore. Production will be around 20,000 tonnes a year. At this production rate, the Sohar reserves have a life-span of 11½ to 12 years. Small associated deposits of gold and silver have been found with the copper ore and these are expected to bring in over RO 100,000 per year.

More copper deposits, however, have been found at two sites near Sohar. At Darus, there are about 600,000 tonnes with a three per cent copper content and at Rakah, at least 4.5 million tonnes with 1.75 per cent content. Both are within the OMC concession area.

Altogether an area of 1,000 sq. kms has been delineated for copper prospecting. The area is known to have eight sites of possible copper-bearing ore. Specifications and tender documents have been sent to ten selected international mining companies and prospecting is likely to be carried out this year.

OMC is also studying prospects of downstream copper products, such as tubes and wires for which there is a ready market in Oman and neighbouring Gulf countries, since rural and urban electrification programmes are expanding in the whole Gulf area.

In line with the government's labour policy, OMC is giving high priority to training local workers in handling its specialised equipment at the Sohar copper complex.

OMC has also commenced mining chromite at Rajmi and



Mining for copper at Sohar

Nakhl, within its concession area. The company has already sold some chromite to commercial interests in Europe and Japan and has received more purchase offers which it is considering.

Outside the OMC concession area, about 200 chromite ore locations have been discovered. More are likely to be found this year.

The government is carrying out a detailed study of some of the more promising ore locations to prepare them for mining operations.

The Sultanate's large deposits of limestone and gypsum are being exploited to produce cement in two factories — one at Rusail and the other near Raysut in the south. The Oman Cement Company at Rusail has begun producing some 1,800 tonnes a day and has already started marketing its product. It has an annual capacity of 624,000 tonnes and is fully owned by the government. The cement factory near Raysut has begun trial production. It has a 120,000 tonnes annual production capacity. The plant is 80 per cent owned by private Omani shareholders, 10 per cent by the government and 10 per cent by the Oman Development Bank.

Marble, which has a high export potential, is being quarried in a number of locations. Plans are under consideration to build a factory producing glass containers and other products from deposits of quartzites.

Geological surveys conducted in northern Oman and on Masirah Island indicate the existence of other minerals such as iron, manganese and nickel.

Surveys will be carried out throughout the country during the current five-year plan to further determine the extent of the Sultanate's mineral wealth.

AGRICULTURE AND FISHERIES

Farming and fishing continue to provide the main source of income for about half of Oman's population whose families have traditionally been farmers or fishermen. A basic aim of the current development plan, therefore, is to increase the earnings of these communities through higher productivity. With government assistance, results so far have been satisfactory.

Government aid ranges from teaching farmers and fishermen better production methods and providing them with modern farming and fishing equipment to carrying out research and organising better marketing outlets.

The government also provides loans at very low interest rates through the Oman Bank for Agriculture and Fisheries which began operating in April 1982. By September last year, loans worth more than RO5 million had been made, mostly to small farmers or fishermen. By decree, two-thirds of all loans given by the bank must be reserved for small farmers and fishermen. The remaining third is for part financing of viable agricultural and fishing projects by Omani private companies. Loans to the small farmers and fishermen can be used to buy, at subsidised prices, such items as high-yielding seeds, fertilizers, pesticides, livestock, animal feed, farming machinery, fishing boats and equipment.

Apart from helping to increase earnings through higher productivity, the government is also improving the living environment of farming and fishing communities by providing schools, health clinics, better housing and other social amenities.

According to the latest available figures, production of the agriculture and fisheries sector was worth RO 46 million in 1982, up by about 15 per cent over the previous year's total. Exports also increased by about 20 per cent to just over RO 6 million. These exports were mainly dates, limes, fruits, vegetables, tobacco and fish (frozen, dried and salted).

Under the current five-year plan, total development expenditure on this sector is estimated at RO110 million, five times the amount spent in the first five-year plan (1976-1980). Of this amount, RO 45 million is for agriculture, RO 21 million for fisheries and RO 38 million for finding and developing new water resources and improving existing supplies for irrigation,



Assessing the fruit crop

which is still largely dependent on the traditional falaj system. The remaining amount is for staff housing and administration buildings.

Oman's long-term aim is to develop farming and fishing to a point where the country becomes self-sufficient in staple food.

Agriculture

Oman's farmland lies in widely differing agro-climatic regions, enabling production of a variety of crops. These range from traditional crops such as dates, limes, bananas and onions to recently introduced varieties: tomatoes, cabbages and lettuces.

Production on existing farms has increased with the more widespread use of modern farming methods, employing agriculture machinery such as tractors and irrigation equipment. Backup services for the farmers include soil and water analysis.

Extension workers in the field give free advice on the latest cropping and other farming techniques. To ensure that

Oman's agricultural plans develop along right lines, government research and experimental stations, and soil and water analysis laboratories carry out tests and evaluation programmes to determine the most suitable crops, fertilizers and pesticides. By the end of 1985, 34 extension centres and 12 research stations will be in operation.

Marketing facilities are being further developed to meet farmers' needs. The Public Authority for Marketing Produce is responsible for building new collection and distribution centres. The facilities include buying bananas from farmers for packing at a factory in Salalah, and dates for the Rustaq and Nizwa processing plants.

Animal husbandry is being further developed. In Dhofar, which has a long tradition of cattle-raising, scientific breeding methods are in use. Local strains are crossed with animals from Europe, Africa and America to improve output of milk and beef. New varieties of fodder, such as Rhodes grass and alfalfa, have also been introduced. Research is also going on to produce better quality sheep and goats with heavier body-weight. Poultry farming, which is largely confined to the pri-



An experimental farm



Vegetable cultivation

vate sector, for production of eggs and broiler meat is being expanded.

Greater participation by the Omani private sector is being encouraged. Among the more significant projects is the continued transfer to private ownership of the government-owned Sun Farms, the biggest in Oman, which produce milk and other dairy products. New farm development will be handled by private individuals rather than by government organisations. Studies have also been made to hand over the Rustaq and Nizwa date factories to the private sector. A new company is also evaluating the launching of an olibanum (frankincense) project. Oman was the centre of the frankincense trade in ancient days.

Projects to be launched by the government in 1984-1985 include soil and ground water surveys in Nejd, Batinah, the Interior and Dhahira, Sharqiya and the southern region, a master plan for livestock development, establishment of a seed multiplication farm for wheat, a date farm using modern techniques at Wadi Quriyat, construction of agriculture and livestock research facilities at Rumais, Tanuf and Salalah, development of irrigation systems for livestock stations at Rumais and Salalah, construction of more agriculture exten-

sion centres and housing for staff, and improvements to the date factories at Rustaq and Nizwa and the banana processing plant at Salalah.

About 41,000 hectares of land are now under cultivation in small plots of three to four hectares. Following exhaustive soil and water availability tests, another 420 hectares will be brought under cultivation in two stages in Kamil-Wadi and Wadi Quriyat areas.

If Oman is to become self-sufficient in food, it needs to increase the present area of arable land at least sixfold. Water is the main constraint and, while new water supplies are developed, the government will concentrate on increasing productivity on existing farmland.

Fisheries

Omani waters have abundant supplies of commercially marketable fish. The present catch of 60-70,000 tonnes is a small fraction of the potential yield since, until more research has been done, large scale commercial fishing is strictly controlled.

Surveys indicate that Oman's seas have resources of 750,000 tonnes of demersal fish which would allow an annual yield of 300,000 tonnes. The main types found in Omani waters are rock-cod, snapper and cuttlefish.

Although it is not possible to estimate the quantity of the pelagic species, the present catch of 40,000 tonnes of sardines per year indicates that a much higher yield is possible. Studies show that there are large quantities of fish such as yellow-fin tuna, anchovy and kingfish.

Some 11 to 45 tonnes of lobsters can be caught per year, while large quantities of abalone abound in the waters in the south. Oysters are also plentiful along the rocky parts of the Omani coastline.

Further research will be conducted by a maritime science centre which is being built in Muscat and is due to be completed in 1985. Its findings will assist the government in deciding the scale of commercialized fishing that is to be allowed. Particular care is being taken to prevent over-fishing.

Beginning this year, technical assistance to develop the fishery industry is also being provided by the Omani-American Joint Commission for Economic and Technical Cooperation.

As a step to regulate fishing in Omani waters, the government



A fine catch for the market

in 1980 set up the Aquatic Resources Council. The Council has since approved a licensing system for fishing vessels. It is also considering other regulations for the efficient organisation of the industry. The Council was formed following a Royal Decree which ruled that the Sultanate had exclusive fishing rights in waters extending 200 nautical miles offshore.

At present, there is only one large-scale commercial fishing enterprise: the Oman National Fisheries Company. The company, jointly owned by the government, private investors and fishermen, operates the Muttrah Fishing Complex which consists of a fish processing plant, an ice plant, large freezing and

cold storage facilities, refrigerated trucks, and a workshop for repairing fishing vessels. The company operates four deep-sea trawlers.

For the present, priority is given to providing more training and assistance to enable those Omanis whose traditional occupation is fishing, to raise productivity. More fishing and marketing centres, similar to the ones already operating in Salalah, Musandam and Masira, are being built. These centres provide facilities such as cold stores and freezers, ice plants, refrigerated trucks and repair shops. More docking facilities along the coast are also being constructed. From 1981, the fishermen received increased subsidies from the government's Fishermen's Fund to buy boats, engines and other equipment; they can now obtain grants of up to two-thirds of the cost of this equipment. The Fund, set up in 1976 at the start of the first development plan, allows fishermen to pay the remaining one-third in monthly instalments on a scale determined by their income. Apart from assistance from the Fund, the fishermen are of course also eligible for loans from the Agriculture and Fisheries Bank.

WATER

Oman generally gets little rain but has adequate water supplies for its present needs. More water has to be found, however, and existing supplies improved to meet the anticipated future demands of towns and villages, new industries and farming. So far, the country's water development programme has produced good results. Several areas containing large natural underground reservoirs have been discovered through a combination of geologic studies and exploratory drilling.

Wells drilled in the jebel (mountain) areas around the Salalah plain in Dhofar have indicated the presence of large reservoirs of water. Extensive reserves have also been found in the Dank and Ibri areas in north-western Oman, and water has also been located in areas westward from Dank and Ibri towards the border with Saudi Arabia.

Hydrologic studies have outlined the extent of a dolomite aquifer, in the Greater Capital Area, that is being tapped in Wadi Adai. Some two million gallons of water a day are now being pumped to supply the Capital area; this is in addition to the 12 million gallons per day of the more costly desalinated water which the Capital Area is receiving from the al-Ghubra desalination complex. Output from al-Ghubra was increased by six million gallons a day when an additional new plant was opened late last year.

The government has allocated over RO 117 million, one of the highest expenditures in the current five-year plan, to water development. Of this, RO 14 million is for drilling operations up to 1985.

The water exploration programme comes under the Public Authority for Water Resources which was created in 1979 to assist the Water Resources Council. The Council's main function is to co-ordinate the exploration of water resources to ensure that a balance is kept between supply and demand, since exploitation has to be strictly controlled to prevent over-taxing supplies.

Re-charge dams are being constructed as a means to improve water supplies. Normally, some parts of the Sultanate get one or two short but heavy rainfalls a year. When these occur, dry wadi beds become raging torrents. Although part of the flow may soak into the ground, a portion runs into the sea. The re-charge dams are designed to hold back rainwater long enough for it to seep into the ground and thus replenish resources.

The first re-charge dam is to be built in Wadi al-Khoudh in the



Fresh water for the Capital area — Al Ghubra desalination plant

Seeb area. Construction is due to begin soon. Five other sites, also in the Capital Area, are being studied.

Of the RO 117 million allocated for water development, RO 65 million is for the use of the Ministry of Electricity and Water which is responsible for supplying water for domestic and industrial use in the Capital Area and regional towns except for those in the Dhofar province.

More wells, with distribution networks, have been completed in the regional towns of Sur, Sohar, Buraimi and Nizwa. A project is also being studied to build water distribution net-

works in eight smaller towns. Work is continuing on building and/or improving 239 wells in remote areas.

Dhofar has been allocated RO 17 million for development of its water supplies. These include completing projects for Salalah, Mirbat and Wadi Hinai, Sudh, Taga, Raysut and Dalkut, and drilling about 25 wells.

The main source of supply of agricultural water is still the traditional falaj system. Water is drawn from surface gravels and alluvial deposits or from wells in the top few metres of the water table. A network of canals carries the water — sometimes for miles — to villages and smallholdings. At present, Oman has about 4,000 falaj in use, but more than half of them need development and regular maintenance to improve supplies. About RO 22.2 million is being spent on this scheme and another RO 10 million on dams for agriculture, in the current five-year plan.

ELECTRICITY

In addition to meeting the growing demand for electricity for large population centres such as the Capital Area and Salalah, the government is engaged in an intensive rural electrification programme supplying power to remote villages. Under the scheme, small power stations are being built to supply small and medium-sized villages; and generating plants, each with a capacity of three megawatts, have been installed in rural areas. Most of these small plants will later be replaced by feeder stations, linking the villages' supply lines to main regional stations.

Eventually, all power stations in the Sultanate will be linked to a common grid in order to make use of surplus electricity in one area to meet the needs of another.

Gas, of which there are ample reserves, is being used increasingly as fuel for power stations, thus enabling them to produce cheaper electricity. The generating capacity of the main power station at al-Ghubra has been raised by 55 megawatts to keep pace with the Capital area's growing requirements. Supply lines to adjoining areas, such as the Rusail Industrial Estate, are being linked to the main grid from al-Ghubra. Rusail itself will have a gas-powered station later this year with a generating capacity of 250 megawatts.

The Sohar complex supplies electricity to a number of towns apart from meeting the requirements of the Sohar copper project.

A new power station is now operational at Raysut in the southern region, and extensions have been made to a number of existing plants. Under the present five-year plan, two more power stations will be built at Ras Sawadi and Manah.

The target of the current five-year plan is to double the national generating capacity to 776 megawatts.

SOCIAL AFFAIRS

The Sultanate's social welfare programme per capita compares with the best in the world. A comprehensive system, operated by the Ministry of Social Affairs and Labour, and other government agencies, ensures that help is available to all Omanis in need of assistance. His Majesty keeps himself personally informed of all cases of special need. Financial aid is given to families as well as the aged who have no means of support. Apart from monetary assistance, the disabled can also receive free vocational training at two centres in the Capital area and Salalah. Both centres have training workshops, farms and clinics.

Aid is also provided to enable those capable of being self-employed to start a trade or cultivate a plot of land. The government will provide, for instance, a small flock of sheep or a water pump or a sewing machine to help people become independent. Assistance is then given in marketing their products.

The government also operates a community development



Help for the disabled

programme. This is a self-help scheme under which villages in remote areas can themselves build a temporary school or a local road before the government provides more permanent structures. An education programme, teaching villagers sound health habits and encouraging them to use maternity, child-care centres and hospitals has also proved successful.

Omanis who earn less than RO1,200 a year are also entitled to buy low-cost housing with government loans. These loans, at extremely low interest rates, are repayable over a period of 30 years. The current five-year plan provides RO77 million for this housing scheme. During the first three years of the plan, 522 such houses were built. Another 1,000 to 1,300 of these low-cost houses are scheduled to be built by 1985.

For Omanis earning more than RO100 a month, housing loans of up to 90 per cent of the building cost are available from the Oman Housing Bank. Loans are repayable over 15 years at 3 per cent interest. A nominal sum is charged for the land.

Under another housing programme, Omanis who do not wish to move out of their existing homes for reasons of earning their livelihood or because of family ties, can have repairs or improvements to their houses done free up to a maximum of RO5,000. Such assistance is provided to owners of houses which are considered dilapidated and unhygienic. RO24 million has been allocated for this project under the current plan.

LABOUR

Although considerable progress has been made in training specialist and other needed personnel, Oman is still acutely short of trained manpower. Top priority has therefore been accorded by the government to developing the country's human resources through education and on-the-job training. The Education and Vocational Training Council, set up in 1978 under the chairmanship of His Majesty Sultan Qaboos, is in overall charge of manpower development.

The Sultan Qaboos University, which will begin to admit students in 1986, reflects His Majesty's intention to provide higher education for young Omanis in those subjects which will be of direct value to the country. The five faculties being established will teach science, engineering, medicine, agriculture, and education and Islamic studies.

At the end of 1983 about 900 Omanis were studying in universities and colleges abroad or undergoing advanced training, either on government scholarships or on schemes sponsored by employers. Companies which provide training either locally or abroad can deduct the cost of this training from a "Training levy scheme" to which firms subscribe.

Companies which guarantee to provide technical or other forms of training for Omanis are given preference in setting up business in the Sultanate.

Part of the development of Omani manpower skills is undertaken by the Ministry of Social Affairs and Labour. The Ministry now runs ten vocational institutes, two of which were opened this year. These institutes conduct full-time training courses in subjects such as construction work, electrical and mechanical engineering, commerce, agriculture, fisheries and mining. In the evenings, part-time training courses are also available to improve the skills of people already in employment. Response to these training programmes has been good. In 1982-1983, 1,200 trainees attended the full-time courses while another 1,200 attended the part-time evening classes.

The Ministry also operates a Department of Manpower Development which was set up with assistance from the World Bank. Its main functions are to study manpower requirements and assist in introducing training schemes which will prepare candidates for employment opportunities. One of its first projects was an apprenticeship scheme launched with the cooperation of some private companies. Selected applicants apprentice themselves to these firms as motor mechanics, masons and carpenters. Those accepted receive a starting salary of not less than RO 60 per month.



Omani technicians repair mechanical equipment (Photograph by PDO)

Under Oman's labour laws, no expatriates may be employed unless they possess technical qualifications or abilities which are not available among Omanis or where the number of Omanis is insufficient to meet demands. These laws also regulate minimum wages, annual leave, hours of work, medical treatment, industrial safety and labour disputes.

Almost all non-skilled workers get more than the minimum

basic wage of RO 60 per month for an eight-hour day. Apart from being required to pay overtime, employers are also obligated to provide housing, transportation and food for employees who live more than 40 kms away from their working place. Medical treatment is free. Expatriates get free return passages to their country of origin.

As of August last year, there were nearly 152,000 expatriates working in Oman in skilled and unskilled jobs.

COMMUNICATIONS

Road-building and maintenance come under the Ministry of Communications, which is also responsible for the ports of Mina Qaboos and Mina Raysut and the airports at Seeb and Salalah.

Oman today has an extensive road network which connects villages and provincial towns to the Capital Area. Development has been rapid. In early 1970, there were only 10 kms of asphalted roads, all within the Capital Area. By July last year, the total had increased to 3,146 kms; in addition, there were 18,000 kms of gravelled roads.

Among the major road projects government completed in the first two years of the current development plan, was the 800 km north-south highway, linking the Capital Area to Salalah. Another major road that was completed, was the 71 km Raysut-Mughasyl-Nitam road, as part of the regional road development scheme, serving the Jebel area.

To ease the growing traffic congestion in the Capital Area, the government completed two major road-building projects late last year. They were opened during the National Day celebrations in November. One was the Qurm-Darseit dual carriage-way. The other was the building of three flyovers to relieve traffic at major roundabouts at Wadi Adai, Hamriya and Ruwi. Road-building under the current development programme will cost over RO 218 million.

Both the ports of Mina Qaboos and Mina Raysut handled substantially higher tonnages of cargo in 1982 as compared with 1981, thus reflecting Oman's healthy growth in external trade. Mina Qaboos handled over 1.35 million tons of cargo in 1982, an increase of 12.5 per cent. The number of ships calling at the port rose to 1,373 as against a total of 1,115 in the previous year. Mina Raysut, which serves the south, handled about 10 per cent more cargo in 1982 than in 1981. The total tonnage handled in 1982 was over 435,000 tons, and it is continuing to grow.

Among the improvements made at both ports was the provision of container facilities. The container terminal at Mina Qaboos can handle 60 containers per hour. Mina Raysut can accept 30 containers per hour.

Mina Qaboos has nine deep-water berths, capable of taking vessels of up to 10.4 metres draught. Another berth is shortly to be completed.

Mina Qaboos operates round-the-clock services, thus enabl-



Part of the Capital's modern road network

ing quick turn-round; ships can berth almost immediately on arrival and discharge cargo into adjacent modern storage areas.

A number of improvements are being carried out at Seeb International Airport. The present terminal building is being extended, while the airport's utility services are also being generally expanded.

During the 12 months ending in July 1982, just over one million passengers passed through Seeb International Airport as compared with 880,000 for the previous 12 months. These numbers have continued to increase. Passengers using Salah Airport totalled over 57,000.

POSTAL AND TELECOMMUNICATIONS SERVICES

Postal Service

In early 1970, postal services in Oman were provided by one small post office in Muscat and limited to the Capital. Today, these services cover the whole country.

The Postal Department will have seven new post offices early this year in addition to the existing 49 post, sub-post and mobile post offices in the Capital area and other parts of the country. There are plans to set up another 17 post offices later in the year. This year will also see the opening of a central automatic sorting office.

By the end of 1985, the department expects to add another 7,200 postal boxes to the existing network of over 23,000 units. By then, a door-to-door postal service in the Capital area is also expected to be operational. Studies are being conducted to introduce additional postal services such as money orders, savings accounts and a data-post service on internal and international levels.

Telecommunications

Oman's telecommunications network is being expanded rapidly to meet growing demands for telephone and telex services. In the first eight months of last year, 4,232 telephone lines were added to the country's network, bringing the total to 27,296 lines. During the same period, the number of telex lines increased by 1,536, bringing the total to 2,736. Arabic-English bilingual telex machines were also introduced as part of a series of projects being implemented by the General Telecommunications Organisation (GTO).

Several major projects to further improve the telecommunication service are due for completion by November this year. One of them is the setting up of seven digital electronic telephone exchanges to provide 44,000 extra lines in the Capital area. The present conventional exchanges in Muscat, Muttrah, Ruwi, Qurm and Azaiba will also be replaced with digital electronic switching systems to increase their capacity.

A second project, scheduled to be completed by November,

is the installation of micro-wave links between Nizwa and Salalah, Nizwa and Ibri and Greater Muttrah and Azaiba.

Oman's international telecommunications traffic is primarily carried over the Indian Ocean Intelsat satellite. A standard "A" satellite earth station located at al-Hajar, 40 kms from Greater Muttrah, provides international circuits with numerous countries. The station is being expanded to provide more circuits. Another, standard "B" earth station, at the same location, handles television transmissions to five other earth stations at Buraimi, Saham, Nizwa and Sur in northern Oman, and Salalah in the southern region.

The five-year development plan for the telecommunications sector also includes the establishment of a sophisticated coastal radar station to replace the present one, a satellite station to provide a link to all Arab countries by telephone, telex and television transmission, a satellite station for maritime telephone and telex traffic, and a satellite station on Masira for TV, radio and telephone communications to the island.

EDUCATION

Oman's education policy is aimed at developing the vital manpower resources on which the country's future economic and social growth depends.

Formal education was instituted in the Sultanate only 12 years ago, so it is only now that educated young Omanis in significant numbers are being produced by the system, qualified for university education. It was in anticipation of this that, in 1980, His Majesty the Sultan ordered the construction of a university. This university, which is to be known as the Sultan Qaboos University, will open in September 1986. When His Majesty announced his plans, he said the principal aim was for the university to train "young people to become the scientists, technicians, doctors, agriculturalists and other specialists which we shall need in increasing numbers as the process of our modern development continues to gain momentum."

The university will offer courses in science, engineering, medicine, agriculture and fisheries, education and Islamic studies. Progress in setting up the university has been rapid: already an outline curriculum for each of the six disciplines has been drawn up, and construction of university buildings is well under way. Recruitment of academic, administrative and technical staff will start from next year.

The main medium of technical instruction at the Sultan Qaboos University will be English, since it is the most practical language for teaching many of the subjects and for enabling the university to keep abreast of world developments in the fields of science, engineering and medicine.

Omani schools teach English as a second language from Primary standard IV. By the time pupils graduate from Secondary standard III, they will have had nine years of learning English. University students will thus already have had a good grounding in the subject. This teaching has recently been upgraded with the setting up of an English Language Department in the Ministry of Education.

Education in Oman has come a long way since early 1970 when the country had only three primary schools, with 900 boys and 30 teachers and administrators. In the 1983-1984 school year, there are over 490 primary, preparatory and secondary schools, including teachers' training institutes. There are more than 168,000 students and over 7,700 teachers. The second five-year plan seeks to provide at least free primary education for every Omani child by the end of 1985.



Education includes community work

The education authorities recognise that the main issue facing them today is to improve standards, particularly in preparatory and secondary schools. More and more schools are therefore being provided with modern facilities such as science laboratories, workshops and libraries. Many preparatory schools now have multi-purpose workshops and general science laboratories. The workshops provide training in metal and woodwork, and electrical and mechanical theory and practice.

The authorities believe that during the period of general education, it is important to expose a child to different opportunities in order to develop his or her natural talents. Pupils who show an aptitude, for instance, for technical studies can subsequently join a technical secondary school and continue their education there.

Technical education is part of the Ministry's plan to link school studies increasingly to manpower requirements, thus a preparatory school in the copper mining area of Sohar has been developed into a secondary technical school. Two other technical schools at secondary level are being set up in the Capital and Batinah areas.

Another project to equip young Omanis with practical skills has been the establishment of a commercial secondary school for boys and a second one for girls in the Capital area. Several schools also hold classes in commercial subjects.

The Institute of Agriculture at Nizwa is to be upgraded to a full college by 1986 since agriculture is being developed as a major sector of the economy. In the 1982-1983 academic year, 44 students graduated from the Institute.

There are four teachers' training institutes two of which train women.

One of the basic aims of the education system is to provide equal opportunities for girls, who now make up about 26 per cent of the present enrolment of 168,000 students.

At preparatory level, most girls' schools have domestic science wings. Girls are also among the 900 Omani students at present attending universities and colleges abroad, studying engineering, electronics, medicine, education and other specialist disciplines. Girls enjoy equal job opportunities with men on qualifying.

Rapid expansion of the education programme meant that not all schools in the early '70s could be housed in proper build-



Adult vocational training

ings. Many sprang up in tents and huts and under the shade of a tree. As part of the current programme to upgrade standards, all such accommodation will be replaced with permanent school buildings by the end of 1985.

Another improvement to the education programme was the introduction in Secondary standard III classes of an Omanised curriculum in the current school year. The system uses new teaching methods and textbooks; pupils no longer learn through memorising whole texts; instead, they are taught to apply the knowledge they have gained practically to solve problems. In this way, Omani children are taught to think for themselves. The new system also stresses traditional Omani values and culture so that young people will appreciate and preserve their Omani heritage. They are also taught to regard themselves as members of the wider Islamic and Arab world. Religious and secular studies under the new system are no longer kept strictly separate; passages from the Koran which are relevant to secular subjects are included in the new textbooks.

Since its inception in 1978, the Omanised system has been gradually applied in Primary, Preparatory and Secondary standard II classes. Omani children spend six years in Primary, three years in Preparatory and a further three years in Secondary schools. During 1981-1985, development spending on education, including new quarters for teachers and construction of administrative buildings, is budgeted at RO 84 million. Of this, RO 46 million is for the building and equipping of new schools and training institutes.

Part of the development of manpower skills is undertaken by the Ministry of Social Affairs and Labour. The Ministry now runs ten vocational institutes, two of which were opened this year. These institutes conduct full-time training courses in such subjects as construction work, electrical and mechanical engineering, commerce, agriculture, fisheries and mining. In the evenings, part-time training courses are also available to improve the skills of people already in employment. Response to these training programmes has been good.

Adult literacy is also receiving increased attention in the current development programme. Under the slogan "Education for All," the government holds literacy classes which are attended by more than 6,000 men and women. Over 5,000 others study at adult education centres. For those who are unable to attend these centres, there is a free study-at-home programme which provides participants with textbooks and other educational materials.



Oman's future generation: schoolchildren in class

The anti-illiteracy campaign is broad enough to meet the needs of farmers in the interior and of urban dwellers in the Capital area and other large towns. Women's centres combine literacy lessons with training in domestic science and the basics of public health.



His Majesty views some of the many presents brought by the International Youth Delegations attending last year's National Celebrations.

YOUTH AFFAIRS

Youth clubs and other youth activities come under the Ministry of Education and Youth Affairs which in turn is responsible to the Supreme Youth Council, set up and chaired by His Majesty Sultan Qaboos.

His Majesty attaches great importance to the development and the creation of opportunities for young people, and designated 1983 as Youth Year dedicated to Omani Youth. The significance of Youth Year was summarised by His Majesty when he addressed last year's National Day parade held in honour of Omani Youth. His Majesty called on the young people to prepare themselves "in the educational and cultural fields, and to set an example in shouldering the responsibilities of the future since it is your obligation, before anything else, to safeguard the achievements and gains which have been attained by your fathers in the past. You must work to increase, in every way you can, the welfare and development of our country in the public interest, bearing in mind that welfare, progress and tranquility cannot be achieved without hard work and dedication."

His Majesty said his government was also determined "to



Youth Delegations parade before His Majesty on National Day



The Turkish Youth Delegation gives a performance of their national dances for members of the 45 national Delegations to the National Celebrations

take special care of our Omani youth in order that they shall be qualified for the duties that will be entrusted to them in maintaining the dignity and independence of our country, our Muslim principles, and our historic Omani customs and traditions, which have been inherited from our forefathers."

Youth delegations from 45 countries took part in the National Day parade at Maidan Al Fatah stadium attesting to the goodwill and friendship Oman has won from the nations of the world.

A highlight of the celebrations was a tea party given by His Majesty for the foreign delegates and several hundred young Omanis.

Another major event was a colourful Children's Pageant in which several thousand children took part.

Many special events were held during the year. These included cultural competitions, sports meetings, boat races and youth camps.

Oman holds youth work camps annually to involve young

Oman holds youth work camps annually to involve young Omanis in community development work. Seven such camps were held last year in various parts of the country; some of the activities included cleaning and repairing the traditional falaj irrigation systems, road-building and other community assistance. In addition, Omani youths took part last year in similar work camps in Kuwait, Sudan, Saudi Arabia and Egypt. Exchanges of youth groups were made with several member countries of the GCC.

Oman's maritime past was highlighted during the year when a sailing ship of the Sultan of Oman's Navy, the Shabab Oman, partly manned by Omani youths, made goodwill visits to the other five GCC States. At each port of call, a number of young men joined the vessel and returned with it to Muscat to take part in the Sultanate's national celebrations.

Apart from the government, the private sector also gave active support to Youth Year. The Chamber of Commerce and Industry gave prizes to young Omanis who had given outstanding performances in academic and sports competitions. All Omani manufacturing companies also put the specially designed Youth Year emblem on products manufactured during the year.

HEALTH

The general state of health of the Omani people has improved immensely as a result of the upgrading and expansion of the health services since 1970 when His Majesty became Sultan. People throughout the country, even those living in remote areas, have responded well to the Health Ministry's public and school health education programmes. More and more mothers have their babies vaccinated at birth against tuberculosis and later immunised against tetanus, diphtheria, whooping cough, polio and measles. The incidence of these preventable diseases, particularly among children, has consequently shown a remarkable decline. Trachoma, once a dreaded disease which could lead to blindness, has almost disappeared among school children who receive simple preventive treatment from school health nurses. Malaria is well under control in most areas.

Key indicators of the vastly improved state of health are the sharp downward trend in both infant and maternal mortality rates. More and more women today receive ante and post-natal care.

In 1970, Oman had only one small hospital with 12 beds in Muscat, nine health centres and ten dispensaries. Today, the Health Ministry operates 15 hospitals and 19 health centres with a total of 2,043 beds. This gives an approximate ratio of one bed to every 500 of the population, which compares favourably with the ratio in most developed countries.

In addition, the Ministry runs 64 dispensaries, six small health centres and four small maternity clinics. Thirty-five mobile medical teams serve people living in remote areas. The Ministry also maintains five public health centres and a large number of public health units.

Medical and public health officers, including dentists and pharmacists, totalled 13 in 1970; today there are 504, of whom 154 are specialist doctors. The number of nurses and midwives has also increased from a handful in 1970 to 1414. In addition, the Health Ministry employs 819 other para-medical staff.

Preventive Services

With preventive health services fairly well developed in the main population centres, priority is now given to providing these services on a permanent basis by setting up public health units in remote and rural areas. Recent additions to the



Eye clinic: an essential part of the Sultanate's modern Health Service

existing network were established in Quriyat, Saham, Wadi Jizzi, Saih Al-Dhabi and Mazareh. Many more of these units are to be built this year. Plans are also being studied for upgrading 25 of these units into Public Health Centres which will have increased staff and facilities and will therefore be able to serve larger areas. At the end of 1983, there were five Public Health Centres. Plans for setting up a Central Public Health Centre in the Capital area are being studied; it is intended that this Centre should provide full chemical and bacteriological laboratory facilities and other services.

The preventive health services include environmental sanitation, communicable diseases control, school health, health education, malaria control, vector control, quarantine and oral hygiene.

Malaria control measures are being applied progressively to cover the entire country by the end of 1985. A newly-built malaria control centre at Wattiyah in the Capital area will become the headquarters of anti-malaria operations throughout the Sultanate.

With better environmental health services, hepatitis and gastroenteritis cases have dropped. Further measures are being implemented to reduce the incidence of water-borne diseases. These include monitoring the quality of drinking water with the aim of providing water which is safe for consumption to all parts of the country.

Control of tuberculosis and trachoma is being intensified to provide coverage for the entire population by the end of the current development plan. Occupational health and safety services are shortly to be set up.

Curative Services

One of the priorities in the current five-year plan is a programme to establish medical and health facilities within easy reach of the population, particularly for those living in remote areas now served by mobile medical units. As part of the programme, several more health centres and dispensaries were set up last year. Services available in district-level hospitals and at health centres and clinics were also expanded.

Facilities available in the country's major hospitals have also



Free medical care available to all

been improved and expanded. At Al-Nahdha Hospital in the Capital area, a renal dialysis unit is in operation and this has enabled patients, who have been undergoing renal dialysis abroad, to return for treatment locally. Among the other improvements are a gastro-enterology department. The hospital's x-ray department has been upgraded with the installation of modern equipment and with the engagement of more radiologists.

Khoula Hospital, also in the Capital area, has received major improvements, particularly in medical and nursing care of patients, as more medical staff have become available. A new fully-equipped Pathology Department will soon be opened at the hospital which also has a physiotherapy workshop making splints, calipers and artificial limbs for the first time in the Sultanate.

The Qaboos and other district hospitals have all undergone major changes. More staff have been recruited and new departments, for Ophthalmology, Dentistry, Dermatology and Physiotherapy have been opened. Now, almost all the district hospitals from Musandam to Sur have surgeons, physicians, paediatricians, obstetricians, ophthalmologists, anaesthetists and dental surgeons. The number of general duty medical officers has also been increased.

Among the projects completed at the end of last year were a psychiatric hospital and extensions to the Tanam hospital. Other major projects commenced last year included a 555-bed Capital Hospital at al-Ghubra, a 200-bed paediatric hospital at Khoula and a rural health service in northern Oman.

Special evening clinics are now organised in most of the district hospitals to concentrate on the treatment of specific diseases such as diabetes, hypertension and tuberculosis.

The 35 mobile clinics which are now operating visit remote areas of the country. Some of them, with the help of the Royal Oman Police and Army, are air-borne; some, in particular those serving Quriyat and Al Baya in Musandam, are sea-borne. It is not unusual to find some of these clinics being conducted under the shade of a tree, when no proper accommodation is available, or when the team have to set up camp for some weeks in rural areas. These teams also play a part in preventive medical care and conduct immunization campaigns and health education.

Oman invites consultants from abroad to visit the country's hospitals and hold consultative clinics at least once a month. This practice serves a dual function in that patients get the benefit of free consultation from experts in their fields, and

doctors, at the same time, learn new methods and techniques from these visiting experts.

Training

Training facilities for nurses and para-medical staff have been greatly expanded following the opening of the Sultanate's Health Institute in November 1982. The Institute currently runs a three-year general nursing course, a three-year medical laboratory technician course and a two-year assistant nursing course.

Two new training courses for physiotherapists and for x-ray technicians will be introduced soon. The Institute also operates a programme of continued medical education for already trained and qualified Omani staff by providing them with intensive refresher courses and preparing them for further training abroad to up-date their knowledge and skills.

A number of young Omanis are studying abroad to become doctors. In addition, Omani doctors and other trained medical staff are undergoing post-graduate and specialization courses in institutes overseas. Oman will have its own medical school



An anatomy class for student nurses



The Sultanate's hospitals have the most up-to-date monitoring equipment

when the Sultan Qaboos University opens in 1986.

Oman subscribes to the global objectives of "Health for All by the year 2000," adopted by the World Health Organisation. Based on the progress that has been made since 1970, the Sultanate is confident of achieving WHO's target well ahead of the deadline.

NATIONAL HERITAGE AND CULTURE

All Omanis are deeply conscious of the richness of their cultural heritage and the Ministry of National Heritage and Culture has been specially established by His Majesty to ensure that this heritage is carefully preserved.

For some years now, the Ministry has been collecting manuscripts and artefacts relating to Oman's history and culture. Some of these manuscripts describe the study and practice of medicine, chemistry, astronomy and oceanography in ancient Oman; others tell of Oman's foreign trade in those far-off days when its ships ranged the seas of the East and visited Europe and the New World.

The collection includes some 5,000 manuscripts deposited by Omanis who had inherited them from their forefathers, and copies of documents from the archives of Portugal, Holland, Britain, Kenya and several other countries. It is estimated that there are still some 30,000 manuscripts in the hands of old Omani families.

Books, based on some of these manuscripts and on lectures given by visiting historians and archaeologists, have been published by the Ministry. To ensure the widest possible distribution, the Ministry has two mobile bookshops touring the country to sell copies at nominal prices. Passages from these publications are also used in simplified form in school textbooks.

The Ministry is also publishing "Qamoos al-Sharia", a dictionary of technical terms relating to Islamic laws. So far, twelve of the 22 volumes of the dictionary have been completed. It recently released 10 volumes of an Omani literary classic "Manhaj al Talibeen" which will eventually run to 42 volumes.

The Ministry also regularly publishes "The Journal of Oman Studies" which contains articles on such subjects of cultural interest as archaeological finds, flora and fauna, and Omani traditions.

Much has still to be done to uncover and investigate the Sultanate's many rich historical possessions. Oman has been inhabited since the Old Stone Age, at least as far back as 30,000 B.C. Ten thousand years ago water existed in notable quantities in what are now the desert fringes of the Dhofar region. Hunters who settled there have left traces of their occupations, including fine flint tools which rank amongst



A beautiful old ceiling in Jabrin Fort

some of the most developed produced by prehistoric man.

In one of the more recent excavations, necklaces of shells with pearls were found at Ras al Hamra, in the Qurm area of the Capital. These necklaces are about 7,000 years old and were found in a cemetery, containing the remains of about 400 members of a fishing community. Excavations are to continue this year at this site. Further explorations will be made in Bahla, in the interior, where arrowheads and other artefacts, dating back nearly 2,000 years, have been found.

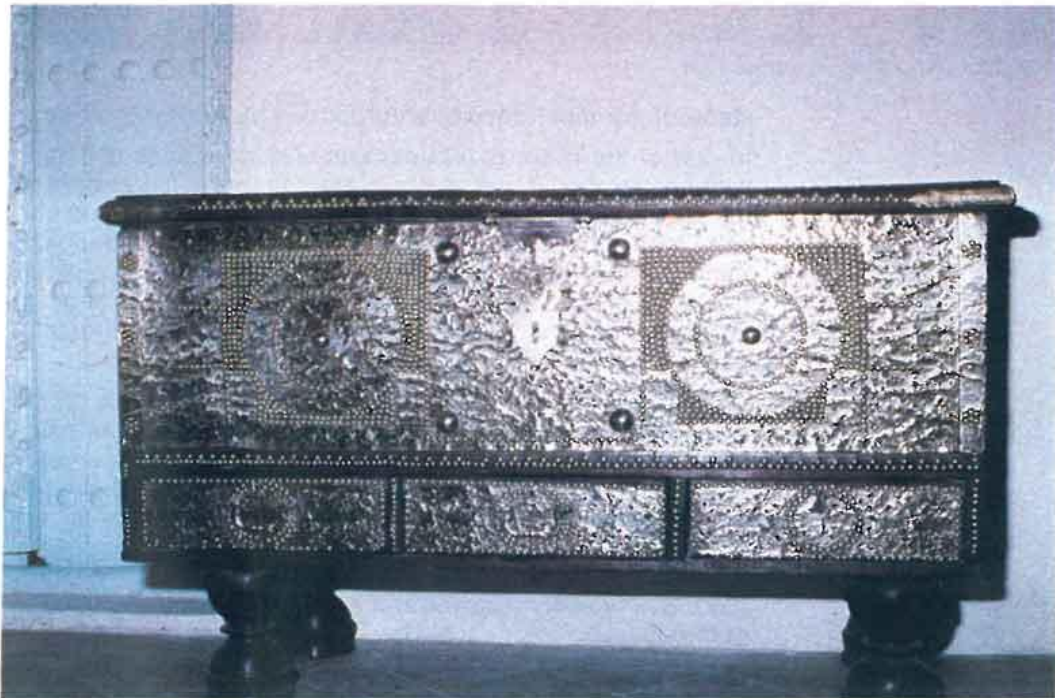
Excavations will shortly commence on Masirah Island, off the east coast of Oman, where there are indications of remains from the Old Stone Age and the early Islamic period. Surveys, which have already been carried out, have indicated over 40 possible archaeological sites on the island. A final survey will be carried out before excavations begin. There are indications that Masirah, in ancient days, was inhabited not only by fisherman, as originally thought, but also by a flourishing farming community.

Discoveries made in the Blaid area, Salalah, show that a

civilisation had existed there in 5,000 B.C. In a farm at Ibri, daggers, copper utensils and spearheads have been found which date back to 3,000 B.C. In the village of Suao, 800 silver coins minted in the first century (Hijra) or 800 A.D. have also been discovered. In Sohar, the ruins of a 2,000-year old fort have been unearthed during excavations under a fortress which itself is several hundred years old. Another main activity of the Ministry is to encourage cottage industries producing handicrafts. The Ministry provides the craftsmen with materials and buys finished products from them. These are sold at handicraft centres in the Capital and other towns. It also organises training teams to help the craftsmen further develop their skills.

The Ministry is at present upgrading production facilities in a weaving factory in Sumayel and a pottery plant in Bahla. It has also begun a dhow-building industry to encourage Omani carpenters to continue building traditional fishing boats.

Oman has two museums at present, one of which was formerly the house of Al-Sayyed Nader, a famous Omani leader. The other is at Qurm, where priceless pieces are on display. Plans have gone ahead to build a new museum and cultural complex



Old traditional Omani chest

in the Capital Area and a similar but smaller complex in Salalah in the south. The complex in Khuwair, in the Capital Area, will have an indoor theatre which will seat 1,000 people and an outdoor auditorium which will accommodate 5,000.

The Ministry is also engaged in restoring the many fine forts and historic buildings throughout the country. Repairs have been completed to three of Oman's famous old forts at Nizwa, Rostaq and Bahla, while restoration work will soon be completed on another famous fortress at Jabrin.

As part of its drive to publicise Oman's national heritage and culture, the Ministry regularly holds exhibitions. Last year, it organised exhibitions in Rome and Bonn at which Omani handicrafts, books and other cultural items were displayed. Oman also holds an annual "Cultural Week" in other Arab countries and in turn hosts similar events.

