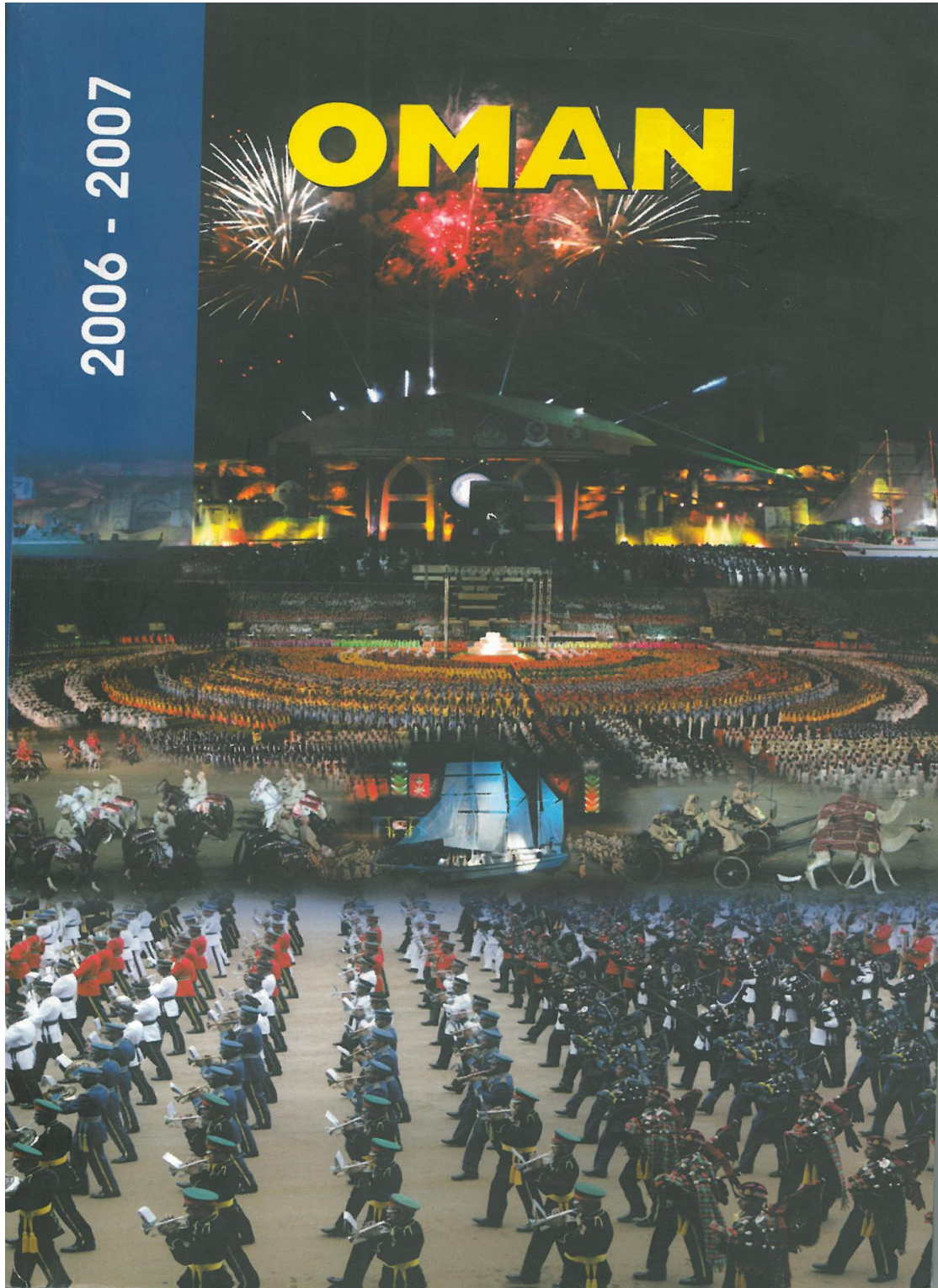
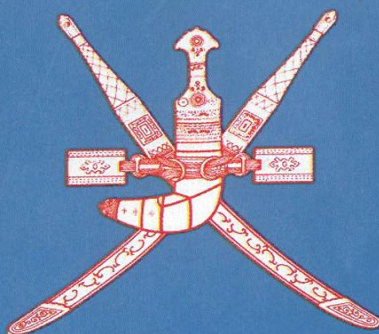


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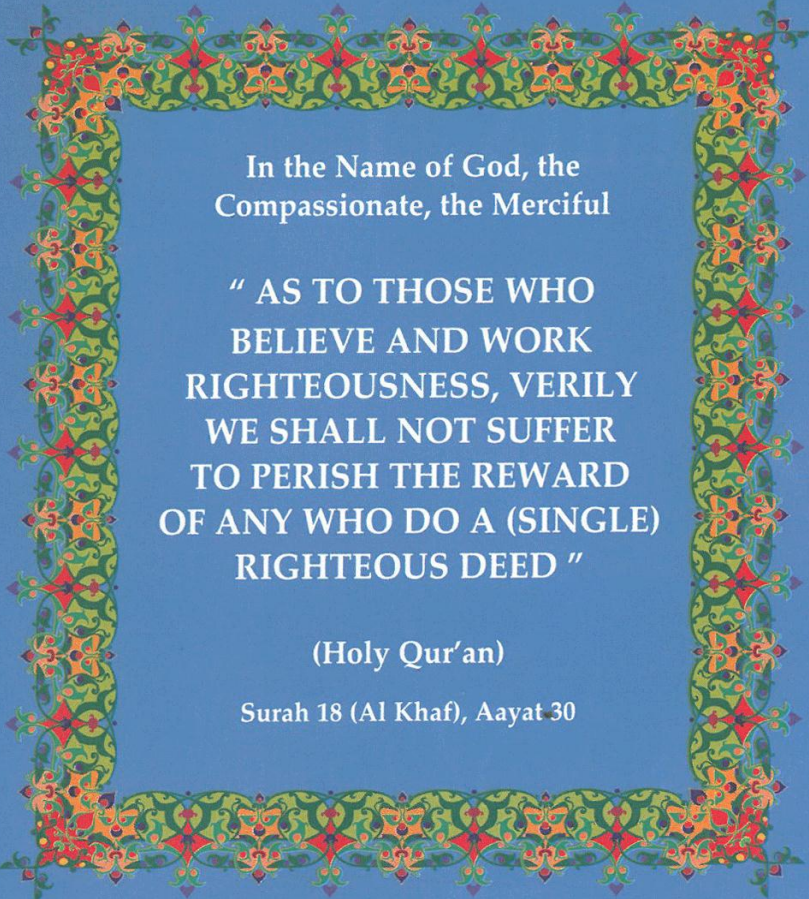


OMAN

2006 - 2007

Issued by :
Ministry of Information
Muscat
Sultanate of Oman
2006



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In the Name of God, the
Compassionate, the Merciful

" AS TO THOSE WHO
BELIEVE AND WORK
RIGHTEOUSNESS, VERILY
WE SHALL NOT SUFFER
TO PERISH THE REWARD
OF ANY WHO DO A (SINGLE)
RIGHTEOUS DEED "

(Holy Qur'an)

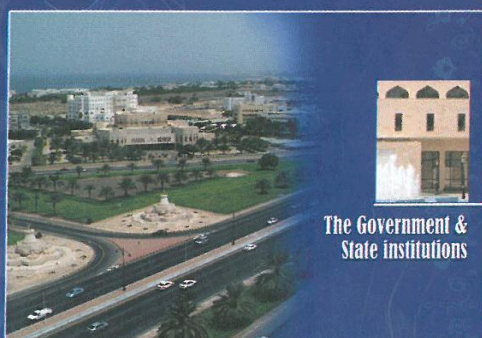
Surah 18 (Al Khaf), Aayat 30

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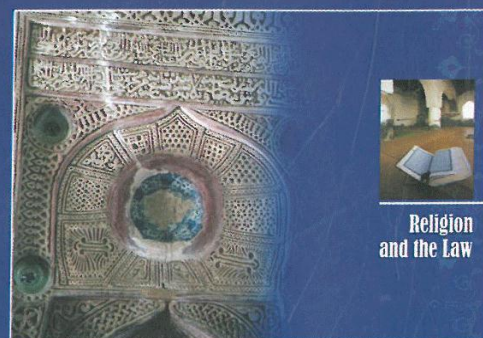
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The Government & State Institutions

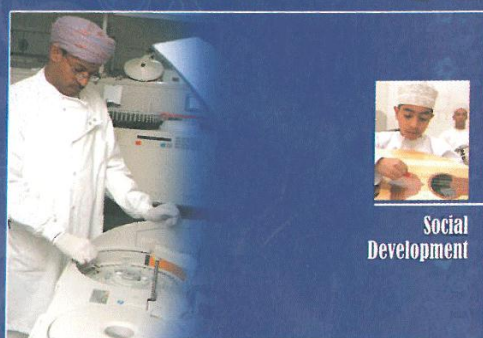
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Religion and the Law

Religion and the Law

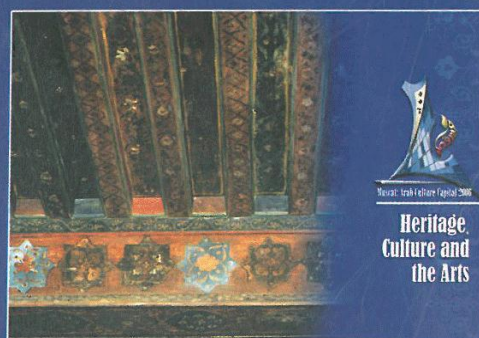
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Social Development

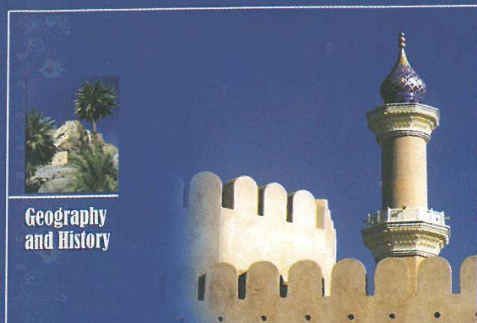
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Heritage, Culture and the Arts

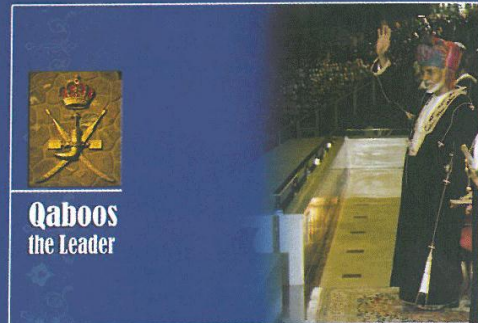
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Geography
and History

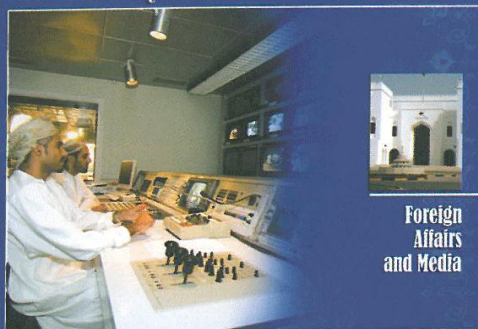
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Qaboos
the Leader

Qaboos
the Leader

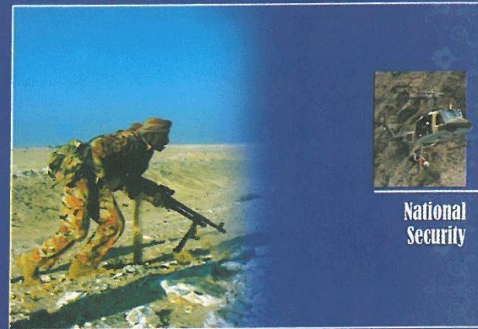
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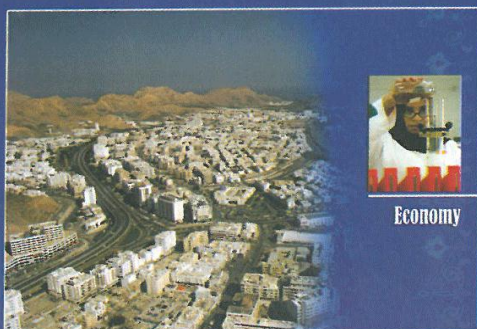
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National
Security

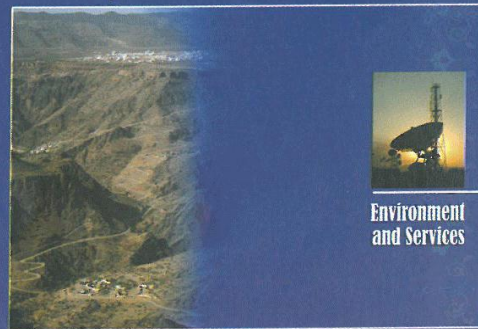
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Excerpts from the Speeches of His Majesty Sultan Qaboos bin Said

"We are confident that this dear country of ours possesses all the necessary cultural and historic qualities, together with the hopes and aspirations for the future that will - God willing - enable it to implement its domestic and foreign policies; policies which - may God be praised - have been clearly and firmly established."

"Human beings, as we have always stressed on numerous occasions, are the goal and target of the development process, as well as the instruments by which it is achieved. The more a society succeeds in improving, developing and training its human resources, and in honing their skills and diversifying their range of expertise, the greater its success will be in establishing an advanced modern state."

"We should like to reaffirm that for our hopes and aspirations to be realised, and for the success of our plans and programmes to be ensured, there must be co-operation in their implementation between all the people of this country, and particularly between the private sector and the different government authorities and departments, along with a spirit of responsibility and an awareness that that the fruit of that co-operation will be further progress, prosperity and development."

"Oman is now established on the tourist map and it will strengthen its position and succeed in just the same way as investments have grown. Geographically, this is a beautiful country and its people are friendly and hospitable...I see a society of which we can be proud, and which is respected by everyone who visits it."

"We believe that non-interference in the internal affairs of states, respect for charters and treaties, and compliance with international law, will - without any doubt - help to create a world in which there is greater harmony between the interests of different countries. This is what we always call for through promoting a culture of tolerance, peace, co-operation and mutual understanding between all nations. We also hope that this will lead to the eradication of many of the causes of violence and instability."

Qaboos bin Said



His Majesty Sultan
Qaboos bin Said



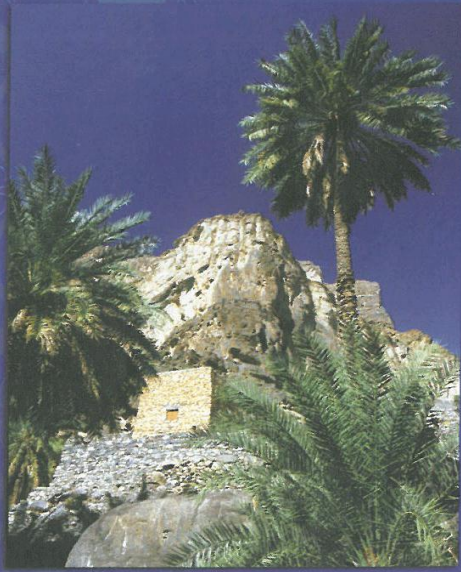
Preface

Under His Majesty Sultan Qaboos bin Said's leadership, the Sultanate of Oman has continued to make steady progress over the past thirty-six years towards the realisation of its goals. The most important of these is the development of the modern Omani citizen.

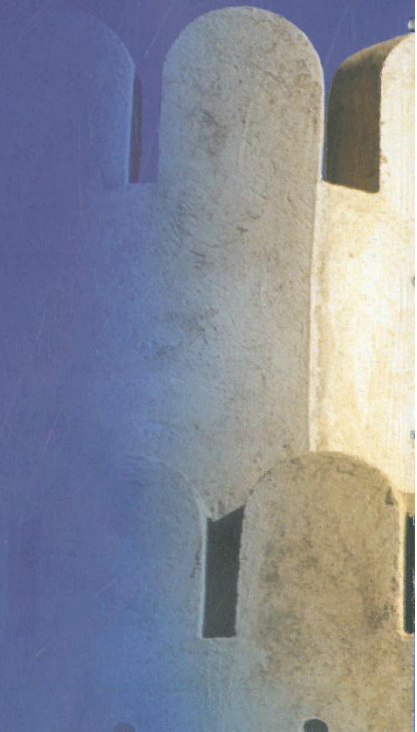
Oman's achievements have grown out of the four principles of its modern Renaissance:- the development of human resources, the development of natural resources, the creation of a proper infrastructure and the establishment of an institution-based state. This year the Sultanate has embarked upon a new phase of its development, which is designed to satisfy yet more of its aspirations by giving the citizen a greater role in determining the course of his country's progress in every field and at every level.

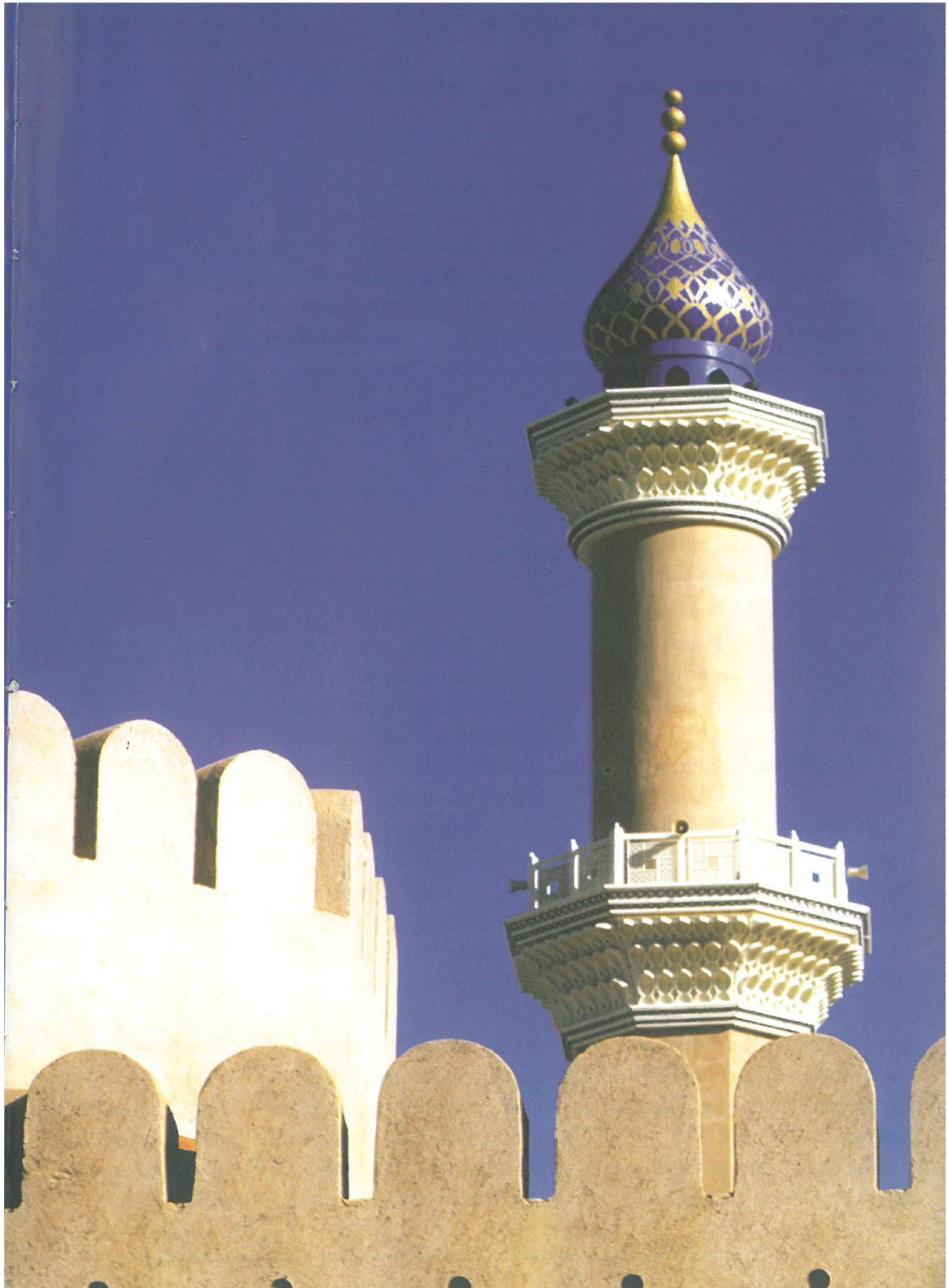
Major events this year include the start of the Seventh Five-year Plan (2006-2010) and the celebrations launching Muscat as the Arab Culture Capital. Through this book the Ministry of Information is pleased to present an overview of the Sultanate's massive and unremitting efforts in every area of its life, in which the younger generation and every sector of the community have joined forces to create a strong and prosperous Oman and enable it to make a greater contribution to human civilization. This is the goal envisaged for Oman's present and future generations by the builder of its modern Renaissance - His Majesty Sultan Qaboos bin Said.

Ministry of Information



Geography and History





GEOGRAPHY

The Sultanate of Oman, with an area of 309,500 square kms, encompasses a diverse range of topography, including mountain ranges, arid deserts and fertile plains. It shares borders with the Republic of Yemen to the south-west, the Kingdom of Saudi Arabia to the west and the United Arab Emirates to the north and can lay claim to a number of small islands in the Gulf of Oman and the Strait of Hormuz, including those known as "Salamah and Her Daughters", and in the Arabian Sea, Masirah and the Hallaniyat islands.

Oman lies on the Tropic of Cancer in the extreme southeast corner of the Arabian Peninsula, covering an area (between latitude 16.40 and 26.20 degrees north and longitude 51.50 and 59.40 degrees east), of major strategic importance.

The country's breathtaking coastline stretches for over 1,700 kms, from the Arabian Sea and the entrance to the Indian Ocean at its south-western extremity, to the Gulf of Oman and Musandam in the north, where it overlooks the Strait of Hormuz and the entrance to the Arabian Gulf; a location that has played a vital part in Oman's strategic development.

The Hajar mountain range, which the Omanis compare to a

human backbone, forms a great arc extending from the north-west of the country towards the south-east. Their highest peak, Jabal Shams, in the Jabal al Akhdhar area of the Dakhiliyah region, reaches an altitude of 3,000 metres. In Musandam, where the Strait of Hormuz lies between the Omani and Iranian coasts, the mountains soar to a height of 1,800 metres above sea level

Geology

Oman's varied and spectacular landscapes are a blend of its geological history, and its climate over the past few million years. Superb rock outcrops in the Al Hajar Mountains, the Huqf and Dhofar are a paradise for international geologists. The rock record spans about 825 million years and includes at least three periods when the country was covered by ice, somewhat surprising given its present latitude and climate.

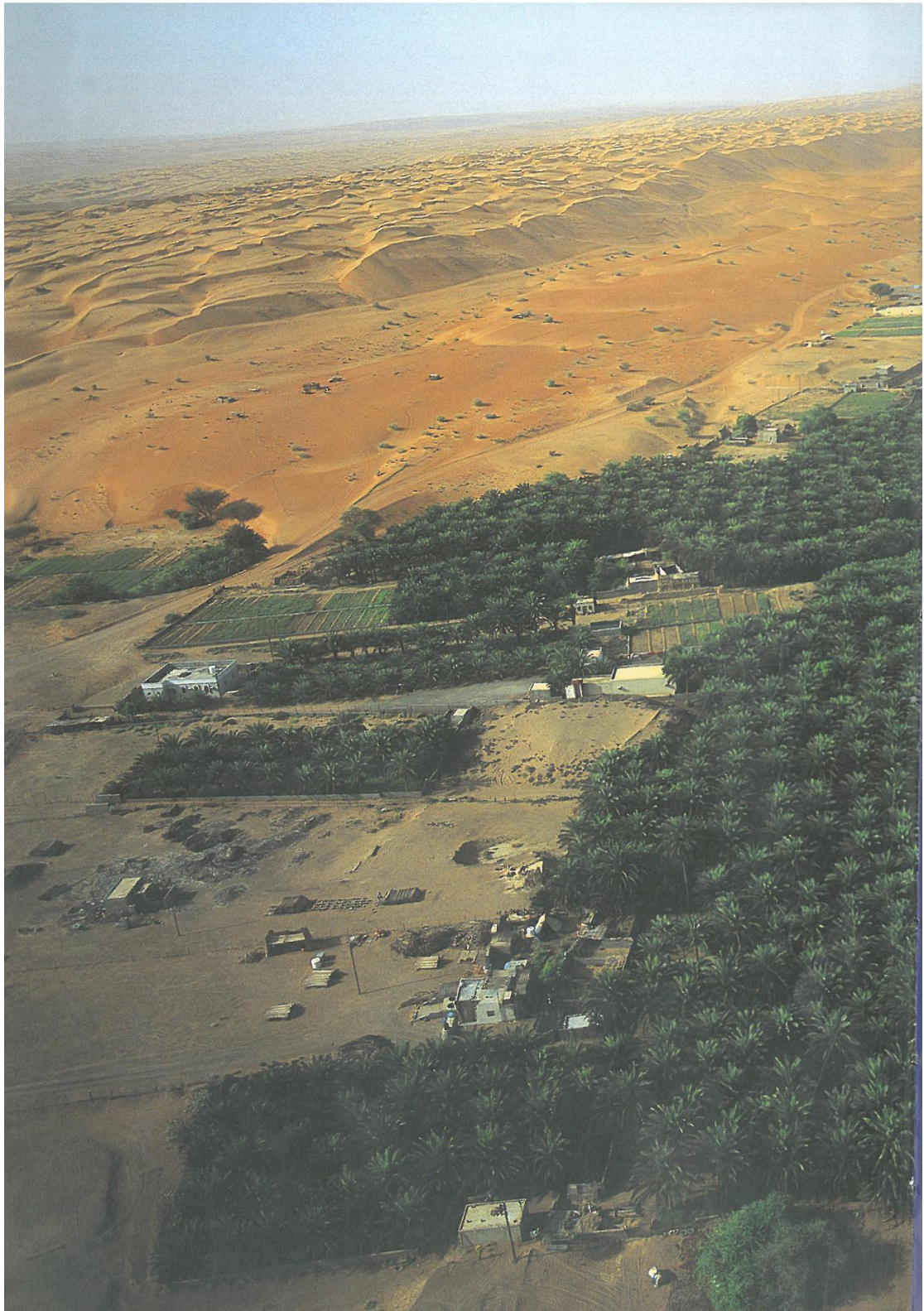
Oman, located at the southeast corner of the Arabian plate, is being pushed slowly northward, as the Red Sea grows wider. The lofty Al Hajar Mountains and the drowned valleys of Musandam are dramatic reminders of this.

In its geologically recent past it also lay at the margin of an ocean and the discovery of dark coloured Semail ophiolites, which are vol-

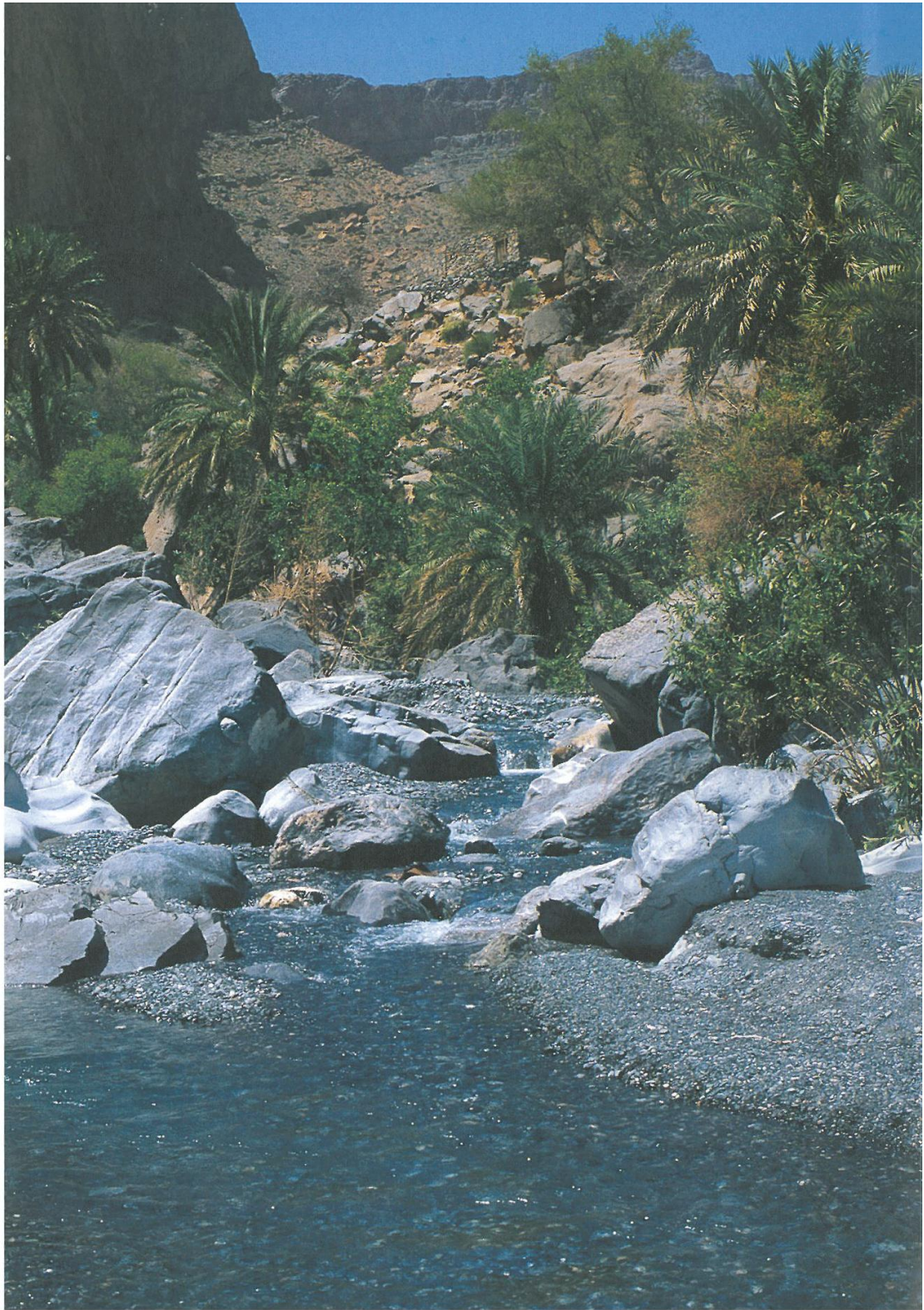
The rugged Muscat coastline, near Bandar Al Khayran

(Overleaf) An oasis of palm trees in Bidiya, on the edge of the Eastern Sands in the Sharqiyah Region









canic rocks from that ocean, locally rich in copper and chrome, confirm this.

The Interior plains of Oman are of young sedimentary rocks, wadi gravels, dune sands and salt flats. Beneath them is a several kilometre thick stack of older sedimentary rocks that host the country's hydrocarbon resources. Ancient salt, which comes to the surface in several salt hills such as Qarat Kibrit, play an important role in forming many of these oil and gas accumulations.

Climate

The country's climate, like its topography is diverse, with humid coastal areas and a hot, dry desert interior. Although rainfall is generally light and irregular, Dhofar province in the south catches the Indian Ocean monsoon that falls between June and September. In the interior summer temperatures can soar to 130 degrees F (54 degrees C). Most tourists visit during the more temperate months between October and April, with visitors from the GCC countries preferring the months of July and August when the monsoon season comes to the Dhofar region.

The Governorates

The Sultanate of Oman has four governorates - Muscat, Dhofar,

Musandam and Buraimi - and five regions - the Batinah, Dhahirah, Dakhiliyah, Sharqiyah and Wusta. These governorates and regions comprise a total of 59 districts, or *wilayats*.

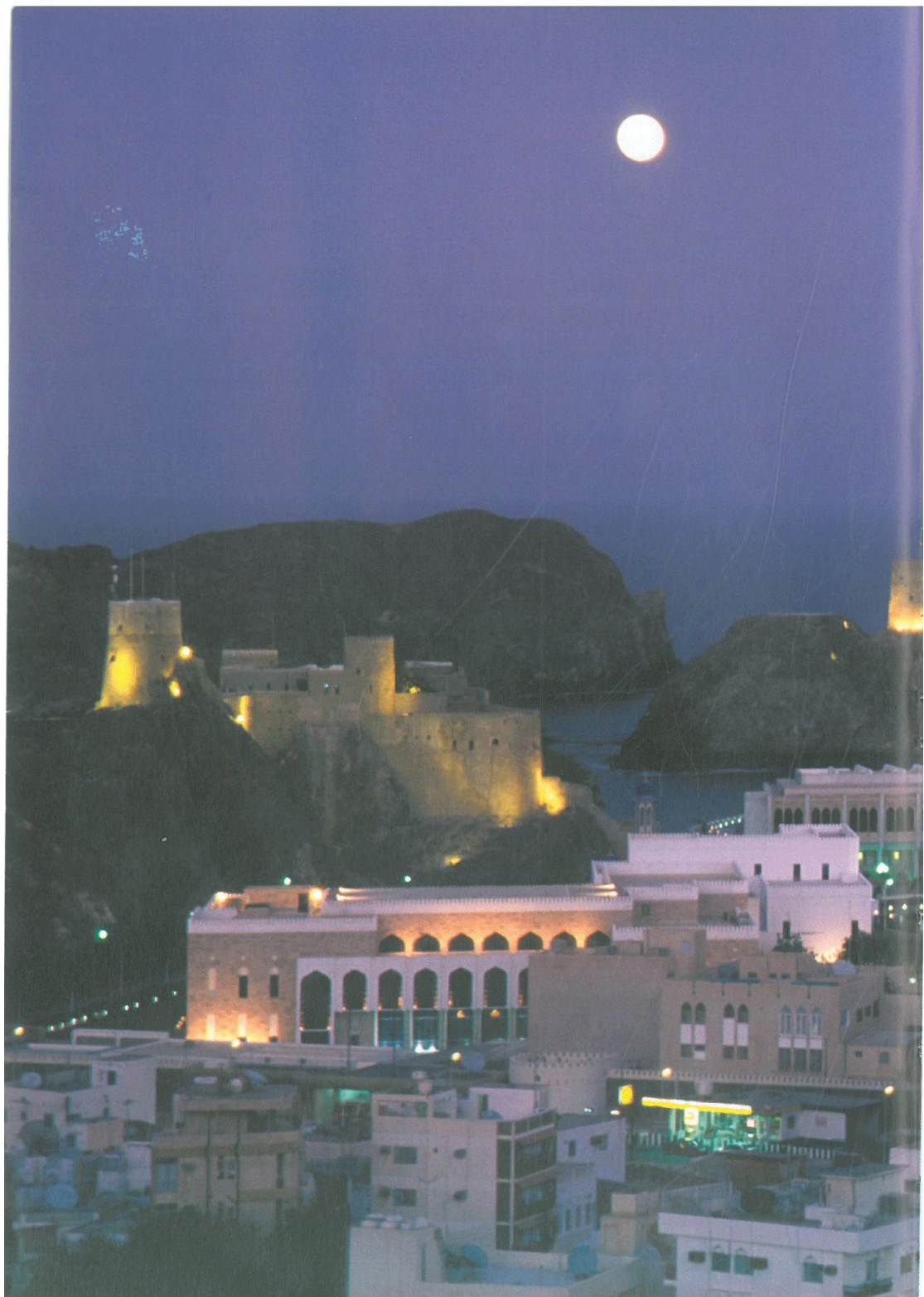
Muscat

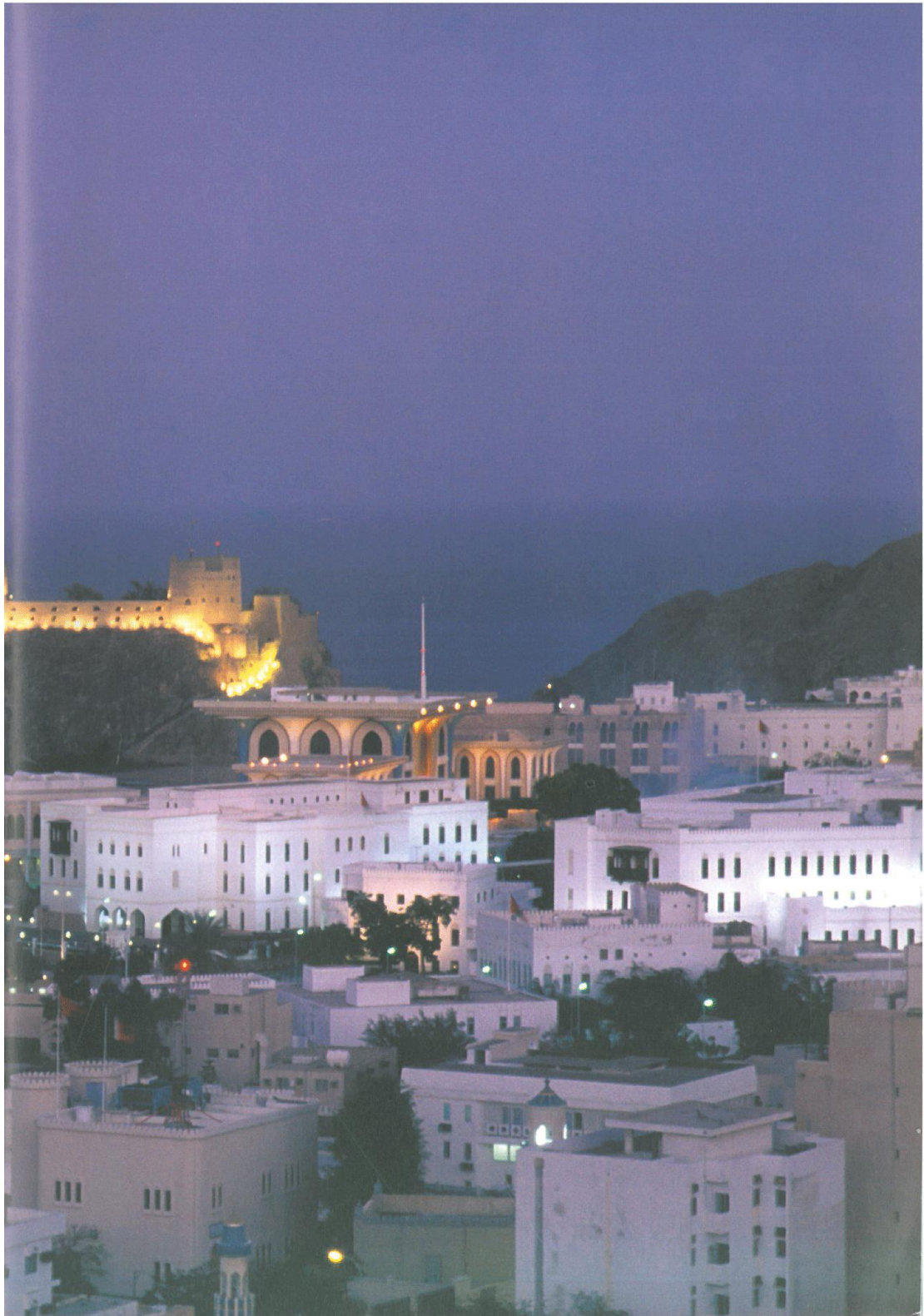
The governorate of Muscat is the most densely populated region in the Sultanate with a population of more than 632,000, spread throughout six districts - Muscat, Mutrah, Bausher, Seeb, al Amerat and Quriyat. It is Oman's political, economic and administrative centre. Situated on the Gulf of Oman, it extends from Seeb, home of the country's modern international airport, in the north, to the fishing port of Quriyat, in the south. The city of Muscat is a clean, elegant yet vibrant city which, while keeping pace with 21st century advances, has lost none of its traditional charms. A visitor will find neither concrete nor glass skyscrapers towering above the streets of this city, despite its rise in stature as a regional and international centre. Instead, Muscat's architecture combines Arab and Islamic culture and heritage with a true appreciation of classical contemporary style. Urban areas are meticulously planned with new buildings designed to incorporate traditional elements.

The magnificent Sultan Qaboos

Wadis (dried-up river beds) spring to life after heavy rains

*(Overleaf)
Old Muscat with
Fort Mirani (left),
Fort Jelali (centre),
and Al Alam Palace
to the right*







Grand Mosque in Bausher, inaugurated in 2001, is one of the country's most striking architectural landmarks and a perfect example of cutting edge design blending with time honoured traditions.

Walls enclose the centuries old city of Muscat, while its gates display a fascinating mixture of ancient and contemporary styles.

The city is the seat of government and the country's administrative headquarters. It is administered by the Minister of State and Governor of Muscat.

Dhofar

The governorate of Dhofar has played a major role in the

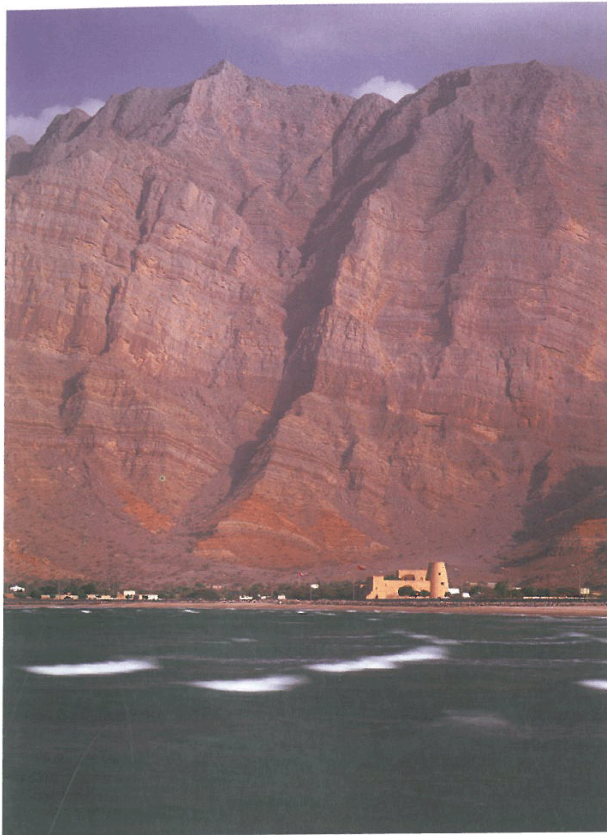
Sultanate's ancient and modern history. With a sweeping coastline on the Arabian Sea and an arid interior flanked by mountains, Dhofar is comprised of nine districts - Salalah, Thumrait, Taqah, Mirbat, Sadah, Rakhyut, Dhalkut, Muqshin and Shalim and the Hallaniyat Islands and has a population of around 216,000.

The Dhofar mountains form a narrow girdle, at most 23 kms wide, that extends for 400 kms east to west, from the Hallaniyat Islands to the Yemen border, with the highest peak reaching 2,500 metres. Situated in the far south of the country Dhofar's regional capital, Salalah, is situated on the coast

The khareef/monsoon in the southern region takes place mid-June to September

Bukha, with its stone built fort, is on the Arabian Gulf side of the Musandam

around 1000 kms from Muscat. This region is unique in the Arabian Peninsula because it receives the south-west monsoon during the Khareef season. The monsoon rains that make the area so fertile fall between the months



of June and September on a 75km stretch of mountains and an 8 km wide plain surrounding Salalah, transforming the area into a mass of lush greenery during the months of July and August. Meanwhile, Dhofar's coastal plain is thickly

planted with vegetables, bananas and coconut palms. Dhofar's fresh water springs flow throughout the year.

With a container port, free trade zone, modern roads, electricity, water, telecommunications services and excellent hotels, Salalah has developed a thriving tourist industry in recent years, thanks partly to its exceptional summer climate, which makes it a magnet for tourists, particularly Gulf and other regional visitors keen to escape the searing summer heat at home.

In ancient times Dhofar was the heartland of Oman's lucrative frankincense trade and interest in this much-prized resin, once considered as valuable as gold, continues to generate considerable international interest.

It is administered by the Minister of State and Governor of Dhofar.

Musandam

The governorate of Musandam is of immense strategic importance, because of its rocky headland, which juts out into the Strait of Hormuz - the most important international shipping lane for oil exports and trade between the region and the outside world. Around 90% of Gulf oil exports pass through these straits, which are also the eastern gateway for

shipping and trade to and from the Gulf littoral states.

Musandam, which covers an area of around 3,000 sq. kms has four districts - Khasab, Bukha, Diba al Bai'yah and Madha - and is home to more than 28,000 people, is the Sultanate's smallest and most northerly region. Nevertheless, it assumes equal priority with the larger governorates in terms of development and a new industrial estate for the area is currently at the planning stage.

The magnificent Hajar mountain range dominates the Musandam landscape, extending about 640 kms from Ras Al Hadd in the south up to Khasab, ending with the dramatic and dizzying plunge of Ru'us Al Jabal into the sea. The 1,800 metre mountains rise steeply above the region's rocky coastal inlets, and the resulting dramatic scenery has led to comparisons with Norway's famous fjords.

Musandam and the regions are administered by the Ministry of Interior.

Buraimi

Royal Decree No.108/2006 established the Governorate of Buraimi on 15/10/2006. This governorate comprises the districts of Buraimi, Mahdhah and Sinainah.

A massive restructuring plan is underway, including plans to build

an industrial estate in Buraimi which is adjacent to the border with the United Arab Emirates.

The Regions

Batinah

The Batinah region, also known as the Batinah Coast, is a coastal strip between the Hajar mountains and the Gulf of Oman. Both geographically and economically it is one of the Sultanate's most industrialised, urbanised and, with more than 653,500 inhabitants, highly populated regions. Lying along the southern shore of the Gulf of Oman, it has 12 districts - Sohar, Rustaq, Shinas, Saham, Liwa, Khabourah, Suwaiq, Nakhl, Wadi al Ma'awil, Awabi, Musana'ah and Barka.

In addition to being one of Oman's historic maritime and commercial outlets to the outside world, via the Gulf and the Indian Ocean, the Batinah also has the Sultanate's most fertile plain (the Batinah Plain), up to 25 kms wide in places, as well as extensive mineral resources which have started to provide the basis for a range of vital heavy industries. The Port of Sohar, a multi-million dollar mega-project currently under construction, is one of the Gulf region's most ambitious development schemes and the Sohar industrial



Aerial view of Sohar where the industrial port will go into operation in 2008

estate is already attracting a number of large-scale industrial and manufacturing enterprises including fertiliser, petrochemicals and aluminium projects.

Because of its location, economic resources and high population density the Batinah has traditionally played an important role in Oman's social and economic history and this looks set to continue well into the 21st century aided by the construction of Sohar Airport, currently at the planning stage, which will facilitate the increasing numbers of visitors to the region. While much of the Batinah region's development efforts have previously focussed on services, roads,

communications services and construction, more attention will, in future, be devoted to the aesthetic side of urban planning and to developing its tourist attractions, including public parks and the hot springs of Ain al Kasfah in Rustaq and Ain al Thuwwarah in the wilayat of Nakhl, two of the country's most celebrated mineral spas.

Dhahirah

Today, a mainly agricultural region, centuries ago Dhahirah lay on several vital caravan routes, making it an important transit point to other parts of the Arabian Peninsula. With three districts - Ibri, Yanqul and Dhank - and a



population of around 207,000, the Dhahirah region, situated in the north west of the country consists of a semi-desert plain that stretches from the southern slopes of the western Hajar mountain range to the Empty Quarter or Rub al Khali, which extends over 1,000 kms west towards the border with Saudi Arabia, effectively dividing the interior from the Batinah coast.

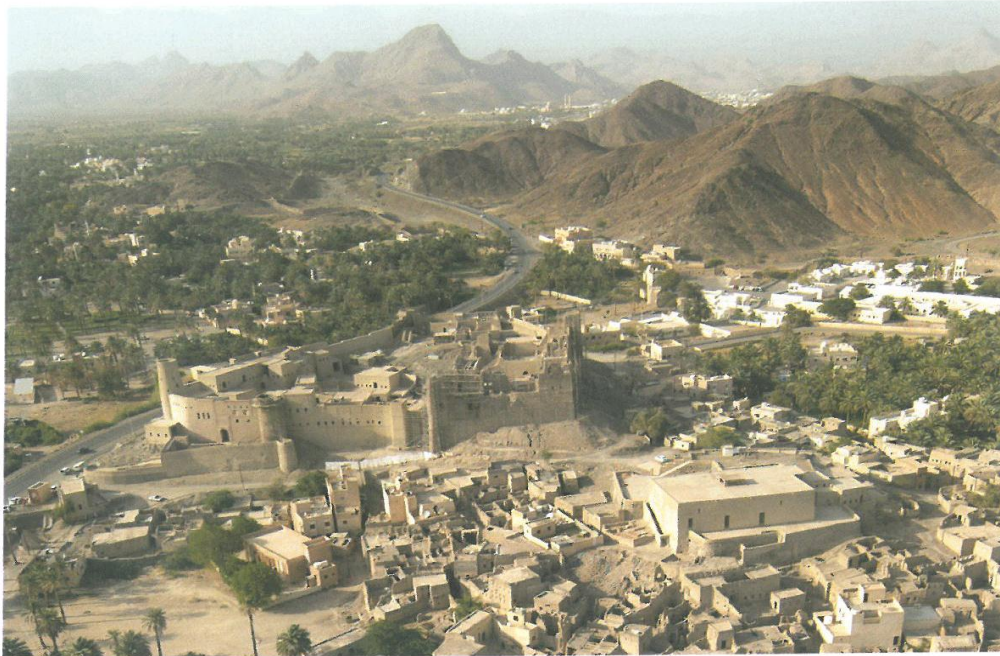
With numerous oil and gas fields the region has been the beneficiary of a range of development projects. The area is also home to a number of archaeological sites at Bat, Al Khutm and Al Ayn, all of which are recognised by UNESCO.

Dakhiliyah

Dakhiliyah has eight districts - Nizwa, Sumail, Bahla, Adam, Al Hamra, Manah, Izki and Bidbid and a population in excess of 267,000. The Dakhiliyah is a major transit point between the other regions, bordering, as it does, the Sharqiyah region to the east, the Dhahirah region to the west, the Wusta region to the south and the governorate of Muscat and the Batinah region to the north.

The Dakhiliyah Region is renowned not only as one of the country's main agricultural areas, but also for the place it occupies in Oman's history. The jewel in Dakhiliyah's crown, at least

The tombs at Wadi al Ayn, near Ibri



The old town of Bahla with the fort which is unique in having two wind-towers

according to historians, is Nizwa – the city sometimes referred to as “the pearl of Islam”, which continues to attract many visitors to its restored, circular 17th century fort and its impressive souq with carved wooden doors opening onto a range of shops and courtyards. Nizwa is particularly popular with visitors to its silver souq, which contains many fine examples of Omani jewellery, and to the Friday cattle souq.

Nizwa’s referral hospital was opened in 1998, and the whole of the city has undergone something of a transformation in recent years. The Manah power station’s generating capacity has been

increased to keep pace with increasing demand. The city’s road traffic system has been upgraded, with Phase Two of the Rusayl-Nizwa dual carriageway now complete. Work is currently underway on the modernisation and expansion of the city’s industrial estate and the private university has opened its doors to its first students. Nizwa, which is already home to the Sultan Qaboos Academy for Police Sciences, will in the future also house the Sultanate’s Higher Institute of Jurisprudence for the training of graduates in judicial and related legal fields, to complement the Law College in Muscat.



Sharqiyah

The Sharqiyah region, in the north-east corner of the Sultanate, is bounded by the Arabian Sea to the east; the Eastern Hajar mountain chain to the north; with Dakhiliyah to the west and the Sharqiyah Sands to the south.

The districts of Sur, Ibra, Al Mudhaibi, Bidyah, Al Qabil, Dima wa Al Tayeen, Al Kamil wa Al Wafi, Jaalan Bani Bu Ali, Jaalan Bani Bu Hassan, Wadi Bani Khalid and Masirah Island make up this region which is home to a population of about 314,000.

The ancient port and seafaring town of Sur played a vital role in the development of trade between

Oman, East Africa and India. For centuries it was one of the major shipbuilding centres of the region and remains an active shipbuilding centre to this day. Dhows are constructed directly on the beach and although construction can take as long as a year to complete, the finished vessel has an estimated life span approaching 100 years.

Sharqiyah is an area of contrasts, from the fertile wadis and dramatic gorges in the Eastern Hajar, to the beautiful unspoiled coastline of Tiwi, Sur and Ras Al Hadd in the east, right down to Barr Al Hikman and Masirah Island in the south. Its coastline abounds with wildlife, dolphins and

Looking at Al Ayja, from Sur



*Duqm, in the
Wusta region*

turtles a being a common sight. A necklace of coral reefs stretches along the coastline where the sea, rich with fish, provides a living for coast dwellers. Meanwhile, the vast Eastern Sands, traditional home of the Bedouin, has one of the largest areas of lithified sand dunes in the world.

The Liquified Natural Gas (LNG) project in Qalhat was inaugurated in April 1999, when the plant first began exporting its production. In March 2006 Qalhat's third LNG train came onstream.

Industrial development continues apace in Sharqiyah; the urea and ammonia fertiliser factory is now complete, as well as Phase

One of the Sur Industrial Estate, which will accommodate a range of small and medium industries.

•Wusta

A favourite with conservationists, the Wusta Region lies south of the Dakhiliyah and Dhahirah regions. South of it is Dhofar, and its eastern border is lapped by the waters of the Arabian Sea, while to the west is the Empty Quarter.

The Wusta Region has four districts, three of which - Mahawt, Duqm and Jazer - are on the coast, while the fourth - Haima - is in the interior, together they boast a population of about 23,000.

Much of the central Wusta region

consists of desert, running from the beautiful sandy coastline with its wide bays, rocky caves and inlets to the interior, where most of Oman's oil, gas and mineral reserves are to be found. Whales, dolphins and turtles are frequent visitors to Wusta's waters and the lagoons are resting areas for many thousands of migratory birds. Wusta enjoys a moderate climate throughout the year. At Qarat Al Kibrit the erosion of salt has led to the creation of caves and spectacular open pits where dark limestone has been brought to the surface by underground salt forcing its way upwards.

The Arabian Oryx was re-introduced to a national park area, (known as the Arabian Oryx Sanctuary), when fears of its pending extinction began to be taken seriously, and in 1994 UNESCO included the project on its World Natural and Cultural Heritage List.

Seasonal fogs and dews support a unique eco-system whose diverse flora includes several endemic

plants.

The government has given the sparsely populated Wusta region high priority status for increased economic development and the provision of essential services. An efficient road system to facilitate this expansion is ongoing. The region already has numerous productive oil and gas fields and new development projects include water, electricity and fishing port projects, as well as the expansion of existing health and education services.

HISTORY

Looking at the phenomenal achievements that have been made in Oman over the last 36 years,

the multi-lane highways, modern hospitals, schools and universities, it is tempting to think of the Sultanate as a "new" country.

There are over 500 forts, castles and towers in Oman - here Nahkl Fort stands on an eminence overlooking the town



However, archaeologists have shown that civilisation flourished in the area of modern day Oman at least 5,000 years ago and probably before, albeit under a series of names, the best known being Majan or Megan, and Mezoun.



Tower Tombs at Jaylah in the Eastern Hajar mountains, Sharqiyah region

Sumerian tablets refer to a country called Magan, a name thought to refer to Oman's ancient copper mines.

Mezoun is derived from the word "muzn", which means abundant flowing water. The name we call the country by today, Oman, is believed to originate from the Arab tribes who migrated to its territory from the Uman region of Yemen. Many tribes settled in Oman making a living by fishing, herding or stock breeding and many present day Omani families are able to trace their ancestral routes to other parts of Arabia.

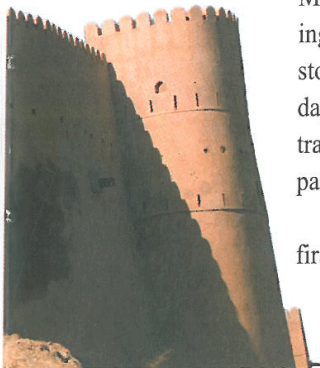
The Omanis were among the first people to embrace Islam vol-

untarily in around 630 AD when the Prophet Muhammed sent his envoy Amr ibn Al As to meet Jaifar and 'Abd, the joint rulers of Oman at that time - to invite them to accept the faith. In accepting Islam, Oman became an Ibadhi state, ruled by an elected leader, the Imam.

During the early years of the Islamic mission Oman played a major role in the Wars of Apostasy that occurred after the death of Muhammad and also took part in the great Islamic conquests by land and sea in Iraq, Persia and beyond. However, its most prominent role in this respect was through its extensive trading and seafaring activities in East Africa, particularly during the 19th century, when it propagated Islam in many of East Africa's coastal regions, and certain areas of Central Africa. Omanis also carried the message of Islam with them to China and the Asian ports.

By the Middle Ages, Oman had established itself as a prosperous seafaring nation, sending dhows from its great port at Sohar to trade with merchants in far flung destinations. It seems likely that at this time Sohar was one of the largest and most important cities in the Arab world.

In the early 16th century the powerful Portuguese trading empire



sought to extend its influence and reduce Oman's control over the thriving Arabian Sea and Indian Ocean routes. Portuguese troops invaded Oman and captured some of the coastal areas, occupying them for up to 150 years before being defeated by Sultan bin Saif Al Ya'rubi.

During the Ya'ruba period (1624 – 1744) Oman entered an era of prosperity at home and abroad, and many of the Sultanate's historic buildings and forts date from this time. However, expansion ended when civil war erupted between rival Omani tribes over the election of a new Imam. Persian forces seized the opportunity to invade and some coastal areas found themselves under foreign occupation once again.

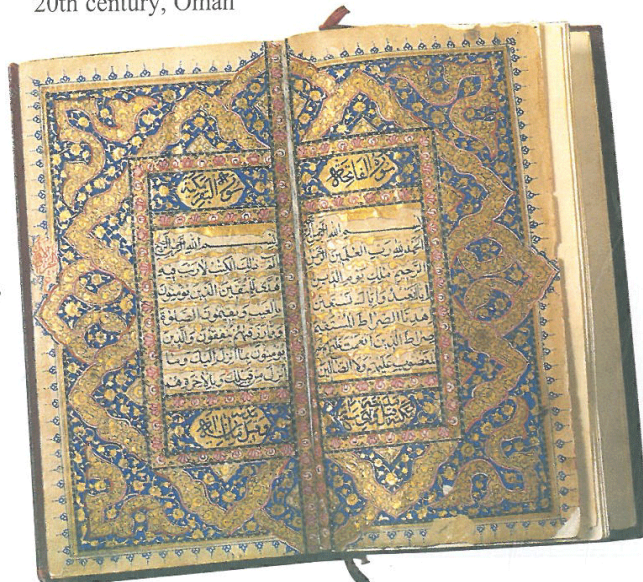
In 1744, Omani tribes elected Ahmed bin Said Al Busaid as the new Imam. This wise leader reached a peace agreement with the Persians, restored national unity and built a formidable naval and merchant fleet thereby resurrecting Oman's maritime trading role as well as its position in the region. The clearest evidence of this was seen in 1775 when Imam Ahmed sent 100 vessels, led by the great cruiser Al Rahmani, to the northern Gulf where he broke the Persians' siege of Basra, following a request for assistance from the

Wali of Baghdad.

By the time of Imam Ahmed's death in 1783 in Rustaq, the then capital city, Muscat had become one of the foremost cities of the Arabian Gulf and some years later the capital was officially moved from Rustaq to Muscat, where it has remained ever since. His Majesty Sultan Qaboos bin Said is a descendent of the same Al Busaid line.

No country since Persia has successfully invaded Oman which, by the 19th century was a sovereign power in its own right, expanding its territory across the Arabian Gulf and East Africa, where it controlled the island of Zanzibar. The country went on to establish political links with the other great powers of the time, including Britain, France, the Netherlands and the United States. However in the early part of the 20th century, Oman

A copy of the Holy Koran





The impregnable Jelali Fort stands on a rocky outcrop in Muscat bay

entered a period of decline and isolation.

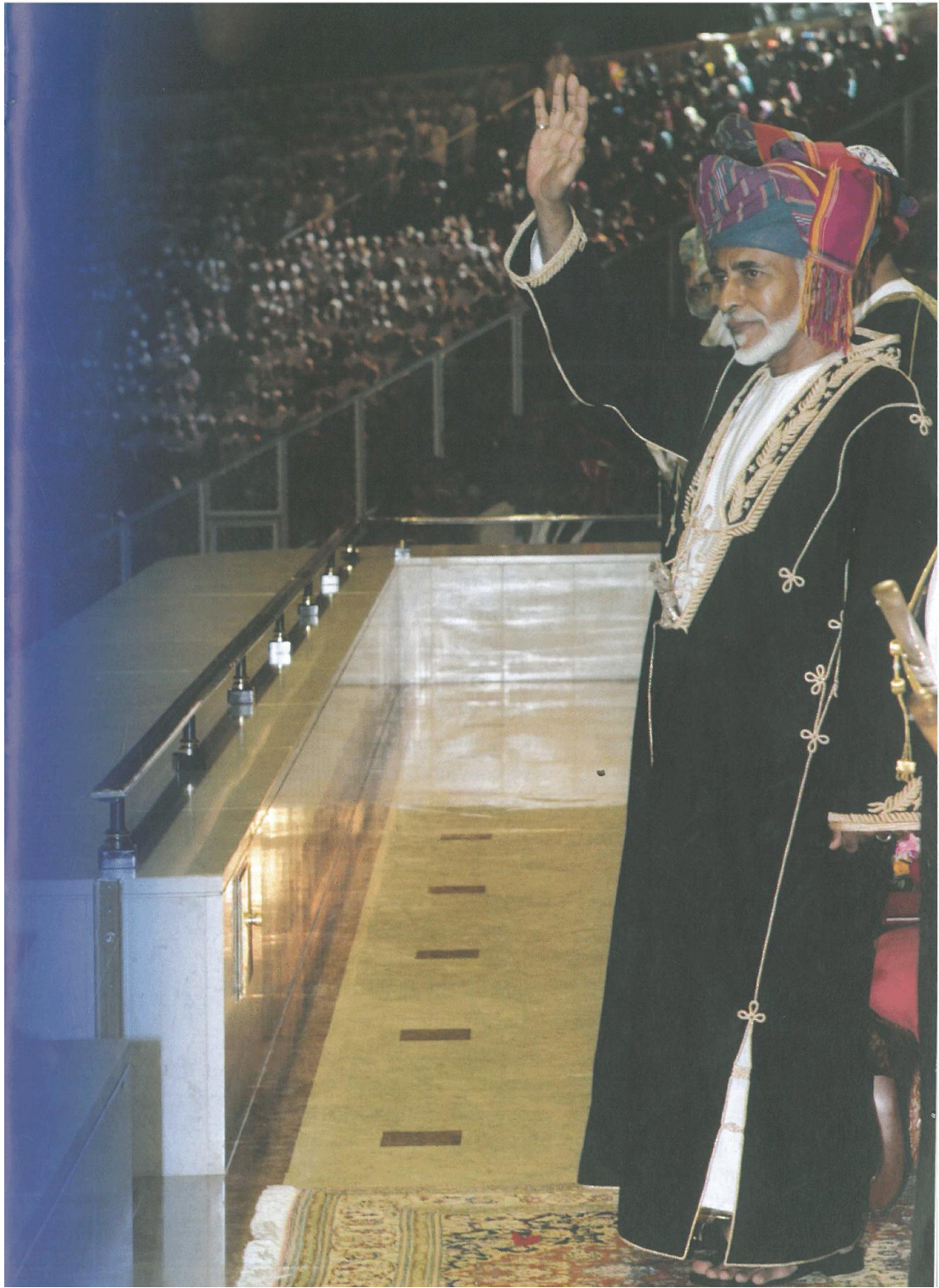
The search for oil began in the 1920s when the D'Arcy Exploration Company, a subsidiary of the Anglo-Persian Oil Company, conducted a geological survey that proved unsuccessful. The Second World War and other events interrupted exploration until 1962 when the first successful well was drilled at Yibal, followed by other wells at Natih and Fahud. Oil production on a commercial scale began in 1967.

When Sultan Qaboos came to power in 1970, Oman was almost as far removed from the modern, prosperous 21st century state we know today, as it is possible to get.

The country had only a few basic roads, a tiny number of schools and little in the way of medical care; its people were poor and disadvantaged. Many of Oman's wealthy and educated had left the country to seek their fortunes abroad. One of the first challenges His Majesty faced was to reverse this "brain drain", to encourage expatriate Omanis to return home and throw their weight behind the creation of a strong, educated, unified nation. This they did with enthusiasm, helping to build and develop the thriving, vibrant country that is modern day Oman.



Qaboos the Leader





QABOOS THE LEADER

The period of Sultan Qaboos bin Said's rule, which began on 23rd July 1970, is often referred to as the Renaissance because His Majesty's ascent to the throne, quite literally, marked a re-birth for Oman and its citizens. Inheriting an internationally almost forgotten, sleepy Gulf backwater, with few roads, schools, hospitals, or infrastructure of any kind, Sultan Qaboos promised the country it was about to embark on a long journey towards development and prosperity. He pledged his commitment to orchestrating the Sultanate's

total regeneration, including the return of its people's confidence in themselves and their future. The Sultan's optimism and drive even convinced many Omanis living abroad to return to their mother country and the population united to celebrate the birth of a new era.

Sultan Qaboos was born in Salalah, in Dhofar, the most southerly city in the country on 18th November 1940, the only son of the late Sultan Said bin Taimur and the eighth direct descendant of the royal Al Busaidi line, founded in 1744 by Imam Ahmed bin Said.

Sultan Qaboos has wide rang-

His Majesty, the Supreme Commander of the Armed Forces and the Royal Oman Police, at the 35th National Day Military Parade



ing interests; an enthusiastic horseman since childhood, he also enjoys tennis and a range of outdoor pursuits, including walking. Military training left Qaboos with a keen interest in weaponry and military equipment; he is an accomplished marksman and proud of his country's shooting team's numerous international competition successes. His Majesty has a lively interest in the world around him and has studied a variety of subjects ranging from religion to astronomy and the environment, of which he is a keen proponent. A lifelong passion for music led the Sultan to establish the Royal Oman Symphony Orchestra in 1985, while a love of languages, literature and history have shaped the way he has developed Oman's standing in the global arena.

Modern day Oman bares no resemblance to the country it was when Qaboos ascended the throne in 1970. Today, multi-lane highways have made all but the most remote mountain regions accessible by road, schools providing free education for all exist in even the smallest villages and the country's many hospitals offer free health care, frequently provided by locally trained Omani doctors.

With the basic infrastructure in place, the foundations of future progress and prosperity had been laid. The inauguration in 2006 of the Seventh Five-year Development Plan (2006-2010), signalled the beginning of another exciting new era of progress. Despite the many changes that have taken place, however, and regardless of the many further plans for modernisation, Oman has never allowed itself to be cut off from its roots or its history.

Omanis take great pride in their heritage and culture and His Majesty acknowledges the positive interplay between tradition and modernity as one of the vital cornerstones of a modern Omani state. "I reject the idea of heritage being subordinate to the modern world. Our heritage is beautiful and only needs to be updated slightly, in order to adapt to modern situations in a balanced fashion, so that one element does not prevail over the other", he has said.

A unique relationship

Sultan Qaboos has described his situation thus: "I am working for Oman - the country and its people...For me it is a delight to see my country and my people in the situation I imagined from

His Majesty watches students from schools around the Sultanate who participated in the display which took place in the Maidan al Fateh Stadium on the 2nd day of the 35th National Day celebrations

the very first day I assumed power. I feel that I am a man with a mission rather than a man with authority."

Sultan Qaboos is a keen advocate of encouraging his people to work hard to attain their best personal development. He also believes prompt steps should be taken to develop the modern Omani citizen as a person "who believes in God and is committed to maintaining his own identity while keeping abreast of the science, technology, literature and arts of the age in which he lives, and reaping the benefits of modern civilization in building his country and developing his society."

During the Sixth Five-year Plan (2001-2005) His Majesty's government spent RO2.5 billion on education and the training schemes that form a vital component of the state's human development programmes. These programmes aim to prepare the younger generation of Omanis for the labour market.

The government also offers full or partial scholarships to enable the sons and daughters of families on social security to benefit from higher education

The Council of Ministers, at its session on 10/11/2005, announced that having taken

note of the wishes of His Majesty, a working group had been set up, comprising several senior government and private sector officials as well as a number of experts in the appropriate fields, who would propose ways of promoting co-operation between the different segments of society and the government on the implementation of the country's development policies. The groups were also entrusted with the task of setting out the education and training programmes required for the coming phase of the Sultanate's development, so that a wider range of job opportunities could be made available for young Omanis. The statement added that the Council of Ministers would "study the proposals arrived at in this regard so that appropriate decisions can be taken in order to achieve the desired goals."

Another example of His Majesty's commitment to ensuring a decent life for all the people of Oman and giving a helping hand to the less fortunate members of society was his instruction that 16,000 plots of housing and commercial land should be allocated and distributed free of charge to families on social security in the different *wilayats*,





governorates and regions. The deeds for these plots were given out at the 35th National Day celebrations. His Majesty's government also offers a range of other economic support facilities, including funding and interest free or low interest loans, to enable citizens to build their own homes.

Priority is not given to one section of society at the expense of another. His Majesty's aim is to enlist the energies of the entire community, including women, who enjoy full rights and opportunities to play their part in their country's development, because, in his view, the task of building Oman is the responsibility of all Omanis.

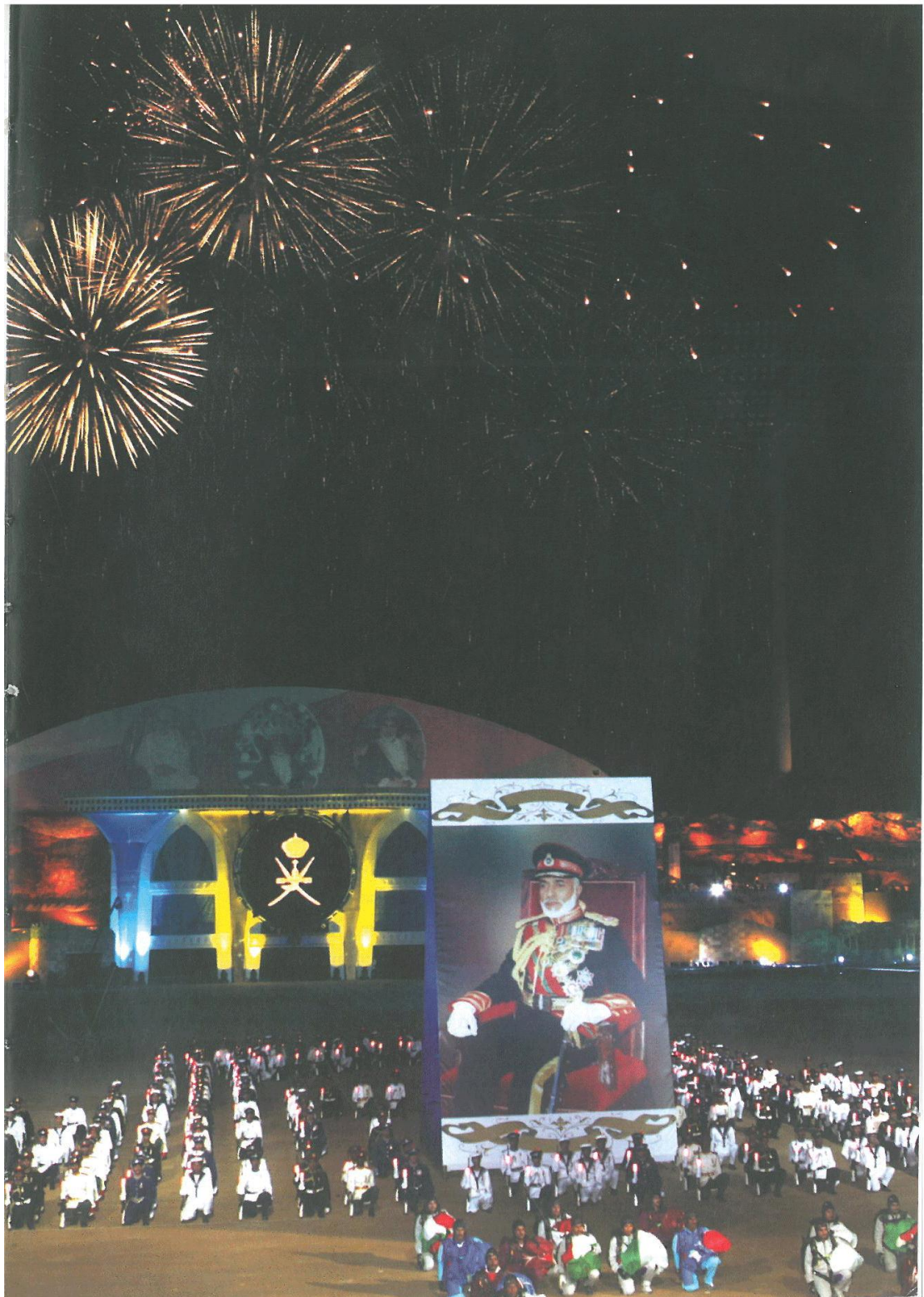
Genuine participation

This vision encapsulates the belief that popular participation is not a superficial or cosmetic affair, but rather a genuine expression of the fact that the government and the people are organically interdependent, like a single body. This is the inspiration behind Oman's adoption of a democratic process which offers its citizens the opportunity to express their views and concerns and become active participants in public life and public affairs. The Basic Law of the State pro-

vides for the establishment of an institution-based state and defines the relationship between the different executive, parliamentary and judicial authorities, while upholding the independence of the judiciary. At the same time, it lays down the rights and duties of the citizen, protects his freedoms, safeguards the right of citizenship, defends the nation's security and stability and defines the powers and prerogatives of the different state authorities and institutions.

Since the promulgation of the Basic Law of the State in November 1996, the Sultanate of Oman has followed a bicameral system of two councils - the State Council (*Majlis A'Dawla*) and the Consultation Council (*Majlis A'Shura*) - which combine to form the Council of Oman (*Majlis Oman*) when they meet in joint session. The members of the State Council are appointed by His Majesty the Sultan, while the members of the Consultation Council - or the representatives of the *wilayats* - are elected by the public in free elections in which Omani men and women have the right to participate as candidates and voters. The Consultation Council's powers and prerogatives have been extended to give

*His Majesty at the
Tattoo on the occa-
sion of the 35th
National Day cele-
brations*



it a bigger role and enable it to monitor the performance of the service ministries and their development plans. It debates draft laws, the draft development plans and the draft General State Budget. This was the case with the Seventh Five-year Plan (2006-2010) and the 2006 General State Budget.

The speech which is given by His Majesty the Sultan at the annual opening session of the Council of Oman constitutes a national plan for future action at home and abroad. In it Sultan Qaboos addresses all the issues that are of concern to the country and its people and sets out the measures and priorities for dealing with them.

Thanks to a series of carefully crafted policies, the different state authorities and bodies work closely together and focus their efforts towards the achievement of the nation's development goals. Two main lines of approach are followed, the first of which involves close and ongoing co-ordination between the executive and parliamentary authorities.

The second line of approach aims to promote closer and consistent co-operation between the government, the public and the private sector. Sultan Qaboos

has continually emphasised the importance of initiatives in this field and expressed his satisfaction with the private sector's positive response. "We are really pleased that over recent years the private sector has shown a genuine desire to provide job opportunities for nationals, and call upon it to continue and increase its efforts in this regard. The government also calls upon Oman's youth - both male and female - to make use of these opportunities," His Majesty stated.

The Oman Chamber of Commerce and Industry plays a vital part in representing the private sector's views and an active role in reinforcing national development efforts. The Chamber encourages investment and opens up new markets for Omani producers; it is a member of a number of several important bodies including the Higher Committee of the Seventh Five-year Plan and is also represented in government delegations and on joint economic committees which aim to strengthen co-operation between Oman and other countries in the Gulf region and beyond.

Five-year Plans

As we have heard, this year - 2006 - has seen the launch of the

His Majesty with his guest, HM the King of Bahrain, at the Equestrian and Camel Festival held on 1st January 2006

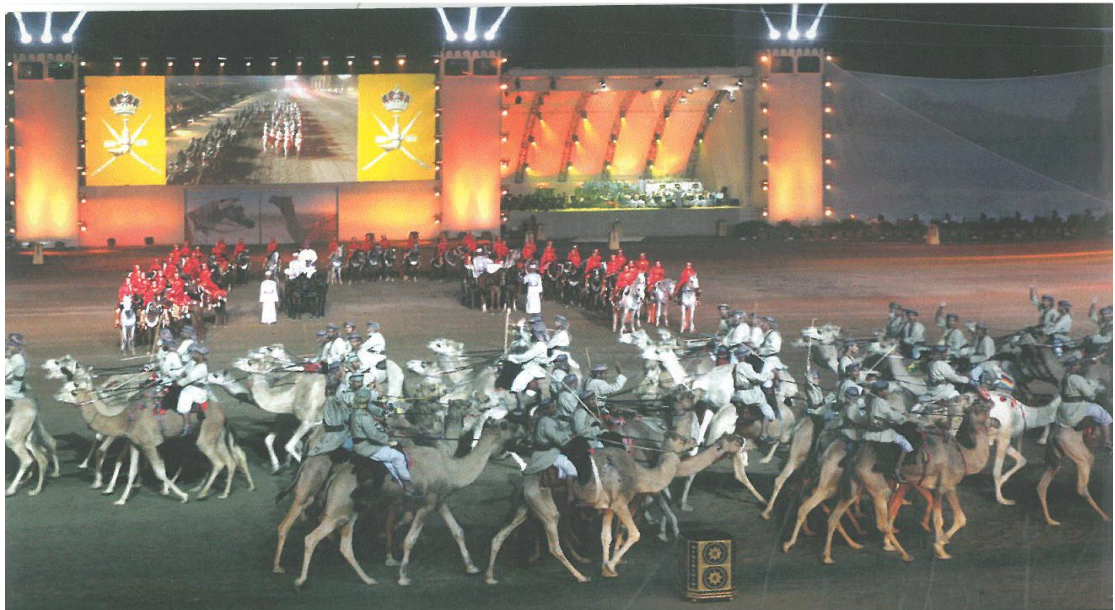
Seventh Five-year Plan (2006-2010), which represents the third phase of a series of long-term strategic development plans (1996-2020) and provides an opportunity for the achievements of the Sixth Five-year Plan (2001-2005) to be built upon and evaluated.

The Sixth Five-year Plan (2001-2005) produced results which exceeded all expectations with regard to GDP, which grew by 8.7%, compared with the 0.6% envisaged in the Plan. In fixed price terms GDP recorded a growth rate of 4.5%, compared with the Plan's projected 3%. In current price terms the added value of the non-oil sectors over the course of the Plan registered an average annual rate of 9.2% compared with the projected figure of 7.5%. The relevant sectors reflected in these good results were industry, tourism, human development, health and Omanisation, indicating that Oman's economy enjoys good prospects for the future, particularly in view of the growing number of major industrial and tourist projects in Sohar, Salalah, Muscat and other areas.

The Seventh Five-year Plan (2006-2010) continues to give priority to human development and social welfare programmes

as well as greater education and employment opportunities. At the same time, it seeks to improve living standards in general, develop the tourist, industrial and fisheries sectors, encourage investment and safeguard the nation's heritage. Government revenues for the Seventh Five-year Plan have been calculated on the basis of an average oil production figure of 827,000 barrels per day and an average price of US\$30 per barrel for the duration of the Plan. This takes into account the possibility of oil price fluctuations in world markets over that period; accordingly, over the years of the Seventh Five-year Plan government revenues are projected at RO18,636 million, while estimated expenditure is recorded at RO20,896 million. Total investment will reach an estimated RO13.1 billion, with the private sector (Omani and foreign) accounting for 46% - or around RO6 billion.

Last year - 2005 - saw the Sultanate's GDP rise by a massive 24%, and several major projects including the urea fertiliser plant and the third natural gas train entered the production stage. These will give a significant boost to the national economy during the years of the









Seventh Five-year Plan, particularly since Oman now has the capacity to attract higher levels of investment from Arab and non-Arab sources.

This year is also significant since it marks Muscat's launch as Arab Culture Capital. With an extensive programme of cultural, intellectual and artistic activities, Oman's major city aims to publicise the immense contribution the country has made to human civilization since the dawn of history, while promoting closer cultural co-operation with other Arab states, encouraging a wider international dialogue, and bringing the splendour of Arab civilization to the notice of other peoples and cultures.

Since Sultan Qaboos first assumed power in 1970, he has attached particular importance to Oman's heritage and traditions, while at the same time encouraging Omanis to accept and embrace the positive aspects of other cultures for the benefit and growth of their own. Addressing UNESCO's General Conference on 3/10/2005 to mark the organisation's 60th anniversary, His Majesty stressed a commitment to "working together to ensure that UNESCO maintains its special status within the United Nations

organisation, and applauding its moral message which calls for equality, respect for mankind, the safeguarding and propagation of knowledge and encourages cultural creativity and diversity for all." His Majesty also emphasised the "importance of raising awareness in order to face up to the new challenges, noting that: "Everyone without exception is called upon to play their part in building a world society, which is based on knowledge, close co-operation and mutual support between all mankind and respect for the cultural and linguistic diversity of all the peoples of the earth."

UNESCO's 191 member states acknowledged the active part Oman plays in the organisation, by choosing it, by consensus, to chair the 33rd UNESCO General Conference in October 2005. UNESCO also hosted "Omani Cultural Days" at its Paris headquarters between 6th and 16th June 2006, during which a number of art and heritage exhibitions and seminars were held, including a seminar entitled "Oman's role in the dialogue of civilizations". These events were also part of the "Muscat - Arab Culture Capital 2006" programme.

His Majesty admires the magnificent laser and firework display which formed part of the 35th National Day celebrations

The construction of the headquarters of the Islamic Conference Organisation's Islamic Education, Culture and Science Organisation (ISESCO) was completed with support from the Sultanate and inaugurated in Rabat in May 2006. In another development, the Mufti of Lebanon announced that Sultan Qaboos had donated funds for the purchase of land in the Lebanese capital, Beirut, for the construction of an Islamic university under the auspices of the Lebanese Mufti's Office. The Sultanate is also setting up a Lebanese-Omani cultural centre in Beirut. Several highly respected universities around the world also hold Sultan Qaboos professorial chairs, including the universities of Harvard in the United States, Cambridge in the United Kingdom, Melbourne in Australia, Lahore in Pakistan and Utrecht in the Netherlands. The Sultanate also supports scientific programmes at Al Azhar University in Cairo, the Islamic Centre in Mauritius, the Gulf University and several other Arab and non-Arab institutions of learning, with the aim of promoting greater dialogue, contact and mutual understanding between different peoples. In addition, the Sultan Qaboos

Centre for Islamic Culture at the Sultan Qaboos Grand Mosque welcomes thinkers and experts from countries around the world, who come to Oman to take part in its activities.

The "Muscat - Arab Culture Capital 2006" programme, which will continue throughout this year, includes a number of activities at home and abroad - in Beirut, Tunis, Paris and elsewhere - which are designed to highlight Oman's historic and contemporary role in world culture and civilization, as well as the country's present-day development, progress and prosperity.

Major contributions to the promotion of peace and stability

While the vast majority of Oman's energies and resources are channelled into development and achieving a better standard of living for all of its people, "there are", as His Majesty Sultan Qaboos pointed out, "developments taking place in the regional, Arab and international arenas that affect us, and which we affect in our turn. They take up some of our time, because we need to work out how to deal with them and how to handle any problems that may arise from them."

Omani foreign policy and the

Sultanate's stances on various issues are designed to strengthen peace, security and stability in this vital region and also, by promoting close and cordial relations with other countries across the globe, to form an additional plank to the country's development efforts. Every effort is made to open up new opportunities for contacts and dialogue between other nations, within the established framework of peace; the main characteristics of this framework being clear, frank policies and a strong commitment to resolving differences by peaceful means through dialogue, in the common interests of all parties involved, in accordance with international law and legitimacy, and in a manner that will foster good neighbourly relations and co-operation for the sake of a better life for all states and peoples.

The Sultan's Armed Forces and the Royal Oman Police are entrusted with the task of defending the nation, protecting its gains and repelling any attempts to violate its sovereignty.

This policy has earned Oman the trust, appreciation and respect of all countries in the Gulf, the Arab world and beyond. The Sultanate is a

strong force for peace, security and stability in the area which, while pursuing its goals through quiet diplomacy, does everything in its power to ensure that the region remains unaffected by new problems or disturbances.

His Majesty's tours of the Sultanate

His Majesty the Sultan's tours of his homeland are a specifically Omani institution and reflect the powerful and unique relationship that exists between His Majesty and his subjects. The tours, which have been a feature of Omani life since Sultan Qaboos assumed the reins of power, demonstrate his desire to be in touch with his people, with whom he frequently holds face-to-face discussions and sees first hand how they live.

During these tours His Majesty, accompanied by certain ministers and advisers, travels round the country - sometimes for several weeks at a time - stopping off in various places to meet local citizens, sheikhs and dignitaries. These meetings take place either at Royal Camp sites or on the road in more spontaneous encounters.

His Majesty's tours of the *wilayats* are particularly signifi-

cant in that they provide a vital and highly personal channel of communication between the leadership and the people, where citizens can speak directly to the Sultan, and express opinions freely. His Majesty told the Kuwaiti daily newspaper Al Seyassah during a tour in February 2006: "I must admit that I greatly enjoy these tours I make around the country... I meet the people face to face and listen to their requests, while they listen to my views... Checking on the state of one's subjects is not unusual in the history of Islam and is generally regarded as one of the duties of a leader. There are citizens whose situations do not allow them to knock on certain doors, so I come to them directly."

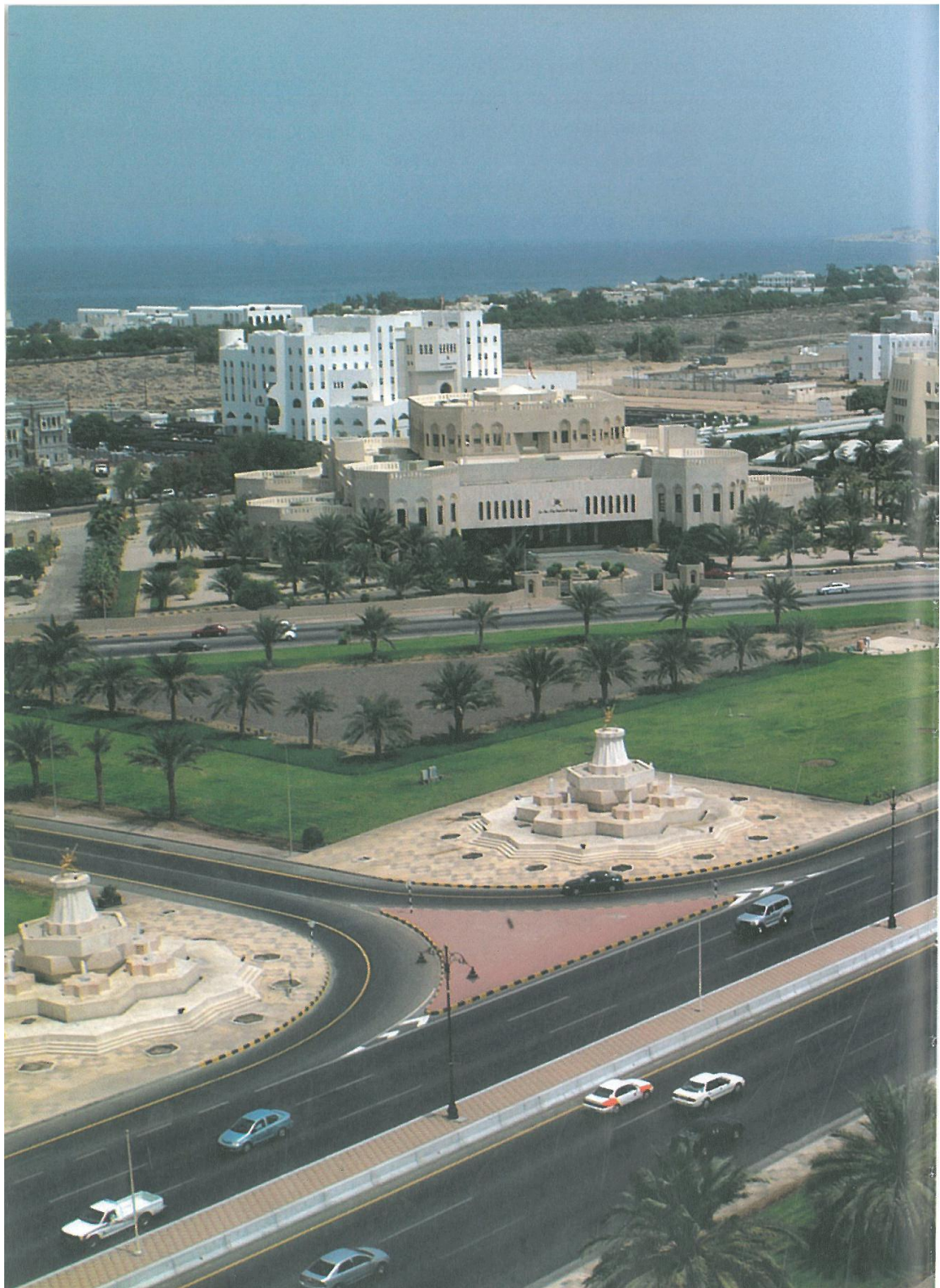
Three seminars on the employment of national manpower have been held during His Majesty's tours. The third, which took place in January and February 2005, produced recommendations on several matters including the Sanad project, and are now being put into practice.

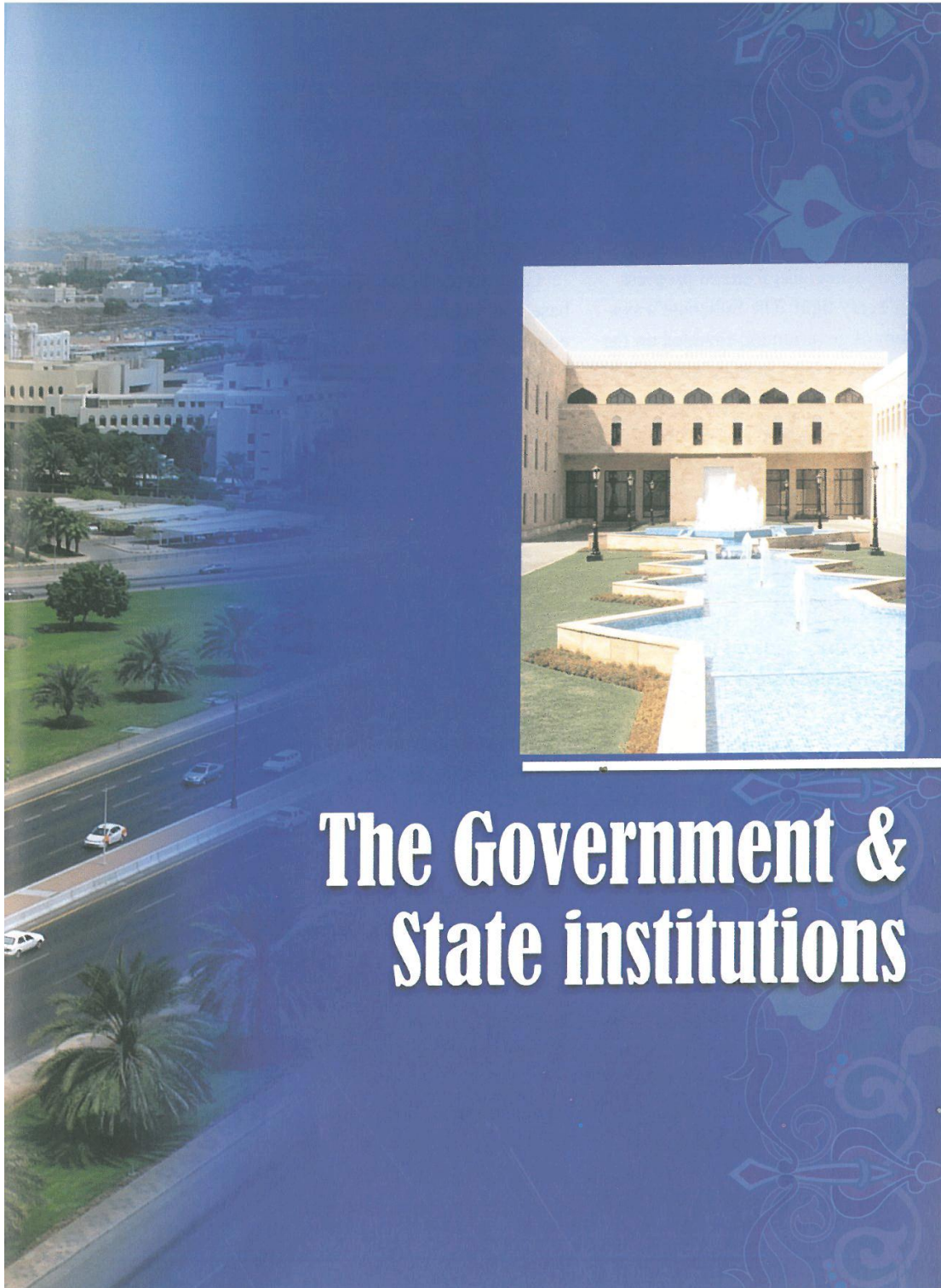
During the Royal tours decisions are taken and directives issued on the implementation of road, water, electricity and other service projects in various wilayats, or on resolving obsta-

cles causing delays to projects currently in progress. Since these projects are not covered by the General State Budget, the budget must be amended to accommodate them. Last year - 2005 - additional budget allocations totalled RO331 million.

During this year's Royal tour (2006), which was longer than usual and covered the Dakhiliyah and Wusta Regions and the Governorate of Dhofar, His Majesty ordered the construction of a school, three health centres, a fishing harbour and a desalination plant at a total cost of RO95 million. Projects such as these are usually decided upon as a result of field visits by the ministers accompanying the tour, based on meetings between His Majesty and members of the public in the regions visited.

As His Majesty's tours are usually lengthy affairs, foreign heads of state and senior officials frequently gather at the Royal Camp if they visit the Sultanate during a tour. The tours are regarded as an important part of the country's political life. As Sultan Qaboos has noted: "During my tours of the country I listen to old and young, treating everybody - whatever their social status - with respect ... there are no bar-





The Government & State institutions

THE GOVERNMENT AND STATE INSTITUTIONS

Oman's economic, social and political development since 1970 has been impressive by any international standard. The country's institutional structure, now firmly established, has fostered progress in every field. The Sultanate's system of government, founded on the twin principles of popular participation and the rule of law, continues to evolve and prosper with each authority, department and state institution enjoying clearly defined powers and responsibilities.

The Basic Law of the State

The Basic Law of the State, promulgated on 6th November 1996 and comprising 81 articles lays down a legal framework of reference governing the functions of the different authorities and separating their powers. It also affords safeguards to guarantee the freedom, dignity and rights of the individual. This historic document sets out Oman's system of government and the guiding principles behind the state's policies and also details public rights and duties. It contains specific principles covering the Head of State, the Council of Ministers and the judiciary. It is simple yet succinct.

Article One of the Basic Law of

the State notes that: "The Sultanate of Oman is an independent, fully sovereign, Arab, Islamic state. Its capital is Muscat." Article Two confirms: "The state's religion is Islam and the Islamic Sharia is the basis of legislation."

Governance in the Sultanate is based on justice, consultation and equality and, according to Article Nine, citizens have the right to take part in public affairs in accordance with the law.

With no obvious heir to the throne, the issue of succession is addressed in Article Five: "The system of government is an hereditary sultanate in which succession passes to a male descendant of Sayyid Turki bin Said bin Sultan. It is a condition that the male who is chosen to rule should be an adult Muslim of sound mind and a legitimate son of Omani Muslim parents."

The State's organisational framework

His Majesty Sultan Qaboos bin Said is Head of State, its highest and final authority and the Supreme Commander of the Armed Forces and Royal Oman Police.

The Council of Ministers

The Council of Ministers assists Sultan Qaboos in drawing up and implementing the general state pol-

icy. Specifically, the Council submits recommendations to the Sultan on economic, political, social, executive and administrative matters; these include proposing draft laws and decrees, looking after the welfare and interests of the general public, in addition to establishing and implementing policies and goals for economic, social and administrative development, while ensuring the best possible use is made of available financial, economic and human resources. The Council of Ministers has a secretariat-general to assist it in the performance of its functions.

To avoid any division of loyalties, Article 53 of the Basic Law of the State declares: "Members of the Council of Ministers may not combine their ministerial positions with the chairmanship or membership of the board of directors of any public joint-stock company."

The Defence Council

Sultan Qaboos issued Royal Decree No. 105/96 on 28th December 1996 establishing the Defence Council, of which he is the head. It comprises eight members chosen on the basis of rank or position and meets by royal command to consider matters related to the maintenance and defence of Oman's security.

The National Security Council

Royal Decree No. 63/2003 was issued on 23rd September 2003 amending the name of the National Security Committee to the National Security Council. The Council considers all questions related to national security and holds its sessions at the Sultan's direction and under his chairmanship or that of the Minister of the Royal Office. Its members include: the Inspector-General of Police and Customs, the Head of the Internal Security Service, the Chief of Staff of the Sultan's Armed Forces and the Head of the Communications and Co-ordination Department. The Council may also request the attendance of non-members with a particular expertise.

The Council has a secretary-general appointed from the staff of the Royal Office.

The Financial Affairs and Energy Resources Council

The Council is responsible for drawing up the state's fiscal policy and all matters related to its financial and monetary system and the preparation of the annual General State Budget. It studies the financial allocations for development projects, domestic and foreign investments, savings and other



THE COUNCIL OF MINISTERS

The Council of Ministers is led by His Majesty Sultan Qaboos bin Said. Its members in 2006 are:

HH Sayyid Thuwainy bin Shihab al Said
Personal Representative of His Majesty the Sultan

HH Sayyid Fahd bin Mahmoud al Said
Deputy Prime Minister for the Council of Ministers

HH Sayyid Haitham bin Tariq al Said
Minister of Heritage and Culture

HE Sayyid Ali bin Hamoud al Busaidi
Minister of Diwan of Royal Court

HE General Ali bin Majid al Ma'amari
Minister of the Royal Office

HE Sayyid Badr bin Saud al Busaidi
Minister Responsible for Defence

HE Sayyid Saud bin Ibrahim al Busaidi
Minister of Interior

HE Yousuf bin Alawi bin Abdullah
Minister Responsible for Foreign Affairs

His Majesty chairs a meeting of the Council of Ministers



HE Sheikh Mohammed bin Abdullah al Hinai
Minister of Justice

HE Ahmed bin Abdulnabi Macki
Minister of National Economy and Deputy
Chairman of the Financial Affairs and
Energy Resources Council

HE Sayyid al Mutassim bin Hamoud al Busaidi
Minister of State and Governor of Muscat

HE Sheikh Mohammed bin Ali al Qatabi
Minister of State and Governor of Dhofar

HE Dr Ali bin Mohammed bin Moosa
Minister of Health

HE Sayyid Hamoud bin Faisal Al Busaidi
Secretary-General of the Council of
Ministers

HE Maqbool bin Ali bin Sultan
Minister of Commerce and Industry

HE Mohammed bin Ali al Alawi
Minister of Legal Affairs

HE Sheikh Hilal bin Khalid al Ma'wali
Minister of Civil Service

HE Sheikh Abdullah bin Mohammed al Salimi
Minister of Awqaf and Religious Affairs

HE Dr Mohammed bin Hamad al Rumhi
Minister of Oil and Gas

HE Dr Khamis bin Mubarak al Alawi
Minister of Housing, Electricity and Water

HE Sheikh Salim bin Hilal al Khalili
Minister of Agriculture and Fisheries

HE Hamed bin Mohammed al Rashdi
Minister of Information

HE Yahya bin Saud al Sulaimi
Minister of Education

HE Juma bin Ali bin Juma
Minister of Manpower

HE Sheikh Mohammed bin Abdullah al Harthi
Minister of Transport and Communications

HE Dr Rawiyah bint Saud al Busaidiyah
Minister of Higher Education

HE Sheikh Abdullah bin Salim al Rowas
Minister of Regional Municipalities,
Environment and Water Resources

HE Dr. Rajiha bint Abdulamir bin Ali
Minister of Tourism

HE Eng. Ali bin Masoud al Sunaidy
Minister of Sports Affairs

HE Dr Sharifa bint Khalfan al Yahya'eyah
Minister of Social Development



related matters. The Council's remit also includes the development of Oman's energy resources, with the aim of maximising their contribution to the national economy.

The Council meets under the chairmanship of Sultan Qaboos or his appointed deputy.

The Supreme Judicial Council

The Supreme Judicial Council draws up general judicial policies, ensures the independence of the judiciary and monitors its development; it oversees the work of the courts and the Public Prosecutor's Office and also facilitates and monitors legal procedures. The Council considers judicial appointments and

promotions, proposes draft laws on judicial issues and comments on draft judicial co-operation agreements between the Sultanate and other states.

Higher Committees, Secondary Councils and Public Authorities

The administrative apparatus of state comprises a number of higher committees, specialist secondary councils and public authorities; each of which is responsible for managing or monitoring a specific sector, producing a comprehensive overview and liaising with other relevant bodies, including ministries, with the aim of serving the public interest and ensuring effi-

A meeting of the Supreme High Committee for the Five-year Development Plans. Here the 7th Five-year Development Plan is discussed

cient coordination between different authorities operating within the same sector. The members of these committees, councils and authorities include ministers and leading figures in the relevant areas.

The Higher Committee for Conferences

The Higher Committee for Conferences is responsible for preparing, monitoring and liaising on conferences attended by the Sultanate, particularly those related to the Arab Gulf Co-operation Council. It works closely with concerned ministries.

The Higher Committee for Conferences is chaired by the Deputy Prime Minister for the Council of Ministers.

The Scientific Research Council

Royal Decree No. 54/2005, issued on 22nd June 2005, established the Scientific Research Council and defined its prerogatives. The Council encourages and regulates matters related to scientific research. It is the prime authority in this field and liaises between the different bodies and institutions involved in the sector.

The Council is responsible for drawing up a comprehensive national plan for scientific research, initiatives and research plans and supports the publication of scientific papers.

The Economic Co-ordination Council

The Economic Co-ordination Council was established by Royal Decree No 94/99 on 22nd November 1999 to consider a wide range of economic issues. It examines and considers all economic issues, including any problems adversely affecting economic development and prosperity; discussion on methods of stimulating the national economy are ongoing. The Council represents the government at joint meetings with the Businessmen's Council. It has a secretariat-general within the Ministry of National Economy, which, among other tasks, collates data and statistics.

The Civil Service Council

The Civil Service Council draws up general Civil Service policies and considers Civil Service related decisions, laws and procedures designed to boost the employment ratio of the nationals as opposed to expatriates in the workforce (Omanisation), and to improve the efficiency of the state's administrative apparatus.

The Supreme Committee for Town Planning

The Supreme Committee for Town Planning was originally established in 1985 and restruc-

tured under Royal Decree No. 31/2005, issued on 21st March 2005. It is responsible for drawing up general town planning policies within the context of development plans. It also keeps a close eye on the implementation and development of the approved planning programmes and sets out principles for valuing land expropriated by the government for the construction of public utilities. The committee works to overcome any practical or financial obstacles to implementation of the approved plans and is chaired by the Minister of National Economy.

Royal Decree No. 24/2006, issued on 28th March 2006, established a secretarial-general of the Supreme Committee and appointed a secretary-general.

The Higher Education Council

The 15-member Higher Education Council, set up on 27th September 1998 under Royal Decree No. 65/98, is responsible for drawing up the general policies for higher education and scientific research in the universities and higher institutes of learning, in line with the country's employment needs. It regulates student intake at the universities and higher learning institutes and prepares annual reports for the Council of Ministers

about the state of higher education, making recommendations when appropriate. The Higher Education Council is headed by the Minister of the Diwan of Royal Court.

The Accreditation Council

The Accreditation Council was established in June 2001 to complement the functions of the Higher Education Council. It produces studies and research on criteria for approving higher education institutions and their programmes.

The Accreditation Council was restructured under Royal Decree No. 32/2002, issued on 27 March 2002. It has 10 members and meets once every four months.

Sultan Qaboos University (SQU) Council

The Sultan Qaboos University (SQU) Council seeks to maintain and improve the standards of university education and ensure there is the greatest possible degree of co-ordination between SQU's course disciplines and the national development plan's need for graduates. SQU Council, which was established in 1986, is headed by the Minister of Higher Education.

The Tender Board

The Tender Board is responsible for opening and studying bids for the award of all government

tenders with a value in excess of RO250,000, with the exception of defence unit contracts and certain others specified under the Tender Law and Regulations. The Board seeks to guarantee the efficient implementation of government tenders and the supply of goods and equipment to the highest specifications while ensuring optimal use of public funds.

In seeking to manage government tenders in a transparent, credible, fair, objective and professional manner, the Board is empowered to monitor the implementation of projects until their completion and committed to supporting national industrial products and policies, including Omanisation. It is headed by the Minister of Transport and Communications.

In 2005, 349 tenders were awarded at an actual total cost of RO672,726,558. The sectors involved included public utilities and services, roads and bridges, education and training, electricity and water, health, and oil and gas. During the first three months of 2006, some 48 tenders were invited at an estimated cost of RO98,828,610. During the same period 64 tenders were awarded at a cost of RO184,404,175.

Despite the rise in the number and cost of tenders invited and awarded in 2005, 2006 has, so far,

seen a significant increase, compared with the previous year's totals.

Oman Centre for Investment Promotion and Exports Development (OCIPED).

OCIPED is a quasi-public sector organisation whose objective is to promote investments inside Oman and to encourage and develop the potential of all non-oil exports of Omani origin. Since it was established in 1996, OCIPED has established a network of representatives in more than 25 countries around the world.

The Capital Market Authority

The Capital Market Authority (CMA) was set up as part of the process of restructuring the securities market under Capital Market Law, promulgated under Royal Decree No. 80/98 on 9th November 1998. Its board of directors is chaired by the Minister of Commerce and Industry.

The CMA has a monitoring role to help ensure maximum transparency in the securities market's dealings and takes all the necessary measures to improve capital market performance, protect investors and maintain confidence in the market's operations.

Under Article 5 of the Capital Market Law, companies trading on

Muscat Securities Market (MSM) are required to submit regular reports on their activities and trading results to the CMA, including details of their financial positions. The CMA also has a critical role in overseeing MSM operations and regulating the monitoring, issue and trading of securities, including the adoption of measures or decisions aimed at safeguarding the interests of investors and the national economy.

Oman Charitable Organisation (OCO)

The Oman Charitable Organisation (OCO) performs a range of charitable works with the aim of helping those in need at home and abroad. In 1999 the OCO provided assistance for the Kosovo refugees and over recent years it has given regular donations to the Palestinian people. It also offers emergency funds to cope with disasters or accidents, such as the tsunami. The OCO also supports social welfare projects, programmes and related charitable activities for various categories including children, orphans, the disabled and the elderly. The chairman of the OCO is the Minister of Legal Affairs.

The State Audit Institution

The State Audit Institution - an

independent institution with financial and administrative independence - was set up under Royal Decree No 95/99 on 22nd November 1999 to replace the State Audit Secretariat-General. It aims to raise the performance levels of its staff and ensure that they carry out their designated duties with maximum efficiency.

Public Authority for Craft Industries (PACI)

The Public Authority for Craft Industries (PACI) was established in 2003 as an independent legal entity overseen by the Diwan of Royal Court. Its responsibilities encompass every aspect of the craft industry sector with the aim of promoting the survival and growth of Oman's traditional crafts and trades as well as ensuring that they can operate as productive industries capable of attracting a new generation of craftspeople.

PACI is administered by a board headed by its Chairperson, Sheikha Aisha bint Khalfan bin Jamil al Siyabiyah, who has the rank of minister.

The Supreme High Committee for the Five-year Development Plans

This Committee was formed under the Chairmanship of HH Sayyid Fahd bin Mahmoud Al

Said, Deputy Prime Minister for the Council of Ministers, to set out the Plan's basic principles and financial framework in the light of His Majesty the Sultan's directives, and to predict the range of oil prices expected over the years of the Plan so that it could identify the best available options for channeling estimated available oil resources and anticipated expenditure into every area of the country's development. Its members include HE Chairman of the State Council and HE Chairman of the Consultation/Shura Council, in addition to a number of ministers and under-secretaries.

Information Technology

Authority (ITA)

The Information Technology Authority (ITA), which was set up under Royal Decree No. 92/2006 on 31st May 2006, comes under the Ministry of National Economy. It is a financially and administratively independent legal entity.

The Businessmen's Council

Sultan Qaboos regards the private sector as having a major role to play in developing the national economy and accordingly, the Businessmen's Council was set up by Diwan Decision No. 3/99, issued by the Minister of the Diwan of Royal Court on 22nd

November 1999.

The Businessmen's Council, which has 16 members including one woman, elected Sheikh Yaqoub bin Hamad al Harthy as its Chairman. Membership is for an initial three year period and renewable.

The Council is responsible for liaising between the government and the private sector in all fields related to the country's economic development, including the expansion of trade, industry, tourism and investment. It proposes ways of encouraging investment and creating new opportunities, promoting manpower development and expanding public participation in economic activities in general. Its proposals and recommendations are forwarded to the Ministry of National Economy.

Omani Shura (Consultation)

Although Oman's approach to Shura (consultation) is derived from the Sultanate's oldest traditions, over the years it has been honed and refined to meet the requirements of the present day. While retaining a distinctly Omani character, it has developed significantly to ensure that every Omani citizen of 21 years and above can, by using his or her vote, play a role in shaping the course of the country's development. Oman adopts a

**His Majesty Sultan Qaboos
Bin Said Al Said
Sultan of Oman**

**Speech Before
The Opening of the Annual Session of
The Council of Oman
Saturday 27 Sha'aban, 1426 AH
Corresponding to 1st October 2005**

In the name of God, the Compassionate,
the Merciful

Praise be to God who has bestowed
His grace and given His bounty. Praise be
to God who has predetermined and guid-
ed, and may Blessings and Peace be upon
the chosen Prophet.

Dear Citizens,

As we celebrate the march of our
blessed Renaissance, with God's will, we
recall the achievements made in various
spheres in this blessed land which were
aimed at realising one noble goal - the
building of the modern Omani who has
faith in God, preserves his identity, keeps
abreast of up-to-date techniques, science,
culture and arts, and who takes advan-
tage of the bounty of modern civilisation
in order to build his country and to devel-
op his society.

At the same time, we reaffirm our
resolve to continue to work for more
progress in the field of development and
construction, prosperity, security and sta-
bility; with God's help.

The previous period has witnessed,
through the implementation of various
plans and programmes, the accomplish-
ment of the goals of the blessed
Renaissance which we have always set
our sights on since the first day it
dawned.

They are inspired by four fundamental
principles, which are:

1. The development of human resources
2. The development of natural resources
3. The building of the infrastructure
4. The establishment of the State's institu-
tions

Praise be to God, during the compre-
hensive development march and with
determination, diligence, patience and
persistence, many achievements have
been possible in each of these areas in
which we take pride, particularly in the
field of the development of human
resources.

We did – and still do – firmly believe
that the development of these resources is
the cornerstone of the development
process in any society because the human
being – as we have always stressed on dif-
ferent occasions – is the ultimate goal and
aim of development as well as being its
means and its producer.

As long as society succeeds in raising,
developing, qualifying, training, enhanc-
ing skills and diversifying the experience
of its human resources, success is guaran-
teed in building a modern state with
progress in all aspects of life.

We thank God the Almighty for grant-
ing us success in spreading education at
all levels and in all its many branches,
accompanied by training programmes
which are provided by the government
and private educational institutions to
which the government sends our sons and
daughters to qualify in different speciali-
sations. This has provided them with
greater and more opportunities to acquire
knowledge and practical training, which
in turn has prepared them to enter the
labour market and to contribute to the
building of society.

In this respect, we would like to point
out that the government has made great

efforts over the previous period to provide opportunities for the qualification and training of Omani youths, boys and girls.

However, we have observed through our continuous follow-up and monitoring of the successive stages of social development that some members of society have not been able to utilise their inner abilities and financial capabilities to improve themselves and develop their skills to avail themselves of suitable job opportunities.

Thus, it has become necessary to assist them to obtain the qualifications and training they need.

We therefore instruct our government to set up a suitable mechanism through which assistance can be provided to this sector enabling them to obtain useful occupations. Thereby – God willing – they can benefit from the job opportunities that are available.

We would like to reiterate that in order to realise our hopes and inspirations and for our plans and programmes to succeed, co-operation is imperative between all of our citizens, led by the private sector and the various organs and departments of the government, in order to carry out these plans and future programmes in a spirit of responsibility and awareness.

Such co-operation would yield more progress, advancement, growth and prosperity. We are very pleased with the sincere desire demonstrated by the private sector to provide job opportunities for citizens and we call on it to intensify its initiative in this regard.

We also urge Omani youths, both male and female, to take advantage of these opportunities and endeavour to settle and stay in an available job in order to gain experience and skills that will be of mutual benefit, and in the public interest.

This will prove that the Omani worker

is serious, dedicated, punctual and capable of shouldering responsibilities. Only through this the Omanisation policies and plans will bear fruit, God willing.

Dear Citizens,

The road is long and the goal is far. However, we are confident that this dear country has the necessary cultural and historical elements, and hopes and aspirations for the future, that will enable it – God willing – to implement its domestic and foreign policies, and the principles of which are now clearly defined, praise be to God.

We believe that non-interference in the internal affairs of other states, respect for charters and conventions, and compliance with international law will – without doubt – lead the world to a more harmonious state which safeguards the interests of all nations.

It is something that we have always called for through dissemination of the culture of tolerance, peace, co-operation and understanding between all nations. We also hope that this will lead to the eradication of the many causes behind violence and instability.

Dear Citizens,

To conclude, we would like to salute and extend our greetings and appreciation to our gallant armed forces and alert security services for their efforts and dedication in carrying out their assigned duties, affirming that we will continue to extend our care and attention to them.

We pray for the Almighty's assistance to make our Renaissance a success.

May God bless you and may peace be upon you, and the Mercy of God and His blessings.



bicameral system which provides the populace with an opportunity for shura/ consultation.

The Council of Oman (*Majlis Oman*)

The Council of Oman (*Majlis Oman*) is made up of members of the State Council (*Majlis A'Dawla*) and Consultation/Shura Council (*Majlis A'Shura*) as stipulated in Article 58 of the Basic Law of the State. It assists the government in

drawing up the general policies of the state. The Council meets at the request of Sultan Qaboos, to study and discuss matters raised by him, taking all its decisions on the basis of a majority vote. Sultan Qaboos addresses all the members of this Council on an annual basis.

The State Council (*Majlis A'Dawla*)

The State Council (*Majlis A'Dawla*) is a financially and



His Majesty makes his annual speech to members of the Oman Council (Majlis Oman) on 1st October 2005

administratively independent legal entity based in the Governorate of Muscat. It plays an important role in national development by acting as a link between the government and the people. Its Chairman and members are appointed by Royal Decree from Omani nationals of not less than 40 years of age with good social standing and reputation. Members have often included former ministers, ambassadors and under secretaries. The number of

State Council members must not exceed the number of Consultation/Shura Council members and it is not permitted to combine membership of the State Council with membership of the Consultation Council or public office, except under special conditions where a member might be requested for his or her expertise in a particular field.

The State Council has an annual session with duration of not less



than eight months. It reviews matters referred to it by the Sultan, drafts laws before promulgation and prepares studies on development-related issues including human resources. In 2006 the *Majlis A'Dawla* had 59 members of whom nine were women. Membership is for a four-year period and renewable.

The Consultation/Shura Council (Majlis A'Shura)

The Consultation/Shura Council (*Majlis A'Shura*) was established in 1991 and evolved from the State Consultative Council, which had been in operation for a decade from 1981 to 1991.

While members of the State Consultative Council had been appointed by Sultan Qaboos, the members of today's Consultation Council are representatives of the Sultanate's districts, elected by Omani citizens in general elections where women vote and stand for office on an equal footing with men. There have been women members of the Consultation Council since 1994; Omanis were the first women in the Arab Gulf Co-operation Council (AGCC) states to enjoy this right. Two women were elected to the Council's fifth term (2004-2007) in the October 2003 general elections.

The Chairman of the State Council (Majlis A'Dawla) with some of the members. This Council assists the government in drawing up general policies

Oman's Consultation Council is a financially and administratively independent legal entity based in the Governorate of Muscat. Its role and functions have been reinforced over the years to keep pace with the needs of Oman's rapidly changing society.

A *wilayat* with a population of 30,000 or above is represented by two members, while a *wilayat* with fewer than 30,000 inhabitants is represented by just one. The winning candidate is the one who obtains the greatest number of votes according to the official election results.

During its fifth term (2004-2007) the Consultation/*Shura* Council has 83 members including two women.

Omani citizens are eligible to stand as candidates for the Consultation Council provided that they are Omani nationals, as defined by the law, not less than 30 years old and of good social standing and reputation in their *wilayats*. A candidate must not have been convicted of a crime, indecency or dishonesty unless he or she has been completely reinstated, and he or she must have a reasonable standard of education and appropriate practical experience.

Membership of the Consultation Council is for a peri-

od of four years and is renewable. The next election of members is due to take place in 2007. A member may not combine membership of the Consultation Council with membership of the State Council or public office. The Chairman of the Consultation Council is appointed by Royal Decree.

The *Majlis A 'Shura* enjoys wide-ranging powers under the law. The range of legislative, economic and social powers enjoyed by the Consultation Council enable it to fulfil its role of broadening popular participation in shaping and directing the course of the country's development.

The Consultation Council operates through a system of established channels and procedures, which involve making the maximum use of the expertise of ministers while taking into account the effects on the general public of any decision making resulting from such consultation. The *Majlis A 'Shura* debated the draft Seventh Five-year Plan (2006-2010) and the 2006 draft General State Budget.

As far as the Council's organisational system is concerned, the Chairman has two Deputy Chairmen who are elected from the Council membership. The Council has several standing

committees: the Legal Committee, the Economic Committee, the Health and Social Affairs Committee, the Education and Culture Committee and the Services and Local Community Development Committee. Special committees have also been set up to deal with national manpower employment programmes and the tourism sector. These special committees cease to exist when they have fulfilled the functions for which they have been set up.

6th Term Elections, 2008-2012

The elections will take place in October 2007. However, prior to this a "Get Out and Vote" campaign will be launched by the Ministries of Information and Interior, the aims of which will be to encourage all eligible Omanis to register to vote towards the end of the year, and also to familiarise them with the voting procedures.

Co-ordination with other institutions

The government works in close co-operation with the State Council (*Majlis A'Dawla*) and the Consultation Council (*Majlis A'Shura*) in the interests of the country and its citizens. On the

Sultan's instructions an annual meeting is held between the members of the Council of Ministers, the State Council and the Consultation Council to promote closer and broader contacts between the members of all



three bodies. The latest of these, which took place at the Diwan of Royal Court building on 24 December 2005, was an open meeting that provided an opportunity for all comers to exchange views.



A meeting of the members of the Consultation Council. The next election, for a 4-year term, of its members will take place in 2007

During the year Consultation Council members have the opportunity to question Ministers. Here the Minister of Tourism takes her turn

External activities

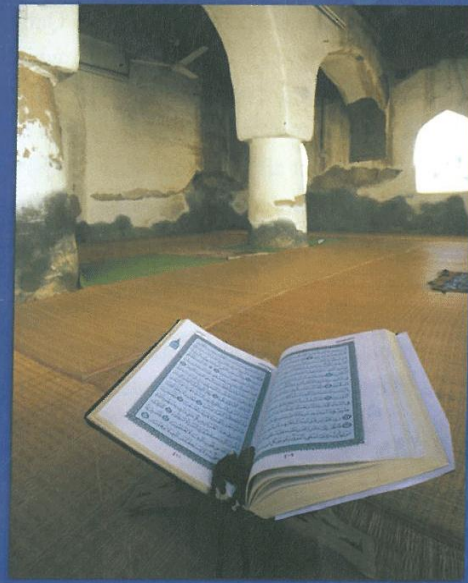
The Consultation/*Shura* Council (*Majlis A'Shura*) takes part in activities and meetings of Arab, Islamic and international parliamentary unions, as well as exchange visits with parliaments and similar bodies in Arab and foreign states. In doing so its aim is to strengthen Oman's relations with other countries and contribute to efforts to deal with issues of concern to the states and peoples of the region.

In this connection the Chairman of the Consultation Council attended the first preparatory session of the Arab transitional parliament at the Arab League on 27th and 28th

December 2005 where Oman's representatives were nominated for membership of the Arab transitional parliament. Omani representatives also attended meetings of the Arab Parliamentary Union in Jordan in February 2006. The Council Chairman participated in both the eighth council session and the fourth conference of the Organisation of Islamic Conference's union of councils of member states in Turkey in April 2006.

Council members also travelled abroad to promote Oman as a centre of regional stability and have enthusiastically received return visits from dignitaries from around the globe.





Religion and the Law

RELIGION and THE LAW

Tolerance has been a feature of Omani society for centuries as is reflected in the government's open-minded attitude towards religion. The Sultanate runs on an Islamic system with the basis of its legislative structure rooted in Islamic Sharia law. In Islam, religion and the law are inextricably bound together.

Omanis reject all forms of fanaticism and extremism, instead supporting freedom of thought and belief, as enshrined in the Basic Law of the State.

Article 28 of the Law affirms: "the freedom to practise religious rites in accordance with established custom is guaranteed provided it does not infringe on public order or decency."

Members of religions other than Islam who reside in Oman are free to practise their faith in their own places of worship.

There are five tenets, or pillars of Islam, which are the foundations of Muslim life; these include faith in the oneness of God and the finality of the Prophet Muhammed; daily prayer; *zakat* or almsgiving; self-purification through fasting, especially during the Holy month of Ramadan and pilgrimage to Mecca, for those who are able.

The Ministry of Awqaf and Religious Affairs upholds, pro-

motes and regulates religious activity and religious institutions. The approach it adopts is based on a proper understanding and appreciation of Islamic religion, beliefs and heritage. The Sultan Qaboos Grand Mosque and the Sultan Qaboos Centre for Islamic Culture, which now has an Arabic only website (www.sqic.gov.om), play an active part in promoting this approach; both host lectures by religious scholars, academics and specialists - both Muslim and non-Muslim - from various parts of the world, as well as organising seminars and symposiums, as part of a programme of activities organised in conjunction with the Ministry of Awqaf and Religious Affairs. A number of seminars held as part of the year of "Muscat - Arab Culture Capital 2006" attracted several leading international scholars, including the Melkite Catholic Patriarch, Gregorius III Lahham, who gave a lecture at the Sultan Qaboos Grand Mosque in April 2006, entitled "The Arab Christian Identity".

The government also promotes Arab and Islamic studies and encourages dialogue with other cultures through its links with prominent universities around the world, including Harvard in the United States, Cambridge in the United Kingdom, Melbourne in



His Majesty joins the Eid Al Adha prayers at the Mu'askar al Murtafa'a Mosque in Seeb

*(Overleaf)
An aerial view of the Sultan Qaboos Grand Mosque, inaugurated in 2001*

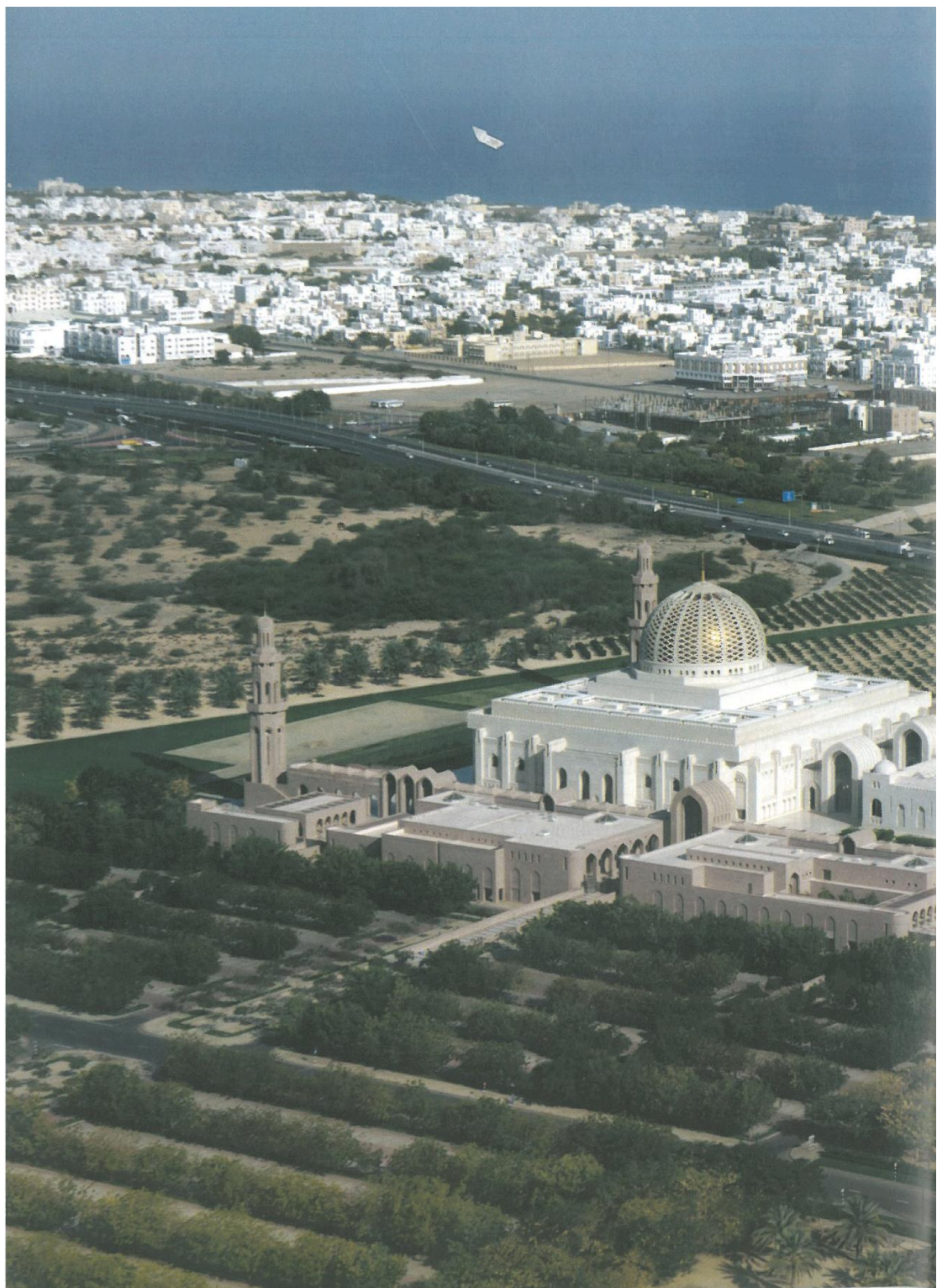
Australia and Utrecht in the Netherlands.

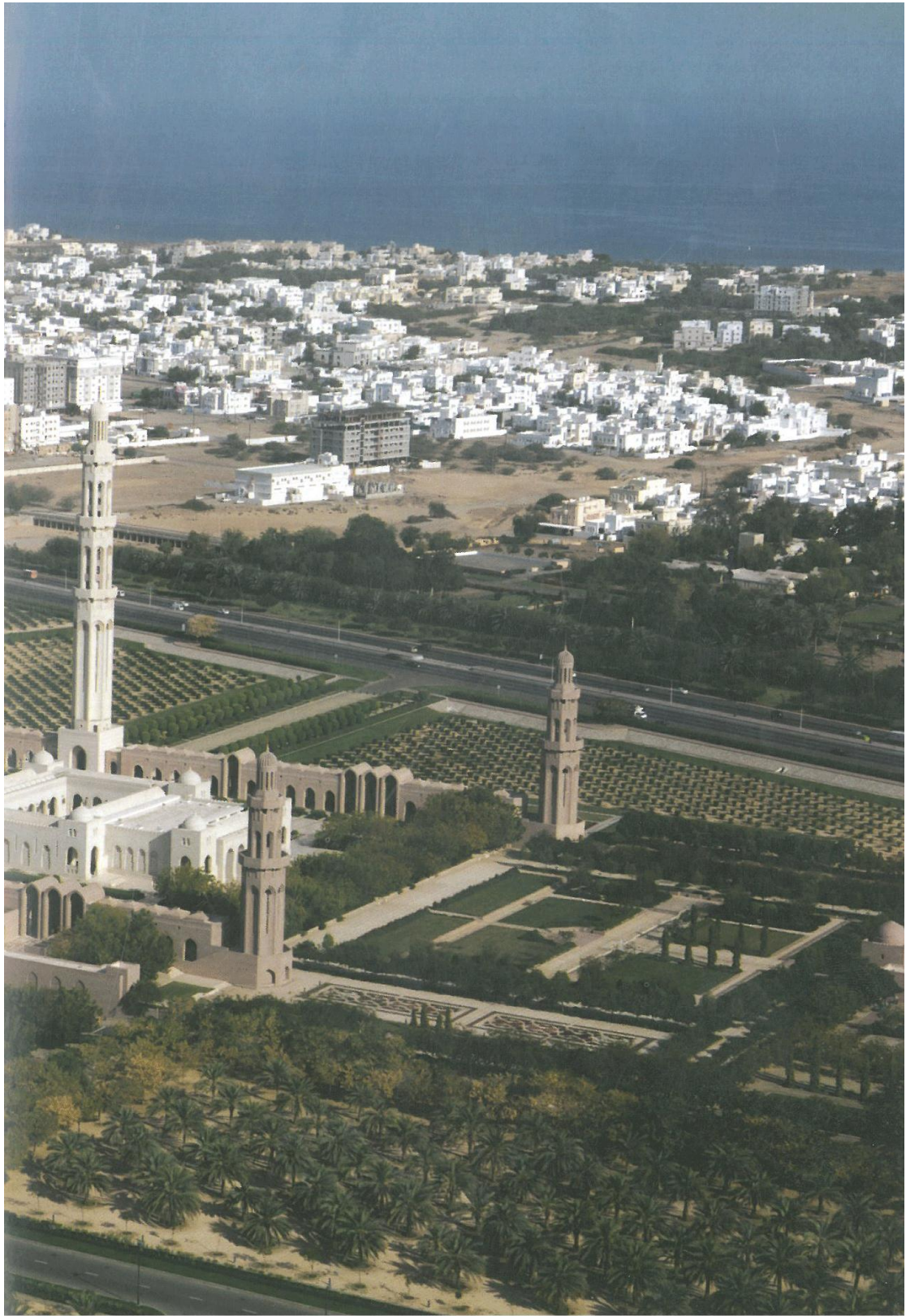
One of the Ministry's main functions is the construction and maintenance of Oman's 13,182 mosques. It also makes the necessary arrangements for Omani citizens and other Sultanate residents to perform the Hajj and 'Umrah pilgrimages, and sponsors the Qur'an memorisation schools and summer study centres, of which there are around 1,000 throughout the country. The Ministry provides Muslim women with advice and guidance and its internet website, which handles queries and problems, is being upgraded to deal with a growing demand for its services.

Improved Information

Technology is being installed in all the Ministry's departments and an electronic library project is under construction. The Ministry publishes the quarterly magazine "Al Tasamuh" (Tolerance), which includes articles by leading Arab and foreign writers and thinkers, as well as a range of religious books and research papers.

The Office of His Eminence the Grand Mufti of the Sultanate plays an important part in the propagation of religious knowledge and represents the Sultanate at various religious events and conferences around the world. It also publishes Sharia *fatwas* (religious opinions).





The Ministry of Awqaf and Religious Affairs oversees the Institute of Sharia Sciences, which trains imams and preachers and awards degrees in Islamic jurisprudence and missionary work.

The development and investment of *awqaf* (religious endowments) and *Bait al Mal* (Treasury) funds in productive projects also come under its jurisdiction. The Ministry also receives charitable *zakat* payments and distributes them to eligible recipients.

THE RULE AND SOVEREIGNTY OF THE LAW

The rule and sovereignty of the law, the independence of the judiciary, justice, as well as equality and respect for the rights of citizenship, are firmly engrained in Omani society and form the cornerstones of the country's state institutions.

Article 59 of the Basic Law of the State stipulates: "the sovereignty of the law shall be the basis of government in the state, and the integrity, impartiality and probity of the judiciary shall be a guarantee of rights and freedoms."

The creation of a modern, integrated judicial authority that protects the status of the judiciary and upholds the independence of the courts, while

enabling citizens to exercise their right to litigation, has been an important achievement. Article 60 of the Basic Law of the State stipulates: "Judicial power is independent and vested in the Courts of Law, of whatever type or status, which issue their judgements in accordance with the Law."

Article 61 guarantees the independence of the courts stating: "There is no power over the judges in their rulings except the Law." In parallel with this, the Basic Law of the State provides strong safeguards to guarantee the rights of the individual citizen. An accused person is deemed innocent until proven guilty by trial and it is forbidden to subject any accused person to physical or psychological abuse. All punishment must be in accordance with the Law, before which all Oman's citizens are equal. These and other safeguards, are covered in Articles 17 to 27 of the Basic Law of the State.

In addition to the Judicial Authority Law of 1999 and the issue of the amendments to it in 2001, other laws have been enacted, to ensure the system remains compatible with the requirements of a 21st century state.

The Supreme Court

The Supreme Court, based in Muscat, is the highest Omani court and consists of a president and a number of deputy presidents and judges. It rules on disputes over the extent to which laws and regulations comply with the Basic Law of the State and its provisions. It also rules on appeals.

The Supreme Court has a technical office with a number of judges who extrapolate legal principles from the Court's rulings, issue collected rulings in classified form and prepare legal studies. The office also publishes a periodical devoted to judicial matters and legal research.

The President of the Supreme Court heads the judiciary's Administrative Affairs Council, which is responsible for considering appointments, promotions, transfers, secondments and all other aspects of personnel affairs. A Directorate-General of Judicial Inspection comprises judges of the Supreme Court and the Courts of Appeal.

The Courts of Appeal

There are six Courts of Appeal - in Muscat, Sohar, Nizwa, Salalah, Ibra and Ibri. They consider appeals against rulings delivered by the Courts of First Instance.

The Courts of First Instance

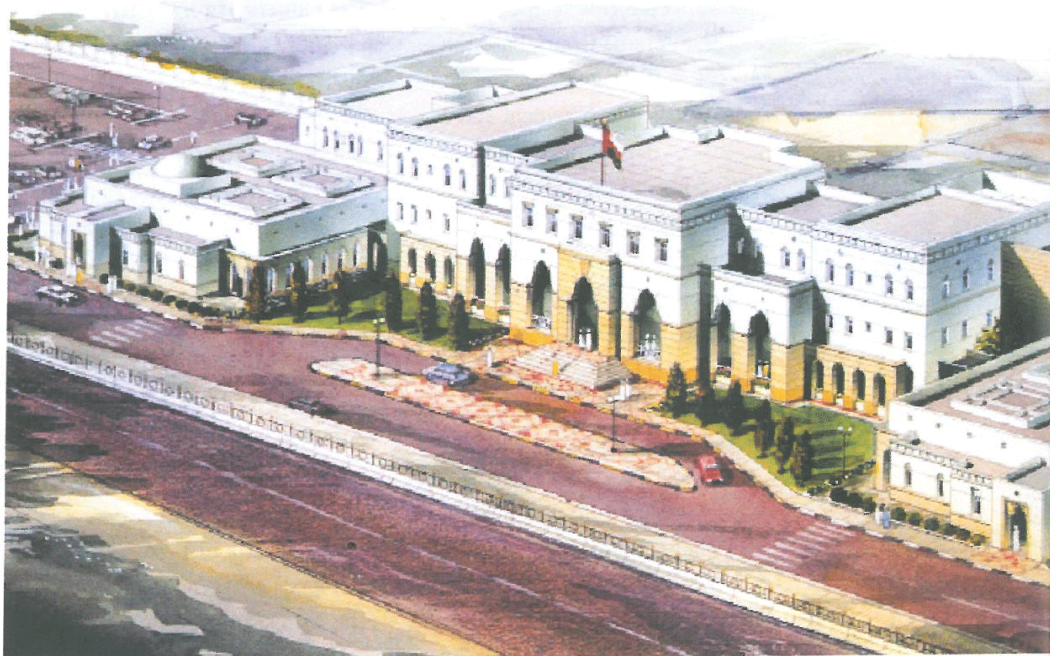
There are 40 Courts of First Instance in various districts around the country. They are responsible for ruling on civil and commercial cases, requests for arbitration, personal status cases and general, labour, tax, rent and other cases filed before them.

The Courts of First Instance consist of several specialised circuits whose rulings are issued by a single judge. Criminal circuits are set up under the jurisdiction of the Courts of First Instance on the basis of a decision issued by the Minister of Justice.

In addition to their single-judge circuits, the Courts of First Instance in Muscat, Sohar, Nizwa, Salalah, Ibra, Ibri, Mahawt and Daba, also have three-judge circuits with responsibility for certain categories of cases.

The Civil and Commercial Procedures Law promulgated under Royal Decree No. 29/2002 regulates the operations of the different courts, with the exception of the criminal circuits, whose operations are regulated by the Criminal Procedures Law.

The Ministry of Justice trains the personnel employed at the courts, as well as the notaries-public.



The Administrative Court

The Administrative Court is an independent judicial body established to rule on disputes in which the administration is one of the parties involved. It hears claims filed by civil servants and other cases that fall within its jurisdiction.

The State Security Court

The State Security Court was established in 2003 as an independent judicial body operating under the State Security Court Law promulgated by Royal Decree No. 64/2003 on 23/9/2003. It deals with issues of national security and matters relating to highly placed officials or government offices.

The Public Prosecutor's Office

The Public Prosecutor's Office is responsible for bringing general cases in the name of society and oversees law enforcement affairs in the different regions of the country. Its powers include the authority to enforce criminal laws, pursue the guilty and implement rulings in accordance with the Law. The Public Prosecutor's Office employs highly trained nationals, including a number of women.

The Public Prosecutor's Office Law was promulgated under Royal Decree No. 92/2001 when a Public Prosecutor and a deputy were appointed.



The concept design for all future courts which are to be built country-wide

The right of defence

An accused person's right of legal representation during trial is guaranteed under Article 23 of the Basic Law of the State, which stipulates: "The accused has the right to appoint a person who has the ability to defend him during the trial... and guarantees those without the financial capacity the means of recourse to justice and the defence of their rights."

The Legal Practice Law, which has been in force for over ten years, regulates the activities of the legal profession and defence before the Omani courts. Under the Seventh Five-year Plan (2006-2010) the judicial sector will see improved facilities ranging from the installation of cutting edge IT systems in its offices to the construction of new court buildings in various parts of the country, as well as a Higher Judicial Institute, which will train assistant judges after they have obtained their first university degrees in Sharia and the law.

The military courts - as Article 62 of the Basic Law of the State decrees - are responsible solely for dealing with military crimes committed by members of the armed forces and security forces.

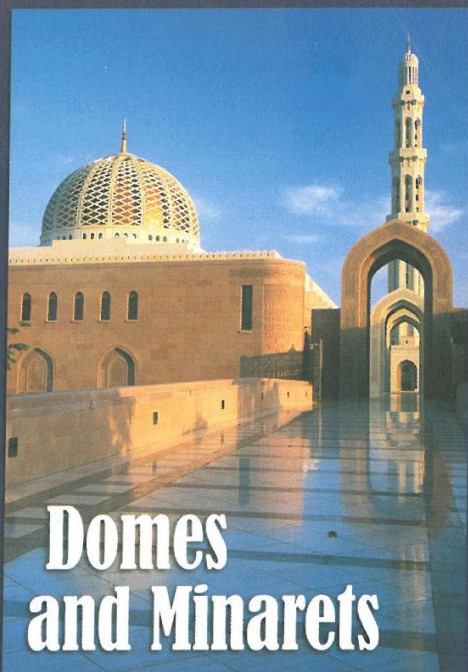
Legal Affairs

Oman's legal and legislative

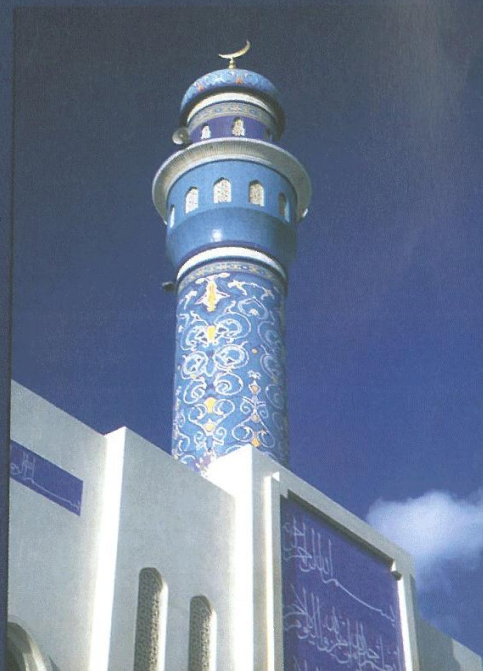
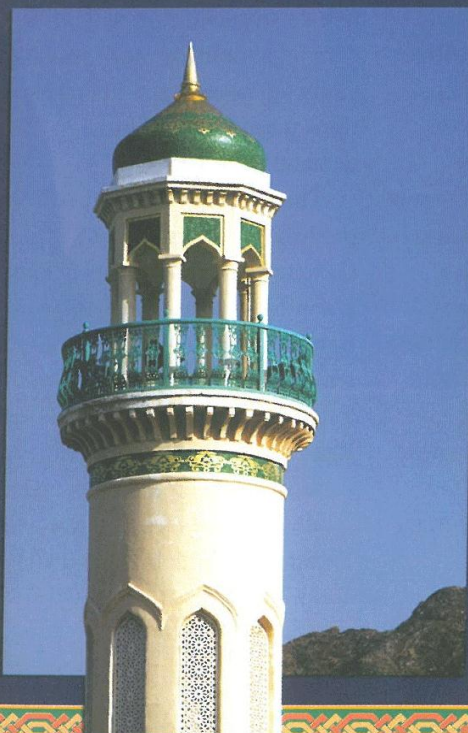
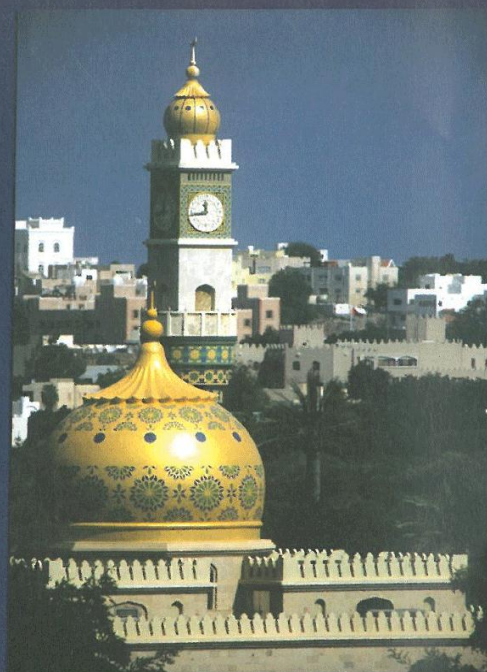
system developed over a succession of stages before reaching its present level, ensures justice and guarantees the rights of the individual and society. Laws are promulgated by Royal Decrees, which in turn derive their authority from the Basic Law of the State.

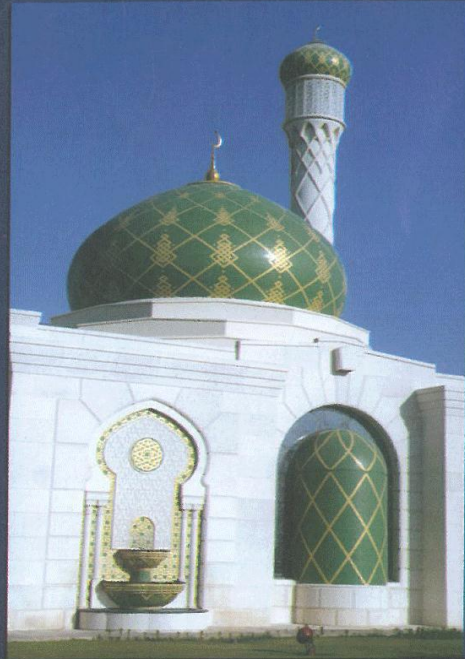
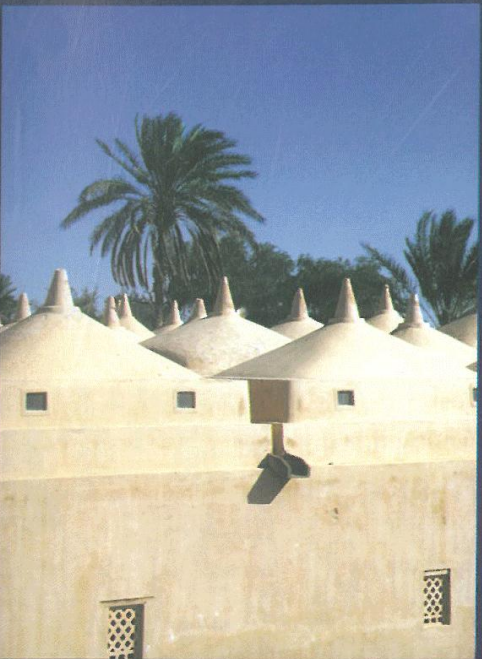
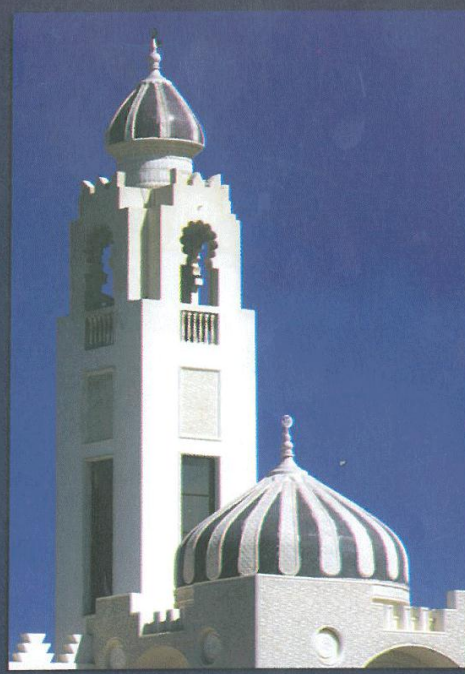
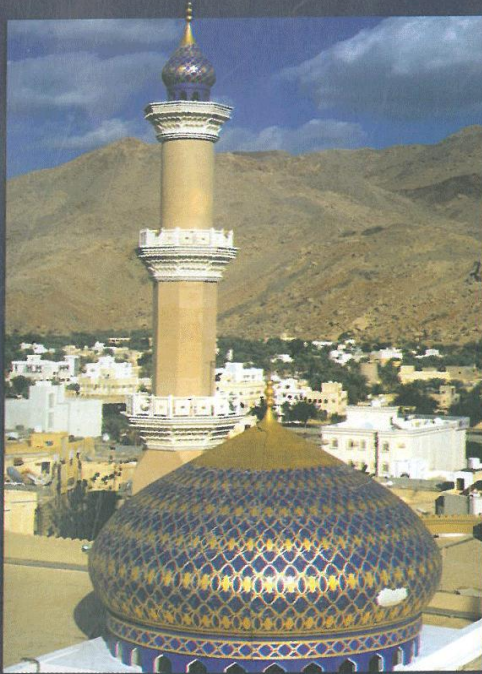
In order to keep pace with the ever changing demands of the modern world, the Ministry of Legal Affairs prepares and revises draft laws, other draft decrees, international agreements and contracts in which the government is one of the contracting parties, this process is ongoing. The Ministry also gives its legal opinion on matters put forward by other ministries and administrative departments and may also give legal opinions and issue officially approved legal interpretations when circumstances demand.

The Ministry of Legal Affairs publishes the fortnightly "Official Gazette", which contains details and official texts of new legislation; it also compiles, collates and publishes annually bound volumes of statutes, a volume of legal opinions derived from legal rulings and interpretations and a guide to Royal Decrees, laws and decisions in both book and CD form.



Domes and Minarets









Foreign Affairs and Media

FOREIGN AFFAIRS

Promoting prosperity, peace and stability

Oman's foreign policy is based on a clearly-defined set of principles that encourage the building of bridges with other nations and, wherever possible, the opening up of opportunities for increased co-operation.

The Sultanate has sought to play a constructive and influential role in the international arena, applying principles which form the basis of international law and legitimacy, such as respect for sovereignty, non-interference in the internal affairs of other states, a commitment to good neighbourly relations and the resolution of all differences and disputes by peaceful means.

By fostering peace, security, stability and confidence at home and with its neighbours, Oman's foreign policy has evolved to become an instrument for promoting economic and social development.

Gulf Relations

The Sultanate enjoys a special relationship with its fellow Arab Gulf Co-operation Council (AGCC) member states (Bahrain, Kuwait, Qatar, Saudi

Arabia and the UAE), with which it shares strong traditional ties. The AGCC Supreme Council's advisory body is based in Muscat and the country enjoys the trust and respect of other member states.

The Sultanate is a staunch and active champion of Gulf identity and citizenship, it welcomes the increased co-operation between the AGCC member states and the Republic of Yemen, and enjoys excellent relations with its neighbour, the Islamic Republic of Iran.

Sultan Qaboos attended the 26th Arab Gulf Co-operation Council Summit in Abu Dhabi on 18 and 19 December 2005 - the "Fahd Summit" - and earlier in the year visited Abu Dhabi and Dubai in the United Arab Emirates followed by the State of Qatar in May, the Kingdom of Saudi Arabia and the State of Kuwait in June.

Visitors to the Sultanate included Sheikh Khalifa bin Zayed, President of the UAE, in January 2005, and HH Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice-President and Prime Minister and Ruler of Dubai on two occasions. HH Sheikh Hamad bin Khalifa Al Thani, Emir of the State of Qatar, in March, and HH Sheikh Salman bin Hamad Al Khalifa, Bahrain's Crown Prince

His Majesty with his brothers, the leaders of AGCC states, at their Summit in 2005

and General Commander of Bahrain's Defence Forces in November 2005. HM King Hamad bin Issa al Khalifa of Bahrain visited on 1/1/2006 and on 21/05/2006 HH Sheikh Hamdan bin Zayed al Nahyan, the UAE's Deputy Prime Minister arrived to meet His Majesty.

Oman's Deputy Prime Minister for the Council of Ministers, Sayyid Fahd bin Mahmoud Al Said, attended the 8th AGCC Consultative Summit in Riyadh on 6th May 2006, while Sayyid As'ad bin Tariq Al Said, attended the third extraordinary Islamic Summit in Makkah on 8 December 2005.

There were a number of exchange visits between the Sultanate and the AGCC states, the Republic of Yemen and the Islamic Republic of Iran, during which views were exchanged on a range of bilateral, Gulf, regional, and other issues. The Sultanate opened a Consulate in the Saudi city of Jeddah in 2006, to reinforce the close and growing relationship between Oman and the Kingdom.

Arab world relations

The Sultanate supports joint Arab action through the Arab League and initiatives to improve the League's performance and

make it more effective. At the same time it attaches great importance to developing its own relations with other Arab states, whether bilaterally or collectively, and joint committees between the Sultanate and various other Arab countries play an important part in promoting this agenda.

In working for peace and stability in the Arab region, Oman strongly backs the Palestinian people's efforts to gain their legitimate rights and gives wholehearted support to their efforts in the regional and international arenas. It condemns Israel's repressive practices, which increase tension in the Occupied Territories, and calls for the implementation of international resolutions and the establishment of an independent Palestinian state. Palestinian President Mahmoud Abbas visited Muscat in December 2004 and Khalid Mashaal, head of the Hamas movement's political office, visited in April 2006.

With regard to developments in Iraq, the Sultanate supports the current political process there, which aims to achieve the stability necessary to enable the new Iraqi government to achieve national unity and territorial integrity. The Sultanate supports all efforts to rebuild the country and bring its'









His Majesty receives the Lebanese Prime Minister, Fouad Seniora, in December 2005

Top left: His Majesty has discussions with HM Hamad bin Issa al Khalifa, King of Bahrain

Bottom left: His Majesty discusses matters of mutual interest with the Vice-President of the UAE, HRH Sheikh Mohamed bin Rashid al Maktoum during a visit to Salalah

people relief from suffering.

King Abdullah II bin al Hussein of the Hashemite Kingdom of Jordan visited the Sultanate in March 2005 and Sultan Qaboos visited the Arab Republic of Egypt in May the same year. The Sultanate received visits from Tunisian Prime Minister Mohammed al Ghannouchi in September 2005 and Lebanese Prime Minister Fouad Seniora in December. There were also numerous additional exchange visits at ministerial and other levels.

HH The Deputy Prime Minister for the Council of Ministers and his delegation attended the 18th

Arab Summit which was held in Khartoum, Sudan on 28/03/2006.

The Sultanate hosted a range of activities, including Arab economic, cultural, tourism, scientific and art forums, as part of its "Muscat - Arab Culture Capital 2006" programme, where Muscat was able to showcase some of the country's most dazzling cultural treasures.

World-wide relations

The Sultanate believes it is essential to maintain contacts and dialogue with other states and peoples for the sake of continued mutual understanding and co-operation. It supports all sincere efforts to develop closer relations or



resolve differences through dialogue and within the context of international law and legitimacy, believing the establishment of peace and stability can best be achieved through tolerance and recognition of common interests

This is the inspiration behind Oman's active role in the United Nations and international organisations such as UNESCO, the World Health Organisation (WHO) and the World Trade Organisation (WTO), which Oman joined some years ago. It can also be seen in its extensive diplomatic relations with countries around the world.

Oman was unanimously elected by UNESCO's executive council

to chair the 33rd session of the organisation's General Conference in Paris, attended by all 191 member states, in October 2005, when Sultan Qaboos gave a statement to the Conference.

The Sultanate was also represented at the United Nations World Summit in September 2005 where, in a prepared speech, the government in Muscat reaffirmed its rejection of terrorism and confirmed its belief that the time had come to: "implement an international strategy for the prevention of terrorism, based on co-operation and exchanges of information between states." It was, the speech noted, essential to "differ-

His Majesty meets the US Vice-President, Dick Cheney, on 20th December 2005



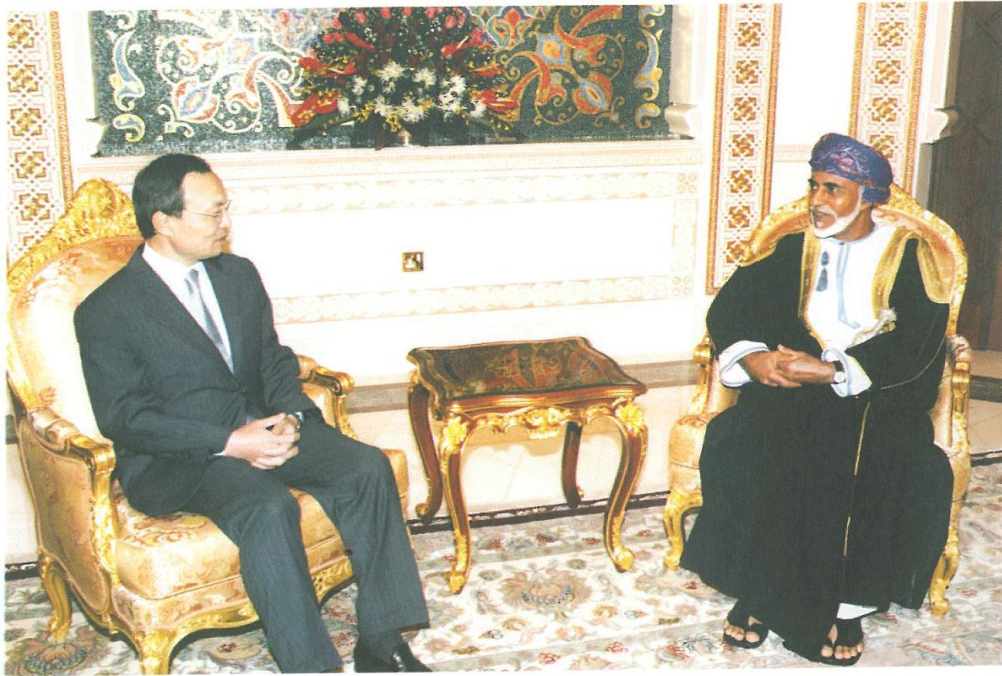
The Dutch Prime Minister and Minister of General Affairs, Dr Jan Peter Balkenende has an Audience with His Majesty the Sultan in November 2005

entiate between the legitimate right of self-defence and resistance to aggression, and outright acts of terror.”

The Sultanate also emphasised the importance of upgrading the UN’s organisations and institutions to all make them more effective in serving member states and in responding to the changing international situation. This process, it stressed, should be “continuous and all-embracing”.

International visitors to Oman, either to renew old acquaintances and friendships or to learn more about the country and its leadership, included former German Chancellor Gerhard Schroeder

(March 2005), International Atomic Energy Agency (IAEA) Director-General Dr. Mohammed El Baradei, Turkish Prime Minister Recep Tayyip Erdogan (September), Dutch Prime Minister Dr. Jan Peter Balkenende (14/11/05), US Vice-President Dick Cheney (20/12/05), Dr Frank Steinmeier, Foreign Minister of Germany and his delegation (21/05/06) and Spanish Foreign Minister Miguel Angel Moratinos in the same month.. Diplomatic relations were established with Uruguay in November 2005 and with the Central American Republic of Belize in March 2006.



*His Majesty meets
the Prime Minister
of South Korea, Lee
Hae-Chan, in
November 2005*

*His Majesty receives
Mdm Michel Elliott-
Marie, Defence
Minister, Republic of
France, who
delivered a message
from the French
President, Jacques
Chirac*

The economic dimensions of foreign policy

The Sultanate enjoys cordial relations with numerous countries around the world, its long history of trade links with other peoples, from China in the east to the United States in the west, is as relevant today as it was centuries ago. For Oman, these links have long been a determining factor in forming internal policies as well as executing its role in the regional and international arenas.

The Sultanate enthusiastically supports the Greater Arab Free Trade Organisation, its growing relations and co-operation with the Islamic Republic of Iran, and its continuing efforts to promote greater co-operation between member states of the Indian Ocean Rim Association for Regional Co-operation (IORARC), as well as with the United States; negotiations on a Free Trade Agreement between the Sultanate and the US have now been completed and the Agreement, due to be signed before the end of 2006, will open up further opportunities for the Omani economy.

Such developments have attracted an increasing flow of investment from the region and beyond, which, in turn, has funded several major industrial projects including schemes at Sohar

Industrial Estate and the other similar industrial zones in Sur, Salalah and Nizwa. Some of these projects are already up and running, helping to generate greater prosperity for Omani citizens.

Asian, East and Central African relations

Oman's relations with the countries of Asia and East and Central Africa go back a long way. The Indian Ocean was Oman's gateway to these regions centuries ago, when business between the indigenous populations and visiting Omani traders was brisk and lucrative. Today, those friendly relations have been renewed and, responding to the demands of globalisation, continue to blossom, serving mutual economic interests.

The Sultanate played a major role in setting up the Indian Ocean Rim Association for Regional Co-operation (IORARC) in 1997 and actively supports measures to promote economic co-operation between member states, particularly in trade, tourism, the sciences, marine transport and fisheries. The Association's Fisheries Support Unit was established in Muscat in 2005.

Oman joined the "Asian Co-

operation Dialogue” in 2003 and signed a declaration on a new partnership strategy between Asian and African states on 22/4/2005.

Diplomatic relations were established between the Sultanate and the Laos People’s Democratic Republic on 9 March 2005 and diplomatic representation with the Republic of Afghanistan was raised to embassy level on 25 March of the same year. Several exchange visits took place between Oman and Asian states during 2005, including visits to the Sultanate by Pakistan’s Prime Minister Shaukat Aziz in March, Thailand’s Prime Minister Dr. Thaksin Shinawatra in April, and the Azerbaijani Foreign Minister, Elmar Mammadyarov in the same month. The South Korean Prime Minister, Lee Hae-chan, visited in November. In March 2006 Pranab Mukherjee, India’s Defence Minister had the honour of an Audience with His Majesty.

The Secretary of the Chinese Communist Party Committee of Guangdong province, Mr. Zhang Dejiang, visited in June.

In September 2005, Oman’s Deputy Prime Minister for the Council of Ministers, and a high-level delegation, made a tour of Asia, visiting Thailand, South

Korea and China, with the aim of strengthening relations and expanding bilateral co-operation with those countries. The Gulf-Indian Businessmen’s Conference was subsequently held in Muscat, where the Muscat Declaration was issued on 26 March 2006, detailing plans to promote co-operation initiatives between businessmen in the AGGC states and their Indian counterparts.

Oman’s relations with East and Central Africa, which date back hundreds of years, continue to flourish; the Sultanate enjoys extensive ties with numerous countries in that region, including Tanzania, South Africa, Mauritius, Senegal, Ethiopia, Kenya, Zambia and others. These ties enable Oman to play a positive role in African affairs and to help open new horizons for even closer future relationships.

Oman enjoys good relations with over 140 countries around the globe and is a member of over 105 regional and international organisations.

THE MEDIA

Oman’s media enjoys credibility at home and abroad, its integrity won through consistently balanced reporting of a diverse range of issues. There is



Participation in international book fairs in various European and Arab countries takes place throughout the year

a strong belief, emanating from Sultan Qaboos himself that the media should act as a mirror reflecting the truth with candour and clarity, avoiding hyperbole and exaggeration at all costs.

The media has an important role to play in helping Oman strengthen ties with other nations by promoting closer co-operation and understanding. It continues to keep pace with the economic and social changes taking place in the country, while remaining committed to the Sultanate's heritage and traditions. Similarly, its coverage of events in the Gulf, the Arab

world and the international arena ensure that while retaining a strong national identity, Omanis are not strangers to global events or the concepts of constructive criticism and objectivity.

Sultanate of Oman Radio, Sultanate of Oman Television, the Omani press and Omanet have made impressive progress in recent years. Two agreements were signed in March 2006 for a complex of digital TV studios in Qurum, (and work has already started) and for the establishment of a radio transmission station (medium wave) in Al Buraimi to complement

the existing radio enhancement stations in Muscat, Salalah and Haima.

At the end of July 2006 the Holy Quran station was launched as part of Sultanate of Oman Radio, and by the end of the year the 2nd TV channel spotlighting youth issues will have been launched.

The Omani press has made considerable advances in improving its professional standards, both in the new technology it employs, and in the number of new magazines and newspapers being published in the country.

Royal Decree No. 95/2004, which promulgated the Law on Private Radio and Television Establishments, offered the private sector the opportunity to set up independent radio and television stations. Approval was subsequently granted for the establishment of a TV station and five radio stations, due to start transmissions soon. The Omani private sector has been publishing newspapers and magazines since 1970; these continue to increase in number and in the range of subject matter. Around 80% of the Omani media is owned by the private sector.

Ipdc

At the 25th session of UNESCO's International Programme for the Development of Communication (IPDC) in Paris earlier this year, the Sultanate was elected as a Deputy Head of the Programme's Executive Office and as the representative of the Arab group.

Sultanate of Oman Radio

Sultanate of Oman Radio began broadcasting on 30th July 1970 and now reaches the whole country; its satellite transmissions can be received around the clock and around the world. Around 90% of the programmes on its second 2006 schedule (from 1st April to 30th June 2006) were locally made.

Sultanate of Oman Radio broadcasts four simultaneous services - the Arabic general service, the Youth programme, the Foreign service and the Holy Quran service. Oman Radio transmits live coverage of important local events, for example covering National Day celebrations, important speeches by Sultan Qaboos given at various events, ministerial statements and selected Majlis A'Shura discussions with Council members among other

things. Recently these included live coverage of the "Muscat - Arab Culture Capital 2006" activities on an almost daily basis, not only in Muscat, but also at UNESCO's headquarters in Paris and in Tunis.

The Arabic service

Sultanate of Oman Radio's main Arabic service broadcasts round the clock. It transmits on 200 Kw medium-wave and broadcasts from its station in Seeb, on 100 Kw medium-wave it broadcasts from its station at al Awqad in the Governorate of Dhofar and on 100 Kw broadcasts from the station at Haima in the Wusta Region. It also transmits on short wave.

In view of the Sultanate's rugged terrain, over 120 FM stations of varying strengths boost radio transmissions to ensure they can be clearly received in every area. An agreement signed on 19 March 2006 to establish a hi-tech remote-controlled station - designed by Ministry of Information engineers - in Buraimi, will complete the country's network of enhancement stations.

The duration of Sultanate of Oman Radio's news bulletins has been extended to one hour

to include local and international news, economic updates, reports from a network of correspondents at home and abroad, press reviews and other topical items. There are three main news bulletins a day, in addition to hourly news summaries.

A wide variety of discussion and public participation programmes are broadcast live on air and deal with a range of social, economic, cultural, sports and heritage-related topics. In addition to these, the programme "Muscat - Arab Culture Capital 2006", which is broadcast in conjunction with the Youth programme every day except Thursdays and Fridays, covers the main Culture Capital events.

The Youth Service

The Youth Programme began broadcasting in July 2003 and audiences continue to grow; its transmissions reach over 80% of the country.

The Youth Service broadcasts on the FM band for eleven hours a day - from 1 pm to midnight. It is transmitted on 100 MHz in Muscat, as well as in Salalah, Thumrait, Mirbat, Sadah and Taqah in the Governorate of Dhofar. It can

also be received in the Batinah Region on 91.7, 101.5 and 103.6 MH, in Dhank in the Dhahirah Region on 91.2 MH, in Rakhyut and Dhalkut in the Governorate of Dhofar on 94.5 MH, in the Dakhiliyah Region and some districts of the Wusta and Sharqiyah regions on 98.8 MH, and in the Governorate of Musandam on 106.9 MH.

Apart from the "Muscat - Arab Culture Capital 2006" programme, broadcast live from Saturdays to Wednesdays in conjunction with the main Arabic Service, the Youth Service's main features cover a diverse programme schedule which can also be received by satellite and over the internet.

The Foreign Service

Sultanate of Oman Radio's Foreign Service broadcasts in English on the FM band on 92.4. and short wave for 18 hours a day. The programmes, which are targeted at non-Arabic speaking audiences around the world as well as non-Arabs resident in the Sultanate, aim to promote dialogue and familiarise listeners with the Sultanate's progress and development. Over 76% of broadcast material - including music, tourism, health, science and culture - is produced locally.

In 2005 the Foreign Service broadcast for a total of 6,504 hours.

The Holy Quran Station

A new radio station devoted to reciting the Holy Quran was



launched in July 2006. The station provides recitations from the Holy Quran and broadcasts between 3 and 10.00 pm daily on 93.2 Mz, to an area covering Muscat and the adjacent areas



*On-the-air in one of
Oman Radio's
studios*

*Women play an
active role in
Oman's TV and
radio, and in the
media generally*

in the first phase.

Sultanate of Oman Radio has co-operation arrangements with the broadcasting services of the Arab Gulf Co-operation Council (AGCC) states and with several Arab radio services through the Arab States Broadcasting Union's radio programme exchange system. There are also programme exchanges with the broadcasting services in the Netherlands, France, Germany, Sweden, India, Malaysia, Pakistan and several other countries.

Sultanate of Oman Radio won a golden award at the 9th Gulf Radio and Television

Festival in Bahrain in March 2006 for its Arabic quiz programme "Hit or Miss" (yaa Taseeb.. yaa Takheeb), while the Arabic religious programmes "Discussion" (Hiwaar) and "Light on Verses from the Holy Qur'an" (Adhwaa' Hawl Aayi min al Qur'an al Karim), and the play "the Ring" (al Khaatim) won silver awards. Three other programmes - "Final Scene" (al Mashshhad al Akheer), the children's programme "the Little Discoverer" (al Mukdashif al Sagheer) and the serial "Without Title" (bila 'Unwaan) took bronze awards.



Sultanate of Oman TV

Sultanate of Oman TV transmissions now reach every area of the country and can be received in much of the rest of the world by satellite. Sultanate of Oman TV transmits round the clock and can also be received over the internet.

Oman TV also transmits additional terrestrial programmes to provide local viewers with a greater choice of coverage of events at home and abroad. These include Consultation Council (Majlis A'Shura) debates and sports, as well as programmes on development-related subjects, domestic and

foreign affairs, Omani, Arab and foreign serials.

Sultanate of Oman TV transmits its terrestrial programmes for between seven and ten hours a day. While its programmes tend to have a distinct local flavour, it also provides the Omani public with objective coverage of regional and international events

Oman TV presents a wide range of stimulating programmes, including news bulletins and discussions. The station also features a variety of films about Omani society, past and present, and tourist summaries, frequently

The news bulletins are read live from Oman TV studios - a main news bulletin is also read in English

including reports from its correspondents in the regions, as well as Arab and other foreign capital cities. It enjoys co-operation arrangements with a number of Arab and foreign TV services and develops the skills and potential of its national employees through a range of on-going training courses at home and abroad. This approach has enabled Sultanate of Oman Radio, Oman TV and the Ministry of Information to increase their Omanisation levels to over 96% in several specialist areas and 100% in many other media-related fields. Programmes that illustrate Omani society and others featuring tourist attractions in different parts of the country, have proved particularly popular with local audiences. These documentaries, which are produced by Oman TV, provide entertainment and a rich visual record of the Sultanate's development over the past 36 years.

Oman TV presents several main news bulletins in Arabic every day, as well as a main news bulletin in English and regular news highlights. In addition to government-sponsored television, a new private

sector-sponsored channel will be launched soon, following the granting of a licence for such an operation.

Sultanate of Oman TV has won prizes in several Gulf and Arab festivals including gold medals at the 9th Gulf Radio and Television Production Festival in the kingdom of Bahrain in March 2006 for the programme "Traveller" (Rahhaal) and the children's programme "Scholars' Library" (Maktabat al 'Ulama), while the programme "Nature in Oman" (al Tabee'ah fii Oman) was awarded a silver medal.

An Agreement was signed on 19th March 2006 for the setting up of a new digital studio complex with the work being completed towards the end of 2008.

The new studio complex will include news and programme studios and is expected to have a revolutionary impact on television transmissions. It is anticipated that by 2007 tenders will be invited for Phase Two of the project to supply equipment.

By the end of 2006 Oman TV's new Channel Two will be launched; this important alternative to the general channel is targeted more specifically at younger viewers – who make



up over 50% of the population -
- and its schedule contains a
higher proportion of education-
al, sports, entertainment and
quiz programmes.

The Omani Press

The wide range of publica-
tions available reflects the vital-
ity of modern Omani society.

"Al Watan" was Oman's
first Arabic newspaper, starting
as a weekly private sector pub-
lication in 1971. It was fol-
lowed in 1972 by "Oman", a
weekly Arabic government
newspaper that became a daily
in 1980. Shortly afterwards, "Al
Watan" also became a daily

paper. In November 1981 the
"Oman Daily Observer"
English-language newspaper
was launched. Today over 60
newspapers and magazines are
published in Oman and there
are over eight press establish-
ments as well as around 70
printing presses none of which
existed before 1970.

There are six daily papers
published in Muscat. Three of
these - "Oman", "al Watan"
and "al Shabiba" - are in Arabic
and the other three - "Oman
Daily Observer", "Times of
Oman" and "Oman Tribune"
(the latest) - are in English.
Free weekly papers are also dis-

*Oman TV has won
several prizes in
various festivals -
here the popular
"Morning Coffee"
programme is
screened*



Oman TV's new digital studios will be ready in 2008

tributed. In November, the annual editions of "Tribute to Oman", "Pride", and "Progress" are published.

The local Omani press complies with the provisions of the Law on Printed Matter and Publications, but is not subject to any kind of censorship. Printed material entering the Sultanate is distributed by agencies. Newspapers and press establishments finance themselves through advertising, distribution, sales and government and private subscriptions.

Extensive media contacts exist between Oman and other countries. In 2005, some 327 Arab

and foreign journalists visited the Sultanate - 173 from Arab countries and 154 from outside the Arab world. Some 178 Arab and foreign newspapers and magazines published 7,564 items on the Sultanate in 2005.

Oman Establishment for Press, Publication and Advertising (OEPPA)

Oman Establishment for Press, Publication and Advertising (OEPPA) is the Sultanate's largest and most sophisticated press establishment and issues a range of publications. Its premises are fully computerised with state-of-the-



art technology at every stage of the production process.

OEPPA is a financially and administratively independent body and over 97% of the personnel employed in its departments and units are Omanis.

The establishment publishes two daily newspapers - "Oman" in Arabic and the "Oman Daily Observer" (www.omanobserver.com) in English - as well as "Money Works" - a weekly economic magazine in English - and Oman's best-known literary magazine - the Arabic quarterly "Nizwa". A supplement entitled "Youth Observer" is included with the Oman Daily Observer on a regular basis during school term time. OEPPA introduced the quarterly magazine, "Oman Digital", which specialises in information technology (IT) in April 2005 and also publishes a range of quarterly and monthly general interest magazines. OEPPA's advertising and distribution units operate on a commercial basis.

*Six newspapers
come off the presses
daily in Muscat -
here the Oman Daily
Observer, one of
three English-
language
newspapers*

Oman News Agency (ONA)

Oman News Agency (ONA) is the Sultanate's official news agency and the official source of news about the country. Under the terms of Royal

Decree No. 75/2006 ONA was transferred to the Ministry of Information, amending Royal Decree No. 43/97.

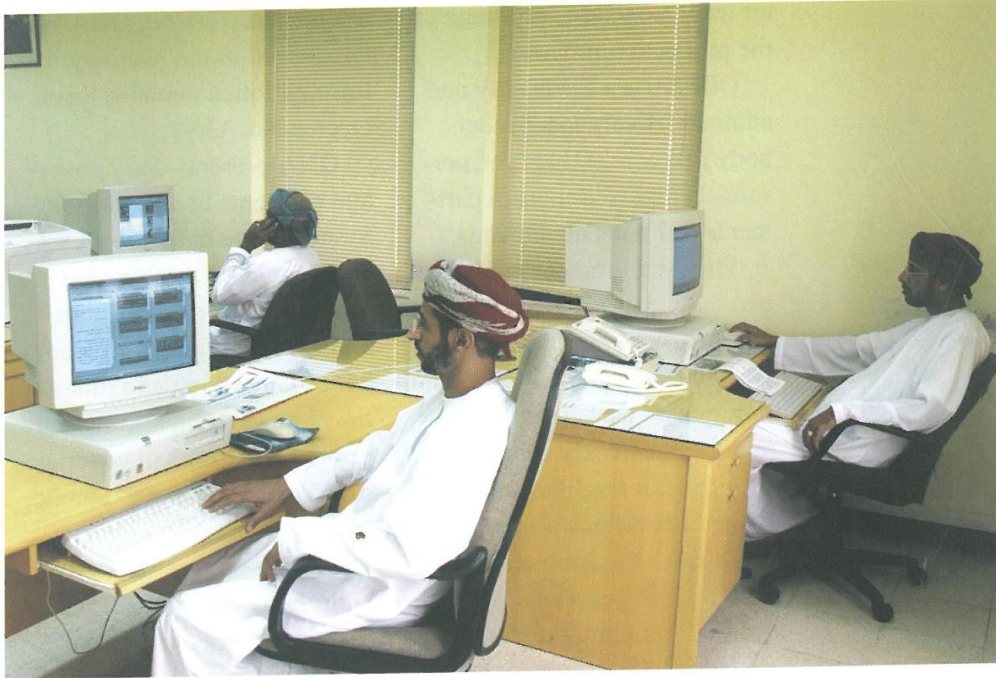
ONA presents daily coverage of events to and from the Sultanate. Its bulletins are transmitted by satellite and through its internet website, and it collaborates with a number of Gulf, Arab and international news agencies to ensure prompt and efficient coverage of events at home and abroad.

All ONA's editorial and technical sections are staffed entirely by highly qualified Omanis. The agency's expansion programme is ongoing.

In June 2005 ONA introduced its "Sabq" SMS news service in collaboration with Oman Mobile. The new service provides subscribers with political, economic, sports and general news snippets, which it sends as SMS text messages. Additional information on ONA can be found on internet website address: www.oman-news.com.

The Omanet website

Oman's internet service - www.omanet.om - provides the Sultanate with a channel to the outside world and an extensive database through which it can



present a complete picture of Oman and its development, alongside more general information.

Omanet constantly updates its web pages in Arabic and English and offers links to several major websites in the Arab region and around the world. It also oversees and updates the websites of Sultanate of Oman TV, Sultanate of Oman Radio and the Oman Centre for Traditional Music.

In 2005 the Ministry of Information's website received a gold award for the best government website and a silver award for the best Omani website in the Oman 2005 Competition

organised by Oman Telecommunications Company. Those taking part included a large number of government and private sector websites as well as websites entered by individuals.

The Press Club

The Press Club plays an important role in promoting contacts between Omani journalists, senior officials, members of other sections of the media and visiting journalists. It hosts media and cultural events including seminars, forums, workshops, exhibitions, training courses and press conferences.

The Press Club provides facil-

ONA introduced its "Sabq" SMS news service, in collaboration with Oman Mobile, in June 2005

ities for other associations including the Omani Journalists' Association, the Omani Film Society and the Omani Writers' Association, and in 2006 was the venue for a number of "Muscat - Arab Culture Capital 2006" and Muscat Festival activities.

With its hi-tech equipment, the Press Club is an ideal location for training courses organised by the Ministry of Information and other media and non-media bodies.

The Journalists' Association

Following the issue of a ministerial decision providing for the registration of Omani journalists in 2004, the obvious next step was the establishment of the Oman Journalists Association, which was officially inaugurated at a ceremony in Muscat in March 2006. The objectives of the Association include spreading awareness of the need for candid, unbiased reporting of events as well as encouraging and, where possible, upgrading professional standards of journalism in the Sultanate.

The Association

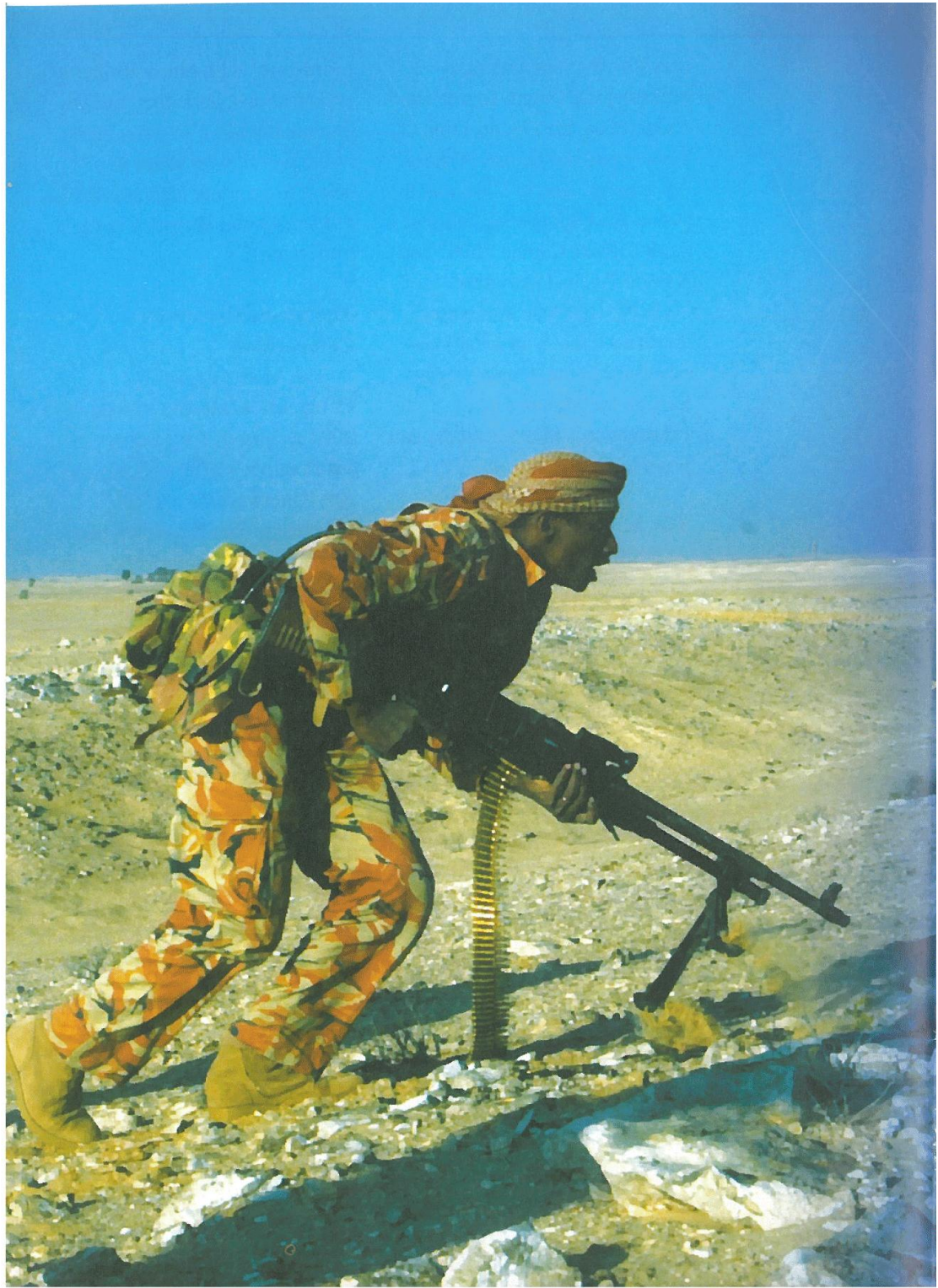
coordinates with other similar organisations, including student journalist bodies, in other parts of the world, who share its desire to promote high standards of honesty and accuracy in the profession.

The Media Creativity Competition

The Media Creativity Competition was introduced in 2004 as part of the Ministry of Information's efforts to encourage Omani creative talent, improve professional standards and engender a competitive spirit among Omanis working in journalism and the media. The competition, which attracts a large number of entrants – more than 250 in 2005 - covers every media field and is overseen by a main committee chaired by the Under-Secretary at the Ministry of Information, in addition to a panel of four judges, all of whom are considered experts in their field.

The trophy which is awarded annually for the highly competitive Media Creativity Competition







National Security



NATIONAL SECURITY

The Sultanate is a beacon of security, stability and peace in the region, which continues to assiduously follow a policy of non-interference in the internal political affairs of other countries. Oman is a peace loving nation. However, given the country's strategic location maintaining this security and stability remains a government priority.

In order to continue to preserve the freedoms it has enjoyed for centuries, it is essential Oman's Armed Forces remain well equipped, well trained and at a high standard

of combat capability. Sultan Qaboos is the Supreme Commander of the Armed Forces and the Royal Oman Police, as well as holding the position of Head of the country's Defence Council, established in December 1996 by Royal Decree.

The Sultan's Armed Forces (SAF).

Modern, highly organised, well armed and fully equipped to carry out joint operations, the SAF is one of the main pillars of Oman's defence system. It enjoys a high standard of combat proficiency and over the

Taking part in a SAF Exercise - the latest being Shamoukh 1 and Peninsula Shield 8

years has acquired all the necessary resources to ensure the protection of the nation.

The development of the SAF is based on three principles: training of manpower to the highest possible standard; the utilisation of modern weapons and equipment; and constant review of the previous two principles, in order to ensure that Omani forces remain at the highest levels of proficiency.

The Royal Army of Oman, (RAO)

Armed with these principles, the RAO developed into fully integrated, high performance formations, equipped with advanced air defence and combat support weaponry, artillery, transport vehicles, missile launchers and other cutting edge weaponry capable of meeting the demands of joint operations. The organisation and training of the Firqat Force – one of the largest formations in the RAO, have been modernised and upgraded, while the Medical Services have been

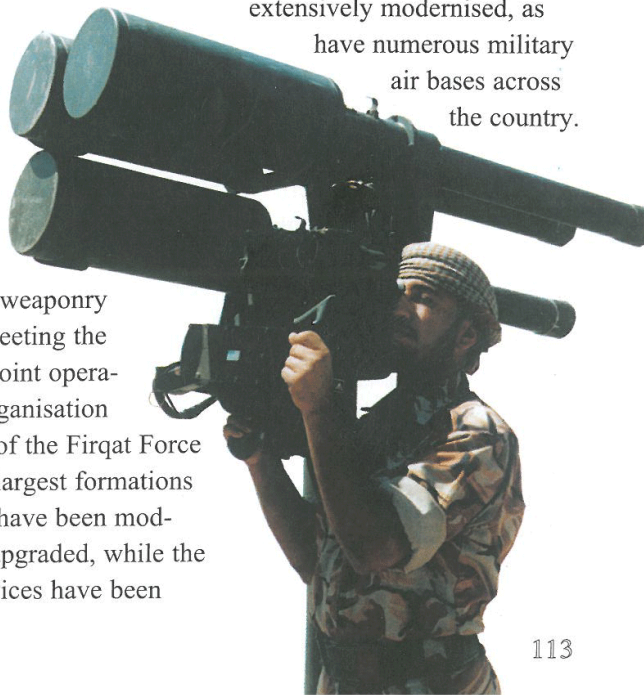
supplied with state of the art equipment to ensure top quality health care and medical support services in the most demanding of battlefield conditions.

Advanced training continues to be provided by the Medical Services School that opened in 2005 Muscat.

The Royal Air Force of Oman (RAFO)

The SAF's airborne division boasts artillery including modern fighter and multi-role aircraft like the F-16, Hawk and Jaguar aircraft, Super Lynx 300 and NH90 helicopters, anti-aircraft batteries and advanced radar equipment. The defence and weapons systems have been extensively modernised, as

have numerous military air bases across the country.



The Royal Navy of Oman (RNO)

The Sultanate has a vital strategic location and a sea-going tradition, so it is no surprise to find the RNO fleet boasts a range of advanced weapons capabilities including surface craft, fast missile boats and support, training, cargo and hydrographic survey vessels, which protect the Sultanate's shores and territorial waters, monitor the safe passage of ships and oil tankers through the strategic Strait of Hormuz and perform any other duties assigned to them. The Said bin Sultan Naval Base with its world-standard specifications is one of the country's main naval installations.

The Royal Guard of Oman (RGO)

The RGO is an important component of Oman's modern military organisation and, with the advanced equipment and systems supplied to its infantry, armoured and artillery units, has achieved a high standard of proficiency and combat capability. RGO provides training to a range of different levels of expertise. Its Technical College produces specialist personnel trained to the highest interna-

tional standards for employment within RGO as well as other government bodies.

Other RGO sections include the highly talented Royal Oman Symphony Orchestra, which was established in 1985. The orches-



tra has a complement of young Omani musicians who have performed in Europe on several occasions, the most recent being in Paris in 2004 on the occasion of UNESCO's 33rd General Conference.

The Royal Guard of Oman and SAF are equipped with the latest air defence and combat support weaponry

RAFO is now equipped with the F16, Hawk and Jaguar aircraft, and the Super Lynx 300 and NH90 helicopters

The highly popular Red Helmets, perform stunning acrobatic displays, at both military and special government-sponsored public events.

The SAF's support arms include the Defence Ministry's

Engineering Services, which provide engineering support for military exercises as well as essential services at military installations, including the planning and construction of roads at the camps and in the remote and mountainous regions.

With its advanced modern technical facilities, the National Survey Authority produces civil and military maps, carries out aerial photography and sets the criteria for topographical and other surveys. The Institute of Survey Sciences and Map Production was established at the National Survey Authority to train additional specialists in





these fields.

Welfare services for serving and former SAF and RGO officers and other ranks and their families are provided by Military Social Services. Their remit includes the sanctioning of land, grants and loans for housing; welfare and rehabilitation services for the disabled; executing the provisions of the Pensions and End-of-Service Benefits Law for Defence Ministry and SAF personnel, and managing the Ministry Pension Fund.

The Directorate of Morale Guidance organises military, social and cultural activities for the SAF and the RGO. It



produces publications and military radio and TV programmes in collaboration with the Ministry of Information; in addition, it also organises events to commemorate religious

occasions, helps ensure the smooth running of the military Hajj mission, and maintains the SAF's photographic archives.

The SAF Museum at Bait al Falaj Fort chronicles Oman's military heritage and the history of



its' armed forces, as well as the Forces' contribution to development, progress and the lifestyle of the nation. The information technology (IT) sector at SAF Staff HQ provides IT services for all the units and formations.

Training

Several specialist education and training institutions have been set up to train officers and men to the highest standards as part of the process of modernising and streamlining the SAF and the RGO. They include the Command and Staff College, which produces trained Omani staff officers to assume leadership roles in the different units and formations, as well as staff officers for the armed forces of various Arab and friendly states. In addition to the colleges, institutes and educational and training schools in every branch of the SAF and the RGO, forces personnel also have the chance to complete their higher education at home or abroad in a range of military, administrative and technically-oriented disciplines.

Joint operations in the form of mobilisation and field exercises are held to train Omani forces and improve their combat capability. There are other joint exercises held in cooperation with countries of the Arab Gulf Co-operation Council and various friendly states that encourage the exchange of expertise. These exercises have demonstrated the potential and proficiency of the men and

women of the SAF. Preparations are underway for the forthcoming Shumoukh 1 and Peninsula Shield 8 operations.

Cultural, scientific, religious and sporting activities

The SAF attaches high importance to the development of its personnel's cultural, scientific and intellectual potential as well as to its military potential and well-stocked libraries and social clubs have been set up in SAF units, formations and bases.

There is a wide range of cultural and arts programmes and the SAF libraries are linked - for the benefit of students and

researchers - through the Defence Ministry's system. The main mosque at Mu'askar al Murtafa'a is one of the SAF's leading religious establishments and, together with the SAF's other mosques, is a venue for





RNOV Shabab Oman took 1st place for the 4th time in the Tall Ships International Friendship Cup in 2005 in Frederikstad, Norway

numerous religious and cultural events.

The different branches of the SAF and the RGO have bands that perform on national occasions as well as at events abroad. They include the Royal Army of Oman (RAO) Band, which won first place at the Edinburgh Military Tattoo in the United Kingdom in August 2005. In August 2006 the Pipes Band made its debut at an international competition in Perth, Scotland coming top in formation marching. The Royal Air Force of Oman (RAFO) Band also performs at international festivals and

competitions, while the Royal Navy of Oman (RNO) and RGO bands also perform at public events. The Sultanate is the only Arab country that takes part in international music competitions.

RNOV Shabab Oman

The RNO sail training vessel "RNOV Shabab Oman", which visits ports in Arab and friendly countries as part of its training programme, seeks to promote cultural contacts with other peoples and stimulate world interest in Oman. In the summer of 2005 she took first place in the Tall Sail Ships International

Friendship Cup that began in Waterford, Ireland and concluded at Norway's Frederikstad port. This was the fourth time in succession that the majestic RNOV Shabab Oman was awarded this globally coveted cup.

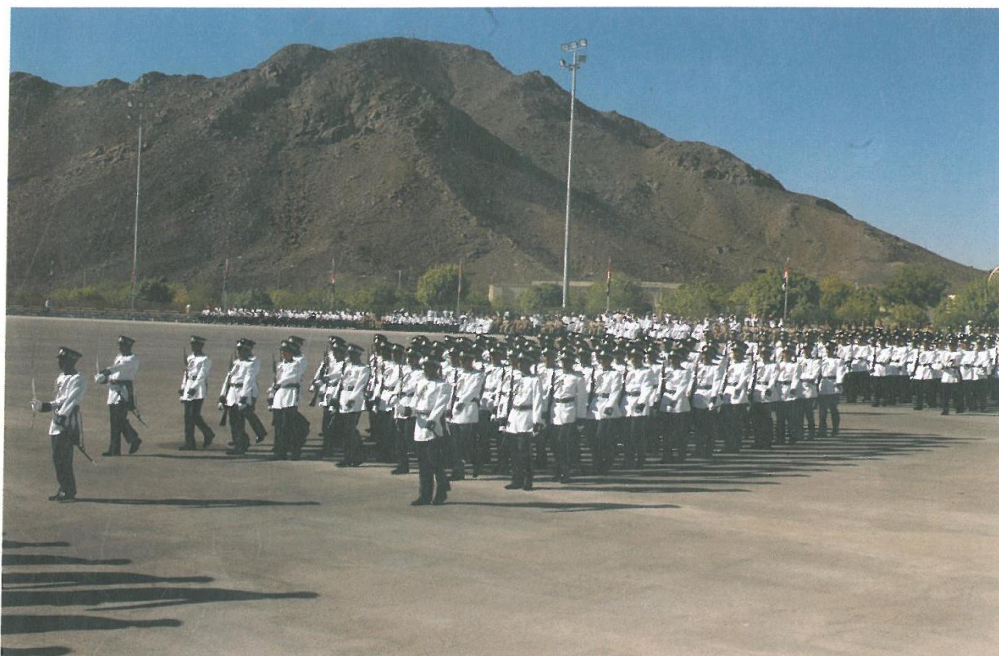
Physical fitness is essential to servicemen and women in the armed forces and sports play an important part of life in the SAF and the RGO. Sports facilities, which are constantly being expanded and improved, include a variety of military sports complexes and a shooting range. Healthy competition exists between the different formations and units. The armed forces also take part in Arab and international events; the SAF's shooting team won 11 cups and 76 medals at the Bisley championship event in the United Kingdom in 2005. And, at the West Asia championship in December 2005, the national shooting team came second, winning a silver medal for its team performance in the air-rifle event. The SAF athletics team came fourth in the first Arab Gulf Co-operation Council military championships in 2006.

Meanwhile, the Sultan of Oman's Parachute Regiment's free-fall team came second overall in the target drop and forma-

tion jump competitions at the international open championships in Malaysia in April 2006.

Major contributions to the development efforts

With its extensive facilities and nationwide presence, the SAF is well placed to work with the different government departments working to promote development and prosperity for Oman and its citizens. It also trains civilians in navigation, communications, administration and other skills, while its military education programme gives school students a grounding in the principles and values of military life. The armed forces build roads in the most remote mountain and desert regions, transport people, provisions and water to otherwise inaccessible areas and - in co-operation with other competent authorities - provide the people living in those areas with health services. Their other duties include search and rescue operations at sea and the prevention of illegal immigration. Retired SAF personnel frequently contribute their valuable experience to the Sultanate's continued development by setting up their own businesses or finding employment in the private sector.



A Passing Out parade at the Sultan Qaboos Academy for Police Sciences in Nizwa

THE ROYAL OMAN POLICE (ROP)

The Royal Oman Police (ROP) plays a vital role in serving the public and protecting the nation. The close relationship between the police and the public is reflected in the trust and co-operation that exists between the two sides.

Modernisation of facilities and services

The ROP's network of modern installations operates across the country, ensuring the public is provided with the best and most efficient security services. Existing installations

are constantly being upgraded, while new buildings and facilities are currently under construction.

A new command headquarters called "The Oil and Gas Installations Command" has been set up to protect the Sultanate's valuable oil and gas installations. The Police Coastguard Command has been equipped with new, highly advanced fast patrol boats, while the older boats currently in use have been modernised and fitted with new engines. To keep all vessels in tip top condition the engineering and maintenance



workshop has been expanded and improved.

A Sea Rescue Group has been established to help prevent drowning accidents, respond to SOS calls, improve the monitoring of Oman's coastline and prevent illegal immigration and smuggling.

The Police Aviation Directorate has been provided with new premises and a helicopter fire-fighting service has been introduced for use in areas that are relatively inaccessible to ordinary fire engines. The Sultanate is one of the first countries in the region to set up this service

and several pilots have now been trained to man it. The Police Aviation Directorate is due to receive a number of high-tech helicopters with advanced equipment for use in the Flying Ambulance service or for fire-fighting and rescue missions, or with thermal imaging cameras which will provide monitoring and support services for the ROP's other departments. At the end of 2005 several Agusta Westland A109 Power helicopters were commissioned.

Training

The ROP is attracting

Within the SQAPS complex is the Police College which awards diplomas and degrees in law and police sciences



increasing numbers of young Omani men and women into its ranks and regards their training as one of its main priorities.

The Sultan Qaboos Academy for Police Sciences (SQAPS), established in Nizwa in 1980 (as the ROP Academy Nizwa), provides basic training for police personnel, as well as diploma courses in police sciences for university graduates or those with equivalent qualifications. It also trains candidates for senior positions in the ROP.

The Police College, which is within the SQAPS complex,

was established in 2000 and trains ROP officers and awards diplomas and degrees in law and police sciences.

An event unprecedented in the Sultanate's history was the inauguration of the Police Women's Band during the 35th National Day celebrations in 2005, when 60 female musicians entertained with a selection of military tunes. The women's band is expected to play an important part in future national events.

Advanced services in a wide range of fields

The ROP provides a range



of prompt, efficient world-class services. The Directorate-General of Civil Status registers the births, marriages, divorces and deaths of Omani nationals, as well as the births and deaths of expatriate residents in the Sultanate, in addition to their marriages and divorces if one of the parties to the marriage or divorce is an Omani. Omani nationals are also issued with “smart” multi-purpose ID cards, which are both flexible and secure and - among other things - show the holder’s driving licence details. In future it will be

possible to use them as Majlis A’Shura voter registration cards. Residence cards are also issued to resident expatriates working in the Sultanate, and their dependants. The labour card and the residence card have now been combined.

Supporting Tourism

The regulations implementing the Foreign Residents’ Law have been amended to encourage tourism in the Sultanate and the procedures for the issue of transit visas have been relaxed. Tourist companies can sponsor foreign tourists from certain

Taking a sick patient from a remote mountain village to the nearest hospital is all part of the ROP’s work

countries and the conditions governing these tourist visas have been amended by agreement between the ROP and the Ministry of Tourism. New facilities for diplomats wishing to visit the Sultanate are now also in place under reciprocal arrangements.

Border entry posts have been streamlined and equipped with tourist information services, and highly trained national personnel. The customs sections in the regions have been upgraded to directorate status, to facilitate the movement of goods over the frontiers and improve the operational efficiency of the Directorate-General of Customs.

A new computer system has been introduced to improve customs clearance procedures and customs clearance offices - with similar functions to those at Port Sultan Qaboos and Seeb International Airport - have been opened at overland crossing points. These moves are designed to support the national economy and come in response to the Gulf Cooperation Council Customs Union and the Greater Arab Free Trade Zone.

Thanks to its new container and motor vehicle inspection equipment, the Directorate-General of Customs is now better equipped to detect and identify prohibited substances and smuggled goods. A declaration on a container security and goods inspection initiative has also been signed between the Directorate-General of Customs and its American counterpart, allowing for the inspection of goods transported by sea between Omani and American ports.

Road safety... earning the world's admiration

The ROP tries its utmost to ensure the Sultanate enjoys the highest standards of road safety. Vehicles are regularly inspected, training standards for drivers have been raised and traffic rules are rigorously enforced, particularly with regard to speed limits. Intensive awareness campaigns are regularly held for drivers and other sections of society, including school students. To this end, the police work closely with other departments and organisations, particularly the Ministry of Education and the media.

The Traffic Safety Institute



was been set up to train both traffic personnel and road users. By the end of 2005, fixed and mobile radar speed detectors had been installed in all the governorates and regions in a further attempt to help reduce traffic accidents.

Oman is not only concerned with road safety within its own borders; the country submitted a draft resolution to the UN General Assembly entitled "Road safety must not be left to chance", to help promote international co-operation on the prevention of traffic accidents, which was adopted by the UN in 2004.

In March 2006, the ROP won first prize in an international contest, in which 36 countries participated and organised by the United Nations, at the 1st Global Road Safety Film Festival in Geneva, for a film entitled "Pain and Hope 2", a documentary highlighting the suffering of families who lose relatives in road accidents. The film will be stored in the UN library.

Ambulance and Civil Defence services

The ROP provides a Highway Emergency

The Women's Band of the ROP which performed in public for the first time at the 35th National Day events in November 2005

Ambulance Service for victims of road and other accidents. The Ambulance Unit, which has a fleet of modern ambulances with modern high-tech medical equipment, covers the Governorate of Muscat up to the Batinah Region, as well as the main road from the wilayat of Barka to Khatmat Malahah on the UAE border. Under current plans, the service will be expanded to cover the entire country.

The Ambulance Service is linked to an advanced telecommunications system directed through the ROP's telecommunications centre. The system co-ordinates the movement of ambulances to ensure that they reach the scene of an accident in the shortest possible time.

With regard to the protection of buildings, installations and property, the Directorate-General of Civil Defence has been supplied with state-of-the-art civil defence and fire-fighting equipment.

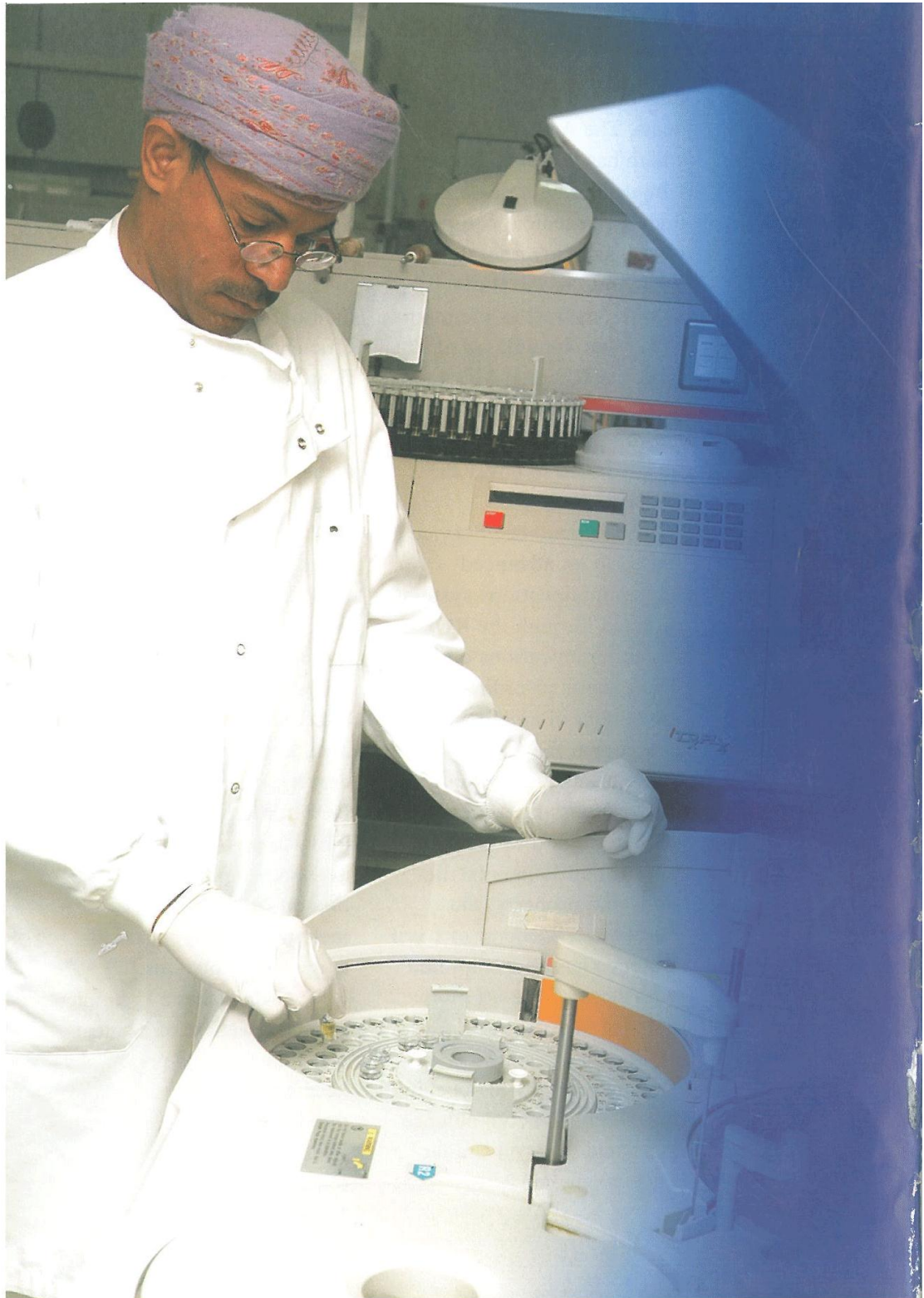
This year saw the opening of several new civil defence posts and work on similar units is ongoing.

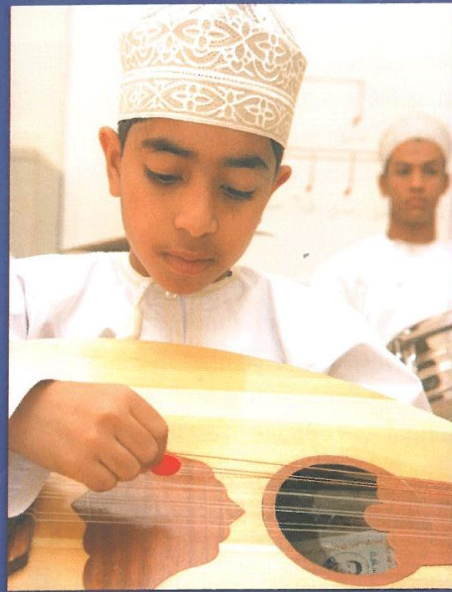
Keeping in touch

The ROP strives to ensure that the best police services are available to the Omani public across the country. The Special Task Force is supplied with cutting edge equipment to enable them to carry out their duties with maximum efficiency. In addition to its fleet of helicopters, the ROP also uses horses and Omani thoroughbred camels to reach some of the more inaccessible areas.

Every effort is made to strengthen links between the ROP and the general population. Members of the public can contact a special 24-hour drugs line by dialling 1444, either to inform the police about drugs offences or to request information. The ROP's internet website (www.rop.gov.om) is also available to provide information on various matters including visa applications and traffic violations.

The ROP takes a keen interest in the welfare of its members both past and present; by keeping in touch it is able to provide them and their families with social welfare services and health care should the need for either arise.





Social Development

SOCIAL DEVELOPMENT

Human resources development has been described as the lynchpin of Oman's strategy to promote expansion and progress; since the 1970s free education and a range of health, educational, social and cultural services helped lay the foundations for producing new generations of Omanis, keen to fulfil their potential and with the relevant skills to do so.

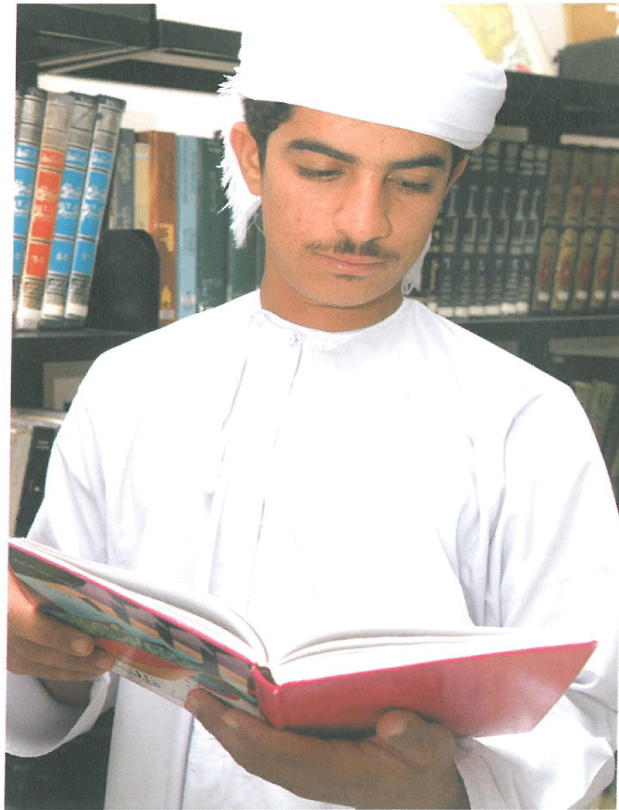
Education

The education sector has developed impressively - not only for the generation of school and college age - but also for those who missed out on the opportunity to gain an education during their childhood. The government strongly believes it is educated, aware human beings who are best equipped to serve themselves and their country.

Efforts are continuing to streamline both general and basic education by upgrading the curricula, improving the quality of the teaching staff and adopting the latest teaching methods and educational technology, including computers and a national inter-school wireless link. A multi-media production unit was set up at the

Education Ministry's Directorate-General of Curricula in May 2006 and further measures put in place to support the educational activities bank, established in 2005.

The Education Ministry is



liaising closely with the Ministry of Higher Education and various other ministries and departments to ensure graduates are of a consistently high standard and able to thrive in the



Students in Oman today can enjoy using books as well as computers in their studies

labour market at home or abroad.

Resources are also being directed towards setting up a national vocational guidance centre.

The 2006-2020 education strategy, designed to meet the Sultanate's needs and the demands of its development programmes up to the year 2020, continually assesses the pace of change taking place in Omani society as well as the new challenges of the 21st century. The system of compulsory science and arts streaming, once followed at the 11th and

12th grades has been abolished to give students an opportunity to study subjects better suited to their interests and aspirations.

In the first term of the 2005/2006 school year students were automatically registered for the general certificate. Meanwhile, an automatic bar code numbering system was introduced for examination answer books, ensuring exam papers can be corrected as quickly and as accurately as possible, allowing results to be announced with the minimum delay.



Comprehensive and steady development

Education is a cornerstone of Oman's ongoing human development programme and nearly all children of school age are now enrolled.

Under the 2006-2020 Education Strategy Plan every aspect of the educational process will be upgraded. Major priority is being given to vocational development, educational evaluation, and improvements in school syllabi, books, teaching standards and the quality of teaching staff.

During the school year – 2005/2006 - there were 568,074

male and female students in the country's 1,046 government schools. There were also 157 private schools with a further 28,183 students, in addition to three schools for the disabled, the Omar bin Khattab Institute for the Blind with 105 students, and the Amal School for the Deaf with 299 students.

A wide range of teacher training programmes offer workshops, seminars and forums, as well as scholarships abroad - particularly for English teachers. Several other schemes are being introduced or are already in place. They include the "electronic education por-

One of the five elements of the 2006-2020 Education Strategy Plan is the further development of high-quality education



tal”, which operates as an interface for all schools and branches of the educational system and is linked to the Ministry, the electronic vocational development-training project, the televised portfolio and the vocational

results and will also cover student projects, individual development, short tests, end-of-term tests, class reports and other related factors.

Regulations for the private and special needs schools and

literacy centres are also being revised.

During 2006 new regulations were introduced for the Sultanate’s international schools and a system of autonomous management introduced, that some establishments have already begun implementing. The system is designed to raise the

Oman’s scientific, academic and institutional structure is being brought up to international standards



growth file.

A continuous assessment system has been approved for students. The scheme, which is under constant review, takes into account official exam

profile of the school within the community and grant it greater powers to run its own technical, financial and administrative affairs. Such a system should lighten the load on the educa-

tion directorates as well as encouraging interaction between the school and its immediate environment. In addition to these initiatives all schools - government, private, international and special needs - are being encouraged to exchange visits and expertise with each other.

The performance of Oman's private schools is being monitored to bring them into line with the advances in the public education sector. The widely-recognized International General Certificate of Secondary Education (IGCSE) curriculum is being introduced in six bilingual schools.

In the mature student sector, literacy programmes and "adult libraries" have been expanded. The new system was introduced with effect from the school year 2005/2006.

The number of special needs schools has been increased to six and several programmes introduced to integrate special needs pupils more effectively into the education system.

Sultan Qaboos University (SQU)

Sultan Qaboos University (SQU) is at the top of the national educational pyramid.

Since opening its doors in 1986, SQU has produced impressive numbers of graduates, encouraged scientific research and contributed to the Sultanate's social development plans and overall development efforts.

The academic year is divided into two semesters, September to January and February to June and SQU's degree courses follow the credit hours system. The university has seven colleges - Sciences, Education, Engineering, Arts and Social Sciences, Commerce and Economics, Agriculture and Marine Sciences, and Medicine and Health Sciences. It offers a total of 109 academic programmes including Bachelor's degree programmes in 62 subjects, specialist diploma programmes in four subjects, Master's degree programmes in 42 subjects and a Doctorate programme. In the 2005-2006 academic year the university had an intake of 3,222 male and female students and 12,913 students registered on its academic roll, including 826 Master's degree, diploma and Doctorate students. Some 2,380 students graduated in the same year.

As part of the expansion of SQU's academic and research activities a deanery of educa-

tional services has been established, comprising six academic support centres: the educational technology centre, the main library, the data systems centre, the language centre, the staff training and development centre

Gas Research Centre, Earthquake Monitoring Centre, Remote Sensing and GIS Centre, Communications Research Centre, the Joint Virtual Reality Centre for Carbonate Studies, and the Omani Studies

Research Centre. All these units are involved in scientific research-related topics and designed to serve the interests of the community. The Deanery of Student Affairs looks after the well being of SQU students.

As recommended by the Scientific Publications Council and the Academic Council, SQU also publishes several journals on scientific research in natural sciences, medicine, agricultural, marine and engineering sciences, as well as

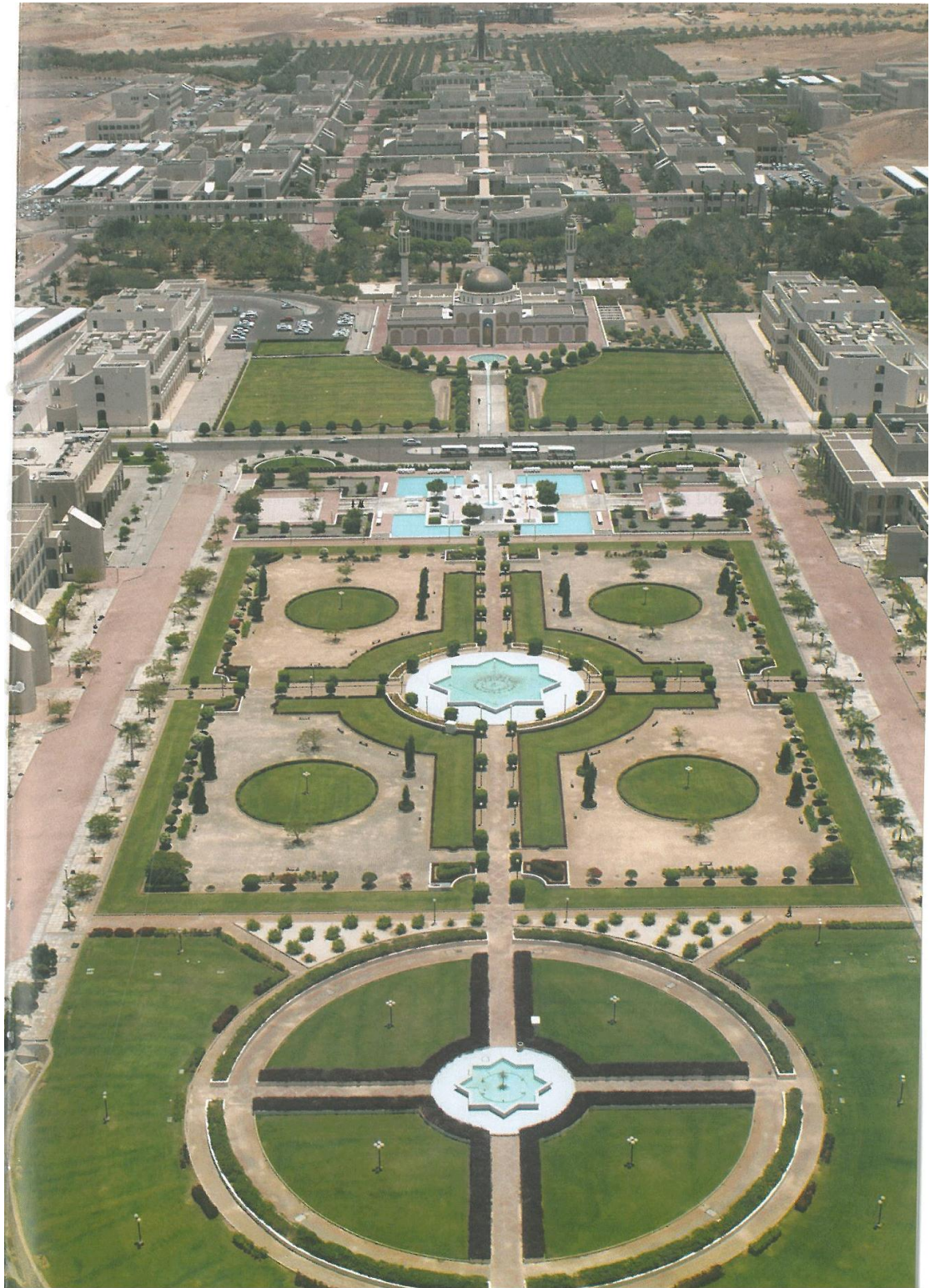


and the students' advice and guidance centre. The university also has eight research centres: the Centre for Environmental Studies and Research, the Water Research Centre, the Oil and

journals devoted to education and psychology, the arts and social sciences. SQU works closely with a number of Arab and foreign universities under various memoranda of

The Sultan Qaboos University campus

There are 8 Research Centres at Sultan Qaboos University



understanding and scientific and academic co-operation agreements, and hosts scientific and academic seminars and conferences. During the academic year 2004/2005 it received 26 visiting delegations from different universities around the world.

At home, SQU collaborates with several ministries, departments and private sector companies, takes part in joint committees and workshops and organises conferences and discussions to help further Oman's development. In this connection the "International conference on Remote Learning" took place from 27th to 29th March 2006. There have also been 21 short courses and workshops, 38 seminars and lectures and a range of other activities. The completion of SQU's Cultural Centre is scheduled for 2006. The Centre has a multi-purpose hall with a capacity of around 5,000, a huge library, a reception room and accommodation for students attending the Centre for Omani Studies.

SQU Hospital is one of the Sultanate's main referral hospitals as well as a major teaching facility. It also hosts scientific and medical conferences and provides specialist health care.

Its wide range of highly specialist facilities includes the Sleep Studies Unit, the Bone Marrow Transplant Centre, and the Bone Densitometry Unit in the Department of Clinical Physiology.

Higher Education

Oman's higher education policy has successfully kept pace with economic and social advances taking place in the country. Its goals have been set by the 2020 Vision of Oman's Economic Future which regard government and private sector higher education institutions as channels for providing the economy with trained nationals. Several private higher education establishments have been set up in the country in response to encouragement from Sultan Qaboos.

During the current academic year – 2005/2006 - 32 government-sponsored higher education institutions are operational in Oman; these include Sultan Qaboos University (SQU), as well as 14 university colleges and 17 specialist institutes. There are also 20 private higher education institutions, including three universities - at Nizwa, Dhofar and Sohar. In the 2004/2005 academic year there



Government and private sector universities and colleges give the student a choice

were 21,214 male and female students in higher education.

This year - 2006 - has seen two important new milestones in the development of higher education. Firstly, the National Admissions Centre (NAC) has been established to operate as a sorting house for students wishing to enrol in higher education. NAC liaises with the different higher education institutions on admission and enrolment procedures. It is the first centre of its kind in the region. NAC launched its internet website - www.heac.gov.om - on 1st April 2006.

The second milestone is the

2006-2020 education strategy, which outlines the future of education in the Sultanate up to the year 2020 and comprises five main elements: administration of the education sector; student enrolment and progress through the different educational stages; further development of high quality education; scientific research and development; and funding of the education sector. Each of these elements includes a number of recommendations to be followed over successive five-year plans, beginning with the Seventh Five-year Development Plan (2006-2010).



While it is the Ministry of Higher Education that oversees the five Colleges of Applied Sciences and the College of Education in Rustaq, as well as monitoring scholarships and private higher education institutions, there are also a number of higher education establishments which come under the aegis of other ministries and departments. For example, the Ministry of Manpower oversees the Higher Technical College, other technical colleges and the vocational training institutes; the Ministry of Health oversees the health institutes, and so on.

Colleges of Applied Sciences

The Ministry of Higher Education has converted five of the six colleges of education to Colleges of Applied Sciences with effect from the 2005/2006 academic year. The five colleges - Nizwa, Ibri, Sur, Sohar and Salalah - offer five-year academic programmes, including a one-year foundation course, followed by a four-year Bachelor's degree course in information technology (IT), international business administration, design or communications. A total of 2,010 students have been admitted to the foundation courses for the current

The Government gives students at secondary schools every opportunity to study a variety of subjects

academic year. At present a total of 7,876 male and female students are studying at these colleges.

Scholarships

Scholarships abroad are a method of producing Omani nationals with the advanced specialist qualifications required by the Sultanate but not yet available at its educational institutions. The Ministry of Higher Education's Directorate-General of Scholarships and Oman's Cultural Attaches' offices abroad supervise and support Omani nationals studying overseas.

During the 2005-2006 academic year 11,988 male and female students were studying on first degree courses abroad, including 1,789 on full and partial scholarships and grants provided by Arab and friendly states or private companies. There are also 2,661 Omani students on higher diploma, specialist certificate, fellowship, Master's and Doctorate courses.

The government also awards scholarships for private university and college courses within the Sultanate to the sons and daughters of families on social security benefits. During

the current academic year 1,646 male and female students were admitted under this scheme, while a further 824 partial scholarships were awarded to students from families on limited incomes. In addition, 70 partial scholarships were awarded for medical studies at Oman Medical College on the basis of a competitive exam.

The College of Law

The College of Law trains men and women for careers in the judicial and legal fields, including the Public Prosecutor's Office, the legal profession and the courts. After their induction year, all students study Sharia Law.

The College has an annual intake of around 200 students. Last year student numbers reached 715; it also offers a Master's degree programme in general law and publishes a magazine "Al Diraasaat al Shar'iyah wa'l Qaanouniyah" (Sharia and Law Studies). Under Royal Decree No. 38/2006 issued on 24th April 2006 the College's affiliation was transferred to Sultan Qaboos University with effect from the 2005-2006 academic year.

Private universities and colleges

The Omani private sector is being encouraged to set up private universities and university colleges in return for a range of government-sponsored facilities including land grants, exemption from customs duties on some items and for private universities, capital grants equal to 50% of their paid-up capital, up to a maximum of RO3 million.

Over recent years the private higher education sector has grown significantly. In the academic year 2005/2006 - the number of higher education institutions rose to 20, including three universities, while the number of students enrolled has increased by 17% since 2001-2002.

The Sultanate's three non-government universities are Nizwa, Dhofar and Sohar. Nizwa University has four colleges - the College of Economics, Administration and Data Systems, the College of Sciences and Arts, The College of Engineering and Architecture, and the College of Pharmacology and Nursing. It also has seven research and service centres.

Dhofar University has three colleges - Arts and Applied

Sciences; Commerce and Administrative Sciences; and the College of Engineering.

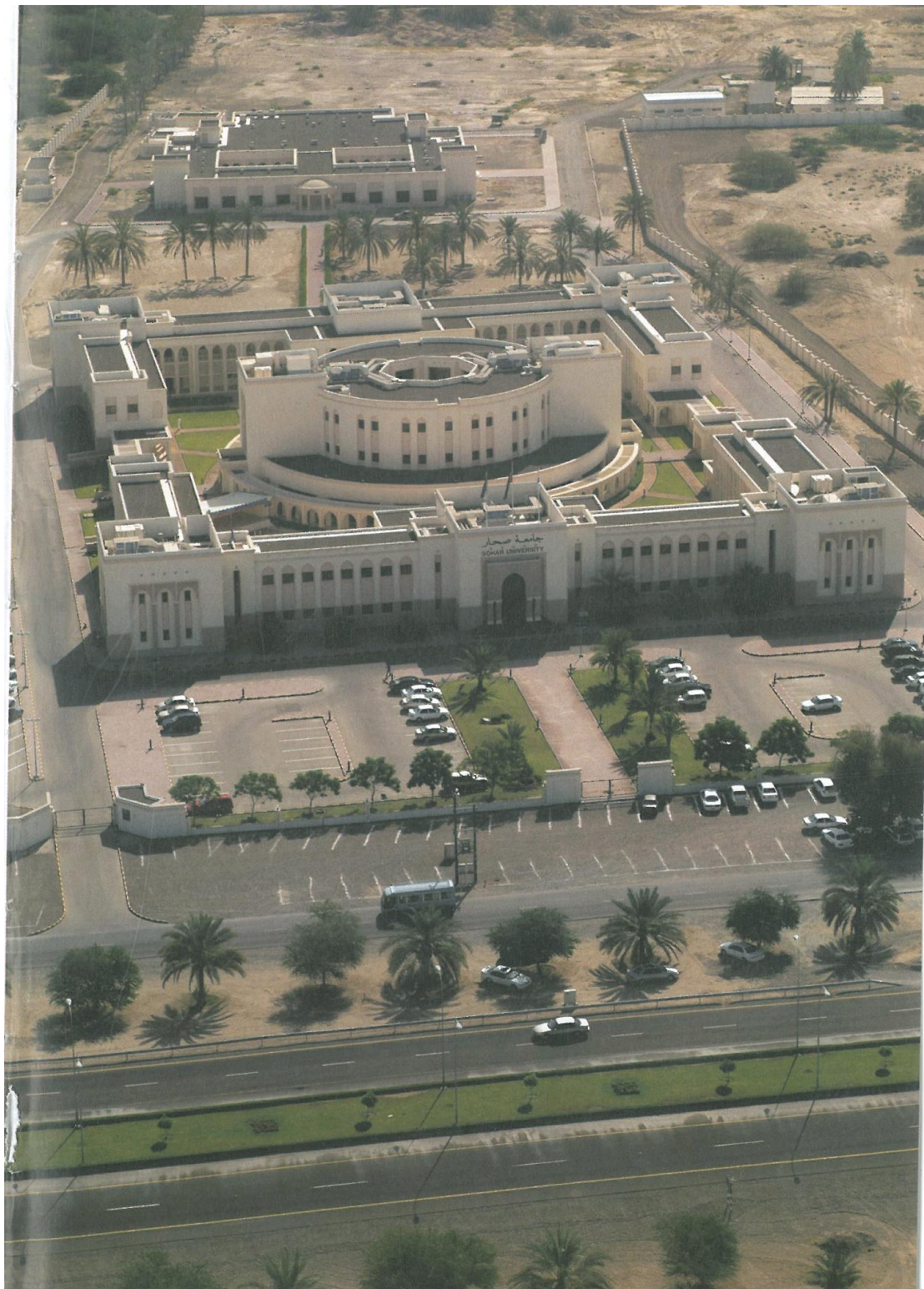
Sohar University - the Sultanate's first non-government university - has four colleges - Engineering; Applied Sciences; Human and Social Sciences; and a College of Business Administration.

In addition to these three universities there are 17 private university colleges. Since many are based in the Governorate of Muscat, steps are being taken to merge several of them into a single institution, to be known as Muscat Private University, as part of a measure supported by the Scientific Research Council.

The opening of a branch of the Arab Open University in the Sultanate is currently under consideration in view of the growing number of students seeking a university education. Oman's private universities and university colleges have academic co-operation agreements with universities in Europe, the United States, Asia and Australia.

The 2006-2007 academic year will see the opening of the Oman Dental College and Al Bayan College - an institution specialised in the media and journalism - taking the number

Four universities in the Sultanate now give students many opportunities for higher studies. Here Sohar University on the Batinah coast



of private university colleges to 19 by the end of 2006.

Labour and Vocational Training

All the Sultanate's plans and programmes give priority to training and boosting employment opportunities for Omani nationals. The new Labour Law promulgated under Royal Decree No. 35/2003, contains provisions for a minimum wage, rules governing appointments and penalties, and sets standards for safety at work and the maintenance of a suitable work environment. It also provides for social insurance cover, membership of employees committees and worker participation at International Labour Organisation meetings. The services for employees provided by the Ministry of Manpower have also been expanded.

Three seminars on the employment of national manpower were held at various Royal Camps during His Majesty's annual tours of the regions between 2001 and 2005; these meetings and the subsequent discussions they prompted have had a powerful impact on the drive towards Omanisation and particularly in relation to the training of young

Omani nationals.

Omanisation is being dealt with on a sector-by-sector basis but the general aim across the board is to ensure performance standards are maintained while simultaneously opening up job opportunities for the growing national labour market. The recommendations being implemented under the Seventh Five-year Plan (2006-2010) cover a range of fields up to the year 2007 or - in some sectors and professions - up to 2015 or 2020.

To further encourage the drive to employ indigenous labour, ministerial decisions have been issued barring non-Omanis from taking up employment in certain positions and, in some instances Omanis have transferred from employment in the private sector to become government workers, in order to free up private sector jobs for young people.

Awareness-raising and educational programmes to this end, are ongoing. Following all these measures, over 98,537 male and female employees were registered at the Public Authority for Social Insurance (PASI) at the end of 2005, compared with 87,064 at the end of 2004. At the same time, there



136 government and private establishments provide opportunities for skills training - here a plasterer enjoys the practical side

were 604,497 non-Omanis working in the private sector in 2005 compared with 589,841 in 2004.

Development of technical education

The Ministry of Manpower uses a sophisticated system for identifying the job opportunities available in the different sectors, and efficient mechanisms have been developed for employing national manpower in the private sector and organising residence cards for its expatriate workforce.

Major advances in technical education have taken place fol-

lowing close co-operation between the Sultanate and the International Labour Organisation (ILO), the Japanese International Co-operation Agency (JICA), the British Institute of Engineering, the Australian Training Organisation, the Deutsche Gesellschaft für Technische Zusammenarbeit (DGTZ), and other bodies. Students can now benefit from the latest international training methods, confident that their newly acquired skills will meet the demand for skilled and semi-skilled manpower in a range of economic sectors.

During the 2005/2006 academic year a total of 11,829 students were enrolled at the Sultanate's technical colleges.

There are government vocational training centres in Seeb, Saham, Sur and Ibri offering two-year courses leading to a skilled manpower qualification and one-year courses for a semi-skilled qualification. During the Sixth Five-year Plan (2001-2005) there were 6,814 Level One and Level Two graduates, while this year – 2005/2006 – the centres' intake had already reached 1,933 trainees. The buildings, workshops and equipment at these four centres have been upgraded and the number of specialist disciplines taught has been increased.

In addition to the four government-sponsored vocational training centres, there are 132 private sector training facilities 17 of which are owned and operated by large companies to meet their own specialist requirements. The private training institutes also run national training project courses under an agreement with the Ministry of Manpower. A specialist vocational training institute is currently being set up in the district of Shinas and fishermen's

training institutes are due to be established in Salalah and al Khabourah.

The Sanad Programme & Intilaaqah

- **Sanad**

Since it was launched on the instruction of Sultan Qaboos, the Sanad programme has proved its ability to provide increased job opportunities for young Omanis, either through a gradual process of Omanising the different employment sectors or by making facilities available to enable people to set up their own projects and small businesses. By the end of 2005 the Sanad programme had led to the creation of 17,166 job opportunities for nationals. Additionally, seven phases of the Omanisation plan for the foodstuffs retail sector had been implemented in around 90% of the Sultanate's districts, involving the Omanisation of 5,318 food shops. Funding has been provided for 702 small projects out of a total of 872 projects approved for funding up to the end of 2005.

Altogether, 7,748 shops and workshops have been set up or Omanised with support from the Sanad programme.



Omanis in the private sector now number 25% of the workforce

Five women's dressmaking and tailoring training centres have been set up in the districts of Saham, Ibri, Quriyat, Nizwa and Salalah as part of a programme designed to Omanise the tailoring and dressmaking profession and create job opportunities for Omani women. The programme is being implemented in four phases. The first began in ten districts in the beginning of 2005 and hundreds of trainees have since graduated from their courses.

- **Intilaaqah**

Intilaaqah is a non-profit organization modelled on a Shell Petroleum-funded initia-

tive "Live Wire", aimed at stimulating and encouraging unemployed 18-32 year old Omanis to consider the option of starting their own business, and providing assistance to those who wish to take up that option.

In September 2006 the 55th batch of students graduated from a three month course intended to develop and cultivate their business skills to enable them to develop and execute a viable business plan. Intilaaqah also provides ongoing business counselling during and after training, and liaises with financial institutions to



procure funds for the graduates. Later, graduates who start their own business may participate in the annual Intilaaqah competition "Best Young Entrepreneur Awards" when valuable financial incentives are given.

Social development

Omani society is closely knit and generally cohesive. The support provided by the government for the community in general - and in particular those unable to be self sufficient in achieving a decent standard of living, is generous. In his speech at the inauguration of the annual session of the

Council of Oman on 1st October 2005, Sultan Qaboos said: "Although the government has made great efforts in the past to provide young Omani boys and girls with opportunities to acquire training and qualifications, through our constant observations and monitoring of the different stages of social development we have observed there are some citizens whose personal and financial circumstances do not enable them to acquire training and develop their skills so that they can find suitable job opportunities. Accordingly, it has become necessary to provide them with

*The Labour Law
(Royal Decree
No.35/2003)
protects the
employee*

assistance”.

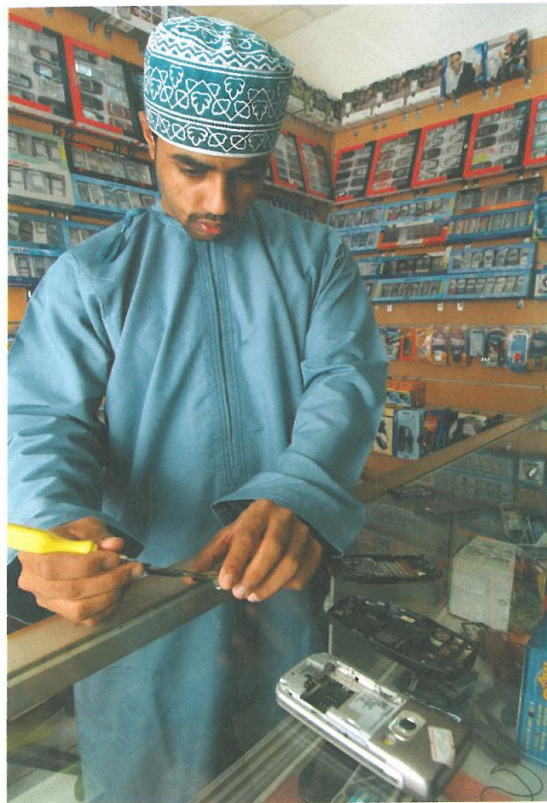
Inspired by this vision, the Ministry of Social Development is seeking to create a supportive human and social environment and improve the effectiveness of the social welfare programmes for different sections of Omani society.

The Social Security Law contains provisions for monthly allowances for families on benefits, including widows, orphans, those unable to work, divorced women, the families of prisoners and other categories who have no visible means of support. At the end of 2005 a total of 48,869 cases were receiving benefits totalling RO27,448,338.

As a further measure of support for families on social security, during the country's 35th National Day celebrations Sultan Qaboos ordered that 16,000 plots of housing and housing/commercial land should be set aside for families on benefits in different parts of the country. These plots were then

distributed to eligible families, who received title deeds with effect from 26th October 2005.

Some other benefits granted to families on social security include grants for the two Eids, grants for those wishing to per-



form the Hajj pilgrimage to Mecca, emergency assistance, exemption from charges for public services and government scholarships for the children of the disadvantaged up to and including university studies,

*The Sanad
programmes
provide young
Omanis with job
opportunities*



depending on the aptitude of the individual student.

The Centre for the Care and Rehabilitation of the Disabled in al Khoudh provides vocational training for disabled people between the ages of 14 and 25. In 2005/2006 it had 109 male and female trainees. The Disabled Children's Care Home caters for children between the ages of three and 14, in 2005 some 55 disabled children benefited from its services. The 19 non-government al Wafa social centres provide care for 1,870 disabled children. The centres are staffed by volunteers and follow a community-based strat-

egy for providing welfare and rehabilitation services in the different regions.

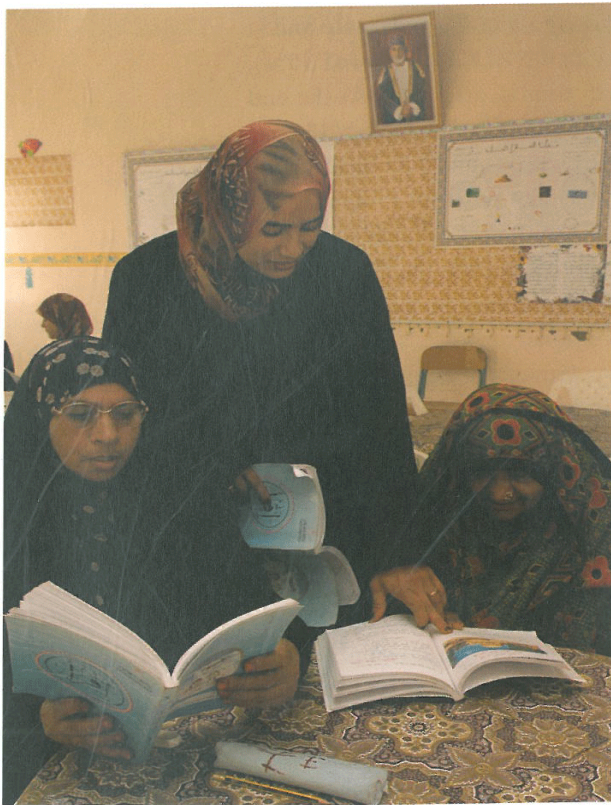
The Sultanate's team competed in the first championship for disabled girls in the Arab Gulf Co-operation Council (AGCC) states, which was held in the United Arab Emirates in 2005, and won 13 gold medals. Meanwhile, the Omani team taking part in the 31st AGCC disabled sports championship in Dubai in March 2006, won nine gold, five silver and four bronze medals.

The National Child Care Committee has been restructured and its functions rede-

Modern teaching equipment is available at a school for the deaf and dumb

Literacy classes are held country-wide for those who were earlier not able to receive an education

fined; it was this committee that set up a sub-committee to monitor the implementation of the United Nations agreement on the "Rights of the Child", which was ratified by the Sultanate. At the end of 2005 there were 47



day nurseries and 53 children's schools attached to the Omani Women's Associations (OWAs), as well as 21 children's homes around the country offering educational and social services to orphans.

The Omani Women's Associations (OWAs)

The government, led by Sultan Qaboos, attaches great importance to the role of Omani women and believes they have an important role to play, both within the family and in the country's economic and social life. Omani women enjoy full civil and political rights, including the right to vote and stand for membership of the Consultation Council (Majlis A'Shura) and other bodies. They have proved effective members of the Sultanate's executive, parliamentary, judicial and public councils and authorities for many years and have demonstrated their competence and potential in every field.

There are currently four women holding ministerial rank in the government:- Dr. Rawiyah bint Saud al Busaidiyah, the Minister of Higher Education, Dr. Rajiha bint Abdulamir bin Ali, the Minister of Tourism, Dr. Sharifa bint Khalfan bin Nasser al Yahya'eyah, the Minister of Social Development, and Sheikha Aisha bint Khalfan bin Jameel al Siyabiyah, the Chairperson of the Public Authority for Craft Industries.

Several women are members of the State Council (Majlis A'Dawla), the Consultation Council (Majlis A'Shura), the board of Oman Chamber of Commerce and Industry and the Businessmen's Council. Women hold high positions in the administrative apparatus of state, the Public Prosecutor's Office and are on the boards of directors of some private sector establishments.

Although organised voluntary work is a relatively new phenomenon in Oman, the non-government charity and voluntary sectors are playing an increasingly active role in serving the local communities and a growing number of non-government associations are becoming involved

Societies and Associations

By the end of 2005, some 66 associations (such as the Al Noor Association for the Blind, the Environment Society of Oman etc) - including 45 Omani Women's Associations (OWAs) and 12 professional associations (e.g. the Society of Petroleum Engineers) - had been opened in various parts of the country under the aegis of the Ministry of Social Development.

Health services

High quality primary health care is the basic element of the health service, provided throughout the country by some 49 government hospitals - including 13 referral hospitals - which account for 90% of the hospitals in the Sultanate and - with 4,542 beds - around 95% of total availability. At the end of 2005 there were also 13 polyclinics and 127 health centres. The Seventh Five-year Health Plan (2006-2010) has approved a strategic programme based on the ten health regions.

Omani citizens have access to an integrated, three-tier, nationwide, first class public health service. At the first level primary health care is provided by the health centres, polyclinics and outpatient clinics at the hospitals. At the second level are the referral hospitals in the ten health regions which handle more complex problems and offer skilled and specialised care. All 13 referral hospitals have been recently modernised.

At the third level are the hi-tech specialist health services available at hospitals equipped for a particular purpose; these hospitals, which are all in the Governorate of Muscat, are the

Education for the physically incapacitated

A branch of an Omani Women's Association holds an exhibition of the work of its members



Royal Hospital, Khoula Hospital, al Nahdha Hospital and the Ibn Sina Hospital for mental and nervous diseases.

The second and third levels reflect the general advances that have taken place in the health of the community, as well as the fact that certain types of diseases commonly associated with economic and social progress are now more widespread. Consequently there is now a greater need to tackle non-contagious diseases that require continuous, on-going care. The private sector is playing an increasingly prominent role in providing advanced health services, under the supervision of the Ministry of Health.

In 2005 the specialist out patient clinics at the hospitals received around 11 million visits, while in-patient departments treated around 220,000 cases. Some 83,000 surgical operations were performed.

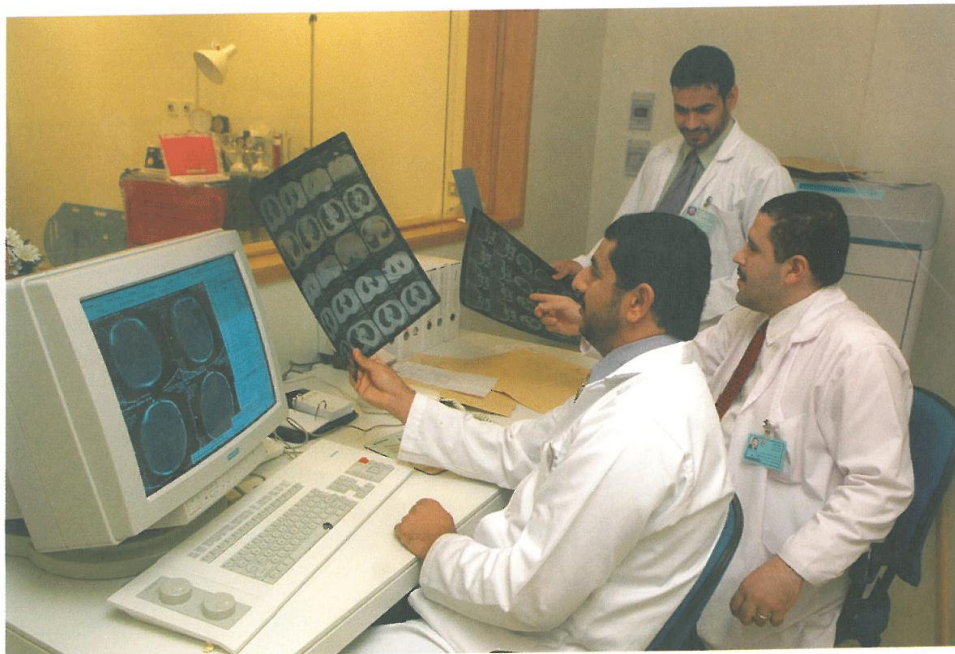
Some of the available indicators reflect the progress achieved in the health sector, particularly in the prevention of dangerous infantile diseases. In 2005 some 99.9% of the target group were immunised against polio, diphtheria, tetanus and whooping cough, and 98.9% were immunised against

measles. The Sultanate is now in its 12th polio-free year and no cases of neo-natal tetanus have been recorded since 1995. There have been no cases of diphtheria since 1992 and the number of confirmed cases of measles fell from 68 in 1995 to 19 in 2005. Acute infectious respiratory diseases fell by 40% over the same period, while confirmed cases of malaria plummeted from 32,000 in 1990 to 544, all of them imported. No secondary cases were recorded in 2005.

There are numerous medical teaching institutions in the Sultanate, including Sultan Qaboos University (SQU)'s College of Medicine and a range of health and technical institutes that come under the auspices of the Ministry of Health. These produce doctors, nurses and various categories of auxiliary medical staff. Omanisation is making significant progress in this sector; at the end of 2005, some 13,443, or 66%, of the Health Ministry's 20,438 total staff - including medical, auxiliary medical, and administrative personnel - were Omani nationals; of 2,981 male and female doctors, 813, or 27%, were Omani. A total of 91 male and

59% of the Sultanate's male and female nurses are now Omanis





female doctors, graduates from SQU, joined the health service in April 2006, bringing the number of Omani doctors up to 904. Meanwhile, some 59% of the country's 7,909 male and female nurses are Omanis.

The Oman Medical Speciality Board (OMSB) is an important channel for promoting the role of nationals trained in specialist medical disciplines.

The following is a brief list of the main health institutions under the Ministry of Health as of 31st December 2005:

The Governorate of Muscat

There are six government hospitals in the Governorate of Muscat with around 1,270 beds. They include four specialist referral hospitals with high-tech equipment that cater for patients from all over the Sultanate.

They are:-

- The Royal Hospital. This is equipped to carry out surgical operations and medical interventions requiring advanced technology such as nuclear medicine, kidney and other organ transplants and heart operations. It has a modern oncology centre.

High-tech diagnostic equipment is available in Muscat's referral hospitals

Omani doctors are now employed in government and private hospitals and clinics around the country

■ Khoula Hospital is the main referral hospital for orthopaedic surgery, neurosurgery, cosmetic surgery, burns, maternity and other cases.

■ Al Nahda Hospital is a specialist unit for ear, nose, throat,



eye and dental surgery and skin diseases.

■ Ibn Sina Hospital is a specialist hospital with 70 beds for mental and nervous diseases.

All of the above-mentioned

hospitals are National Tertiary Care Hospitals.

- The 24-bed Rahma Hospital specialises in chest problems.
- The Quryat Hospital is a local hospital.

In addition to the above there is also a Police Hospital, a Defence Hospital for military personnel, and the Sultan Qaboos University Hospital, as well as three private establishments – the 72-bed Muscat Private Hospital and the 16-bed Al Shatti, as well as the Badr Al Samaa Polyclinic, which has 20 beds.

Other health facilities in the Governorate of Muscat include the Bausher Polyclinic, the Wattayah Polyclinic for gynaecological and maternity cases, and numerous health centres (some of which have maternity beds). There are also Ayurvedic, Chinese and homeopathy clinics, as well as chiropractor centres.

Dental clinics across the country offer every type of treatment from orthodontics to oral surgery to dental implants.

The Governorate of Dhofar

The Governorate of Dhofar has six hospitals. The biggest of these is the Sultan Qaboos Hospital in Salalah with 450

beds. It is the governorate's chief referral hospital and boasts specialist departments including intensive care and renal units, as well as cosmetic surgery, ENT, dental and other units. The governorate's other smaller hospitals are in Taqah, Tawi Ateer, Rakhyut, Sadah and Madinat al Haqq. There are also 27 health centres, 22 of which have maternity beds. In total, the Governorate of Dhofar has 538 public hospital beds.

In addition to the above there are two private hospitals – the Hamdan Hospital with 20 beds and Salalah Hospital with 18 beds.

The Dakhiliyah Region

The Dakhiliyah Region has six hospitals - in Nizwa, Sumail, Bahla, Adam, Izki and al Jabal al Akhdhar. Nizwa Hospital is the region's referral hospital built in 1998 and has 301 beds. Other facilities include Nizwa Polyclinic and 14 health centres, five of which have maternity beds. The Dakhiliyah Region has a total of 547 hospital beds.

The Sharqiyah Region

The Sharqiyah Region has

ten hospitals - in Sur, Ibra, Ja'alan Bani Bu Hassan, Ja'alan Bani Bu Ali, Sinaw, Masirah, Wadi Dima wa'l Ta'een, Wadi Bani Khalid, Samad al Shaan and Bidyah, which between them have a



total of 787 beds.

The Sharqiyah Region comprises two health regions. They are:-

■ The North Sharqiyah: Ibra's new hospital is the referral hos-



Non-contagious diseases that require continuous on-going care are now being given greater attention

pital for this region, which also has 11 health centres, including five with maternity beds. Ibra's old hospital has become a polyclinic.

■ The South Sharqiyah: Sur Hospital is the referral hospital for the South Sharqiyah, which also has two polyclinics - in Sur and Ja'alan Bani Bu Ali - as well as 14 health centres including nine with maternity beds.

The Batinah Region

The Batinah Region has ten hospitals - in Sohar, Rustaq, Saham, Wadi Bani Ghafir, Wadi al Sarmi, Wadi Mistal, Wadi al Hawasinah, Wadi al Haimli, Wadi

Bani Kharus and Wadi Hibi; they have a total of 761 beds.

The Batinah Region comprises two health regions. They are:-

■ The North Batinah: Sohar Hospital is the regional referral hospital for the North Batinah, which also has four polyclinics and ten health centres including three with maternity beds.

■ The South Batinah. Rustaq Hospital is the referral hospital for this region, which also has two polyclinics and eight health centres, all with maternity beds.

The Dhahirah Region

The Dhahirah Region has



four government hospitals - in Tan'am, Ibri, Yanqul and Wadi al Jizzi - with approx 300 beds. Ibri Hospital is the referral hospital for this region. There is also a polyclinic (in Ibri), as well as 12 health centres, six of which have maternity beds.

The Governorate of Musandam

There are three hospitals in the Governorate of Musandam - in Khasab, Bukha and Daba al Bay'ah - with a total of 156 beds. Khasab Hospital is the regional referral hospital. There are also three health centres, all with maternity beds.

The Wusta Region

There are three hospitals in the Wusta Region - in Haima, al Duqm and al Jazer - with a total of 72 beds, as well as five health centres including four with maternity beds. Three other health centres are currently under construction in this region in the villages of al Najdah, Khaluf and Sarab in the Mahawt area

Sports

The Ministry of Sports Affairs was set up to work with other relevant bodies, in helping the Sultanate's youth - which form the biggest section of Omani society - develop their

The Seeb Sports Stadium with its wide range of facilities, covers an area of 90,000 square metres

Oman's International Rally attracted a large number of entries

sporting talents and potential.

Housing and commercial land has been granted to all the Sultanate's sports clubs and copies of the title deeds were presented to club representatives in May 2006. The 43 clubs were also supplied with modern buses



as a gift from Sultan Qaboos.

Sports facilities across the country have been expanded and upgraded, which in turn has had a positive impact on the performance of several teams and

associations, who have achieved impressive results at events in the Gulf, the Arab region and beyond.

Sport offers young Omanis an ideal outlet for channelling their energies and interacting with people from other countries. The recommendations produced by a seminar to discuss the future of Omani sports, held in Muscat in April 2005, proved pivotal in shaping future development, particularly in promoting sporting activities for women and special needs cases, and in encouraging the role of the private sector in sports.

The Seeb Sports Stadium, opened as part of the Sultanate's 35th National Day celebrations, covers an area of 90,000 square metres and offers a wide range of facilities. Improvement work has been carried out on several sports complexes including those at Nizwa and Sur.

During the year under review the various national sports teams have done well - in particular teams representing the following: swimming, volleyball, athletics, football, shooting, golf, weightlifting, and body-building, whilst Khamis bin Ghabish al Qutaiti came 6th in the world in the javelin-throwing event for World Junior Championships

held in Morocco in July 2005.

The women's running team too, taking part for the first time in an event abroad, won a bronze medal in the West Asian championships.

In September 2006 the

The Oman Olympic Committee (OOC)

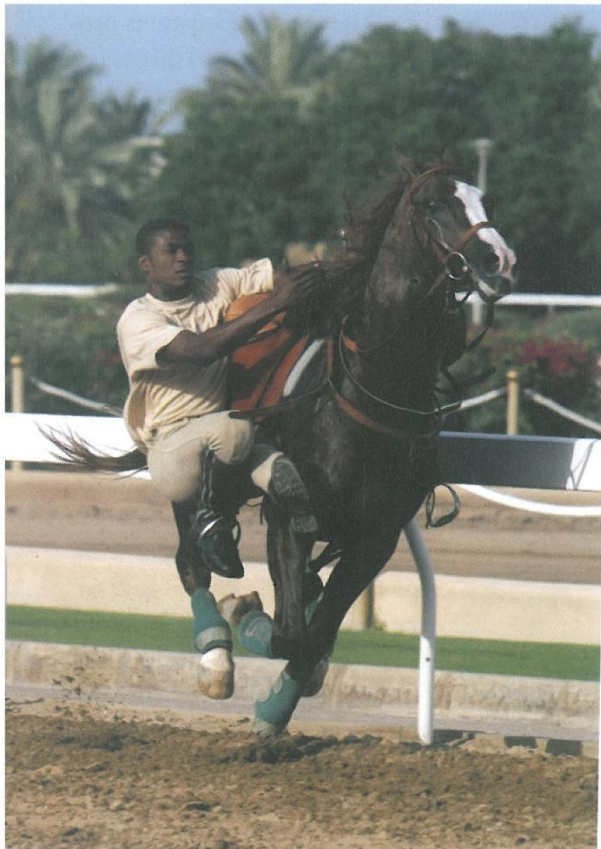
The Oman Olympic Committee (OOC) plays a vital role in supporting national sports associations by organising sports programmes at home and abroad.

Several sports associations took part in the OOC's eighth "Olympic Days" event here in Muscat. The committee also held bowling, weight-lifting, fencing, rowing and body-building competitions and was represented on the AGCC equestrian and show-jumping circuit.

Last year - 2005 - the OOC signed Memoranda of Understanding with the Olympic committees of Kuwait, Qatar and Bahrain, according

to which sportsmen and women from the AGCC states will - for sporting purposes - be treated as nationals of the individual countries concerned.

Equestrian skills are a tradition in the Sultanate



Sultanate played host to the Asian Men's Club League Handball championships. Muscat Club finished 4th in the event.



The Science Club organises numerous courses for young people

Cultural and scientific activities

Cultural and scientific pursuits go hand-in-hand with sports in helping Omani youth develop well-rounded characters.

Those involved with the Sultanate's various youth-related sectors try to ensure young people have every opportunity to take part in cultural and scientific activities at home and overseas; these include events sponsored by Oman's various arts and sciences associations, related exhibitions, competitions and training courses. Young Omanis have benefited

enormously from these activities and their cultural, artistic and scientific achievements contributed significantly to the "Muscat - Arab Culture Capital 2006" events.

Scouts and Guides

The National Organisation for Scouts and Guides (NOSG) has tens of thousands of members in over 900 scout and guide packs across the country who take part in a range of activities designed to develop their skills and instil in them a sense of national identity, respect for public service and a positive attitude towards the

community.

A strategy has been drawn up for the development of the movement up to 2012.

Scout and guide commissions across the country have been supplied with computers and modern telecommunications equipment and the NOSG's bi-lingual internet website -

www.omanscouts.gov.om - has been upgraded to provide an invaluable source of information on the movement and its activities across the country.

Omani scouts and guides have enjoyed a busy year taking part in a number of festivals and other events including the annual celebration to mark His Majesty the Sultan's induction in 1983 as Chief Scout of the Sultanate, the 2006 Muscat Festival, the 2006 Khareef Salalah Festival and Gulf Traffic Week.

NOSG also hosted several Gulf meetings in Muscat, including a meeting of leadership development commissioners, a forum of strategy planning officials at the AGCC scouting organisations and associations, the 16th meeting of heads and representatives of scouting organisations and associations, and a meeting of

the AGCC technical committee on scouting. NOSG also hosted the 7th AGCC scout camp at the permanent campsite on the Jabal Ashour plain in the Governorate of Dhofar in August 2006 and took part in Arab scouting events in Sharjah, Cairo, Riyadh, Kuwait and Algiers and was represented at international conferences and seminars in Tunisia (the 37th scout conference) and Jordan (the 32nd guides' conference), as well as in India and England.

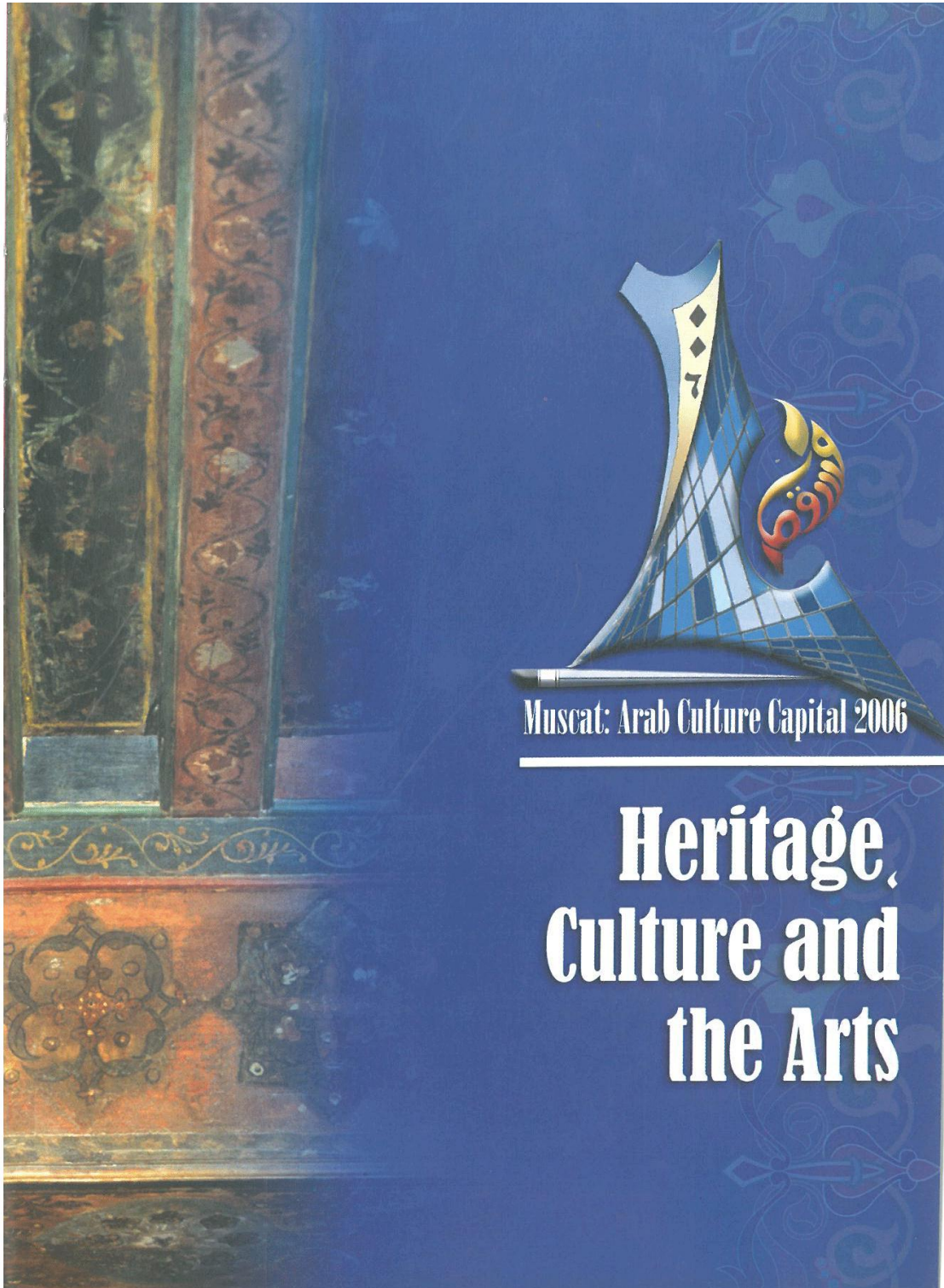
The peer education scheme started by NOSG is set to run for the next five years. The scheme was started with the aim of raising awareness about concerns of the younger generation, including issues involving health practices, smoking, the dangers of sexually transmitted diseases and other such matters.

900 Scout packs take part in a range of activities

Girl guides took part in many festivals during the year







Muscat: Arab Culture Capital 2006

Heritage, Culture and the Arts



HERITAGE, CULTURE AND THE ARTS

Oman's heritage has evolved from more than its majestic old forts and castles, more than its intricately worked silver jewellery or expertly hand woven carpets and rugs, although each of these has their place in the country's heritage and culture; these, together with the less tangible aspects of the Sultanate, the hospitality and warmth of complete strangers, the smell of burning frankincense, the taste of cardamom flavoured coffee, the noisy, colourful hustle and bustle of the souq, each plays a small but vital part in contributing to the Omani experience -- a living, breathing culture

and heritage.

Culture and the arts have long been a means of building bridges between Oman and other nations. From ancient times the country has had relations with countries stretching from China to South Asia, East and Central Africa, Europe and the United States of America; these contacts with numerous and diverse peoples naturally led to an exchange of ideas and cultural influences. This was broadly the philosophy behind the "Muscat - Arab Culture Capital 2006" programme. The event is of particular importance for Oman since, as well as providing an opportunity to showcase some of its national treasures it has also been

Prehistoric steatite vessels (probably cosmetics containers)

Over 4,300 manuscripts and documents have been carefully preserved

able to demonstrate a long and valuable contribution to the international community. The "Muscat - Arab Culture Capital 2006" programme provides an

Sultanate's own history, but also contribute to a greater understanding of civilization. Several sites feature on the World Heritage List, and Oman

is an active member of UNESCO's World Heritage Committee.

In July 2006 the International Heritage Committee selected five Omani aflaj to be included on the UNESCO World Heritage List. They are:

Dareez in Nizwa,

Khatmain at Birkat al

Mauz, Malki at Izki, Al Maisir at

Rustaq and Jaylah in the Eastern

Hajar. The origin of this ancient

water management system can be

traced back to 500AD, but

archaeological evidence sug-

gests that irrigation systems existed much earlier in 2,500BC.

The Sultanate's Ministry of Heritage and Culture preserves and maintains the country's archaeological sites, particularly those that might be threatened by urban sprawl or large-scale development projects. It also encloses and protects the sites, provides facilities for visitors and organises exhibitions.

To mark World Heritage Day on 18 April 2006, an exhibition of Omani archaeological finds was staged, including rock carvings from the district of Madhah, flint imple-

ment, opportunity for people from abroad to meet Omanis in their home environment.

Archaeology

Oman's numerous archaeological sites are relevant to the



ments providing evidence of the first human settlement in Oman, dating from between 30,000 and 50,000 years ago; finds from the Bat and Ras al Jinz sites; earthenware pots from Yanqul and Samad al Shaan, and items from Mahliya (in Wadi Andam), Bausher and other locations.

Excavations are ongoing at a number of sites in collaboration with Sultan Qaboos University (SQU)'s Antiquities Department and various European and American archaeological missions. During 2005-2006 these led to several significant discoveries, including:

Over the years numerous other items have been found at Omani archaeological sites, the most important of which include:

The Ras al Hamra site

Consists of a number of shell mounds dating from the fourth millennium BC. The layers from the different settlement periods were found to contain shellfish hooks and weights for fishing nets, in addition to hammers, stone axes and jewellery. Archaeologists also found a number of graves containing skeletons buried crouched on their sides facing the sea. Most of the skeletons wore shell ornaments and beads.

The Suwayh site

The Suwayh site, which dates from

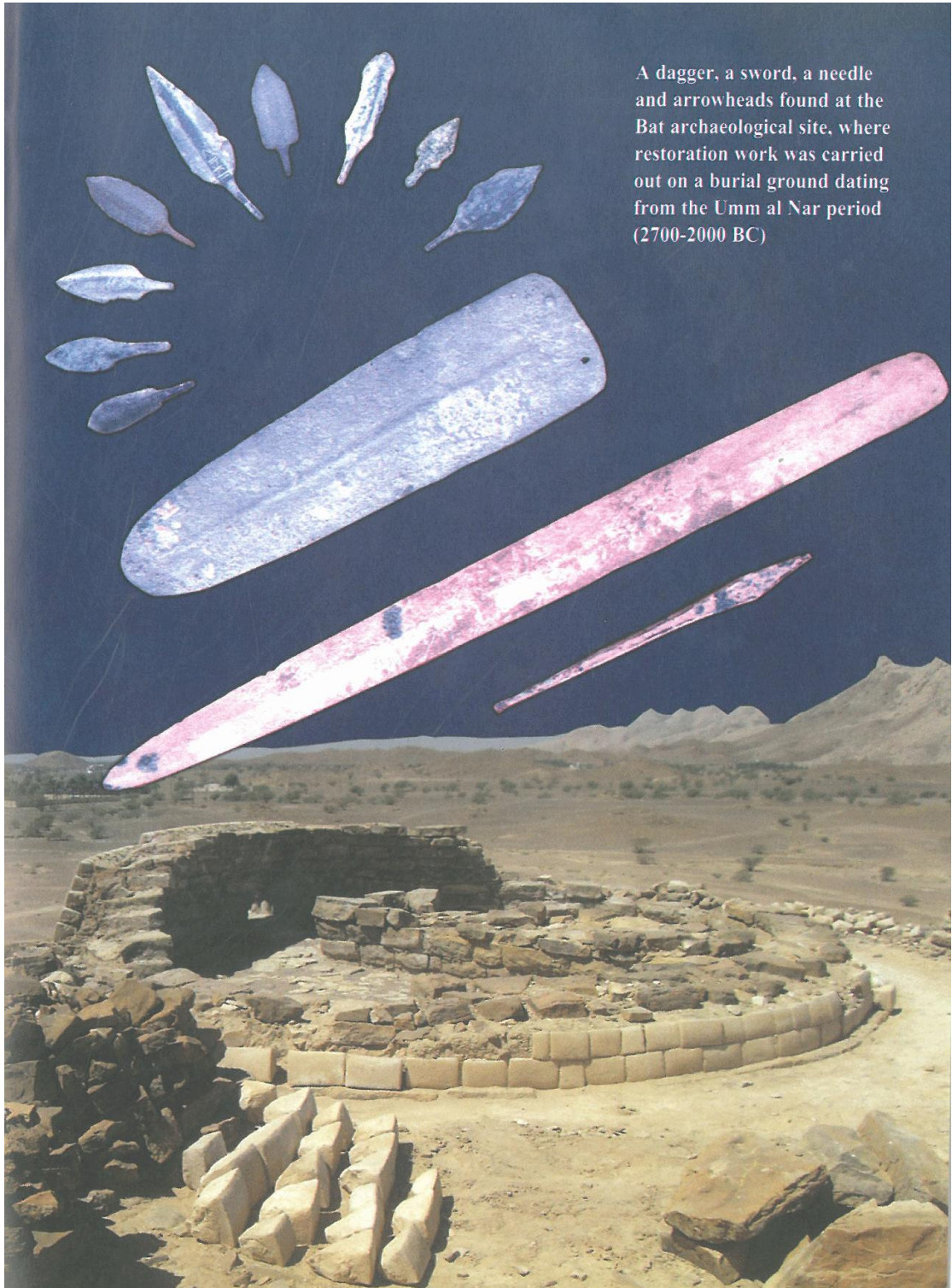
between the 6th and 4th millennia BC, lies to the north of the village of al Suwayh, near Ja'alan Bani Bu Ali in the Eastern region. Its discovery has led to a reappraisal of the history and chronology of flint implements.

The Ras al Jinz site

Evidence of four settlement periods dating from between the 4th millennium BC and the middle of the 2nd millennium BC has been established at the Ras al Jinz site, situated at the furthest point of the main coastal plain, overlooking the sea. Excavation work is continuing at the site in collaboration with an Italian-French joint mission. The southern section of the site's perimeter wall has been excavated and a large quantity of animal remains discovered, as well as around 6,000 chlorite and smooth soapstone beads, some ceramic ware, cornelian, silverware and conical gold beads, and a small, round chlorite or marble jar.

The Ras al Hadd site

The Ras al Hadd site, which dates from the Sultanate's pre-historic period and covers an area of around 60 square metres, is currently being excavated in collaboration with a Greek archaeological mission, and is



A dagger, a sword, a needle and arrowheads found at the Bat archaeological site, where restoration work was carried out on a burial ground dating from the Umm al Nar period (2700-2000 BC)

known as the Joint Hadd Project. The site consists of a number of chambers and an adobe mastaba some 30 centimetres thick. It is surrounded by a thick wall. Various archaeological finds indicate that the site was used for a range of craft activities.

The Wadi Shab site

This site is near Sur and consists of a number of round fishermen's huts dating from the 4th millennium BC. There are also other indications of fishing activity as well as several smooth soapstone implements and ornaments.

The Ain Hamran site

The Ain Hamran site is on the northern part of the Salalah plain and consists of a citadel surrounded by oval towers set in an outer perimeter wall. There are also a number of other thick walls in the vicinity.

Other sites

Archaeological surveys are currently being carried out in the sandy desert area of al Huqf near Mahawt in the Wusta Region. The survey is focusing on stone implements with the aim of studying early human migration from Africa to Asia through Oman.

In addition to the sites men-

tioned above, excavations are also ongoing at several other sites, including al Hazm Fort in Rustaq, the Safri village burial ground in the district of Yanqul, the Hayy al Azizi burial ground in the district of Dhank, and a number of burial grounds in Bausher and at the village of Mahliya near Mudhaibi.

An ancient treasure trove has been discovered in the village of Su'al in the wilayat of Nizwa, comprising an earthenware jar found in the wall of a mud house, which was found to contain 456 silver dirhams showing various Hijri dates.

The land of Frankincense sites

These four sites were added to UNESCO's World Culture and Natural Heritage List in December 2000. Details are:

Al Baleed

The city of Al-Baleed is in Salalah on the coastal strip between Al-Dhariz and Al-Haffa, covering an area of (640,000) Al-Baleed is the historically late name for a medieval town, the name of which is transcribed variously as, Dhofar, Zafar etc. Archaeological excavations have shown that there was an Iron Age settlement here. It most probably survived for a long period afterwards, despite the lack of a

specific mention in Ptolemy's Geography.

Al Baleed, the ancient Zafar of Arab historians, was a prosperous port and trading centre. Arab travellers, including Ibn Mujawir (1232 AD) and Ibn Battuta (1329 and 1363AD), visited the city and described its people and economy. Shifting economic, ecological and political conditions along the North Indian Ocean led to its slow demise by the mid 16th century AD.

The city was re-established during the Manjawi era during the 4th century AH (10th century AD), then rebuilt during the 7th century AH (13th century AD) during the Habudhi period, in a style similar to that of the other major Islamic cities of that time. The city prospered from the frankincense trade through its links with the ports of China, India, Sind, Yemen, East Africa, Iraq and Europe. It was visited by several travellers, who wrote of its buildings and commercial prosperity.

The recent excavation has shown that the site was inhabited in the pre-Islamic period. Since its origins, circa 2,000 BC in the Bronze Age and its continued rise in the late Iron Age, it was a key centre, which dominated the East African, Indian and Chinese trade. Both Arab and European historical references indicate that it was rebuilt a number of

times from the 4th century AH (10th century AD) to its final demise at approximately 618AH (1221AD).

The city layout is similar to other Southern Arabian ports, such as Sohar to the East and Al Shihr to the West. A major lagoon or Khor is situated immediately north of the city. This lagoon is created by a series of spring run-offs from the Dhofar hills, thus providing Al Baleed with an abundance of fresh water. Concerning its prosperity from foreign trade, smaller boats would enter the lagoon to a customs house off-loading the cargo from the ocean-going dhows anchored offshore. A formidable city wall with perhaps four gates and associated bastions as described by Ibn Mujawir (1232AD) is at least 2 km long and 4 m high in places, protecting the western sector of the city. The large urban area dominated by formal buildings such as mosques and houses can be seen along the western portion of the city. The large open spaces of the eastern part of the city may have held horse stables, sardine drying fields and frankincense storage areas. The low lying hills of dressed stone rubble as well as numerous artifacts strewn across the surface are indicative of buried buildings.

Khor Rori “Sumhuran”

Khor Rori is a creek on the coastal strip between Taqah and Mirbat about 40 Km east of Salalah. It is connected to the wadi, which runs down from the Darbat Falls and the Dhofar mountain chain to the north of the site. Studies indicate that it dates from the 4th century BC and that it continued to be inhabited over a succession of periods. The harbour of Khor Rori is mentioned in two Greek texts dating from between the 1st and 2nd centuries BC, while inscriptions identify the settlement as Sumhuran. Periplus, the Greek book on sea voyages, states that Moscha was the port of Khor Rori.

The ruins of Sumhuran indicate that it was a prosperous city with high fortified buildings. At the entrance was a massive gateway; while within the city was a temple to the Moon God, in addition to stores and multi-storied dwellings. Inscriptions by the gateway in the old South Arabian alphabet refer to the foundation of the city.

A small temple discovered in 2003 outside Sumhuran's walls may have been an adjunct to the burial ground. Several votive objects found scattered on the floor of the temple inside the city included the base of a bronze candlestick and bronze bells. A number of items of

personal adornment were also found, including a bronze necklace, as well as a complete stone jar, a sacrificial altar and several sea shells used as oil lamps. Implements, metal coins and pottery indicate that Sumhuran was an Arab city of some significance and that it had strong maritime links with the Mediterranean, India and the Gulf. Coal and wood samples taken from various locations at the site were analysed and carbon-dated. The results showed that the site dates from between the 4th century BC and the 5th century AD.

Wadi Dawkah

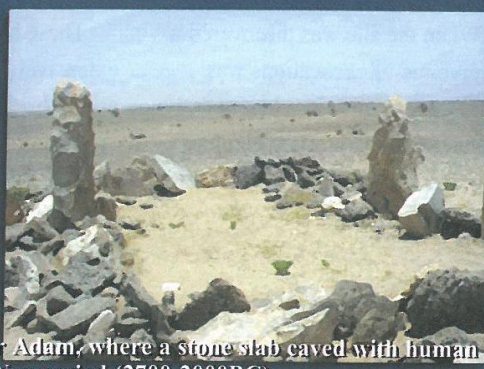
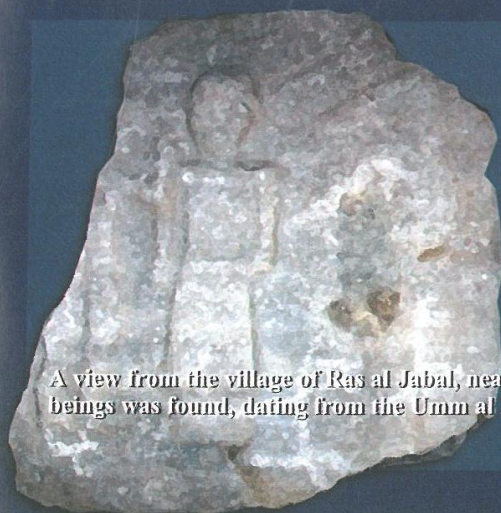
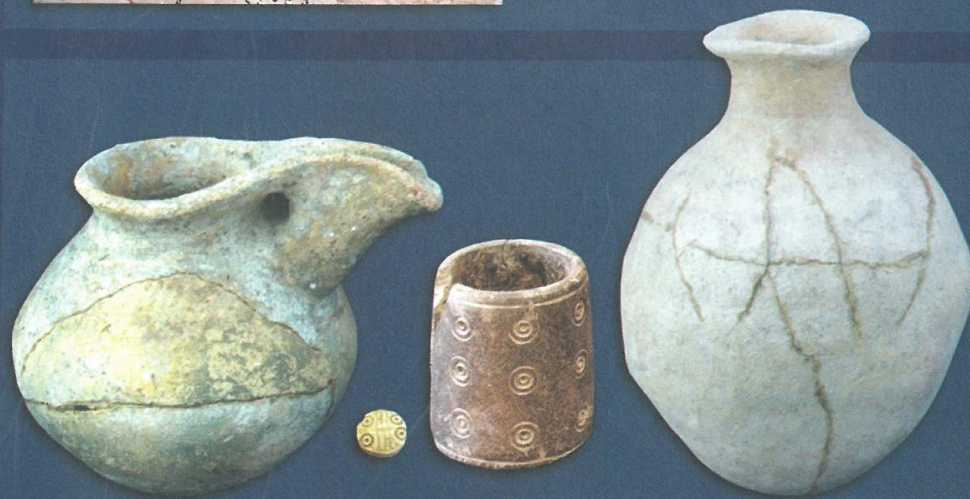
Wadi Dawkah is in the Nejd region beyond the northern slopes of the Dhofar mountain range and is a typical frankincense-growing area. The reserve, which covers an area of 14 sq Km, was chosen because it is near Salalah - around 40 Km north of the city on the main Salalah-Muscat road in the direction of the Shisr-Wubar site. Wadi Dawkah is a semi-desert wadi of rocks and gravel in an area of small round hills and shallow depressions formed when the wadi flooded in ancient times.

The best quality frankincense in Oman is produced by the wadi's frankincense (*Boswellia sacra*) trees. These grow in abundance in



General view of the archaeological excavations at Ras al Jinz, and an impression of a cylindrical stone stamp seal dating from the 3rd millennium BC found at the same site

Below, two pottery jars, a marble pot and a stamp seal found at Sohar Port, dating from the 1st millennium BC



A view from the village of Ras al Jabal, near Adam, where a stone slab carved with human beings was found, dating from the Umm al Nar period (2700-2000BC)

this area and are its main form of plant life, which also includes other trees as well as grasses.

Some 5,000 additional trees have been planted as part of a programme to increase the number of frankincense trees in Wadi Dawkah. A number of conservation measures have also been put in place and the boundaries of the wadi have been delineated.

Shisr (Wubar)

The Shisr (wubar) site is in the district of Shisr on the southern side of the Empty Quarter (Rub al Khali) desert, about 170 Km north of Salalah and 90 Km from the district of Thumrait. Various sources state that Shisr (Wubar) is a site in the north of Dhofar on the old frankincense trade route, that it is the name of the land formerly ruled by the 'Aad people, and that the frankincense trade route from Dhofar to Baghdad passed through Wubar and over the Empty Quarter.

When the site was discovered a programme of excavations was started to establish its identity and architectural features and explore what artefacts lay below its surface. The excavations showed traces of a citadel, confirming that the site had been settled during the Iron Age (325-650BC), while some of the finds indicated that it had been

inhabited from the Stone Age (5000BC) and during the Neolithic period up till the second century BC. Carbon-dating techniques established that the site was contemporaneous with the Greek and Roman periods and remained settled up till the 5th century AD. The most recent evidence of settlement at the site dates from the 13th to the 16th century AD.

Items found at Shisr (Wubar) include wooden planks and columns, and iron arrowheads dating from the 10th century AD - i.e. during the Islamic era. Numerous other finds date from various periods of the Islamic era, among the most important being eight sandstone chess pieces.

Forts and castles

The Sultanate's history is most visibly embodied in more than 500 old forts, castles, towers, walls, houses and mosques, which can be found across the country.

These buildings have been extensively studied and documented and trained Omanis are currently engaged in a restoration programme designed to preserve the country's architectural heritage, making it easily accessible to visitors. In 2005, forts and castles managed by the Ministry of Heritage and Culture received 7,976 visitors. The

Ministry is also preparing an inventory of the country's protected archaeological sites and collaborating with the Ministry of Tourism on a series of booklets on Omani forts and castles.

Restoration work (using the same building materials as those used in their original construction) has been completed on a number of forts, including Gwadar in Pakistan which was once part of the Sultanate.

Cultural activities

To date, 2006 has been an exceptionally busy year for cultural activities.

His Majesty's Prize for Cultural Creativity

As part of the celebrations being held to mark "Muscat - Arab Cultural Capital 2006", an announcement was made on 8th July 2006 that His Majesty had awarded an annual Prize for Cultural Creativity. The Prize will aim to support artists who have made exceptional achievements in the fields of literature and the arts.

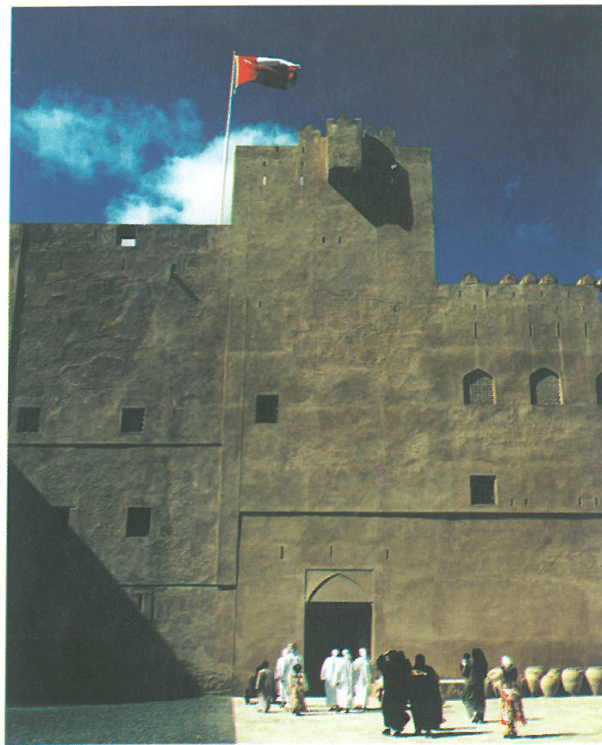
Literature will include poems, short stories, novels and theatre text, while the Arts will include photography, painting and sculpture. The Prize carries a value of US\$125,000 for each winner.

Other events

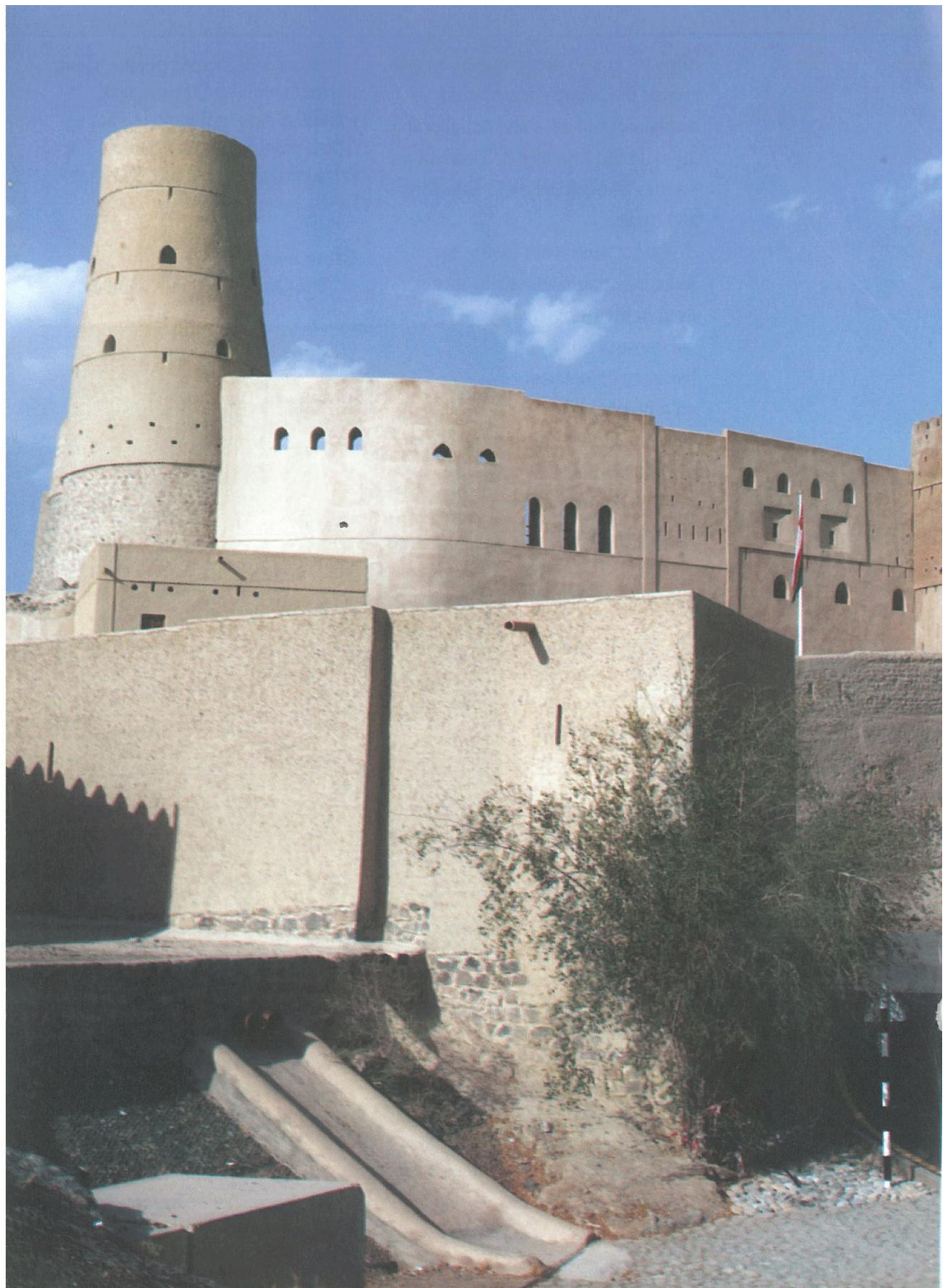
The Oman Cultural Complex,

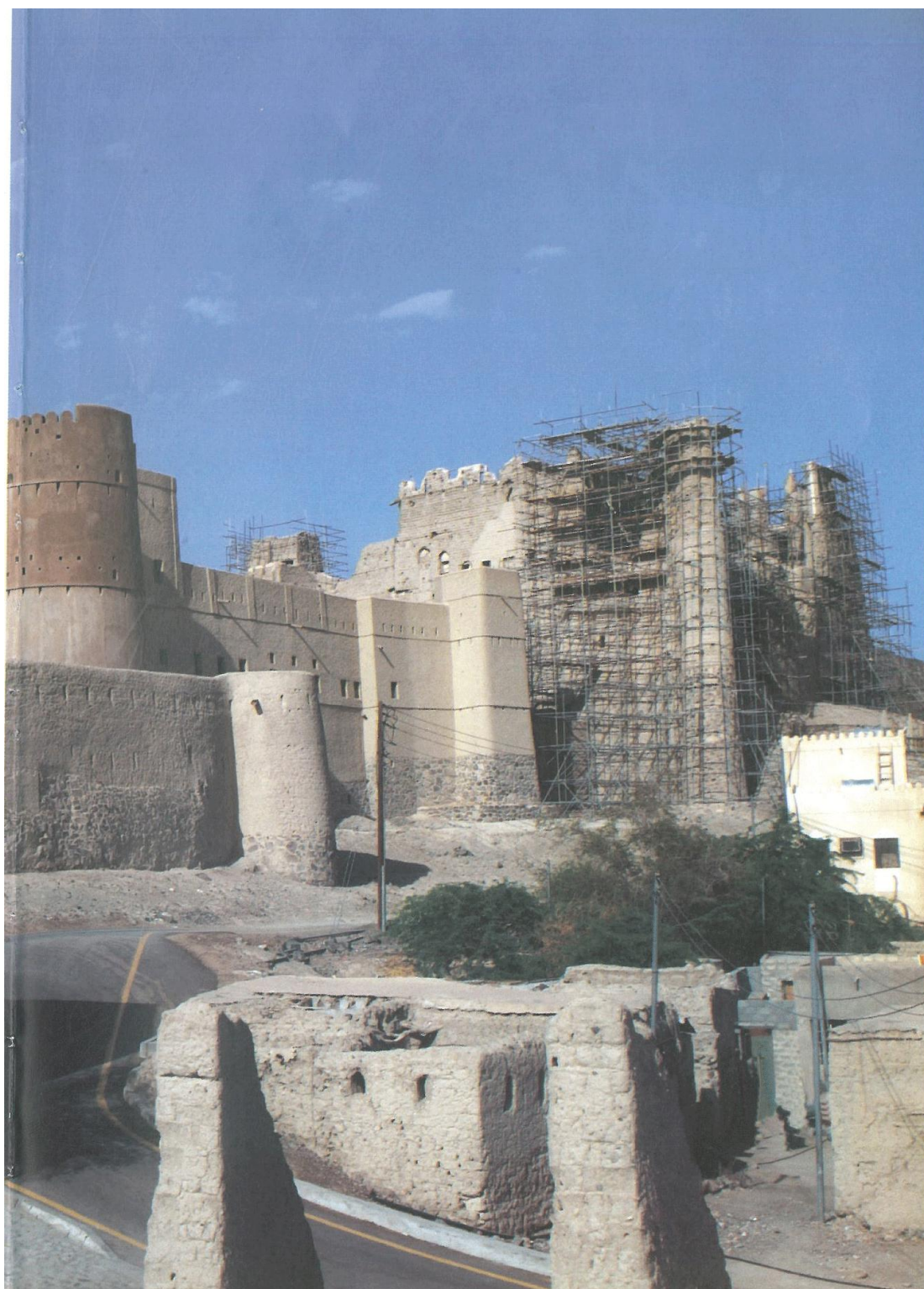
Jabreen castle, built in 1670 as a defensive stronghold and as living accommodation for Imam Sultan bin Saif

The UNESCO World Heritage Committee have now removed Bahla Fort from their World Heritage in Danger List due to the Sultanate's success in restoration work

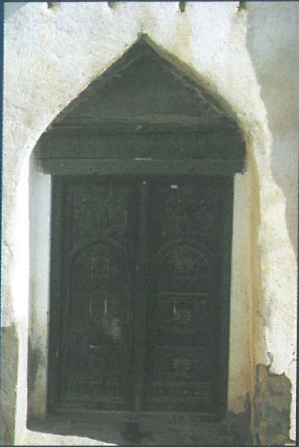
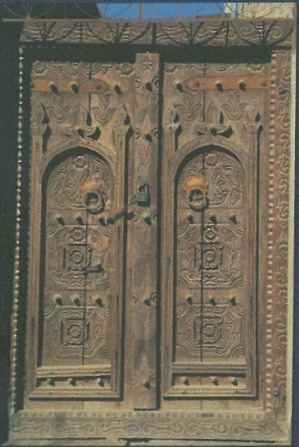
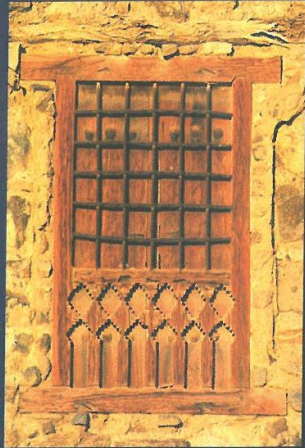
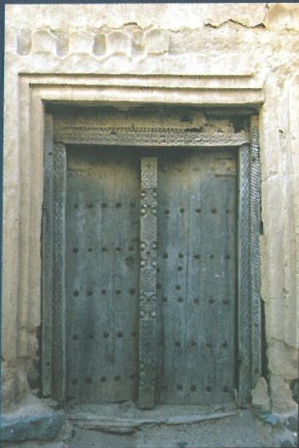
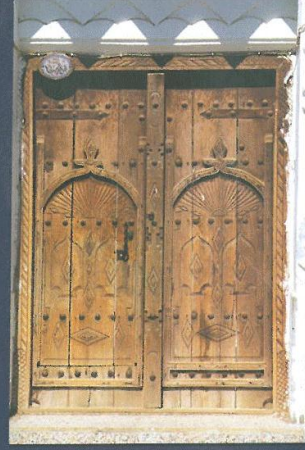
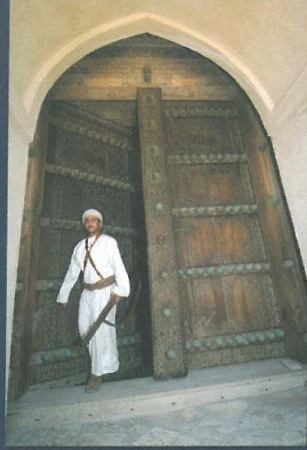
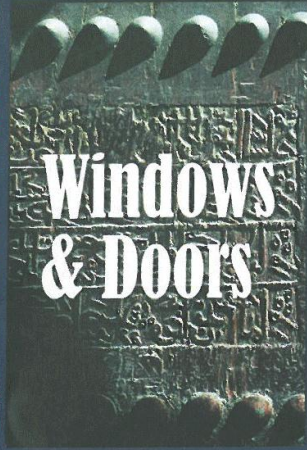


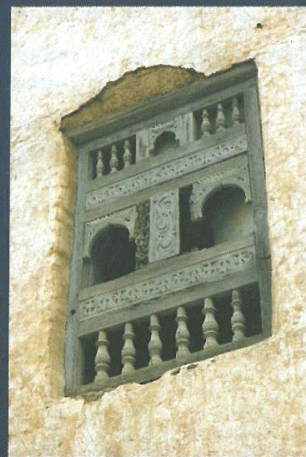
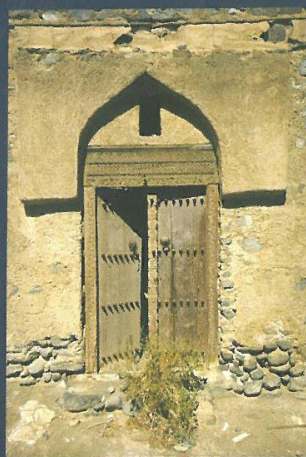
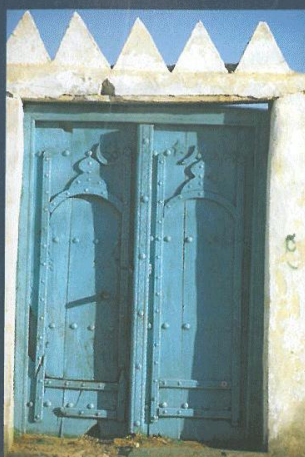
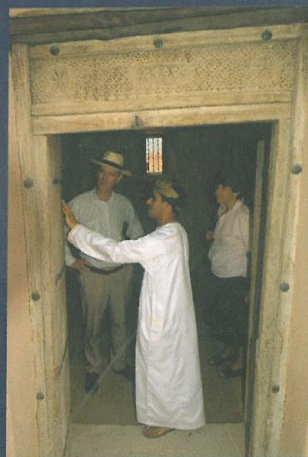
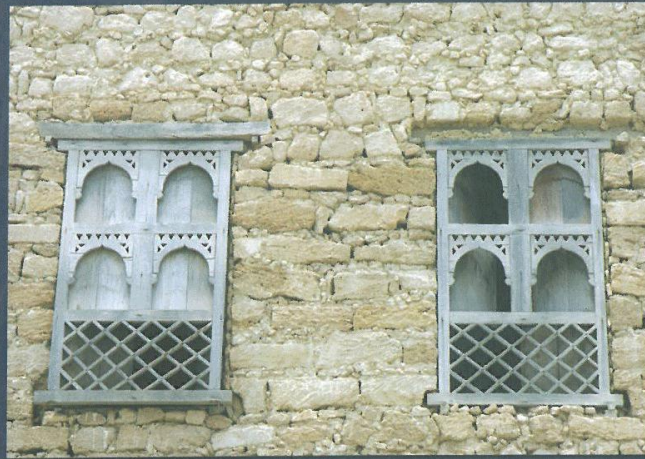
currently under construction, is a large project that on completion, will offer a wide range of facilities. Work has also begun on another major national project - the "Omani Encyclopaedia" - designed as a world-class, comprehensive national Omani encyclopaedia, containing





Windows & Doors





information and facts about Oman and its people. The first edition is due to be published at the end of 2010. Meanwhile, 2006 - saw the publication of the "Land of Oman Encyclopaedia", which lists the names of all Oman's cities, towns and villages, as well as details of the Sultanate's main archaeological and natural features.

Sultan Qaboos University's Cultural Centre and the Centre for Omani Studies were inaugurated under the "Muscat - Arab Culture Capital 2006" banner. A new programme is also being prepared for the traditional Omani sailing vessel "Majan", which will incorporate lessons learnt from its problematic launch in September 2005 to, hopefully, recreate the voyages of ships of a similar design made between Oman and India centuries ago.

Other events over the past year include the Literary Forum Competition (July 2005) and the Literary Competition (July-October 2005), as well as the Qur'an and Hadith Competition, a series of lectures and poetry recitals and a workshop for short story writers during Ramadhan 1426AH (October 2005). The Sultanate was also represented at a number of events abroad including a series of meetings of international experts on cultural diversity in Paris (February, May and June 2005) and the 33rd session

of UNESCO's General Conference (October 2005), which Oman was unanimously chosen to chair the conference by 191 member states.

Oman also attended meetings of the General Cultural Committee of the Arab Gulf Co-operation Council



(AGCC) in Riyadh, Saudi Arabia, (February and September 2005) and the 5th meeting of the advisory council on implementing a cultural strategy for the Islamic world, held in Rabat, Morocco (November 2005).

A "Silk Route" exhibition was staged in Muscat by the Ministry of Heritage and Culture in conjunction with the Embassy of the People's Republic of China (December 2005). Oman was also showcased at the Smithsonian in Washington (23 June- 4 July 2005).

The Sultanate took part in book fairs and exhibitions in various Gulf, Arab and foreign cities in

The Ministers of National Economy and Education attending UNESCO's 33rd General Conference in Paris in October 2005



2005 and 2006, including Sharjah, Doha, Abu Dhabi, Kuwait, Beirut, Cairo, Tunis, Sana'a, Tehran, Frankfurt and Amman, as well as the Asad International Book Fair in Damascus.

The "Muscat - Arab Culture Capital 2006" programme was inaugurated at an official opening ceremony at the Lake Theatre in the Qurm Natural Park on 24th January 2006. One of its first major events was the Muscat Festival (11th January-10th February 2006). Muscat was the venue for several cultural lectures, seminars and conferences on a range of specialist subjects which attracted the participation of a range of international

academics.

Meanwhile, at the Fulaij Theatre, Iraq's Maqam Group, a flamenco troupe from Seville, dervishes from Turkey and the al Hafni Arab Music Group, played to enthusiastic audiences.

Other events included the 12th Literary Forum (in Sur), a children's cultural festival, the Khareef Salalah Festival (15th July to 31st August 2006), an international seminar on civilizations and cultures (in Nizwa), the Arab Youth Poetry and Short Story Forum (in Salalah), a seminar on traditional games and folklore, as well as talks and lectures covering a diverse range of topics from Muslim women in the



modern world, to charting the development of the science of Islamic jurisprudence in Oman from the 7th to the 10th centuries AH.

Book Fair: The 11th Muscat International Book Fair (28th February-10th March 2006) was a major cultural event that attracted over 400,000 visitors. Over 500 Arab and foreign publishing houses were represented and some 35,000 titles were exhibited, with numerous lectures and seminars held on the sidelines.

Cinema Festival: Large numbers of Arab and foreign visitors attended the 4th Muscat Cinema Festival (21st-28th January 2006).

This event is about to enter a new phase of its existence, particularly since the first Omani-produced cinema film - "Al Boum", directed by Khalid bin Abdul Rahim al Zadjali, was given a special screening at this year's festival. It was later shown to the public at the Shati Cinema on 3rd May 2006. A "boum" is a traditional type of sailing ship and the film deals with the relationship between Omanis and the sea.

Theatre: The 2nd Omani Theatre Festival (27/3-5/4/2006) was a highly competitive event with many entrants.

Song Festival: The 7th Omani Song Festival (23-25 April 2006)

Art exhibitions are held at the Omani Society for Fine Arts and at several privately-run art galleries in Muscat

The Golden Bulbul trophy presented on the occasion of the 7th Omani Song Festival

was given a makeover this year.

Poetry: The 5th Omani Poetry Festival will be held in December 2006. Meanwhile, several poetry recitals have been held throughout the year.

UNESCO Cultural Days:



Omani Culture Days were held at UNESCO's headquarters in Paris (June 2006). Both Koichiro Matsuura, Director-General of UNESCO, and Dr. Abdul Aziz bin Uthman al Tuwaijri, Director-General of the Islamic Educational,

Scientific and Cultural Organisation (ISESCO), have paid tribute to the Sultanate's role in promoting dialogue between different civilizations and to His Majesty's support for their organisations. Three seminars on cultural dialogue were held at UNESCO's headquarters (as part of the Oman Cultural Days programme). The first dealt with the importance of dialogue between cultures as a means of confronting modern world challenges. The second - a two-day event entitled "The role of Oman in intercultural dialogue" - examined Oman's historic contributions to cultural dialogue between peoples. The third seminar - on al Khalil bin Ahmed al Farahidi, the famous Omani man of letters who set down the system of poetic metres - was addressed by HE Sayyid Abdullah bin Hamad al Busaidi, Head of the State Audit Institution and guest of honour at the Oman Cultural Days at UNESCO, who spoke about the al Farahidi Salon, which was held in Cairo for several years. The three seminars ended on 9th June 2006. Other events at UNESCO during the Oman Cultural Days included a concert of Andalusian music featuring the Algerian singer Bahijah Rahhal, a screening of the film "The 7 voyages in Oman" by the French film director Lionel Tardif, a book exhibition with Omani manuscripts



and books on Oman's ancient and modern history, and an exhibition on the life and works of al Khalil bin Ahmed al Farahidi. There was also an art exhibition featuring ten Omani artists, as well as an exhibition of traditional jewellery.

Art: The aim of both the Youth Art Studio and the Oman Society for Fine Arts is to nurture and support Omani artists and provide a range of facilities to enable them to develop their skills and to keep abreast of, and participate in, the local and international art scenes.

Omani artists have participated in several art exhibitions and have attended workshops and intermediate and advanced level courses in

Arabic calligraphy, decorative art and photography and sculpture, organised by the Youth Art Studio and the Theatre, Cinema and Arts Department.

Photography: In May 2006 the Omani Society for Fine Arts' Photography Club came sixth in the world in the International Photography Association competition hosted by China, an event attended by 47 countries. Omani photographer Abdul Rahim al Hinai won the silver award out of a field of over 450 photographers from around the world.

The Oman Society for Fine Arts staged or attended several exhibitions including the International Art

Archaeological finds are put on show to the public on Omani Heritage Day

"Le Ciel de Babylone" exhibition held in May 2006 at the Children's Museum

The Royal Oman Symphony Orchestra joins international musicians for the Arab Lute Festival which was held at the end of November 2005



Exhibition, the 8th Art and Arabic Calligraphy Exhibition by Artists and Calligraphers of the AGCC States (January 2006), an art and a photographic show in the United States of America (January 2006), an exhibition of photographs of mosques in New York (February 2006), samples of work by the Italian artist Mayo Schifano (March 2006), the 10th Female Artists' Exhibition (March 2006), the 1st Arabic Calligraphy Exhibition (April 2006), the 2006 South African Artists' Exhibition, a display of work by the Iraqi artist Shawkat al Rubai'yi, several joint exhibitions featuring Omani artists, a showing of work by expatriate artists residing in the Sultanate, graphics by the Sudanese artist Saifuddeen Abdul Qadir al Autah, in addition to individual events showcasing the work of Egyptian artist Magdi al Kafrawi, India's Konaka Mithra, and Dr. Adel Qadih of Lebanon.

A series of photographic exhibitions staged annually in the Sultanate continue to bring Omani artists into contact with their counterparts in the Arab world and beyond, providing a forum for the exchange of ideas and expertise.

There were also numerous exhibitions of work by artists from Europe, America and Australasia at the Bait Muzna and Al Madina galleries which are both privately-owned.

Youth activities and the sciences

The Youth Art Studio, the Youth Theatre and the Oman Society for Fine Arts are all dedicated to the support of youth activities in their respective fields, while the Ministry of Heritage and Culture holds summer camps to encourage young people to participate in social activities and take an interest in the sciences. Further support is provided through the national Science Club and its summer courses.

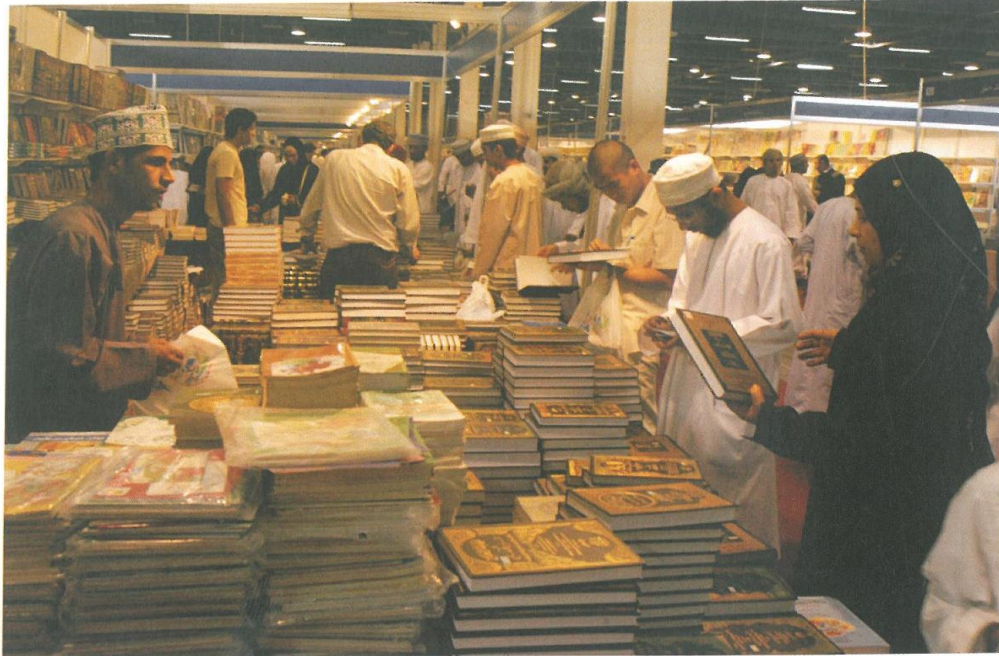
In 2005 around 1,000 young people attended seven work camps in various regions of the country during the months of July and August. Some 110 youngsters also took part in the Summer Centre in Seeb from 2nd to 27th July of that year. The camp programmes included a range of cultural and sporting activities. Young Omanis also take part in camps in other countries; in 2005 these included the international youth camp in Port Said in Egypt (July-August 2005) and the 2nd Arab Youth Camp in Egypt in August 2005.

In 2005 the Science Club held 23 training courses in computers, electronics, still and TV photography, montage and wireless systems, which were attended by 296 boys and girls. Up to the end of August this year - 2006 - the Science Club held 24 summer courses in photog-

An exhibition of postage stamps which were enlarged by SQU students for this display

Foreign artists often display their work at exhibitions in Muscat





raphy, digital montage, Photoshop, computers, wireless systems and robotics, which attracted the participation of around 260 boys and girls.

Manuscripts and documents

Over recent years the Ministry of Heritage and Culture has amassed a stock of over 4,300 Omani manuscripts and documents which represent a unique intellectual and historical record of Oman's contributions to human civilization. These are collated and preserved by the Ministry under state-of-the-art conditions, and classified and indexed in

collaboration with SQU. They can be accessed on the Ministry's internet website. At the same time, steps are being taken to repatriate Omani manuscripts and documents held abroad; this year several documents were brought back to the country from the Russian Federation.

The Department of Omani Manuscripts and Documents has improved its methods for treating and displaying the items in its care and encourages Omani citizens to contribute any such material in their possession to the national collection, for the benefit of scholars and researchers.

Oman's annual International Book Fair was attended by over 400,000 visitors in 2006

Museums

In addition to improving the way in which museum exhibits are displayed, a number of new museums are scheduled to open. Some of these are devoted to specific fields of interest, while others will be installed in the forts.

The Land of Frankincense Museum in Salalah in the Dhofar had a soft opening in 2006 and showcases Omani frankincense, including its cultivation, production and uses throughout history, as well as the important relations that developed between Oman and other countries from ancient times as a result of the frankincense trade. Alongside it is the Maritime Museum which is scheduled to open at the end of 2006.

In Muscat, Bait Beranda, an attractive old building on the Mutrah corniche, is due to open as a Museum in November 2006.

Other museums in the Sultanate include: the Oman Museum, the National Museum, the Natural History Museum, the Children's Museum, the Sohar Fort Museum, Muscat Gate Museum, the Omani-French Museum, the Sultan's Armed Forces Museum, the Salalah Museum, Bait Adam, Bait al Zubair and the Currency Museum of the Central Bank of Oman. Nakhl Fort

also has an interesting display of guns.

As part of the "Muscat -Arab Culture Capital 2006" programme, a widely appreciated exhibition, organised jointly by the Omani-French Museum and the Louvre Museum in Paris, was held from 28th May to 18th June 2006. The display included 30 superb ceramic items from the Louvre depicting examples of Islamic art.

In addition, there is the Oil and Gas Exhibition Centre and Planetarium, and a Marine Sciences and Fisheries Centre Aquarium – both in Muscat.

Journal of Oman Studies

The JOS was launched in 1975 as a vehicle for archaeologists and historians to publish academic articles on Oman and its neighbours. Volume 13 is the latest, and a project to translate some of the Volumes into Arabic is currently underway.

Traditional crafts

The importance attached to traditional crafts is economic as well as social. These crafts are a tourist asset and a major draw at exhibitions at home and abroad. In addition to preserving a vital part of Oman's living history, artisans employed in the sector provide a significant source of



income for themselves and their families. The Public Authority for Craft Industries (PACI) has put a series of programmes in place to protect Oman's traditional crafts and to encourage young Omanis to become involved.

Craft industries are being registered and documented in every region as an essential first step towards preserving and safeguarding them and the welfare of those employed in the sector. A seminar entitled "Protecting the Craft Industries" was held in February 2005, while PACI's Chairperson, Sheikha Aisha bint Khalfan al Siyabiyah, held meetings with craftspeople around the country

with the aim of producing an effective national strategy.

Sales outlets for Omani handicrafts, established at various tourist sites, have proved popular with tourists, locals and expatriate residents. Hand-woven textiles, pottery, khanjars, swords, Omani halwa, frankincense and woodcarvings are particularly sought after. Some Omani craft products are already exported.

With the revival of the craft industry sector, craft training centres have been streamlined in collaboration with UNESCO. The training centres in Sur, Bahla and Sumail recorded a significant increase in their annual intake of young trainees.

Oman's Museums attract the tourists



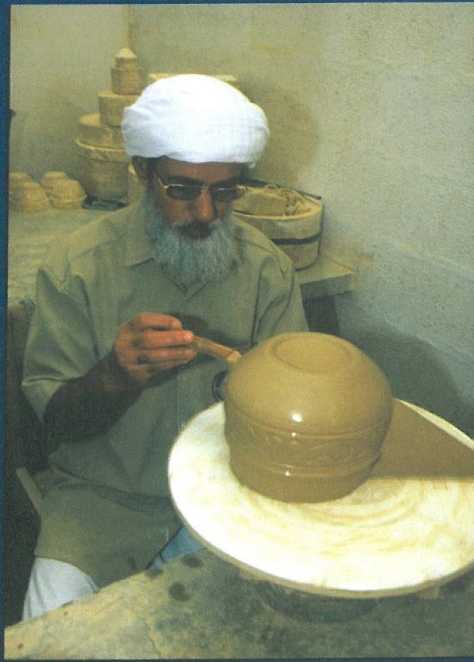
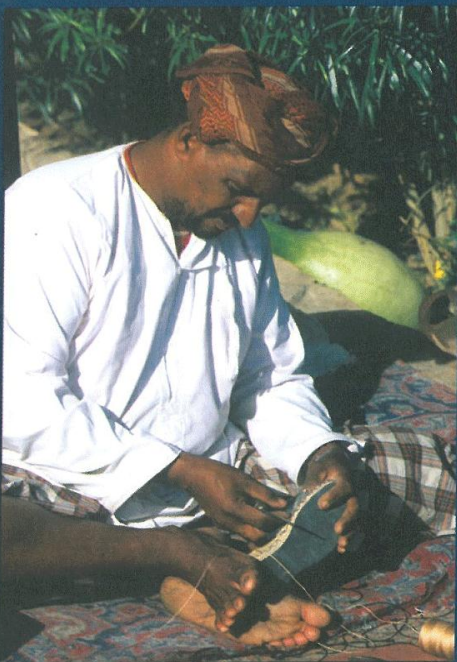
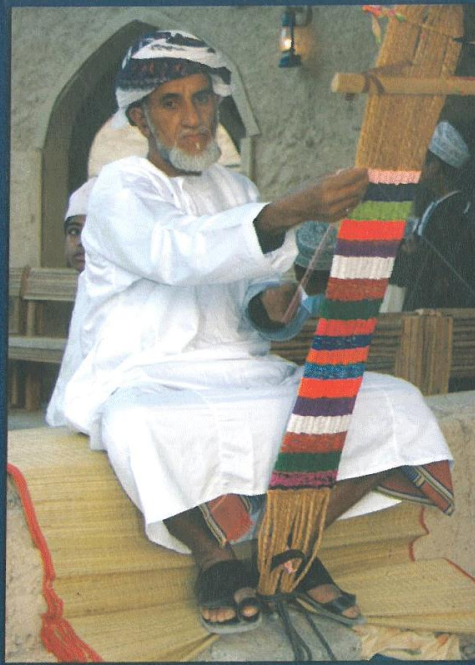
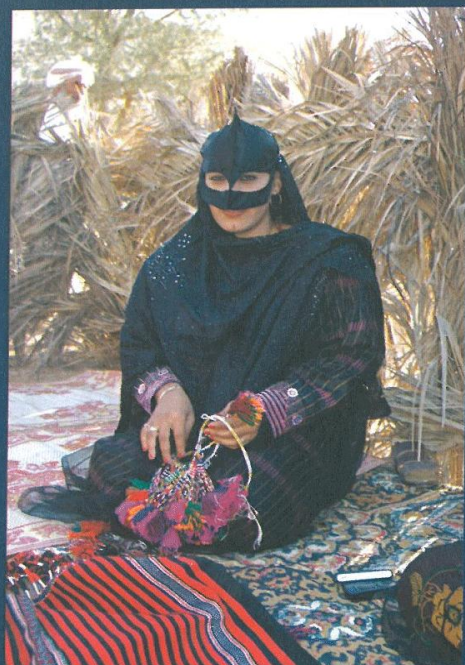
The OCTM preserves the Sultanate's traditional music and folklore - here the popular Razha is performed

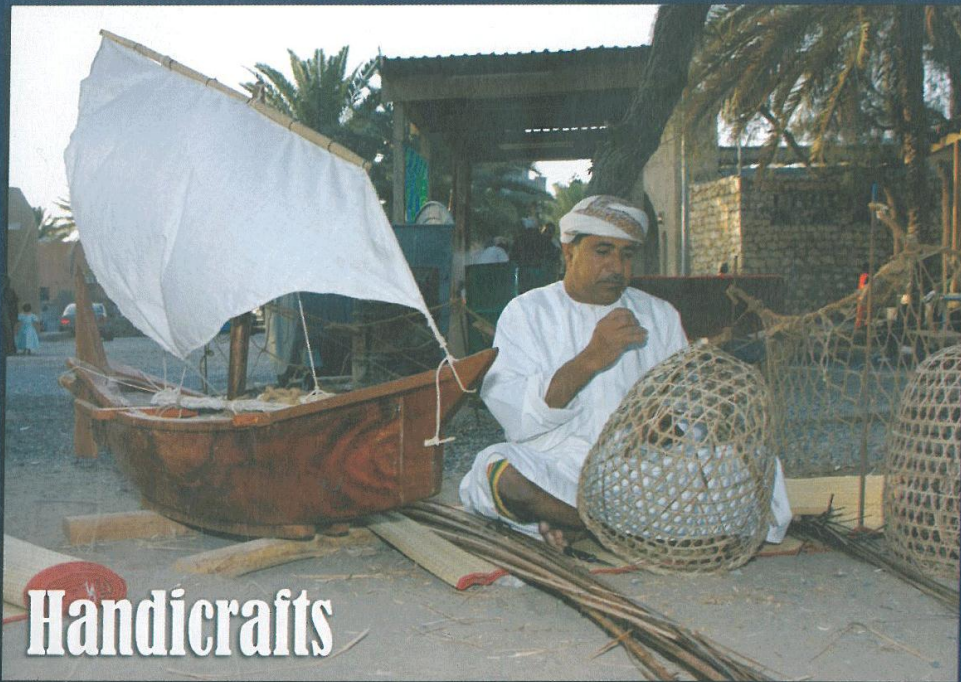
Oman Centre for Traditional Music (OCTM)

The Oman Centre for Traditional Music (OCTM) was set up by the Ministry of Information in 1984 to conserve the Sultanate's traditional music and folklore. Since then it has succeeded in collecting, recording, documenting and cataloguing the different forms of traditional Omani music, song and dance.

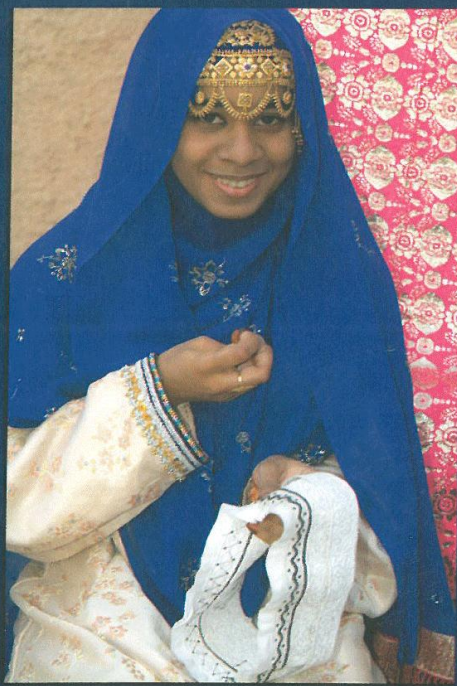
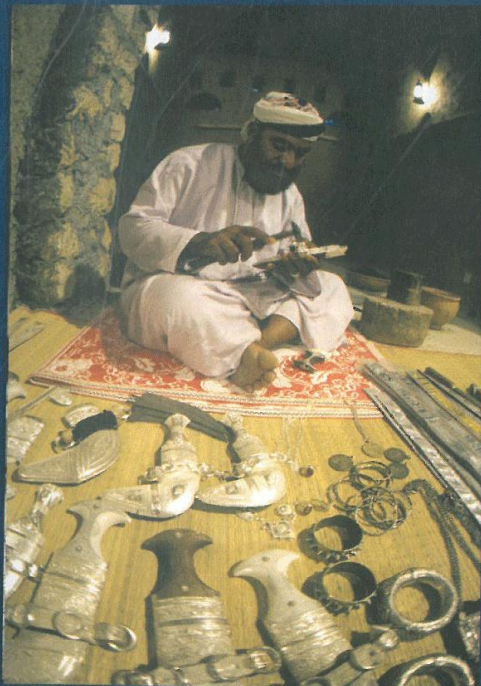
As well as providing scholars with research facilities, the OCTM promotes and publicises Oman's musical tradition at events in the Arab world and beyond. It also issues recordings of Omani music in easy

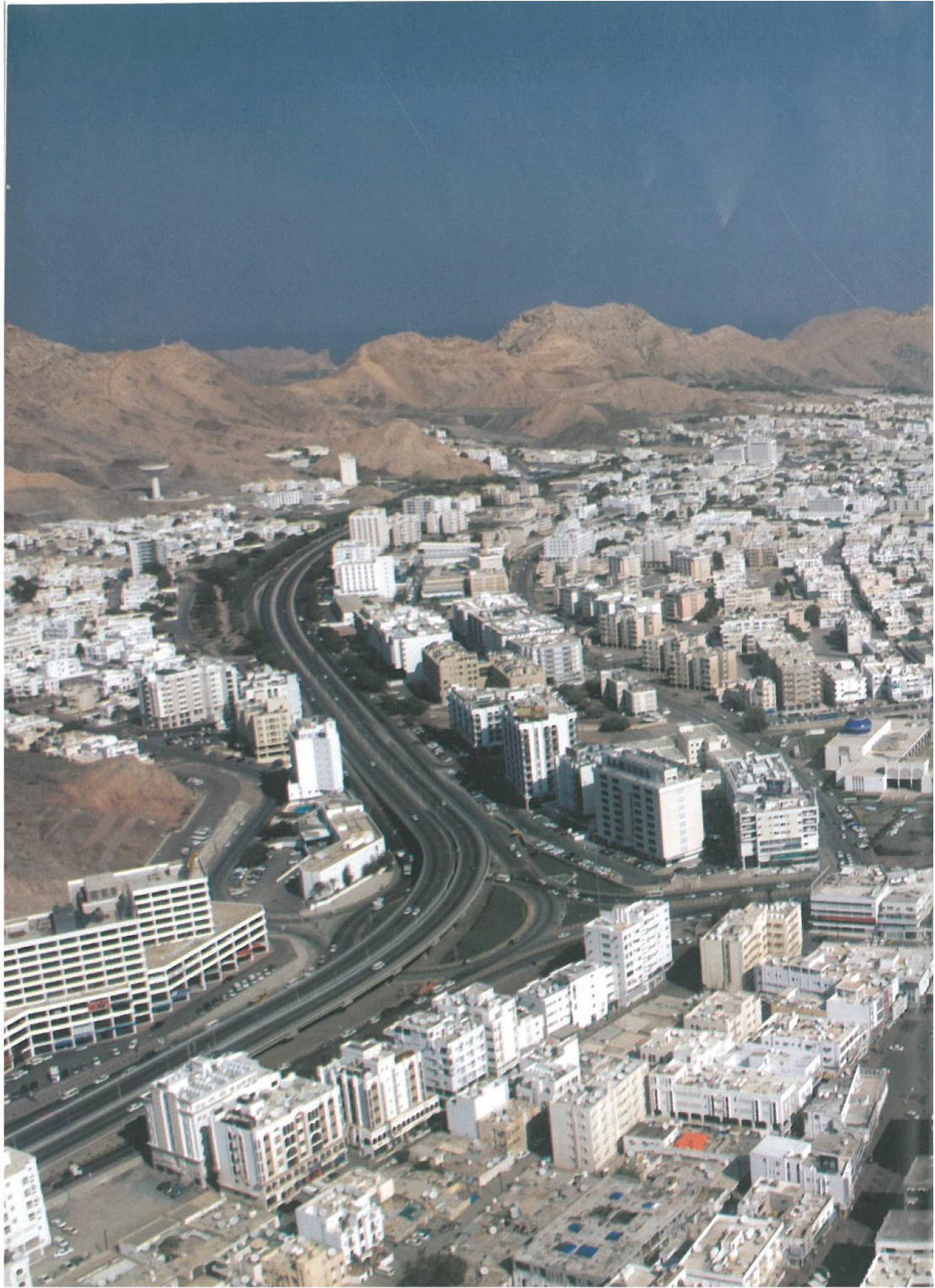
listening, simplified form, through the media and in co-operation with the Ministry of Education, for the teaching of music in Basic Education schools. The OCTM publishes books, papers, compact discs and audiotapes illustrating various examples of Oman's traditional music and instruments. As well as being a member of UNESCO's Traditional Music Council, the OCTM collaborates with a number of Arab and European institutes and universities.

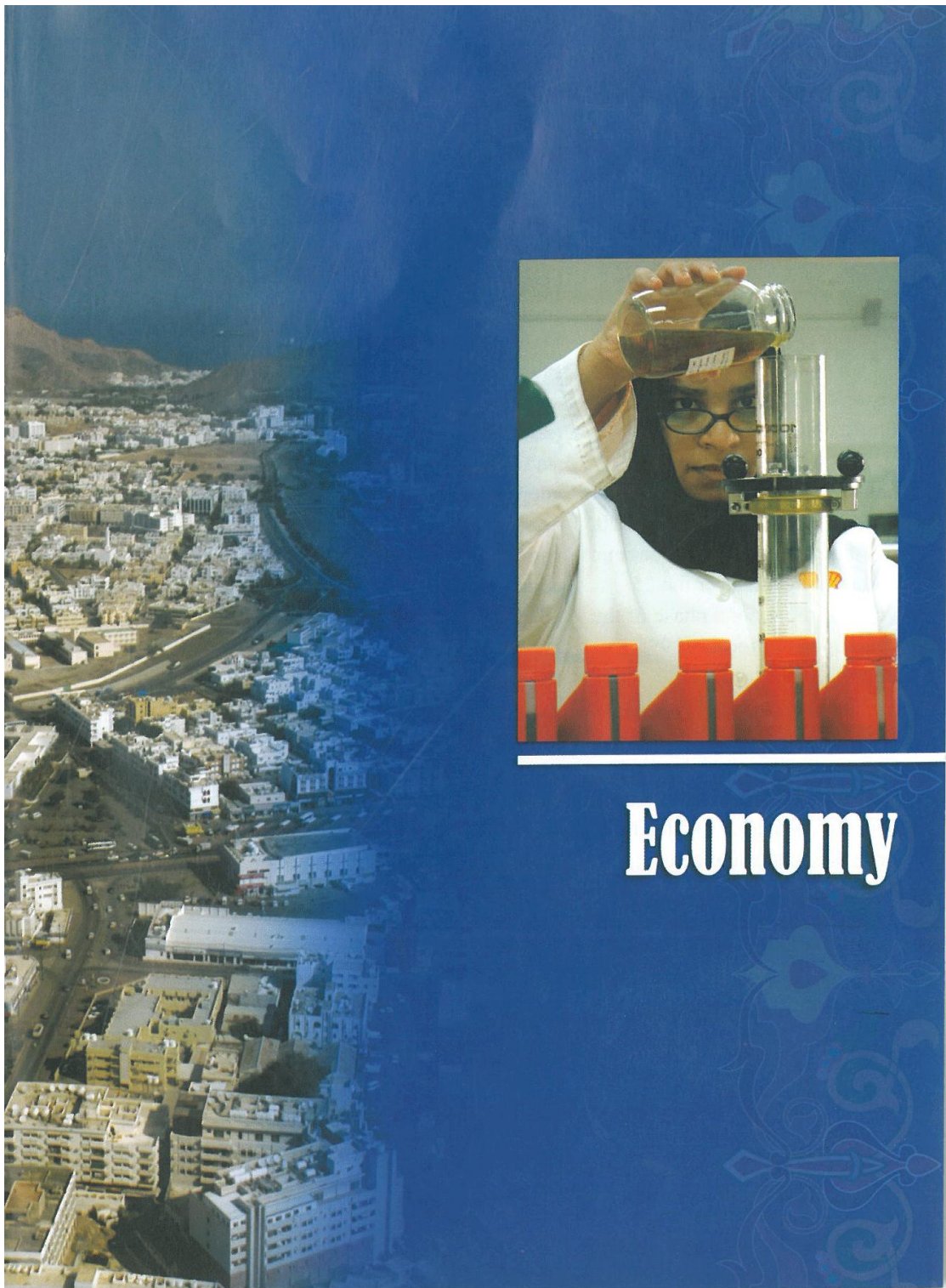




Handicrafts







Economy

ECONOMY and DEVELOPMENT

Five-year Plans and Vision 2020

The Omani economy has been radically transformed over a series of development plans beginning with the First Five-year Plan (1976-1980). At Sultan Qaboos's instruction, a vision of Oman's economic future up to the year 2020 was set out at the end of the first phase of the country's development (1970-1995). Vision 2020, outlined the country's economic and social goals over the 25 years of the second phase of the development process (1996-2020).

The long-term development strategy (1996-2020) established a stable, all-inclusive framework for the Omani economy that provided for steady growth and a calculated improvement in the individual citizen's share of the national income. This was based on a policy of diversifying the sources of the Sultanate's income and increasing the contributions of the natural gas and the industrial and tourist sectors, while diversifying away from dependence on oil, expanding the private sector,

implementing privatisation policies, developing human resources and attracting greater investment, all within a framework aimed at promoting sustainable development that would lead to further integration into the global economy.

Sixth Five-year Plan (2001-2005)

The Sixth Five-year Plan (2001-2005) was designed to stabilise personal incomes, adopt sustainable fiscal policies, provide employment for nationals, expand and improve education, including higher education, accelerate economic diversification and the growth of the private sector, and promote privatisation. Assessments of the Plan indicate that its economic performance was exceptional for the following reasons:

■ Despite the fact that actual oil production fell to around 14% below the figure envisaged in the Plan, the 75% rise in the price of oil above the Plan's projected figure led to a rise in government revenues, an improvement in the financial position and a fall in the level of public debt.

■ Oman's economic growth was much higher than envis-

aged in the Plan, consequently the country's GDP is expected to record an average annual growth rate of 8.7% at current prices over the years of the Plan. Preliminary data indicates an average annual growth in GDP at fixed prices of some 4.5% compared with the figure of 3% envisaged in the Plan.

■ Annual inflation did not exceed 0.3% and the balance of payments showed average annual surpluses of RO555 million compared with the annual figure of RO23 million projected in the plan.

■ The non-oil sectors grew at an average annual rate of around 9.2%, while their annual actual added value was some 7.5% higher on average than the figure projected in the Plan. Industries dependent on liquefied natural gas (LNG) showed impressive growth at an average annual rate of 36.8% during the years of the Plan, which raised their average added value by 62.6% compared with the projected figure. The tourist sector recorded an annual increase of 6.7% in added value at current prices, around 1.9% per year higher on average than the projected figure. The tourist sector's accommodation

capacity (i.e. the number of rooms) grew at an average annual rate of 8.8%, with the number of rooms increasing from 5,312 in the year 2000 to 8,082 in 2005.

■ The private sector's contribution to GDP rose at an average annual rate of 8.5%. Private sector investments also increased during the years of the Plan, creating more job opportunities, and privatisation made significant progress. Omanisation (the ratio of Omani employees to expatriates) in the private sector rose from 16.4% in the year 2000 to 25% in 2005.

■ Expenditure in the education sector - including the departments involved in the development of human resources - totalled around RO2.5 billion during the years of the Sixth Five-year Plan. Health indicators improved, as did life expectancy. These coincided with a rise in the population's general living standards and improvements in their social welfare services.

The Seventh Five-year Plan (2006-2010)

The main features of the Seventh Five-year Development Plan (2006-2010) were deter-

mined by three major factors - the basic targets and principles of Oman's long-term development strategy (1996-2020), an assessment of the performance of the Sixth Five-year Development Plan, and an evaluation of new developments scheduled to take place during the period covered by the Seventh Plan.

The Plan aims to attain average annual economic growth rates of not less than 3% (in fixed price terms), while raising the ratio of investment to GDP to around 24% during the years of the current Plan, up from 16% during the previous Five-year Plan.

Private sector investment is reckoned to account for some 46% of overall investment, which is put at around RO13.1 billion. Steps are being taken to ensure inflation remains at an average of 2% per year or less during the years of the Seventh Plan. Other measures include control on public spending, the consolidation of financial reserves and prioritising the allocation of resources - particularly oil and gas - to the productive sector.

Estimated government revenues over the period of the Plan have been calculated on

the basis of an average oil production figure of 827,000 barrels per day and an average price of US \$30 per barrel. This will bring government revenues over the Seventh Five-Year Plan to a total of RO 18,636 million - RO12,884 million from oil revenues and RO5,752 million from non-oil sources.

Government expenditure during the years of the Plan is estimated will total RO20,896 million, making an estimated deficit of RO2,260 million over that period - an average of RO452 million per year, funded out of loans and drawing on reserves.

The Seventh Five-year Plan aims to speed up the process of diversifying the sources of national income by increasing non-oil activities at an average annual rate of 7.5%. It is anticipated that industries dependent on natural gas, as well as tourism and non-oil exports of Omani origin, will grow at an average annual rate of 14.5%, 7% and 11.6% respectively. At the same time, domestic and foreign private sector investments are expected to total around RO6 billion, or around 46% of the investments projected in the Plan.

The development of human

resources is another major priority of the Seventh Plan. Accordingly, major importance is being attached to education, health, the creation of employment opportunities for nationals and the further development of Omanisation programmes.

The Plan's other priorities include the judicial sector, the development of the information technology (IT) sector, the expansion of research and development to cover most sectors of the national economy, and further support for the Scientific Research Council. The Plan also provides for a wide range of projects in various sectors under the civil ministries' development programmes.

The 2006 General State Budget

The state's general revenues in the 2006 budget were estimated at around RO3,587 million - a 14% rise on the 2005 figure. Oil and gas revenues represented 81% of this total, with oil and gas accounting for 70% and 11% respectively. Revenues from other sources represented 19%. The revenues were calculated on an oil production figure of 746,000 barrels per day and a price of

US\$32 per barrel.

Public expenditure was estimated at around RO4,237 million - a 15% increase compared with 2005. Some RO525 million was allocated to the education sector - a rise of 17% on the previous year. The health sector was allocated RO187 million - a 13% increase on the 2005 figure - and RO29.8 million was allocated to social security - a rise of 5.2% on last year. Other allocations included RO126 million as subsidies for the electricity sector, RO18 million in subsidies for interest on loans to the public from the Oman Development Bank and Oman Housing Bank, and RO914 million from oil and gas production to fund additional investments in these fields, in order to maintain production levels and support further prospecting operations.

In the light of these revenue and expenditure estimates, the 2006 budget deficit amounts to RO650 million - or 18% of revenues. It will be financed out of reserves (RO530 million) and domestic and foreign loans (RO120 million).

The 2005 government revenue surplus of RO2,350 million was due to the rise in the price of oil, which averaged

US\$48.73 in 2005 compared with the projected figure of US\$23. This surplus was used to fund last year's budget deficit, while some RO550 million was transferred to the General State Reserve Fund and RO929 million was used to reduce the public debt and increase government reserves. Oman's debt of around one billion Omani Rials is expected to fall by a third in 2006 – to around RO700 million - and no new bonds are being issued this year.

The private sector is expected to play its part in the Seventh Five-year Plan (2006-2010) investment programmes by contributing some 46% of the total investment figure of around RO13.1 billion. As a member of the World Trade Organisation (WTO), Oman is bound by its rules, and - by committing itself to international specifications and standards - is taking steps to improve the quality of Omani products and make them more competitive at home and abroad.

The Sultanate is expanding its economic relations with other countries through the Arab Gulf Co-operation Council (AGCC)'s Free Trade

Zone and the Arab League's Greater Arab Free Trade Zone. It is also a member of the Indian Ocean Rim Association for Regional Co-operation (IORARC) and has signed a number of bilateral free trade agreements; one such agreement has been negotiated between Oman and the United States and will be finalised in 2006.

Several steps have been taken to move the privatisation process forward through a strategy aimed at privatising the electricity and desalinated water sector and restructuring telecommunications to give a role to the private sector (e.g. the Omani-Qatari Telecommunications Company SAOC). The growth and expansion of the Omani economy has been a major incentive in attracting investment in tourism, gas, manufacturing and numerous other fields; investment in Sohar Industrial Estate is now in excess of US\$11 billion and it is expected that additional aluminium, polyethylene and aromatics operations, with a value of over RO2.8 billion (around US\$7.28 billion), will be set up there alongside existing projects during the course of the Seventh Five-Year Plan. Further investments totalling

around RO960 million are planned in tourism, oil, housing and other sectors.

As well as having an active private sector, Oman enjoys a reputation for having a positive investment climate and a secure society committed to traditional values. The government supports youth enterprises including individual initiatives and self-employment projects, and backs small-scale operations, which are subsidised by the Sanad programme - a scheme to assist young people - and the Youth Projects Development Fund. Further incentives have been introduced in the light of the recommendations of the third seminar on the employment of national manpower, held at the Royal Camps at Seih al Salihat in the *wilayat* of Shinas (31/1-2/2/2005) and Seih al Masarrat in the *wilayat* of Ibri (15-17/2/2005). (See Social Development p.146)

International economic recognition

The joint report by the Arab states' chambers of commerce, industry and agriculture, published in June 2006, praised Oman's economic achievements in 2005. A report by the Global Investment House in

September 2005 paid tribute to the Omani government's economic policies, including its efforts to create a positive economic environment, promote economic diversification and raise the Sultanate's credit rating.

A 2005 report by Transparency International classed the Sultanate as the Arab state with the lowest level of administrative corruption and placed it 29th in the world out of a total of 159 states. No Arab state has previously attained such a high rating. The International Research Foundation and Canada's Fraser Institute awarded the 2005 prize for economic freedom in the Arab world to Oman on the basis of its economic freedom index assessment criteria, which put the Sultanate top out of the 16 Arab states taking part in the 2005 assessment. The Sultanate, together with Qatar and Lebanon, shared a prize for monetary policy awarded by the International Research Foundation and the Fraser Institute in November 2005. The World Bank's 2004 report on the rule of law and good governance put the Sultanate at the top of its list of Arab states and in its November

2005 report classified Oman as 17th out of 127 states around the world.

The banking sector

The banking sector is an important factor in maintaining financial equilibrium and economic stability. The Omani banking sector, which comprises the Central Bank of Oman (CBO) and various commercial and specialised banks operating in the Sultanate, is stable, highly efficient and able to respond to regional and international developments, including the growing trend towards freeing up financial services within the framework of the World Trade Organisation (WTO).

The Central Bank of Oman (CBO)

The Central Bank of Oman is responsible for maintaining the stability of the national currency the Omani Rial (RO) and ensuring monetary and financial stability in a deregulated and open financial system. The capital base of the CBO which was one million Omani Rials at the commencement of operations in 1975, was strengthened over time and since April 2002 has remained at RO300 million. At

the end of 2005, CBO's assets/liabilities totalled RO 1826.4 million.

The Omani banking system has experienced several mergers since the 1990s and as a result the number of commercial banks at the end of 2005 stood at 13, of which five are locally incorporated and eight are branches of foreign banks, together having a branch network of 329 branches. Local banks, in addition, have 10 branches and one representative office abroad. As at the end of 2005, there were also three specialised banks in operation, with a network of 26 branches. The CBO has approved the establishment of an additional local bank (Sohar Bank) and a branch of a foreign bank (Bank of Beirut) that are expected to commence operations by the end of 2006. In order to strengthen the financial position of licensed banks and enable them to face competition as well as finance large projects, the minimum capital requirement for commercial banks was enhanced to RO50 million for local banks and RO10 million for foreign banks. The overall capital adequacy ratio of the commercial banks improved to reach 18.5 percent in 2005.



The Central Bank of Oman commenced operations in 1975, and is pivotal in the development of the Omani banking sector

The Sultanate has made significant progress in implementing the new capital Adequacy criteria laid down in the Basel-II Accord. The adoption of Basel II would transform the current approaches and tools of supervision of the CBO as well as the audit and risk management practices of banks. The CBO also administers and participates in the financing of a Bank deposit insurance system, which provides the commercial banks with a high level of security for deposits, while cushioning the effects of any unforeseen circumstances. The CBO also has an early warning system for commercial banks that enables it to

predict possible financial crises and take preventive action when necessary.

The various monetary policy instruments under the CBO's command could be broadly categorized into indirect measures and direct measures. Indirect policy (market oriented) measures include open market operations involving the buying and selling of securities, issuance of Central Bank's own securities, swaps etc. CD auctions are the main open market type operations conducted by CBO to absorb Omani Rial liquidity and banks can repossess these CDs to acquire liquidity both in the inter-bank market as

well as with the CBO. Direct monetary policy instruments used by the CBO are mainly in the form of reserve requirements and lending ratios.

The CBO has put in place an efficient and advanced payment and settlement system in Oman. Launch of the Real Time Gross Settlement System (RTGS) was the first milestone and went into live operations on 28 September 2005.

Commercial banking operations

Oman's banking and financial sector has evolved over time acquiring a prominent role in supporting the growth process of the economy. The combined balance sheet of commercial banks as at the end of 2005 witnessed an expansion in all major banking aggregates. Total assets/liabilities of the commercial banks rose to RO5629.9 million, representing an increase of 15.2% compared with the end of 2004. Total outstanding credit extended to the private sector, public enterprises and the Government stood at RO3896.4 million, a rise of 11.1% over the increase of 22.2% in 2005 to reach RO3761.5 million. Private sector deposits which constituted 82 per cent of total deposits increased by 23.2%

during 2005. The core capital and reserves of commercial banks as at the end of 2005 stood at RO781.7 million as against RO587.3 million a year ago, giving a rise of 33.1 percent. Net profits of commercial banks (after provisions and taxes) also exhibited notable increase from RO79.4 million in 2004 to RO123.2 million in 2005.

As at the end of 2005, ten commercial banks - five local and five branches of foreign banks - had been licensed to engage in specific investment banking activities. Money exchange companies totalled 48, 12 of which were authorized to carry out money changing operations and issue drafts. The 12 full-fledged exchange establishments have 83 outlets in the form of head offices/main offices, branches, and exchange counters. Six finance and leasing companies are also in operation in Oman, mainly dealing in retail financing, equipment leasing, factoring and working capital financing etc.

Manpower in the banking sector

The banking sector is a model of successful Omanisation. The College of Banking and Financial Studies plays a vital role in

preparing nationals for banking careers. At the end of 2005, the commercial and specialized banks operating in the Sultanate, employed a combined staff of 5741 of which 92.1% were Omanis.

The specialist banks

Specialist banks were set up to support national development efforts in specific fields such as housing, industry, agriculture and fisheries. Currently there are three specialist banks. Two - the Oman Housing Bank and the Oman Development Bank - are government banks, while the third - the Alliance Housing Bank - is privately owned.

The three banks operate through 26 branches in various parts of the country.

The Oman Housing Bank (OHB)

The Oman Housing Bank (OHB) provides housing loans for nationals to enable them to purchase, build or complete their homes. Its capital has been increased to RO30 million to enable it to expand the scope of its operations and obtain loans for a larger number of applicants.

The OHB charges a limited service fee for subsidised loans in response to directives issued by

Sultan Qaboos. In this way the financial burden on loan applicants is minimised. The bank also grants non-subsidised loans with additional facilities to other applicants. Most of its loans are subsidised as part of the government's policy of supporting those on limited incomes.

The Oman Development Bank (ODB)

The Oman Development Bank (ODB) was established in 1997 as an Omani public joint-stock company in a merger between the Development Bank of Oman and the Oman Bank for Agriculture and Fisheries. It is now a closed joint stock company, following the issue of Royal Decree No. 18/2006 issued on 11th March 2006. The ODB operates on economic principles while maintaining a proper social perspective by supporting small projects.

Projects supported by loans in excess of RO250,000 are financed by the Ministry of Commerce and Industry or one of the other financial institutions.

The ODB has been granted exemption from all taxes and the government subsidises the interest payable on the soft loans it grants to fund private sector projects. The bank also provides other loans on a medium or long-



term basis to help fund projects, as well as technical assistance and advisory services to Omani companies. In addition, it acts as an export credit guarantee agent and distributes sums from the Fisheries Research Fund.

The ODB's paid-up capital stands at RO20 million. In 2005 it advanced loans totalling close to RO33.12 million.

• **The Alliance Housing Bank (AHB)**

The Alliance Housing Bank (AHB), which was incorporated in 1997 is the GCC's first private sector housing bank, and

has seven branches and service centres in the Sultanate of Oman. This Bank offers mortgages on properties in the Sultanate of Oman. Its customers are Omani and other GCC nationals. The bank was set up as a joint government-private sector co-operative venture in response to the dramatic growth taking place in the building construction sector over recent years. Its capital stands at RO21 million and it has 3,800 shareholders.

The AHB offers a range of products to the Omani public in support of the government's housing policy.

Oman's banking and financial sector has evolved over time, acquiring a prominent role in supporting the economy

The Euronext electronic trading system has been introduced at the Muscat Securities Market

Muscat Securities Market (MSM)

The strong performance of Oman's economic sectors over the course of 2005 was due largely to rising oil prices and the large amount of available



liquidity, and to the economy's ability to attract increasing volumes of investment to fund various enterprises, including the mega-projects on the industrial estates in Sohar and other areas of the country and a

number of tourist projects. All these factors drove Muscat Securities market (MSM)'s general price index (the MSM-30 Index) up from 3,375.05 points at the end of 2004 to 4,875.1 points at the end of 2005.

The monitoring authority has been separated from MSM's executive body and measures have been introduced to ensure compliance with the rules on disclosure, listings and the regulation of brokerage firms, while the performance of the Capital Market Authority (CMA) is constantly being upgraded (*see Government and State Institutions p.61*).

Trading on MSM increased significantly during the first quarter of 2006. By the end of March the overall value of shares traded had risen 13.97% to RO332,375,000, while the number of shares changing hands rose to 128.6 million, an increase of 11.7% rise compared with the same period in 2005. The regular market showed a rise of 65.1% in the number of shares traded and an increase of 38.14% in the value; a total of 94.1 million shares changed hands with a value of RO252.4 million. By

the end of March 2006 the MSM-30 index had reached 5,351.5 points. At the end of last May, MSM had 213,200 investors. Of these, 189,100 (88.69%) were Omani, 17,700 (8.3%) were from the Gulf States, 1,434 were from other Arab countries and 4,972 were foreigners. A total of 142 companies and seven investment funds are listed on MSM in 2006, in addition to various government and commercial bonds.

In mid-March 2006 MSM began using the new Euronext electronic trading system - one of the most modern stock-exchange systems in the world. The trading hall and brokers' offices have also been streamlined and work has begun on the introduction of an internet trading programme. MSM is now linked to the stock exchanges in Abu Dhabi, Dubai, Doha, Manama, Cairo and Alexandria.

The Capital Market Authority (CMA) is responsible for regulating, licensing and monitoring the issue and trading of securities, overseeing MSM's operations and developing the Omani capital market sector's legislative and regulatory structure.

OIL AND NATURAL GAS RESOURCES

The oil and gas sectors generate the greater part of the General State Budget's revenues. In the 2006 budget they totalled RO2,913 million, or



81% of the total budget revenues of RO3,587 million. Oil revenues, at RO2,519 million, accounted for 70%, while natural gas accounted for RO394 million, or 11%. Non-oil revenues, at RO674 million,



Omanisation is on-going in the oil and gas industry

Oil and gas account for the majority of government revenues

accounted for 19% of the total revenues. Oil revenues were calculated on the basis of an average daily production figure of 746,000 barrels and an average price of US\$32 per barrel. Because of market forces Omani crude oil actually achieved an average barrel price of US\$48.73.

Although oil and gas account for the vast majority of government revenues, there are serious attempts being made to diversify the sources of the country's income and increase the non-oil sectors' contributions to the national income and the country's GDP.

The oil sector

Petroleum Development Oman (PDO) - which produces around 89% of the Sultanate's crude and oil condensates - and the other oil companies are moving ahead with their plans and efforts to increase oil production capacity and offset the relative decline in productivity the country has been witnessing since 2002. In 2005 average daily production totalled 774,800 barrels, including 66,300 barrels of oil condensates. Production has increased modestly since Occidental began producing from the Mukhaiznah field in September 2005.

Around 718,100 barrels of oil per day were exported in 2005. Most of it (32.2%) went to China, while the remainder was exported to Thailand (16.8%), Japan (16.4%), South Korea (15%) and several other countries. The Oman Oil Refinery Company received around 86,600 barrels per day to be refined for local consumption, while the surplus was exported.

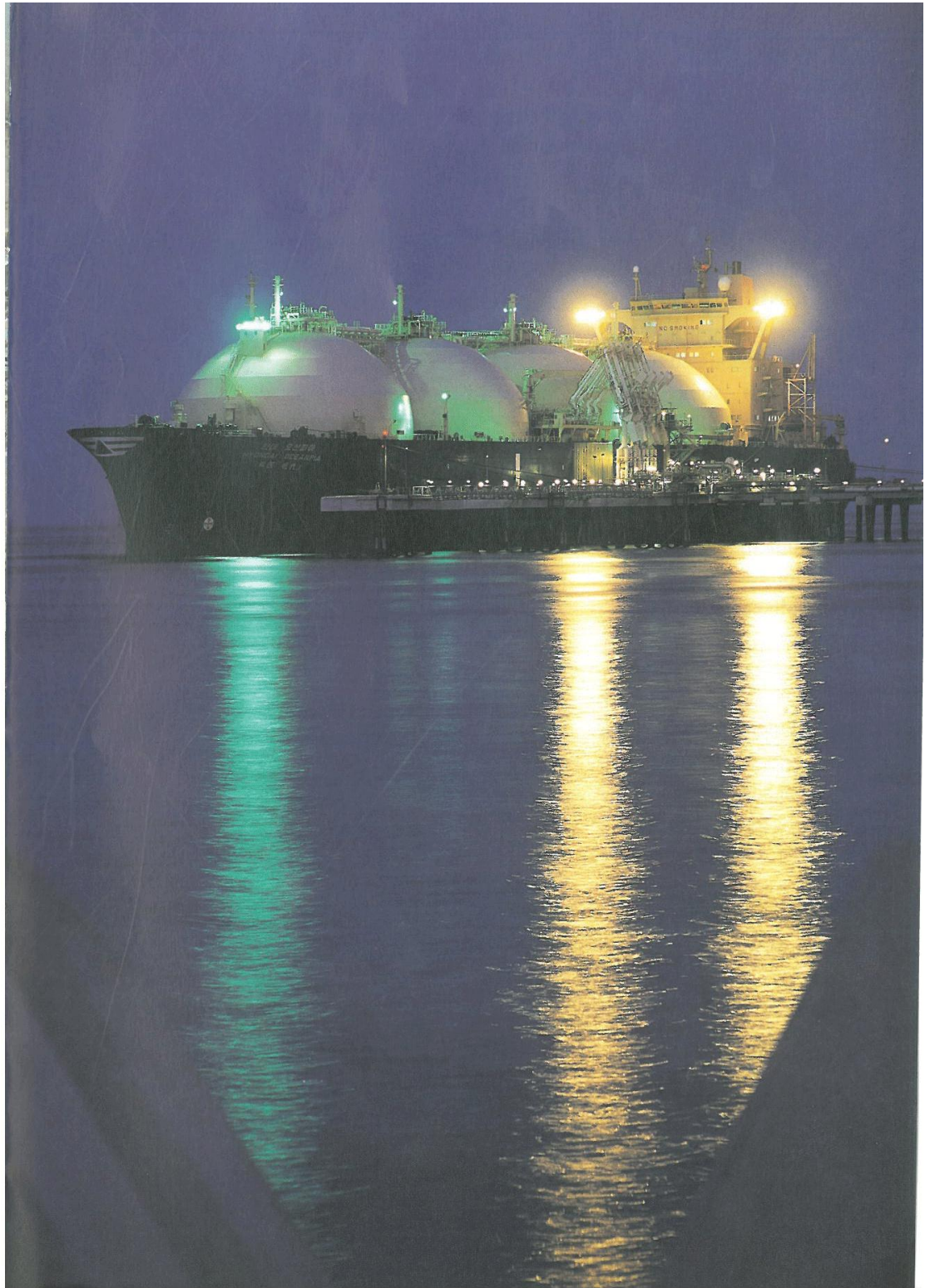
The Sultanate has crude oil and oil condensate reserves totalling over 4,803 million barrels, with PDO's reserves accounting for over 92% of this figure. In 2005 four prospecting agreements were signed: with India's Reliance Industries in Concession Area 18 in the Gulf of Oman, with the Irish Company Circle Oil in Concession Area 49 in the Governorate of Dhofar and the offshore Concession Area 52 in the sea between Sawqarah Bay and the Omani-Yemeni marine territorial border, and with the Swedish company Gott Oil and the Danish company Odin Energy in Concession Area 15 in the Dhahirah Region. These companies will carry out a series of exploration programmes over a three-year period.

During 2005 14 companies

carried out prospecting operations in 22 concession areas. Some 18 exploratory wells were drilled and a number of geological and geophysical surveys carried out. As a result of these operations PDO was able to add 23.08 million barrels of crude to the general reserves, while Occidental succeeded in adding around 6.15 million barrels to the reserves.

An agreement has been signed with Occidental Petroleum and Liwa Energy to invest over US\$2 billion in developing the Mukhaiznah field. Work has also continued on the US\$1,300 million Sohar Refinery, which went into production in August 2006 with a productive capacity of 116,400 barrels per day. PDO and Occidental both have ongoing prospecting programmes. The West Asia Oil and Gas Exhibition and Conference, which took place in Muscat in April 2006, was attended by 150 companies from all over the world. On 16th April 2006 PDO launched the "Oil and Gas Dictionary" - the first specialist dictionary of its kind - which includes around 1,500 terms and expressions used in the oil and gas industries. The launch coincided with the "Muscat -

Two new LNG tankers were added to the Oman Shipping Company's fleet in June 2006



Arab Culture Capital 2006” activities.

The gas sector

The natural gas sector grew by around 21.6% a year during the Sixth Five-year Plan (2001-2005), considerably higher than the projected growth of 16.6%. Natural gas revenues in the 2006 budget amounted to RO394 million - some 44.5% higher than the 2005 budget gas revenues, which totalled RO 273 million. In 2005 gas contributed 9% to the budget revenues, while in 2006 they account for 11%.

The Sultanate’s liquefied natural gas (LNG) production has increased significantly - especially since the third LNG train in Qalhat went into actual production with an annual productive capacity of 3.5 million tonnes, boosting the country’s natural gas production to 10.1 million tonnes a year. The natural gas sector’s contribution to GDP is expected to increase to around 9.2% by 2010. Its added value is also set to rise, particularly with the addition of the gas tankers “Ibri” and “Ibra” to the Oman Shipping Company’s fleet in June 2006; these new vessels will transport shipments of Omani gas to customers in

Asia, Europe and the United States.

In 2005 the Sultanate produced around 917,746 million cubic feet of natural gas, comprising 270,562 million cubic feet of associated gas and 647,184 million cubic feet of non-associated gas. Average daily production was about 2,514.4 million cubic feet - a rise of 7.61% compared with the 2004 figure. LNG exports in 2005 totalled around 6.98 million metric tonnes. A further 182,000 metric tonnes of gas liquids was exported to the United Arab Emirates (UAE), while 40,910 million cubic feet of natural gas was exported to the UAE through the government gas line system, which is managed by the Oman Gas Company.

Last year some 917,404 million cubic feet of natural gas was either used locally in power stations, industrial estates, industrial projects and the oil fields, or exported.

In 2005 the third natural gas train, operated by Qalhat LNG, went into production with an annual output capacity of 3.5 million tonnes. This project, which cost around US\$645 million to implement, exported its first shipment to Spain in

*The Central
Business District
in Ruwi*



*Muttrah suq
after renovation*

December 2005. The US\$150 million gas treatment station at Seih Nihayda field opened on 19/12/2005, raising daily output capacity to over 80 million cubic feet; this will help meet the growing demand for natural gas in the major industrial projects that are being set up, particularly the projects on the Sohar Industrial Estate. There are also plans to expand prospecting and production operations.

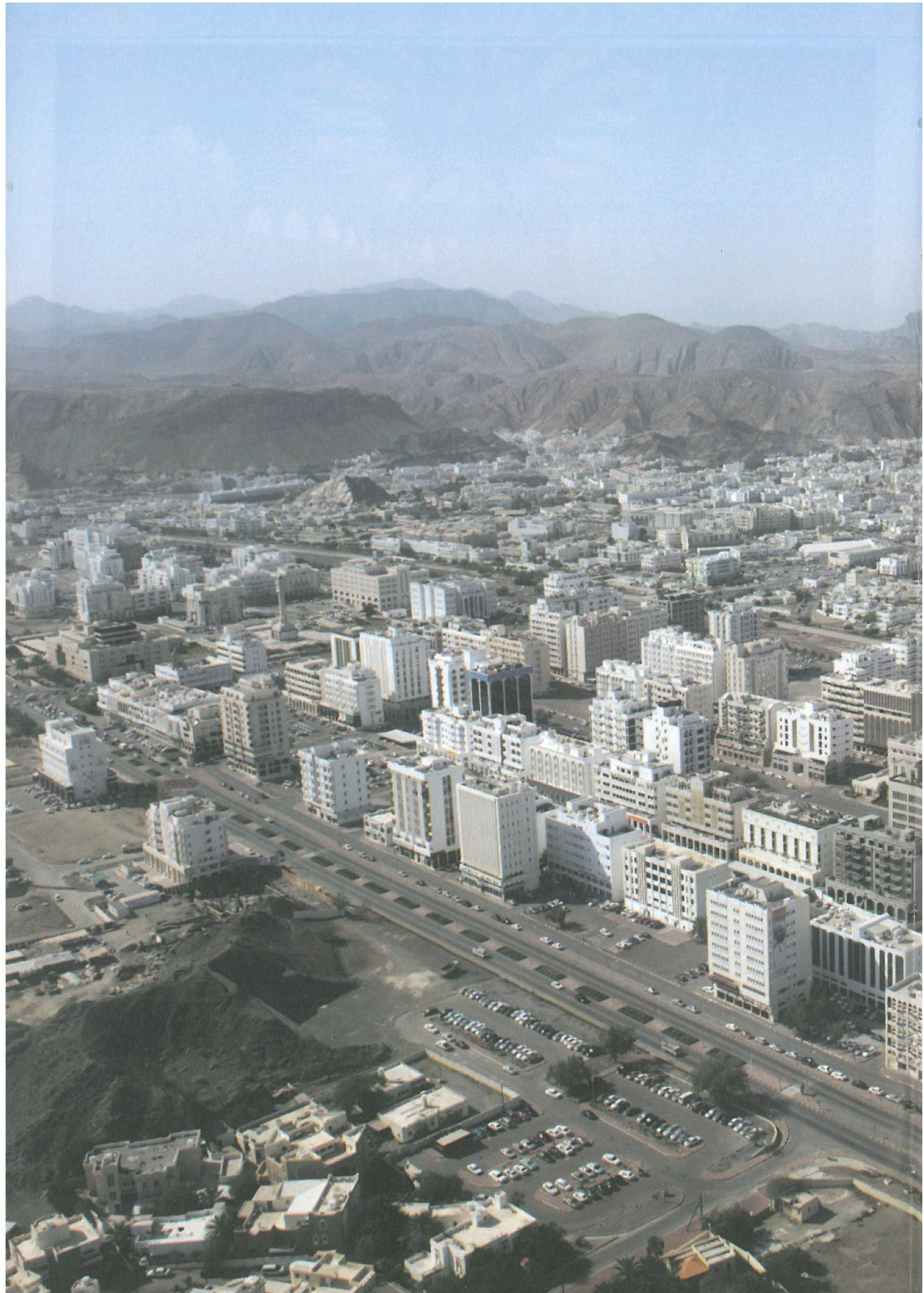
Output is set to receive an additional boost when a Thai company – PTTEP - becomes involved in gas production in Oman in 2006. The Sultanate

currently has proven gas reserves in excess of 24 trillion cubic feet, in addition to a further 33.8 trillion cubic feet of expected reserves.

TRADE

The Omanis have been traders since ancient times. Their ships and caravans carried Omani goods - including frankincense, dates and limes - across the seas and over the old frankincense and silk routes, promoting ties and cultural exchanges with other peoples.

Today, Oman is a member of several economic blocs including the Arab Gulf Co-



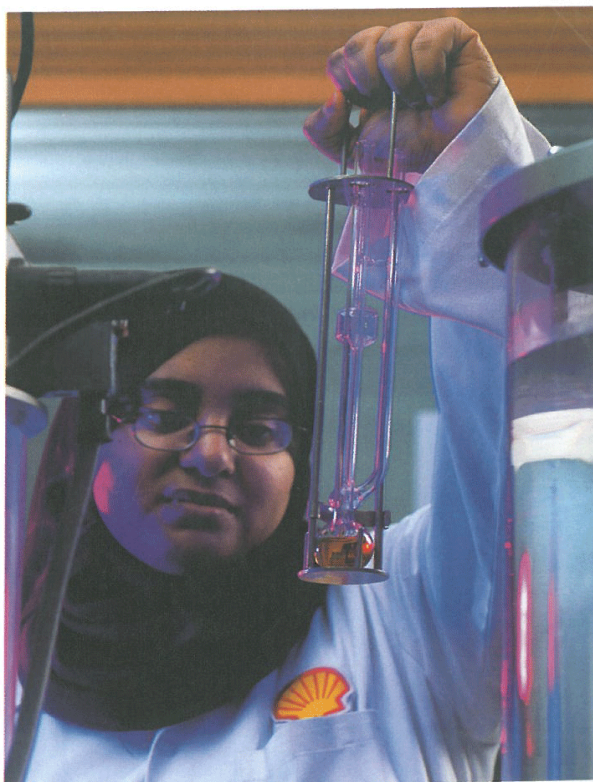


operation Council (AGCC), the Greater Arab Free Trade Zone, the Indian Ocean Rim Association for Regional Co-operation (IORARC) and the World Trade Organisation (WTO).

The Sultanate has upgraded its laws on investment activity and has introduced "One Stop Shop" clearance facilities along with simplified, transparent procedures. There is close co-ordination between the bodies and authorities involved in providing services for investors, while current moves towards the establishment of e-government have led to a growing reliance on electronic channels. Commercial laws and regulations are being streamlined, including the Law on Trade Marks, Descriptions, Trade Secrets and Protection against Unfair Competition, the regulation of foreign trade representation offices, the Consumer Protection Law and the Law on the Protection of Intellectual Property. Alongside these measures, the country has also upgraded its ports and established free trade zones in al Mazyounah and Salalah.

Trade showed an increase of 24.5% in October 2005 compared with the same period in

2004, attributable to a 37.1% rise in the value of exports and a 4.1% rise in the value of imports. Foreign trade's contribution to GDP rose from 5.89% in September 2004 to 7.89% in September 2005. At the end of



2005 Oman's exports - including oil, gas, non-oil exports and re-exports - came to a total of RO7,187 million, while the value of imports at the end of that year totalled RO3,394 million. During the first quarter of



*Knowledge Oasis
Muscat IT complex
has been expanded*

*Many job opportu-
nities are now open
to women*

*(overleaf)
The industrial sec-
tor is a cornerstone
of the Sultanate's
long-term develop-
ment strategy*

this year - i.e. to the end of March 2006 - the value of exports stood at around RO2,058 million - a 35.3% rise compared with the figure of RO1,521.3 million over the same period in 2005. Imports by the end of March 2006 totalled around RO958.1 million - up 14.7% from the figure of RO835 million over the same period in 2005, while Omani goods are exported to the markets of over 100 countries around the world, its main trading partners are the United Arab Emirates, India, Saudi Arabia, Iran, Qatar, Libya, Somalia, China, South Korea,

Germany and the United States.

Government authorities and departments give priority to Omani products when making purchases and Omani goods are actively promoted in the local market through seminars and exhibitions. Broader promotion campaigns are also held in the regional and world markets, where Omani products have already begun to make their mark because of their high quality specifications. May 2006 saw the launch of the "Map of Omani Products" - an internet website which provides information about some 72 sectors. The second edition of the







“Guide to Trade Secrets” was published in Arabic and English. This book includes information about export procedures and other facts about exports for small and medium-sized businesses for the benefit of Omani companies that intend to export their products. The “Guide to Trade Secrets” was published in collaboration with the Omani Centre for Investment Promotion and Export Development (OCIPED) and the World Trade Office in Geneva.

In June 2006 the Ministry of Commerce and Industry was granted a certificate by the

United Kingdom’s Human Investment Programme, recognizing it as an investor in human resources.

INDUSTRY

The industrial sector is a cornerstone of the Sultanate’s long-term (1996-2020) development strategy. Industry is not only one of the main sectors involved in diversifying the sources of national income and reducing dependence on oil; it is also capable of helping to meet Oman’s social development needs and generate greater added value for national resources by processing them

Attempts are being made to increase the contribution of the non-oil sectors to the national income and the GDP

into manufactured products.

The Seventh Five-Year Development Plan (2006-2010) creates the conditions for an attractive investment climate. Under its strategy for the industrial sector the government also aims to develop the information technology (IT) and telecommunications industries.

The IT infrastructure is already in place; The Knowledge Oasis Muscat (KOM) IT complex has been set up and expanded, and Omani companies are developing their technological potential through collaboration with various Japanese and German institutions. An IT authority established in 2006 (under Royal Decree No. 52/2006) will promote infrastructure projects for Oman's digital advancement and oversee implementation of IT projects in every department of the state's administrative apparatus.

The Rusayl Industrial Estate in the Governorate of Muscat - the Sultanate's first industrial estate - is home to a large number of factories as well as Knowledge Oasis Muscat (KOM). There is also an industrial estate in Sohar - where the Sultanate's heavy industries are based - as well as other estates

in Sur, Salalah, Nizwa and Buraimi. Natural gas is transported to the industrial estates in Sohar and Salalah, helping to promote expansion of those industries that depend on natural gas; the government grants these industries tax exemptions, as an incentive to encourage their expansion and development. By 2020 the industrial sector is expected to contribute 15% to the country's GDP.

The Sultan's Cup is awarded annually to the top five Omani factories. This event is designed to encourage Omani factories to keep abreast of the latest technology, comply with quality control specifications and increase the percentage of Omanis in their workforce. The winners in 2005 were the Omani Cables Industry Company, the Oman Oil Refinery Company, Reem Batteries and Power Appliances Company, the Sulphochemicals Industry Production Company and Mohsin Haider Darwish Co.

Mineral resources

The Sultanate's mineral resources include chromite, dolomite, zinc, limestone, gypsum, silica, copper, gold, cobalt and iron, to name but a few.

Several industries have grown up around them as part of the national development process which, in turn, have boosted the minerals sector's contribution to the nation's GDP as well as providing jobs for Omanis. Copper has been mined in Oman for thousands of years.

The mineral sector's operations include mining and quarrying. Several projects have recently been completed including: an economic feasibility study on silica ore in Wadi Buwa and Abutan in the Wusta Region, which confirmed that there were exploitable reserves of around 28 million tonnes at the two sites; a feasibility study on the production of magnesium metal from dolomite ore; a draft study on processing limestone derivatives; a project to produce geological maps of the Sharqiyah Region (Ibra); economic feasibility studies on the exploitation of gold and copper ores in the Ghaizeen area; a study on raw materials in the wilayats of Duqm and Sur for use in the Sultanate's cement industry; and a study on the construction of a new minerals laboratory in Ghala in the Governorate of Muscat.

Oman Chamber of Commerce and Industry (OCCI)

The Oman Chamber of Commerce and Industry (OCCI) represents the interests of the private sector, which,



along with the Omani public, is an active partner in shaping the course of the country's development and promoting progress and prosperity.

The OCCI is based in Muscat and has eight other

Omani products are being exported abroad, as well as proving popular in the local market

branches around the country. Currently it is taking steps to expand its operations and offer businessmen a wider range of services, including an up-to-date database containing full details of its member companies and establishments; it publishes information about investment opportunities in Oman. It also promotes economic and trade relations and supports joint businessmen's councils with Arab and foreign countries.

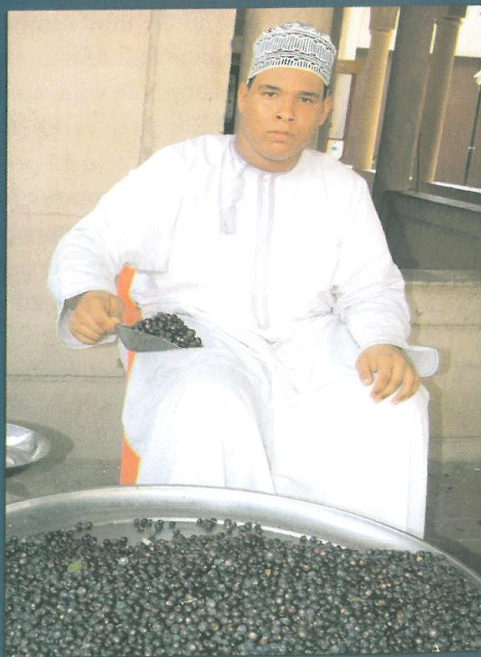
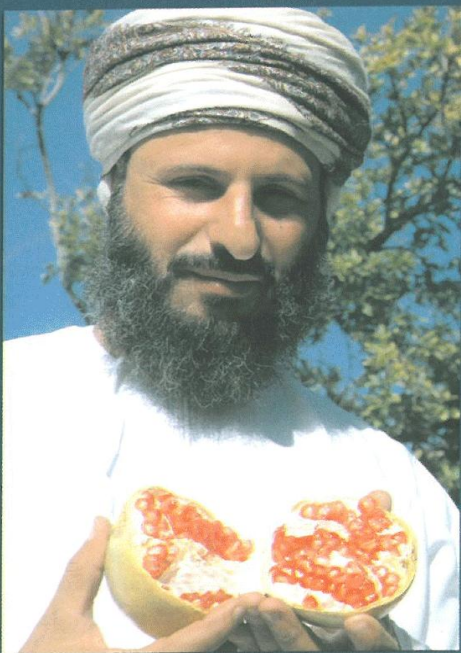
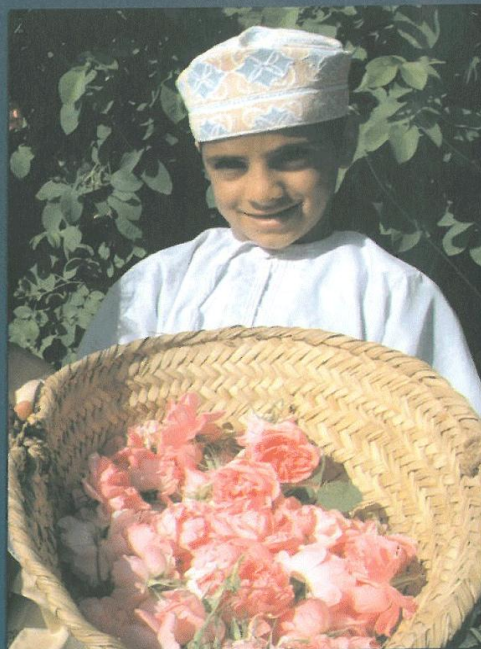
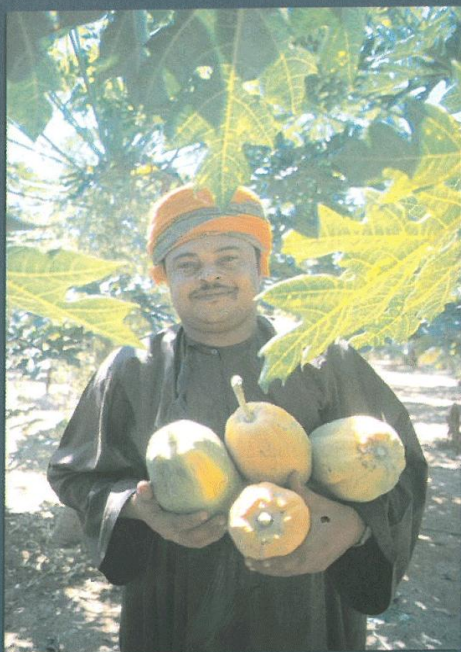
The training and employment of the nation's manpower has always been a priority of the OCCI's plans and programmes. The Chamber took part in the third seminar on the employment of national manpower in the wilayats of Ibri and Shinas in early 2005 and last year it held 15 programmes and training courses for Omani nationals, to encourage Omanisation in the private sector. Moreover, Sanad projects have been exempted from OCCI registration and membership fees up to the end of 2006 to encourage budding entrepreneurs to become fully-fledged members of the Omani business community.

The OCCI helped draw up the Seventh Five-Year

Development Plan (2006-2010). The Chamber is represented on several government committees and when Omani delegations visit foreign countries they frequently include OCCI representatives among their members.

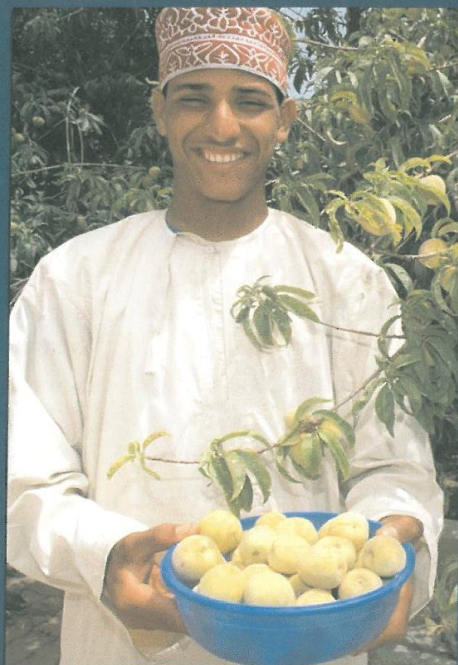
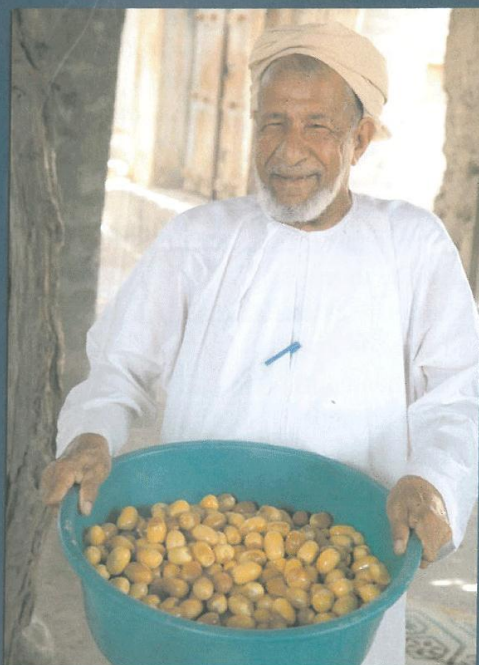
The OCCI is a member of over 200 Arab and European joint unions and chambers and participates in events abroad, including trade fairs and exhibitions. It also hosts events in the Sultanate.

OCCI representatives accompanied the Deputy Prime Minister for the Council of Ministers Sayyid Fahd bin Mahmoud Al Said, on his visit to China, the Republic of Korea and the Kingdom of Thailand in September 2005. Trade delegations exchanged visits with a large number of countries including - among others - India, Belgium, Lebanon, Saudi Arabia, Tunisia, Sudan, Iraq, Pakistan, Malaysia, Germany, Britain, Spain, Kazakhstan, Iran and Syria. There were also meetings between Omani businessmen and senior foreign officials including former German Chancellor Gerhard Schroeder and the prime ministers of Pakistan, Turkey, Tunisia, Lebanon and Korea. Several exhibitions were held at





Fruits & Roses





home and abroad to promote Omani products. Omani and Libyan companies held their first meeting in the Libyan capital, Tripoli, where an exhibition of Omani goods was staged in the Governorate of Hadhramawt in the Republic of Yemen. The OCCI also took part in a number of seminars and meetings in the region and further afield, during which it publicised the Sultanate's promising investment opportunities and tourist attractions.

"Al Ghorfa" ("The Chamber") is an economic magazine which helps main-

tain contacts between OCCI members and other segments of society. Other publications include a 2005 edition of the "Industrial Directory", containing the latest statistics and data on Oman's industrial sector, a "2005 Investor's Directory", a guide to investment in the Sultanate as well as an updated website (www.chamberoman.com).

The OCCI has around 113,000 members. Its eight branches are in Salalah, Sur, Nizwa, Buraimi, Ibra, Sohar, Khasab and Ibri, and it also has offices on the Rusayl Industrial Estate and in Sohar.

Freshly-picked green beans are exported to Japan on a daily basis during the winter months

AGRICULTURAL RESOURCES

Agriculture, livestock and fisheries are among the oldest and most important sectors of the Omani economy. They play a vital part in feeding the population, providing employment for large numbers of Omanis and helping to boost the country's GDP.

According to the 2004-2005 Agricultural Census the Sultanate has an area of 72,600 hectares under crop cultivation, while over 200,000 Omanis - as well as a number of expatriates - work on 202,000 farms and allotments and in related occupations. Thanks to improvements in agricultural production, Oman is now around 93% self-sufficient in dates and fruit and 64% self-sufficient in vegetables. In 2005 the agriculture and fisheries sectors contributed RO172.1 million to GDP - a 1.5% rise on the previous year's figure.

Agricultural census

Farms and allotments covered an area of 374,445 feddans [1 feddan=1.038 acres] - 178,515 feddans in the Batinah Region, 51,091 feddans in the Dhahirah Region, 48,383 feddans in the Dakhiliyah Region, 43,006 fed-

dans in the Governorate of Dhofar, 41,283 feddans in the Sharqiyah Region, 8,096 feddans in the Governorate of Muscat, 2,704 feddans in the Governorate of Musandam and 2,367 feddans in the Wusta Region. Initial results from the 2004-2005 Agricultural Census also showed that there were 7,795,786 date palms in the Sultanate, as well as 390,790 mango trees, 341,285 lime trees, 138,803 coconut palms and 846,553 other kinds of fruit trees. The Batinah Region has the most date palms, mango and lime trees, while the Governorate of Dhofar has the most coconut palms.

Agricultural advice and guidance programmes have been adopted to promote the use of high-quality fertilisers and seeds, modern irrigation systems have been introduced on the farms and 71 barriers have been built to provide protection against wadi floods.

FISHERIES

With a coastline over 1,700 kilometres long, Oman is one of the main fish-producing countries in the region and the fisheries sector is among its most promising sectors. Fishing is one of the country's oldest



occupations. According to the 2005 figures there are around 32,400 full-time licensed fishermen and 13,560 fishing vessels. In 2005 Omani fishermen landed over 150,000 tonnes of fish with a value of



There are 15 fishing harbours on the coast of the Sultanate - fish are caught by both modern and traditional methods

around RO67 million.

Fish farming is now a growing industry and a fish farming centre is currently being set up, while the quality of the catches is being improved, following the creation of the Fisheries

Quality Control Centre.

Marketing operations have been streamlined across the country and exports are now better regulated, particularly with regard to certain types of rare, high value fish. Fisheries training centres have been established in al Khabourah and Salalah, data and statistics on the fishing industry have been upgraded and new fishing harbours have been built and equipped with modern facilities; today there are 15 fishing harbours along the Omani coast.

The Seventh Five-year Development Plan (2006-2010) is committed to developing and maintaining the Sultanate's aquatic resources, ensuring that the fishing grounds and coastal areas are properly managed, regulated and monitored.

The Indian Ocean Rim Association for Regional Co-operation (IORARC)'s Fisheries Support Unit is based in Oman. The unit promotes co-operation between member states in the management of this vital - and renewable - resource.

Livestock

Initial results of the 2004-2005 Agricultural Census show that there are over 2,320,000



head of cattle, camels, sheep and goats, as well as 17.35 million chickens and other poultry in Oman. Under the national immunisation and treatment programme some 1.7 million head of livestock were immunised last year and around 610,000 received veterinary treatment.

Last year's annual production totalled over 9,860 tonnes of red meat, 156 million eggs and around 20,000 tonnes of poultry.

Following the completion of the camel counting and numbering project in the Governorate of Dhofar, a national strategy has now been introduced to reduce camel numbers, in order to restore the balance between the region's camels and the natural pastures and increase the amount of water available by reducing the size of the areas used for the production of animal fodder.

Phase One of a plan to transfer the fodder farms to al Najd began in June 2006, where a new town will be built at a cost of RO19.2 million. The town, which will be amply supplied with water wells, roads and services, will be extended to cover an area of around 30,000 feddans over the next five

years, while all the fodder farms, which have a combined area of over 10,000 feddans, will be transferred to the area within the next three years, as a groundwater saving exercise. A company with a capital of RO19.2 million is due to be set up on the farmers' behalf to implement the project.

WATER RESOURCES

Oman is in the world's arid belt and depends on groundwater and its limited rainfall (of around 100mm annually) for around 65% of its water supplies. The demand for water continues to rise, with desalinated water making up the remaining 35%.

A national water resources conservation plan has been drawn up to further rationalise and improve water consumption practices and explore for new groundwater reserves. At the same time, desalination research continues.

Following the completion of the well and *falaj* (water channel) counting project and the creation of a network of 4,640 water monitoring stations, the Sultanate now has a complete, up-to-date and properly documented database covering all the country's available and

According to the Agricultural Census there are over 2,320,000 cattle, camels, sheep and goats in the Sultanate



UNESCO's International Heritage Committee added five Omani aflaj (water channels) to the World Heritage List in July 2006

potential water resources, together with details of their status and conditions. Studies on new ways of rationalising water consumption are ongoing.

In December 2005, the Arab Gulf Co-operation Council (AGCC) summit in Abu Dhabi in December 2005 approved an Omani proposal for a water supply link between the AGCC states. An international conference on water management was held in Muscat in March 2006 and an international company commissioned to produce a complete water strategy.

The Law on the Conservation of Water Resources in the Sultanate was promulgated in the year 2000, and another law on the protection of water sources from pollution was promulgated in 2001.

Aflaj, wells and dams

Oman's *aflaj* system is an ancient but effective method of water management. Individual *falaj*, or water channels, together form the *aflaj* network, an interconnected system of water channels extending from the mountain tops and *wadis* to populated areas. Oman's *aflaj* are dug in such a way as to ensure that the water

is carried by the earth's gravity and the natural incline of the land over long distances without using pumps or any other mechanical means.

The *falaj* system is thousands of years old. There are 4,112 *aflaj* in the Sultanate, 3,017 of which are currently in operation. The maintenance of these structures is undertaken by the government according to an annual timetable which adjusts its priorities according to the structures; many of them sustain damage as a result of heavy rainfall, or are affected by groundwater levels or water consumption. In 2005 maintenance work was carried out on 195 *aflaj*; this involved repairs to the channels themselves, the sinking of new auxiliary wells (there were 16 auxiliary well projects in 2005 and 2006), or the exvavation of new tributaries or basins to increase the water levels in the channels.

The water of each *falaj* is allocated on an equitable basis to all users, in accordance with certain fixed and recognized rules, passed down through the generations.

In July 2006, the International Heritage Committee selected five Omani *aflaj* to be included



under UNESCO's World Heritage List. The *aflaj* are: Dareez at Nizwa, Khatmin at Birkat al Mauz, Malki at Izki, Maisir at Rustaq and Jaylah in the Eastern Hajar.

Wells are a vital source of water. The Wells Inventory project provided a comprehensive picture of the wells, their locations, the well pumps, the quality of the water and the uses of each well. There are 127,000 wells in the Sultanate distributed over 128 catchment areas. New wells are subject to conditions of the Law on the Conservation of Water Resources, Royal Decree No.

29/2000. Licences to drill new wells or deepen or replace existing wells are issued by the Ministry of Regional Municipalities, Environment and Water Resources. Current projects include the drilling of 56 public drinking water wells in various parts of the country.

Dams play an important role in the development of water resources. There are three types of dams. The 1st type is the groundwater recharge dam (there are 25 in the country); the 2nd is the small surface storage dam (currently 58), while 3rd is the flood protection dam of which

Checking samples of drinking water

(Overleaf) The Barr al Jissah/Shangri-la 3-hotel resort which has 680 rooms

there are 12. Some 42 potential new dam sites have been identified in various wadis in the Sultanate.

The first phase of the Wadi Dhayqah dam in the *wilayat* of Quriyat - began this year. When completed it will supply the Governorate of Muscat with around 35 million cubic metres of water for various uses. The water situation is constantly being reviewed through an integrated system of 4,640 observation points, which monitor the rainfall, dams, *aflaj*, springs, dams, wells and creeks and supply a database with up-to-date, accurate information.

Groundwater Resources

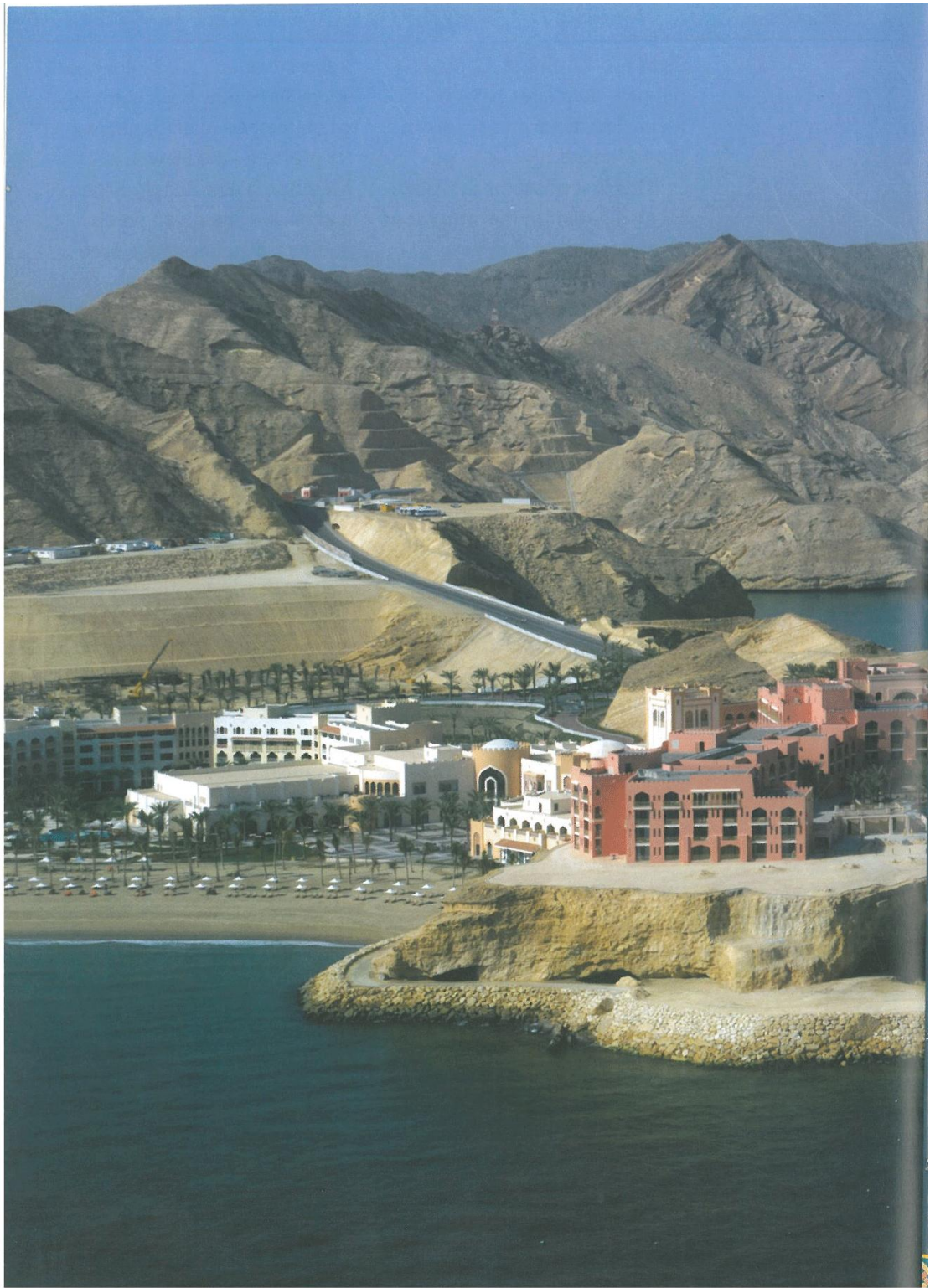
The Ministry of Regional Municipalities, Environment and Water Resources has conducted several groundwater exploration projects throughout the Sultanate where exploration wells were drilled to study the availability and characteristics of groundwater resources in terms of its quantity and quality. Several schemes were carried out in the South Batinah, the Dhahirah, Dhofar, the Sharqiyah, Dakhiliyah and in the desert area in the Wusta Region to study and monitor the

water situation. All major operations have now been completed on the two main groundwater projects - the Hawdh al Masarrat Water Supply Scheme and on the Sharqiyah Sands aquifers. Pipelines have been laid and water is currently being supplied to more than 10,000 houses. Water suitable for agricultural use has been discovered in the Nejd in the Dhofar, while potable groundwater stocks have been found in Wadi Rawnab in the Wusta Region.

Renewable energy

Oman enjoys sunny weather throughout the year in addition to monsoon winds, providing conditions that can be utilised in energy generation projects. Both solar and wind energy are clean, renewable sources that can be used in an increasing number of projects, particularly in the more remote and inaccessible areas.

Solar energy has been used to power parking meters in the capital area, as well as in large projects such as a water desalination plant, and to generate electricity for lighting projects in some remote areas of the North Batinah and power radio and television booster stations in several regions, including





remote mountain areas.

Wind energy is used to power the water pump in the Hailat al Rakah desalination plant.

TOURISM

The tourism sector is slated to contribute 3% to Oman's GDP under the country's long-term development strategy (1996-2020), which sees tourism as a means of diversifying the sources of Oman's national income and at the same time a way of providing employment for Omani nationals.

The country's tourist attractions range from forts, castles and ancient mosques to scenic caves and wadis, and there are plenty of opportunities for mountain and desert safaris, diving, eco-tourism, and sports, adventure and conference tourism. The government has drawn up a plan to develop tourism while preserving natural resources, traditional social values and cultural identity. The plan will be implemented through a series of policies and legislative measures and by offering the private sector the opportunity to be the major investor in the tourist sector. The concept of self-contained tourist projects is being pro-

moted, whereby tourists have access to a full range of top-quality tourist services and facilities within a single complex.

The creation of the Ministry of Tourism in mid-2004 gave a



powerful boost to efforts to develop this sector, which was already showing signs of significant growth. During the years of the Sixth Five-year Plan (2001-2005) tourism expanded at an annual rate of



A perfect camping spot in the beautiful Rub al Khali/Empty Quarter

Frankincense products arouse the interest of the tourist

9%, compared with the projected figure of 6.1%.

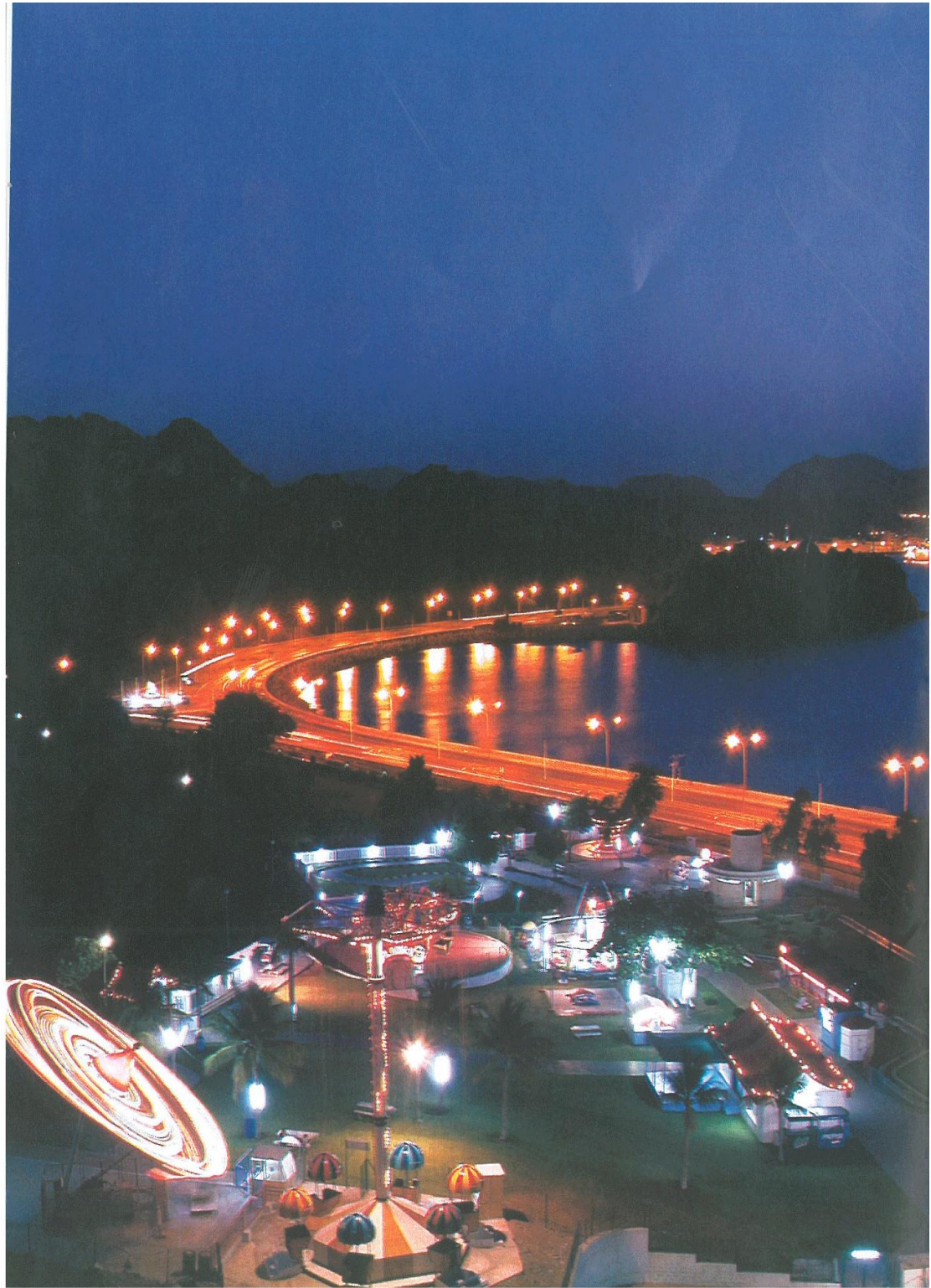
Tourism's contribution to GDP ranged from 0.7% to 0.8%.

The number of hotels and other accommodation facilities rose from 100 in the year 2000 to 153 in 2005, while the number of hotel rooms rose from 5,312 to 7,247 and the number of hotel guests increased from 710,000 to 1,408,000 - an annual growth rate of 14.7% between 2000 and 2005. Manpower in the hotel industry rose from 4,093 in the year 2000 to 5,366 in 2005, while Omanisation over the same period increased from

36.9% in 2000 to 47.7% in 2005. In 2005 the Sultanate received 1,077,000 tourists, a 21.4% rise compared with the 2004 figure of 887,000.

The RO80 million Shangri-la Barr al Jissah Resort, which opened on 27 February 2006, comprises two five-star (al Waha and al Bandar) and one six-star hotel (al Hisn) and is the first resort of this size in the Sultanate. The three hotels have a combined total of 680 rooms.

Several regional and international bodies attended the Oman International Conference for Environmental



Tourism, held in Muscat in February 2006.

Britain's International Institute of Travel and Tourism staged the International Travel and Tourism Conference in Muscat in June 2006.

Work is underway on the ambitious Wave tourist project and in June 2006 Sultan Qaboos issued Royal Decree No. 59/2006 promulgating the regulations for the Blue City project at al Sawadi.

In addition to these developments, foreigners were granted permission to own property in the self-contained tourist areas and a range of facilities was granted for those wishing to invest in the tourist sector.

During the Seventh Five-year Plan investments in the tourism sector are expected to total some RO980 million. During the Sixth Five-year Plan investment in tourism reached around RO90 million.

The Seventh Five-Year Development Plan aims to achieve an annual growth rate of not less than 7% in the tourism sector and to increase the number of "tourist nights" by the same percentage, reaching 11 million nights in 2010.

By the end of the Plan the number of hotel rooms is set to double from the current figure of 8,000 to 16,000.

In addition to top-class hotels, youth hostels and medium-grade hotels are also being built to cater for a wide range of income groups. A management agreement has been signed with the Golden Tulip group, which will manage the Sultanate's youth hostels in al Ashkharah in the Sharqiyah Region and Sahannout in the Salalah area.

Studies have been carried out on the future development of tourism in a number of areas such as Ras al Hadd, the Governorate of Dhofar and on the Jabal al Akhdhar, as well as on plans for a scientific centre and museum at Ras al Jinz in the district of Sur.

MUSCAT

Muscat, appeals to visitors and residents alike and has won many Arab, regional and international prizes for its cleanliness, orderliness and beauty. In addition to world-class hotels like the Al Bustan Palace, Muscat also has a range of hotel apartments to suit different categories of tourists. The city also boasts a

Riyam Park on the Mutrah corniche, one of many popular parks

Aerial view of the Ministries area with al Khuwair (left) and A'Sarooj (right)







number of modern shopping centres and malls, while Mutrah's traditional souq has been developed as a popular tourist and shopping centre.

The city offers parks and public gardens as well as other attractions including several recently restored mountain passes. Improvements have been made to the seafront promenade in the *wilayat* of Mutrah and the airport road from the Adhaibah roundabout to the Airport roundabout. There are plans to plant around three million flowers in Muscat, create parks in Information City and Rabi'at al

Qurm, and upgrade Mezoun Street in Seeb's al Mawaleh area. Other schemes in the pipeline include al Sahwa Park and road improvements in Quriyat and other areas of Muscat Governorate, as well as a number of tree-planting, lighting and souq improvement projects.

A fully equipped golf course is being built in Muscat complete with a golf club, a health club, tennis courts, a swimming pool and other facilities. Other world-class tourist projects - such as the Shangri la-Barr al Jissah resort, the Blue City in al

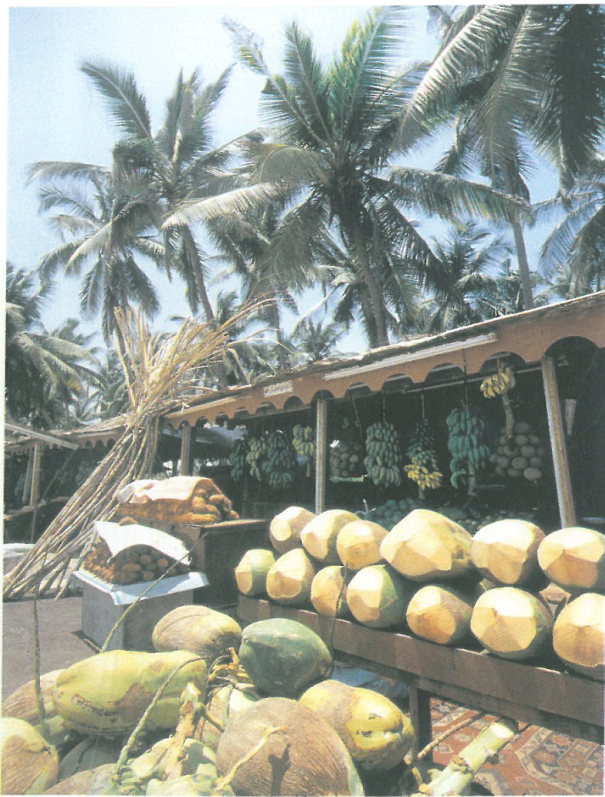
The opening performance of the Khareef Festival in Salalah in July 2006

The Dhofar is renowned for its coconuts, papaya and sweet bananas

*(Overleaf)
The beauty of Dhofar during the khareef/monsoon season*

Sawadi and the Wave - will enable Muscat to attract and accommodate even more visitors.

The Muscat Festival is a huge annual celebration with a varied programme of activities



that last for several weeks. The 2006 Muscat Festival, which took place from 11th January to 10th February 2006 (and in 2007 for the whole month of January), offered a range of cultural, sporting, recreational

and social events for all the family including cultural and poetry competitions and seminars, student forums, performances of traditional Omani and Arab songs and dances as well as folklore from other parts of the world, sports events and displays, clothes shows, art, photography and handicraft exhibitions, and activities with heritage themes.

DHOFAR

The Governorate of Dhofar has many attractions, including a pleasant climate, natural beauty, agriculture and a rich history.

During the annual khareef (monsoon) season, which lasts from approx. 21st June to September, the Governorate of Dhofar has a superb climate - unique to the Arabian Peninsula which is generally extremely hot and humid at that time - and becomes a magnificent summer resort.

In the khareef season the mountain, plains and wadis of the Governorate of Dhofar are cloaked in greenery and swathed in clouds and light drizzle, while the temperature rarely rises above 22 degrees C. It is an ideal time for every kind of leisure activity. The









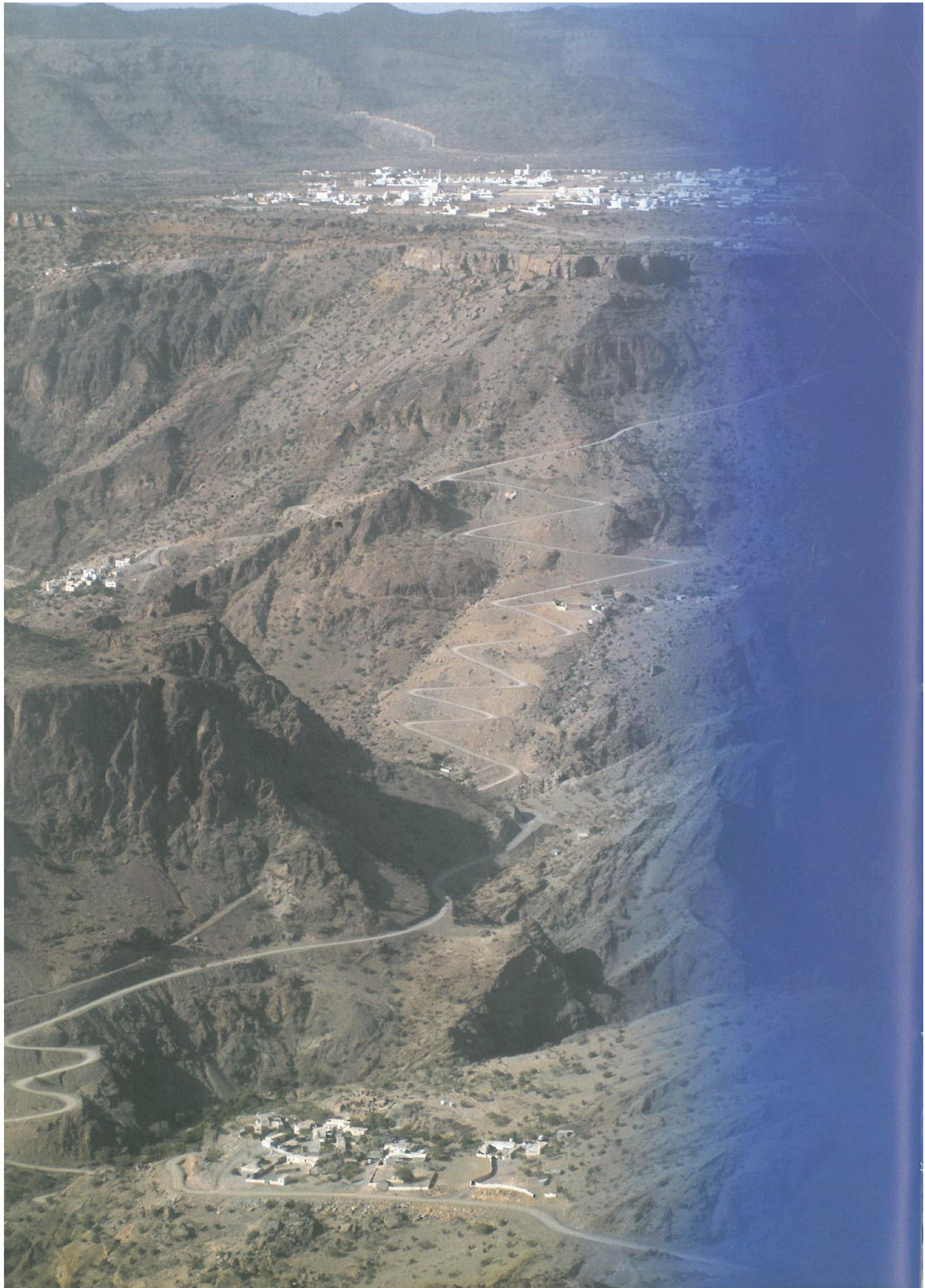
2005 khareef season attracted around 239,674 visitors - a 15% rise compared with the 209,000 tourists who visited the governorate in 2004. According to Ministry of National Economy's figures, some 61% of the visitors were from other parts of Oman, while visitors from the AGCC states accounted for a further 37%.

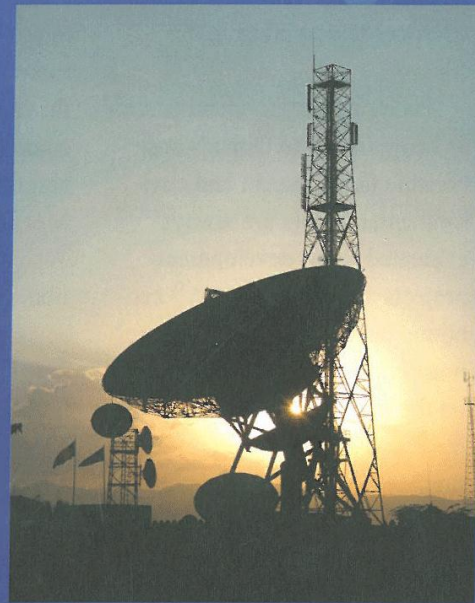
The 2006 Khareef Salalah Festival, which was held from 15th July to the end of August, offered a busy programme of cultural and artistic events to coincide with the "Muscat - Arab Culture Capital 2006" activities and was well attended.

The Ministry of Tourism opened five tourist information centres at the beginning of this year's khareef season in conjunction with the Ministry of National Economy.

Work is also continuing on a range of other service and tourist projects in the region which boasts a wealth of archaeological sites of major historical importance; several of them – including Ain Hamran, and the Frankincense Sites of Khor Rori, Al Baleed, Shisr/Wubar and Wadi Dawkah - are on UNESCO's World Culture and Natural Heritage List.

*The paved mountain
roads make it easier
for all*





Environment and Services

ENVIRONMENT and SERVICES

Oman attaches great importance to maintaining a healthy, clean environment and this focus has increased in direct response to the economic and social advances taking place in the country.

Today the environment is seen as being linked to Oman's sustainable development and environmental factors are always evaluated when development projects are undertaken. All economic development initiatives must comply with the regulations on the protection of the environment and the prevention of pollution. This is considered vital for the health of present day society and for the wellbeing of future generations of Omanis.

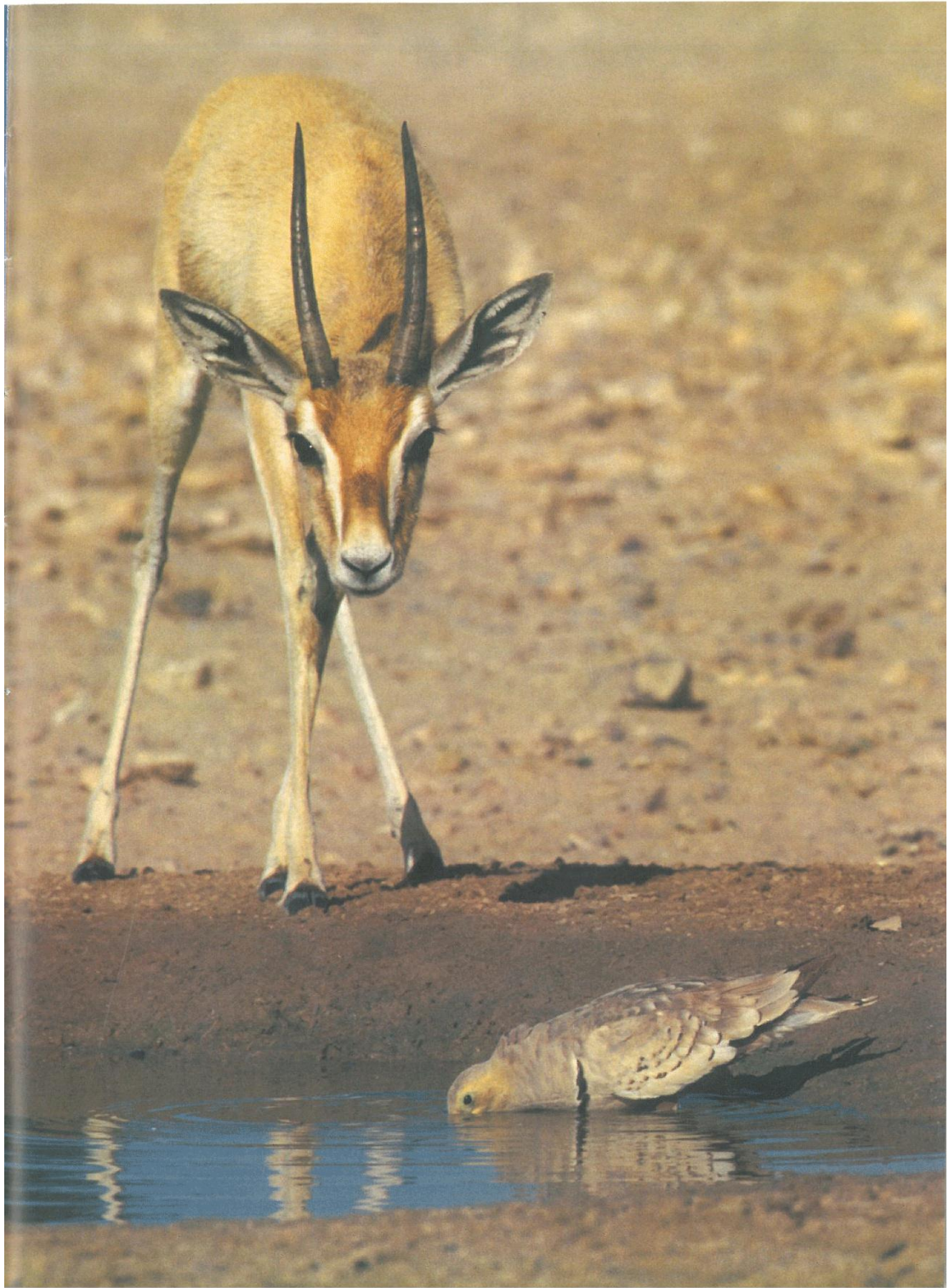
A series of royal decrees on the conservation of the environment, the prevention of pollution and the protection of nature reserves and wild life work in concert to ensure maximum defence of these important sectors. Following the promulgation of Royal Decree No. 55/2006, issued on 31 May 2006, the Ministry of Regional Municipalities, Environment and Water Resources was brought onboard; this merging of the environment with regional

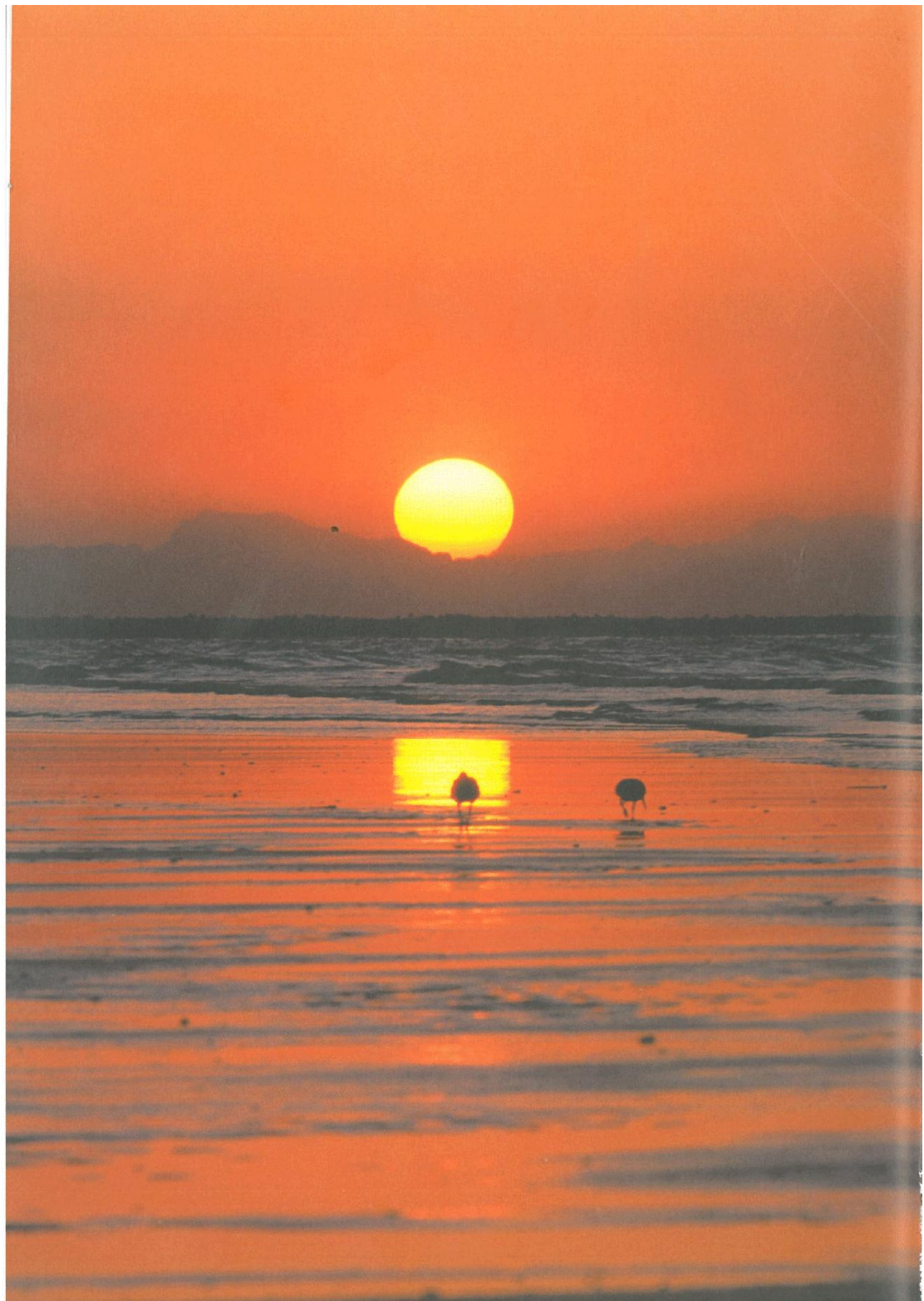
municipalities has offered an opportunity for greater environmental co-operation between the government and the public. At the same time, the government has stepped up efforts to raise public awareness about the need to conserve Oman's pristine environment by continually driving the message home via a series of campaigns in the media, schools and the annual Regional Municipalities, Environment and Water Resources Month competition.

Nature Reserves

The Sultanate's eight nature reserves were set up to protect the country's wild life. While the reserves seek to protect a range of biodiversity some are best known for their flagship species, e.g. the green turtles at Ras al Hadd Turtle Reserve, the Arabian Oryx in the Arabian Oryx Sanctuary, the Arabian Tahr of Wadi A'Sareen and the Arabian leopards of Jabal Samhan Nature Reserve. The Damaniyat Islands are important for nesting birds, hawksbill turtles and a rich marine life of the coral reef. The seven khawrs of Dhofar are listed as a single reserve seeking to protect wetlands. One site, As Saleel, is a National Park. The most recent reserve established

Campaigns to raise public awareness about the need to conserve the environment are on-going





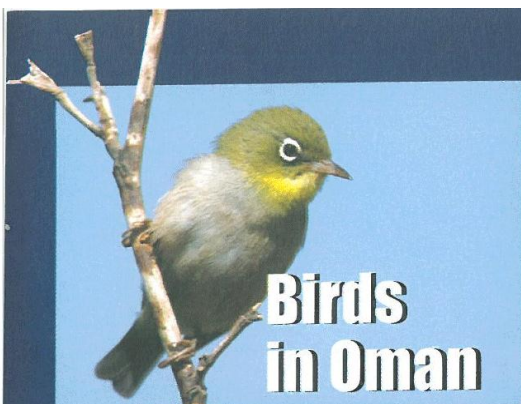
by Royal Decree No. 6/2006 is the Oman Botanic Reserve established to conserve and exhibit the native flora of the Sultanate. One reserve, the Arabian Oryx Sanctuary, is a UNESCO World Heritage Site.

Gazelles and Turtles

The Ministry of Regional Municipalities, Environment and Water Resources has started a project to record the wild gazelles in the Sultanate, and another important initiative is the Masirah Turtle Conservation project which is an initiative aimed at studying the migra-

tory habits of these endangered species, besides helping in their conservation on Masirah Island. This scheme involves counting the turtles and to date satellite transmitter tags have been attached to the shells of 20 female Loggerhead turtles which is providing data on their lives and habits on a daily basis (see website www.seaturtle.org). The project, which began in May 2006, aims to conserve four species of turtle including the Green, the Loggerhead, Olive Ridley and Hawksbill whose numbers worldwide are diminishing.



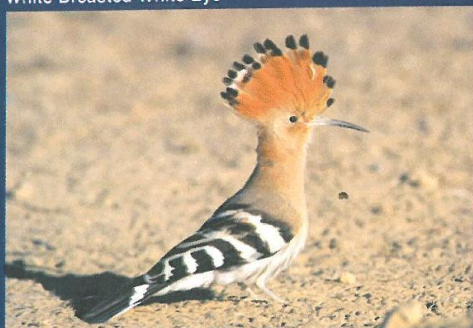


Birds in Oman

White Breasted White Eye

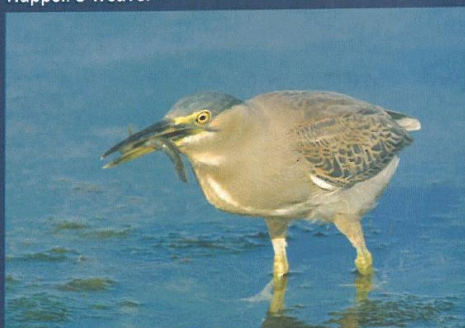


Ruppell's Weaver



Hoopoe

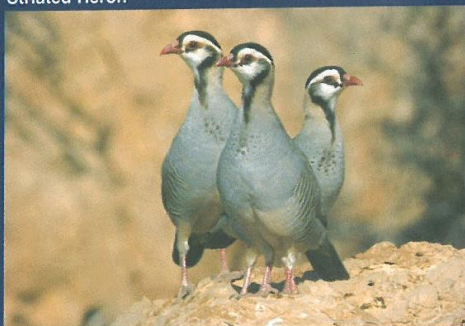
▼ Houbara Bustard



Striated Heron

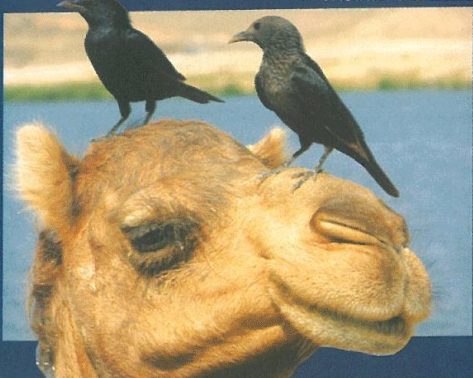


▼ Tristram's Grackle



Arabian Partridge

▼ Lesser Kestrel





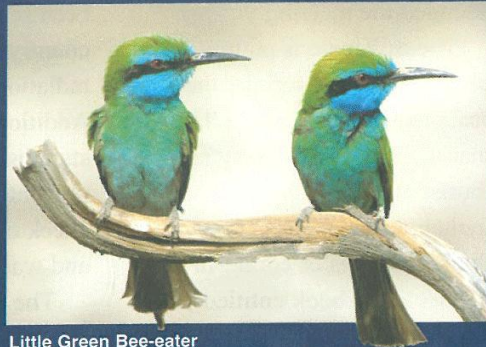
Grey-headed Kingfisher



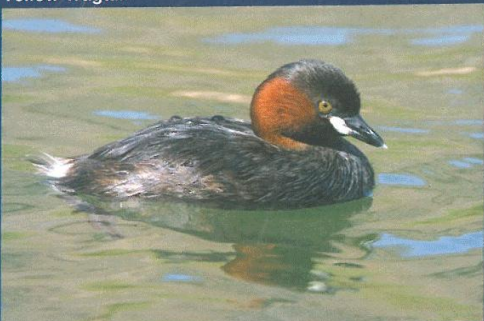
Swift Tern



Yellow Wagtail



Little Green Bee-eater



Little Grebe



Little Owl



▼ Laughing Dove



Barred Warbler

In March 2006 the Sultanate hosted the Fourth Meeting of the Signatory States to the IOSEA (Indian Ocean-South East Asian Marine Turtle Memorandum of Understanding, which set out to establish a practical framework for managing and protecting marine turtles and their habitats worldwide. Some 30 states attended the meeting.

The Sultanate is putting a lot of effort into conserving the sea's natural resources, all marine life and the many eco-tourist attractions in the area, including the coral reefs - with their 108 types of coral. In this connection a book entitled "Reef Corals and Coral Reefs of the Gulf of Oman" has been published (under ISBN 9948-03-241-1) by the Historical Association of Oman. Measures are also being taken to compel passing ships to comply with environmental regulations, particularly those concerning waste disposal in the marine environment.

In April 2006 the Sultanate hosted the 13th meeting of the Regional Organisation for the Protection of the Marine Environment (ROPME) ministerial council. Discussions focused on environmental conservation in the Gulf.

Mangroves

Mangrove trees and other marine plants are being planted in selected lagoons along the coasts - more than 310,000 mangroves are under cultivation - as part of a plan to maintain a balanced coastal environment. Eight early warning radiation stations, which operate round the clock, have been set up in various parts of the country and linked to a central radiation monitoring station. Additional air and sea monitoring stations have been established to prevent pollution and keep a check on hazardous chemicals and waste.

The State Council (*Majlis A'Dawla*) held a seminar entitled "Environmental pollution - causes and harmful effects" on 27th March 2006, which came up with a number of useful suggestions. Through existing initiatives and other efforts - whether at home or in co-operation with Gulf, Arab and international environmental organisations - the Sultanate seeks to reinforce the link between environmental conservation and Oman's development. This is the goal of the national environment strategy and the biodiversity action plan, which aims to promote wild life conservation and biodiversity to

ensure a harmonious and sustainable development.

The Sultan Qaboos Prize for Environmental Conservation

While focusing much of its attention on the Omani environment, the Sultanate - as a firm believer in the holistic approach to environmental conservation - also co-operates with several regional and international bodies. One of its most important initiatives in this respect is the Sultan Qaboos Prize for Environmental Preservation, the first Arab prize to be awarded by UNESCO for international efforts on behalf of the environment.

This prize, instituted in 1989, is awarded by UNESCO every two years for outstanding international efforts on behalf of the environment.

The international liaison office of UNESCO's Programme on Man and the Biosphere (MAB) forms a judging committee to decide on the winners. Since 1991 the prize has been won by individuals, environmental research centres and environment conservation projects from the Galapagos Islands, Sri Lanka, Mexico, the Czech Republic, Malawi, Egypt, Chad, Norway, Venezuela and Australia.

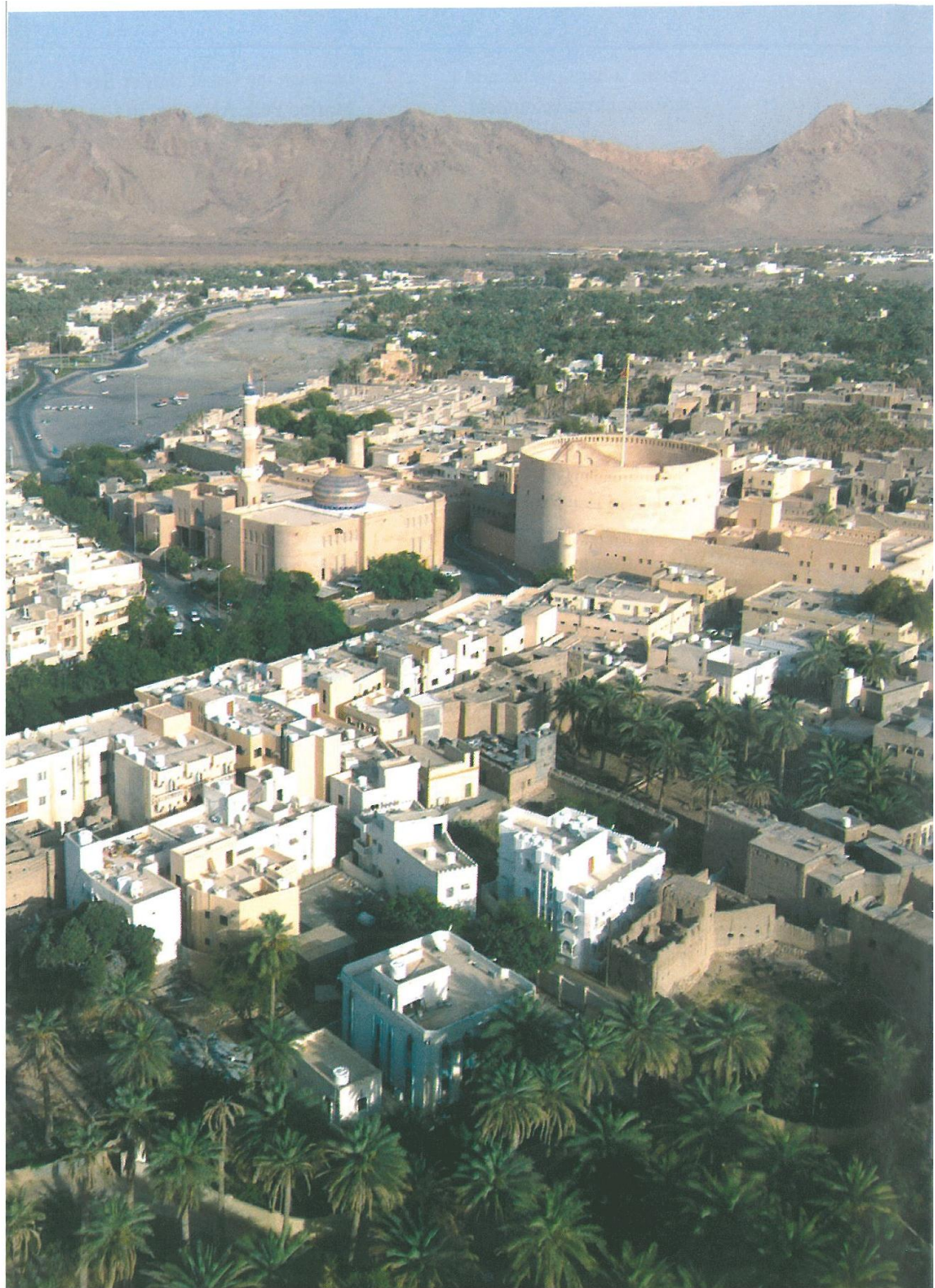
In 2005 the prize was shared

between the Great Barrier Reef Marine Park Authority in Australia and Prof. Ernesto Hoeflich, Head of Mexico's National Commission for the Management of Protected Areas.

Regional Municipalities

The regional municipalities aim to provide a full range of services in the towns and villages, from landscaping to public hygiene, health and safety, and it is their responsibility to cater for the growing population's future needs, including housing, road systems, public parks, street lighting and the aesthetic improvement of tourist sites and the approach roads to the town and other populated areas.

All the Sultanate's municipalities promote closer co-operation on municipal projects between the governmental and non-government sectors. The Regional Municipalities, Environment and Water Resources Month competition is an annual event in which the municipalities compete to win the Sultan's Cup. Several industrial establishments take part in this competition and the municipalities implement a range of projects that benefit both the local community and the environment. The 21st





*Al Khuwair, Muscat
with the beautiful
Said bin Taimur
Mosque in the fore-
ground*

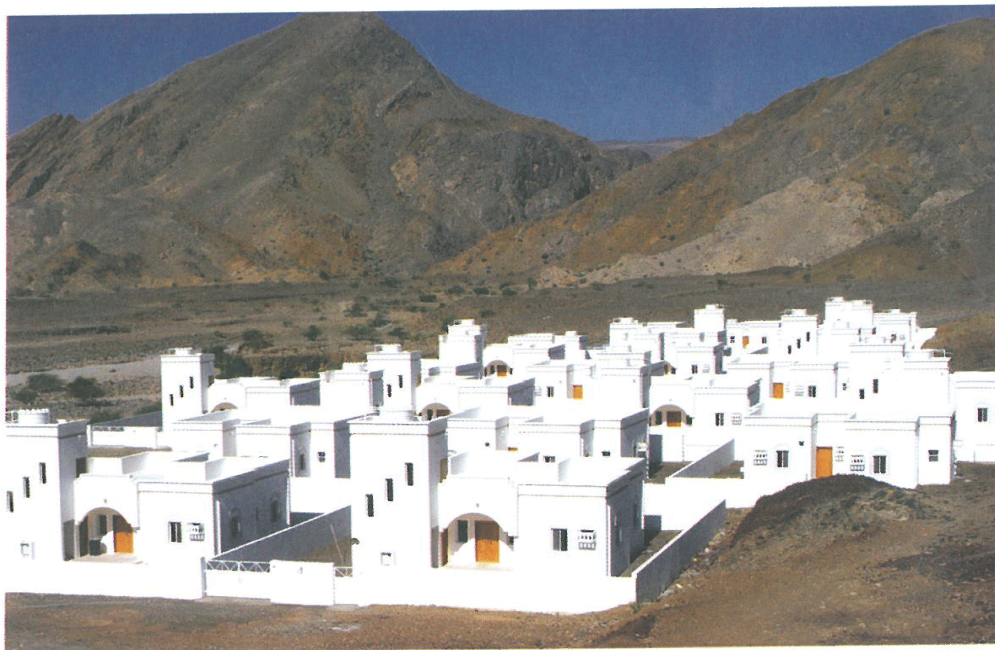
Municipalities, Environment and Water Resources Month competition in 2005 was won by Ibri municipality.

In 2005 the Ministry of Regional Municipalities, Environment and Water Resources completed around 100 road-surfacing projects with a total length of 324.6 Kilometres. During the year 2,412 lamp posts were installed across the country and 140 agreements signed for various projects including street lighting, abattoirs, souq improvements and the development of tourist and archaeological sites, as well as for landscaping work on roundabouts and the approach

roads to some towns. Health inspections were carried out at foodstuffs factories and water bottling plants, while restaurants, cafes and food shops were regularly monitored to ensure health and safety standards were being met.

In 2005 ten new sewerage projects were completed, bringing the total number of sewerage stations and systems to 53. Two major sewerage projects are currently being implemented in Muscat and Salalah and work is ongoing to link a number of stations to the existing systems in several districts.

*The town of Nizwa
and its circular fort*



HOUSING

The extensive house building and renovation that has been taking place across the Sultanate reflects a significant rise in the general standard of living. Over 89% of Omani families currently live in their own homes and well-built, well-planned residential areas in numerous towns and villages continue to be constructed. In 2005 new building development areas were laid out that will provide almost 117,240 plots of land for residential and commercial use.

Plots of land are distributed according to specific requirements as laid down by law. Some

16,000 housing and housing/commercial plots were distributed on Sultan Qaboos's orders to families on social assistance as part of the 35th National Day celebrations last year.

From June 2006 the Ministry of Housing, Electricity and Water began receiving applications from citizens applying for housing plots via the local post offices, which has proved to be a cheap and efficient system. Families living on social assistance are exempt from registration charges when they apply for land through the post offices.

Real estate is registered under the Real Estate Register regula-

A social housing project funded by both the government and the Oman Charitable Organisation

tions for ease of transfer and to protect the citizen's rights and encourage investment. Under Royal Decree No. 21/2004 citizens of the Arab Gulf Co-operation Council (AGCC) states may purchase land in the Sultanate, and by 2005, 1,780 AGCC citizens had done so.

To encourage tourism, under Royal Decree No. 12/2006 those from outside the AGCC may buy real estate in self-contained tourist complexes. In 2005 some 314,806 real estate transactions were registered in this sector, with a further 157,468 registered between 1 January and 30 April 2006.

Assistance schemes

In addition to offering facilities such as land grants and loans from the Oman Housing Bank, the government also provides suitable housing for people on limited incomes and families on social assistance through three housing programmes - social housing, housing benefits and housing loans.

Social Housing

In 2005 Sultan Qaboos ordered the construction of 480 social housing units in various areas of the country. The Oman Charitable Organisation helps

fund some of these units, though the government provides most of the financing. The government frequently provides living accommodation, which is eventually purchased by the tenant. A number of schemes are available to facilitate these transactions. Following the 2006 Royal Tour the Ministry of Housing, Electricity and Water is building 1,203 housing units on His Majesty's orders to ensure social housing stocks do not become depleted.

Housing Benefits

Under this programme the state provides housing grants of RO10,000 to families whose monthly income does not exceed RO129 and to families on social assistance who are not beneficiaries of the social housing programme or loans system. In 2005, 460 families across the country benefited from this programme, receiving a total of RO4,751,000. Grants are also paid to citizens whose homes require renovation or rebuilding.

Housing Loans

The housing loans programme is intended to help Omanis on monthly incomes ranging from RO130 to RO250 at the time of the application and must not

exceed RO300 at the time approval is granted. In 2005-2006 Omani families received loans totalling RO2,635,304. Loans, used for building, renovation, or house purchase do not usually exceed RO15,000.

ELECTRICITY

The government is committed to supplying power to every village and remote settlement in Oman, where power supplies in 2005 rose to around 12,023.2 gigawatts per hour – an increase of 9.7% compared with 2004. Meanwhile, around 12,648.3 gigawatts per hour of electricity was generated by the end of 2005 - a 10% increase on the previous year.

An operations control centre now operates in the Governorate of Muscat; this project is a step towards eventually linking all the country's main power stations to a single 24 hour monitored and controlled main grid. This will facilitate the eventual process of linking the local power system with that of the UAE, as part of a power link project between the AGCC states.

The electricity sector has undergone significant organisational changes as the Sultanate proceeds with its privatisation

plans for the power and water sector. In accordance with Royal Decree No. 78/2004, a number of government-owned companies have been set up to run the electricity sector under the new system. These include the Electricity Holding Company SAOC, the Oman Power and Water Procurement Company SAOC, the Oman Electricity Transmission Company SAOC, the Al-Rusayl Power Company SAOC, the Wadi Al Jizzi Power Company SAOC, the Al Ghubrah Power and Desalination Company SAOC, the Mazoon Electricity Company SAOC, the Majan Electricity Company SAOC, the Muscat Electricity Distribution Company SAOC and the Rural Areas Electricity Company SAOC. With effect from the beginning of 2006 the Council of Ministers amended the charges for cutting off and reconnecting power supplies.

WATER

Groundwater is the Sultanate's basic source of water and supplies some 65% of the country's overall needs. The government has made the safeguarding of existing stocks, the discovery of new sources and the prevention of groundwater

The electric power and water desalination plant at Al Ghubrah



Under the 7th Five-year Plan, a study will be carried out on a scheme to extend the water supply network

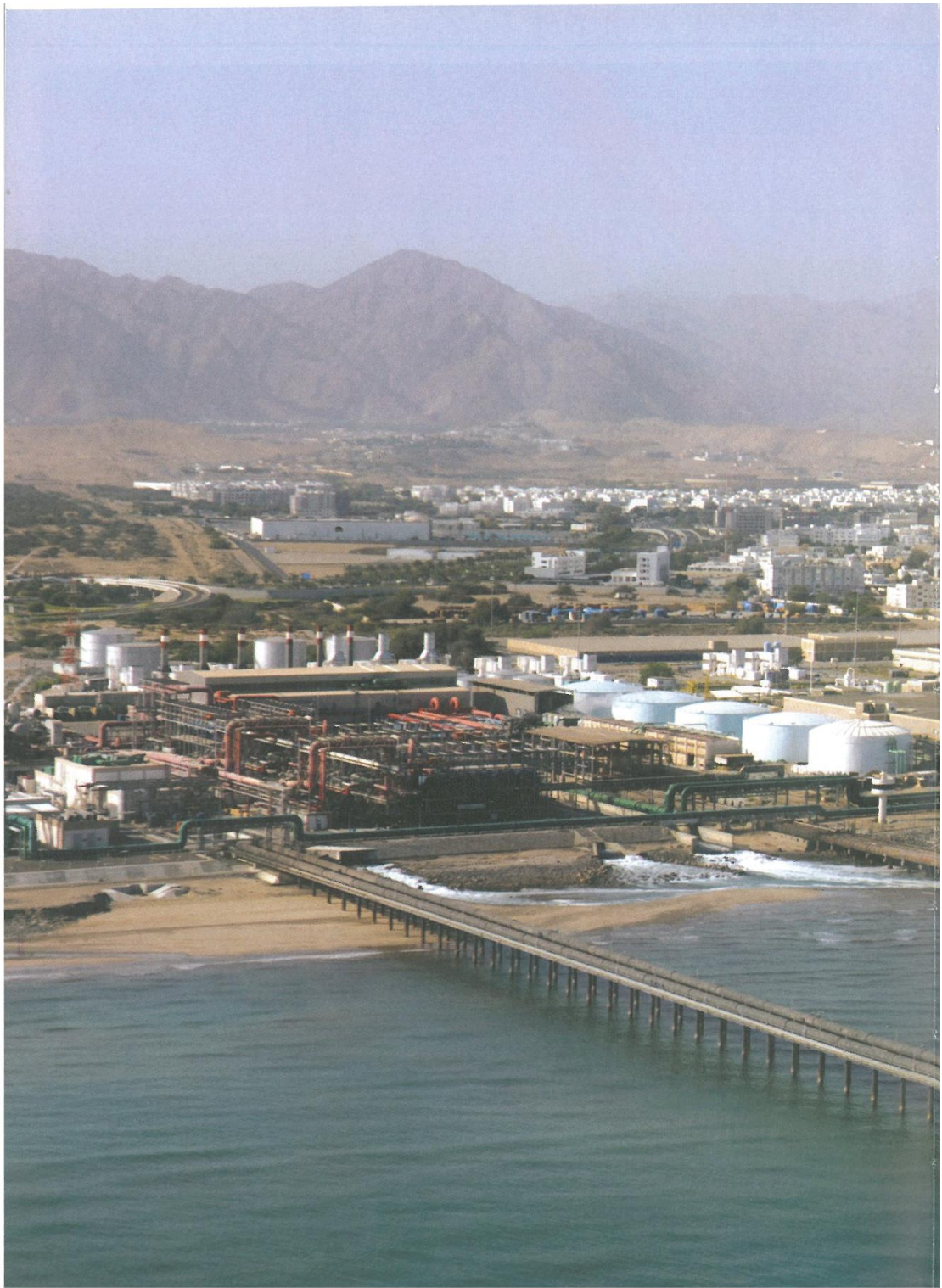
pollution and salinity a major priority and has turned to alternative sources, including desalination plants, to meet the shortfall.

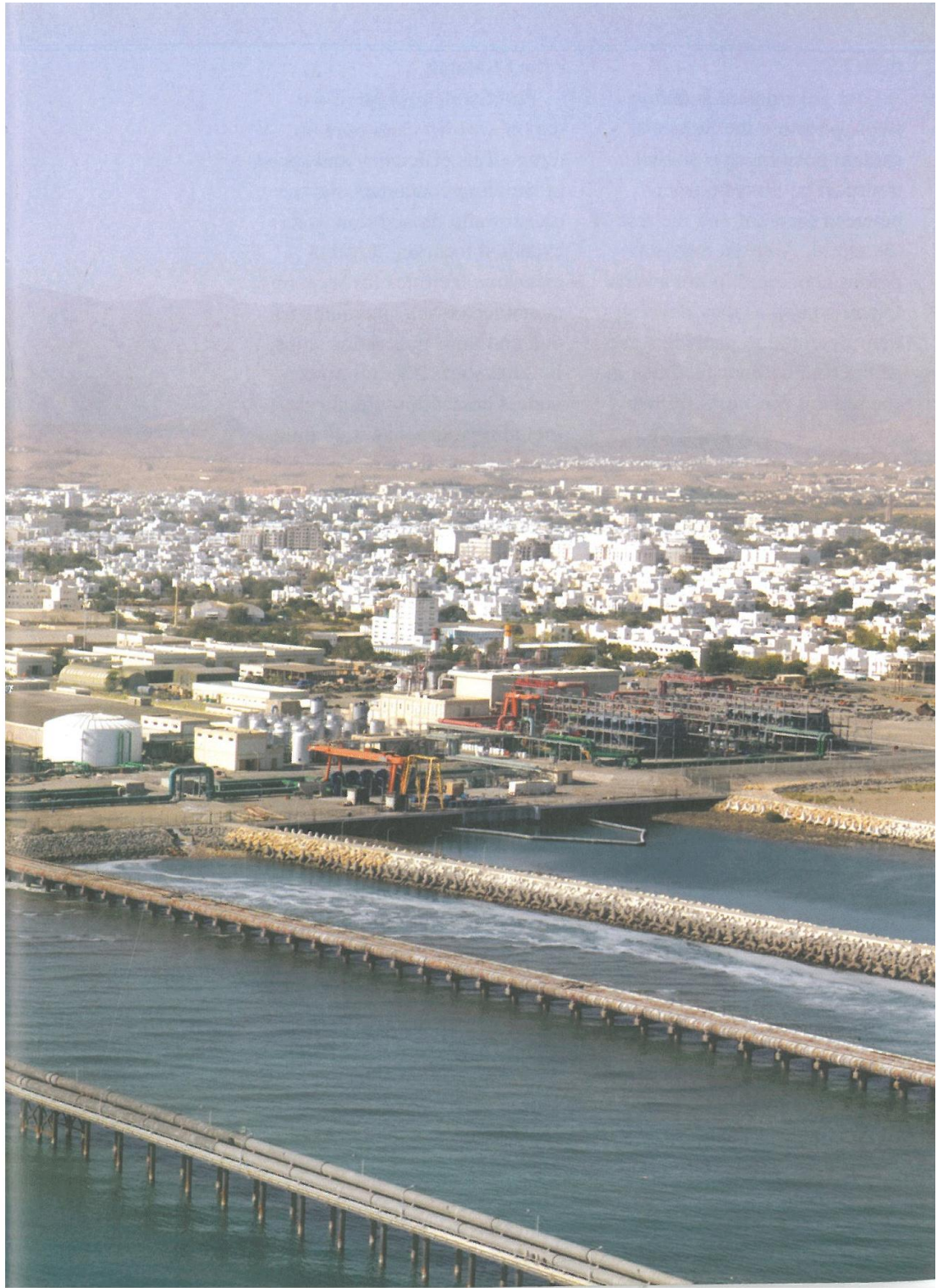
Work continues on an extended project, involving the construction of a number of important new desalination plants, to supply water to areas of need around the Sultanate.

Under the terms of the Seventh Five-year Development Plan (2006-2010) a study will be carried out on a scheme to improve and extend the existing water supply network until every home, office, farm and factory in the country

is adequately served. A “water map” has been produced to provide a comprehensive picture of the water sector as it progresses. There are around 4,640 rainfall and water monitoring stations in the wadis, *aflaj* (irrigation channels) and springs, which record groundwater levels and salinity.

In 2005, water output in the Sultanate totalled 3,2950.9 million gallons - a rise of 25.8% compared with the previous year. Water distribution in 2005 totalled around 3,2892.7 million gallons – another 25.8% increase on 2004.





PORTS

The government is taking steps to restore the Sultanate's ancient position as a pivotal transport and transit point between the Gulf and the rest of the world. A bright and prosperous economic future awaits Oman's ports as they develop their potential to provide some of the best harbour facilities in the region; prospects further enhanced by the country's membership of the World Trade Organisation and its free trade agreements with several Arab and friendly countries.

• Port Sultan Qaboos

Port Sultan Qaboos is the Sultanate's main seaport and the bulk of the country's sea borne trade - including goods and containers - pass through it. In 2005 the port received 1,865 ships and unloaded 2,831,400 tonnes of cargo. Port Sultan Qaboos, which receives the vessels of around 75 international shipping lines involved in the transport and re-export of general cargoes and containers, as well as a growing number of cruise ships, is constantly being upgraded and expanded and a modern passenger terminal is currently under construction.

• Port Salalah

Port Salalah is one of the region's world-class ports in terms of its efficiency and speed in handling containers and the transit trade. In addition to its excellent location, it offers extensive facilities for receiving container vessels, including second and third generation ships. In 2005 some 2.5 million containers passed through the port including more than 2.46 million destined for re-export, reflecting the port's growing importance in the region's trade. Last year Port Salalah received 2,455 ships. The port, which is currently being upgraded and its storage areas expanded to handle more traffic.

The port also has a general cargo terminal and an oil pier.

Work is currently in progress on Phase One of the Salalah Free Zone. On 20 June 2006 Royal Decree No. 62/2006 laid down guidelines for the establishment of Salalah Free Zone and appointed the Salalah Free Zone Company SAOC as its operating authority. Its current aim is to increase the volume of transport and trade passing through Port Salalah, which has earned an enviable reputation as one of the region's most efficient ports.

The Sultan Qaboos Port is the Sultanate's main port with the bulk of the country's sea-borne trade passing through it

• Sohar Industrial Port

Sohar Industrial Port, which is expected to go into full operation in 2008, is one of the Sultanate's most inspiring enterprises. The management of the industrial port is undertaken by Sohar Industrial Port Company, a 50/50 joint venture between Oman's government and the Port of Rotterdam.

One of Sohar Port's trump cards is its location: close to energy resources and close to the booming economies of the Middle East and the Indian sub-continent. The Port of Sohar is a world class port, capable of receiving ships up to 16 m draught. It houses three clusters: logistics, petrochemicals and metals. With all the industries running, the Port of Sohar will employ approximately 6,000 people directly and over 24,000 people indirectly.

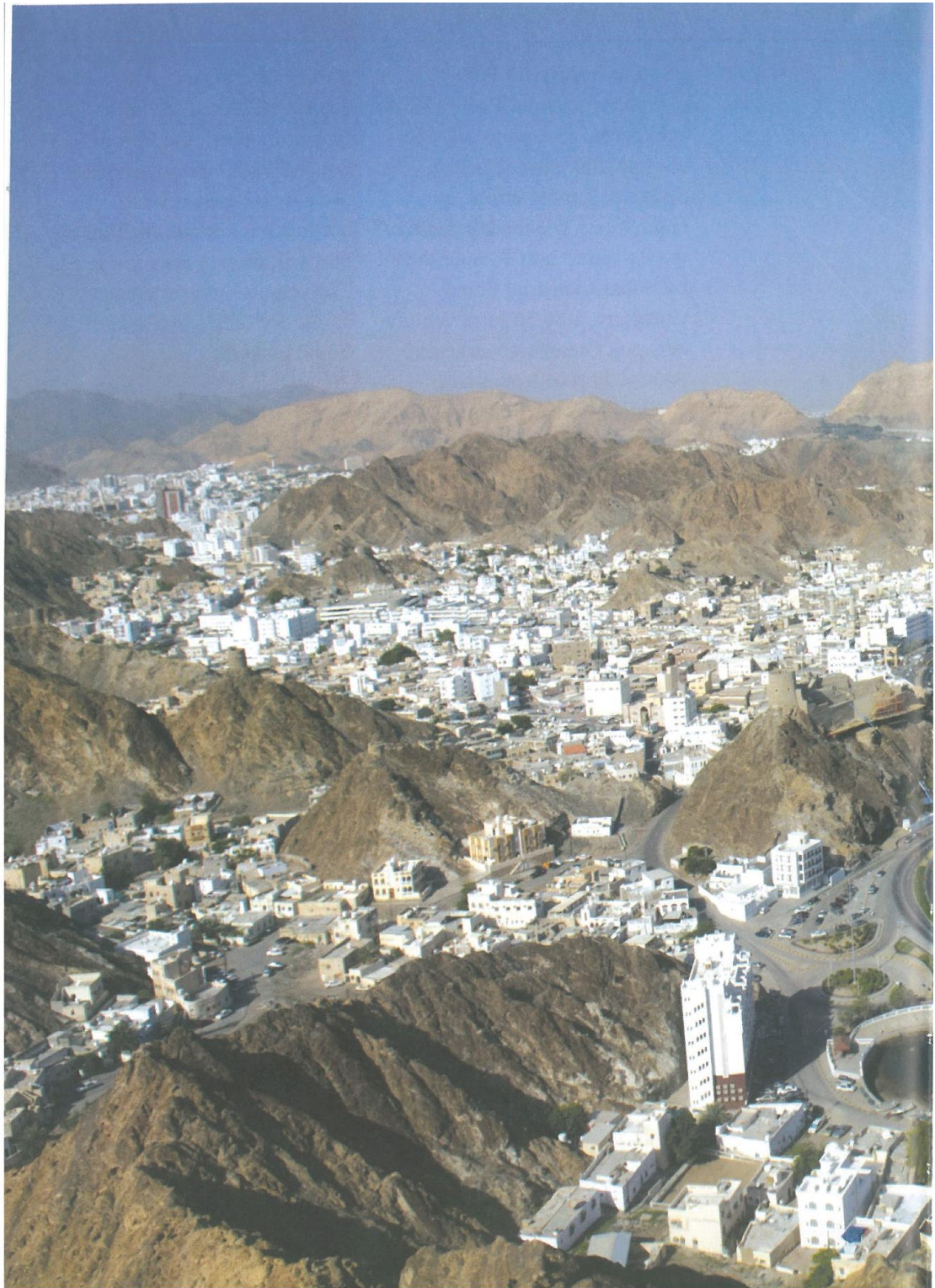
The Port of Sohar is developing into a world class port, capable of receiving ships up to 16 m draught (18 m in 2008), handling all types of cargo. A general cargo and dry bulk terminal was opened in April 2004 and the liquid bulk terminal received its first tanker in June 2006. Containers are handled by Oman International Container Terminal (OICT),

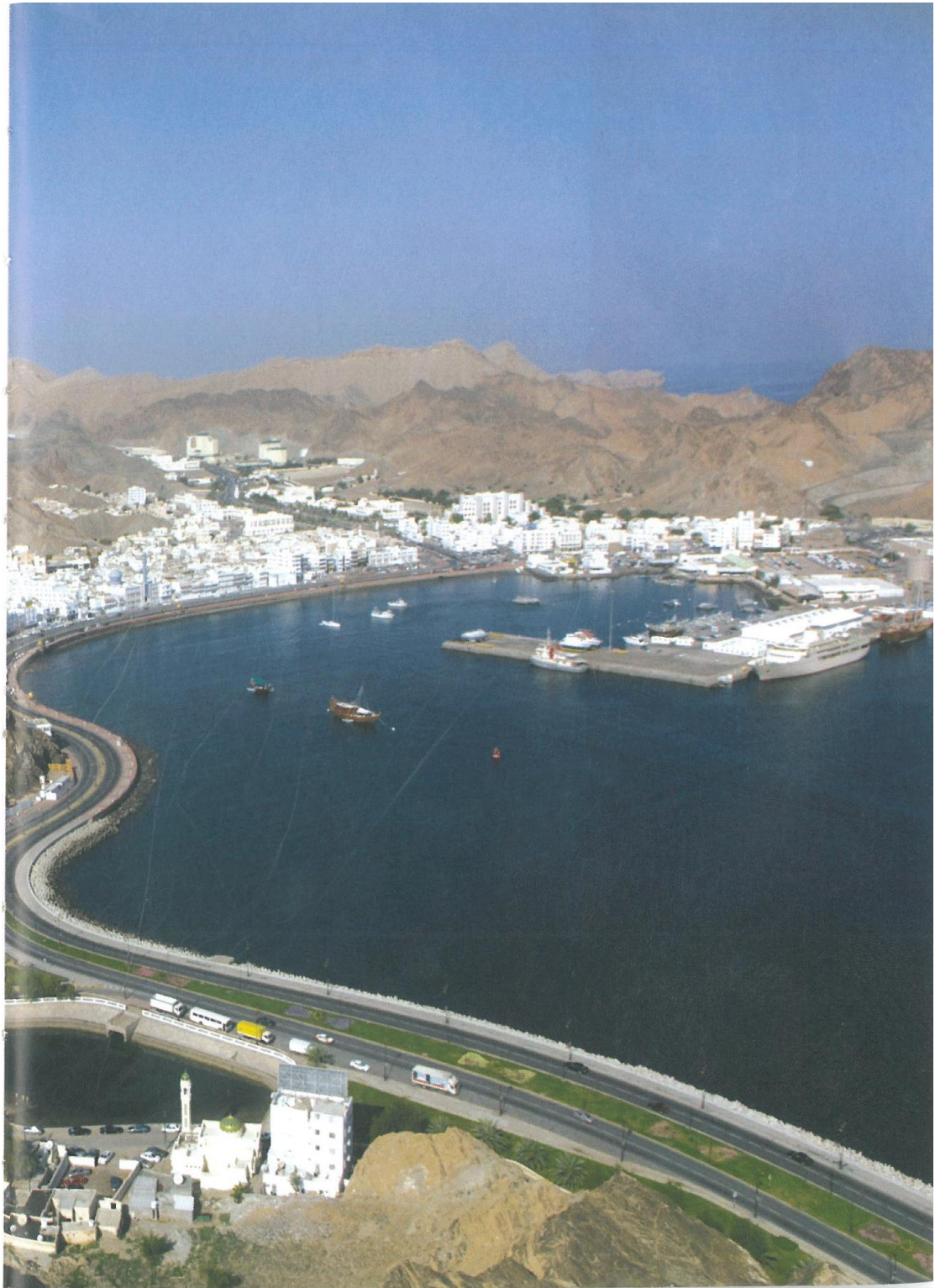
starting operations in the fourth quarter of 2006. Striving to be a 'paperless port', the Port of Sohar allows visiting ships to use a web-based vessel notification system. In 2006 the port will receive approximately 325 vessels: general cargo ships, dry bulk carriers and liquid tankers.

• Port Khasab

Port Khasab's location in the governorate of Musandam near the strategic Strait of Hormuz gives it a pivotal and growing role as a harbour for trade and tourism with neighbouring states. By April 2006 around 90% of the port's marine and infrastructural development had been completed. A passenger terminal has been built to provide first class services for tourists and travellers. When all the development work is complete, trade through Port Khasab is expected to increase substantially, particularly with the opening of the Omani Trade Office in the Iranian port of Bandar Abbas.

The port now has a commercial jetty 300 metres long and 10 metres deep and a fishing harbour with a jetty 100 metres long and 5 metres deep; the harbour basin has been dredged







to a depth of 10 metres and the port approach channel has a depth of 10.5 metres, while the basin of the fishing harbour has been dredged to a depth of 5 metres. Mooring facilities have been created at Kumzar in the wilayat of Khasab. In addition to its existing seven iron floating jetties, Port Khasab boasts extensive stores as well as Royal Oman Police, Coast Guard, and customs and immigration buildings.

In May 2006 an agreement was signed with an Australian company for the purchase of two ferries - the "Shinas" and Khasab" - at a cost of US\$66

million to provide the areas in the north of the country with a sea transport link. Each ship will have the capacity to carry around 200 passengers and 55 cars and lorries, as well as goods and refrigerated containers. Two other ferries, purchased from Italy will be deployed in southern Oman, while a third is destined for the Masirah Island service. These five ferries will eventually help improve transport services between all the Sultanate's ports and will give a boost to tourism and the coastal trade.

Sohar Industrial Port - close to energy resources

• Port Shinas

With the growth of trade in

the North Batinah region and its anticipated prosperity, particularly after the completion of the huge industrial and tourist projects in Sohar, the fishing harbour in Shinas has been transformed into a commercial port, serving trade between the local *wilayats*. Most of the focus is on fishing, livestock, consumer goods, vegetables and fruit. The harbour basin has been dredged to a depth of 4.5 metres to handle vessels with draughts up to this depth.

• Port Duqm

Port Duqm in the Wusta region, about half way between Port Sultan Qaboos in Muscat and Port Salalah in the Governorate of Dhofar, is destined to become a multi-purpose port for trade, transport, fishing and tourism. Its importance will grow with the addition of a dry dock with jetties specially designed to facilitate the maintenance and repair of ships.

The existing fishing harbour and small fishing boat jetty will be moved to a separate location in order to protect marine life from the dangers of pollution and to allow for the future expansion of the port.

The port's depth will be increased to 16 metres and com-

mercial jetties of up to 700 metres in length to handle aggregates, minerals and general cargoes. There will also be 230 metre government jetties for the use of the Royal Navy of Oman and the Coast Guard service.

• Masirah Mooring Facilities

Mooring facilities have been created at Masirah to accommodate the island ferries and help promote trade, transport and tourism in the Wusta and Sharqiyah regions. A jetty 545 metres long and 4 metres deep has been constructed to handle up to 12 ferries at any one time, as well as express ferries and Coast Guard vessels. Preparations are underway to construct a new mooring facility at Shannah to support the growing traffic between Shannah and Masirah Island.

• Al Hallaniyat Islands Mooring Facility

New mooring facilities and an improved road network are planned for the Hallaniyat Islands in the governorate of Dhofar in order to promote trade and tourism in the governorate.

In addition to the ports referred to above, there are more than 10 fishing harbours along the Omani coast with mooring facilities for trawlers, as well as facilities for unloading and



storing catches of fish. Some of them also have ice factories and fisheries statistics stations.

Additionally, oil is exported through Mina al Fahal in the governorate of Muscat, while liquefied natural gas (LNG) is exported from Qalhat, near Sur in the Sharqiyah region.

ROADS

Despite Oman's difficult terrain, the government has built an extensive network of excellent roads and multi-lane highways, which have had a significant effect in bringing prosperity and development to every part of the country. At the end of 2005 there

were around 9,319 kilometres of surfaced roads and 11,245 kilometres of graded roads. The governorates and regions are linked by a number of major strategic highways and work to extend, maintain and repair, is ongoing.

CIVIL AVIATION

The Sultanate is now a signatory to several international treaties and agreements and has bilateral co-operation arrangements with an increasing number of Arab and friendly states. Oman Aviation Services - Oman Air - is modernising its fleet, upgrading Seeb International

The Sultanate has a network of excellent modern surfaced roads in every district and region of the country

Oman Air, the Sultanate's national carrier, is modernising its fleet

Airport and Salalah Airport and establishing airports in Sohar, Ras al Hadd and Duqm, as well as aircraft landing facilities at Zamayem and Jazer in the Wusta region to handle the growth in trade and tourism.



Work began on the construction of Sohar Airport in response to the massive development taking place there in the industrial and tourist sectors. A new passenger terminal capable of handling 12 million passengers a

year is being built at Seeb International Airport and one with a annual handling of 2 million at Salalah Airport.

In an initiative to enhance safety in the Sultanate's airspace, particularly in view of the rise in air traffic, four MSSR secondary radars will be installed at Wudam al Sahel, Ras al Hadd, Duqm and Qairoon Hairiti to monitor aircraft movements in Oman's skies. A draft security plan is being prepared for Seeb Airport, as well as draft regulations for implementing the 2004 Civil Aviation Law, to encourage investment in aviation related fields. The telecommunications and air navigation services and air traffic control systems are also being upgraded.

In 2005 the number of domestic and international flights through Seeb Airport rose to 52,781, significantly higher than the 43,622 flights recorded the previous year. More than 4,070,000 passengers passed through the airport on domestic and international flights in 2005 - up from around 3,471,700 in 2004. During the first four months of 2006 there was a 7.8% increase in the number of flights compared with the same period in 2005, as well as a 26.2% rise in the number of passengers pass-

ing through the airport. There has also been a large rise in the number of flights and passengers using Salalah Airport. During the first five months of 2006, 115,800 passengers passed through the airport - a 28.5% rise on the same period in 2005. The number of flights during the first five months of 2006 reached 1,812 - a 39.2% rise on the 2005 figure.

Meteorological equipment at the Sultanate's 29 specially equipped stations has been upgraded and in co-operation with the German meteorology centre, a scheme to introduce multi-forecasting systems and train Omani nationals in their use will be implemented as the first step towards establishing a database for weather forecasting and a research centre. The Omani-German meteorological scheme is just one of a number of projects under discussion, or implementation, that aim to improve and develop the Sultanate's expertise in this exacting science.

PUBLIC TRANSPORT

The Oman National Transport Company (ONTC) operates public transport services to all destinations in the Sultanate, including long-distance routes and international routes such as those

between Muscat and Dubai and Muscat to Abu Dhabi. ONTC, which is expected to be privatised in the near future, operates a fleet of modern luxury buses over a number of its routes and provides overland transport service to Saudi Arabia during the Hajj pilgrimage season, as well as services to Syria and Jordan during the holiday seasons. There are also several privately-owned bus companies operating on the routes between large towns. In addition 15-seater mini buses (known as 'baiza' buses) ply the main roads throughout the Sultanate along with the ubiquitous orange and white saloon taxis. There are also private-hire taxi companies in operation.

OMAN POST COMPANY

Postal services in the Sultanate have undergone major expansion and have been extensively modernised and computerised to improve the speed, efficiency and accuracy of their operations. Today they offer members of the public an increasing range of services and can be utilised throughout the country.

In addition to traditional postal services, the Post Office now accepts and processes Commercial Register and



Every year Oman Post issues special stamps featuring different aspects of life - here a set issued on the occasion of the 35th National Day in November 2005

Company Register transactions, forwards them to the Ministry of Commerce and Industry for processing and returns them to the applicants.

They also have the capacity to deal with membership renewal applications to the Oman Chamber of Commerce and Industry and to handle tax transactions, passport applications, renewals and replacements of official documents, including work and residence visas, the issue of road permits and other related business.

With effect from 10th June 2006 Post Offices throughout the Sultanate began accepting

applications for housing land from members of the public and forwarding them to the Ministry of Housing, Electricity and Water, thus saving applicants the trouble and expense of travelling to the Ministry in Muscat to submit their applications in person.

The Ministry of Housing, Electricity and Water receives the applications, processes them, eliminating any applicant who fails to meet the stipulated criteria and announces in the media applicants who have successfully met the conditions for being awarded land grants.

The Sultanate has a network

of 94 post offices, 539 postal agencies and 612 mailboxes. These boxes can be found in the Post Offices or in public places. There are also 58,594 private post boxes, which are rented out to individuals, companies and establishments. The postal system has been extensively computerised to provide a speedier, simpler and more accurate service.

In a move towards the privatisation of the postal sector, under Royal Decree No. 48/2005 of 4 June 2005 the Oman Post Company SAOG was established as a closed Omani joint-stock company wholly owned by the government. The Decree stipulates that all assets, liabilities, corporal, personal and incorporeal rights, accounts registers and books belonging to the Directorate-General of Posts and the Directorate-General of Posts in the governorate of Dhofar shall be transferred to the Company, which will incur their commitments.

The Decree also states that the Company's headquarters will be in the governorate of Muscat and sets its licensed capital at RO6 million, with issued capital of RO3.5 million. The Company has the right to set up branches or offices within the Sultanate and abroad, while its functions and

prerogatives are laid down in its charter and articles of incorporation.

The Company is expected to offer a range of over 150 services. The main ones will include the printing and distribution of electronic documents, the managing of savings accounts, money transfers and express marketing. The Company is due to set up a number of Post Offices in the Sultanate during the Seventh Five-Year Plan (2006-2010).

Ordinary postage and commemorative stamps can be bought from post offices, the Philatelic Department and via the postal services internet website, to be found at: www.comm.gov.om. There are about six issues of ordinary and commemorative stamps a year.

Telecommunications

The Sultanate's improved telecommunications sector is more than capable of keeping pace with advances around the world. Oman Telecommunications Company (Omantel) and Oman Mobile Communications Company (Oman Mobile) offer a full range of up-to-date services at competitive prices across the Sultanate; today these services cover over 95% of the country.

With its vital strategic location



*Telecommunications
are keeping pace
with advances
around the world*

and the efficiency of its telecommunications network, Oman has become a telecommunications centre for the region. In this connection, two Memoranda of Understanding (MOUs) were signed on 25 June 2006 between Omantel and the Indian company Flag Telecom. Under one of these the Sultanate will become the first link in a system of international internet connections between the Middle East and Africa, while under the terms of the second, Oman will play a pivotal role in the sea cable link project between the Middle East and Africa.

The fibre-optic cable link project, which has been in operation between the Sultanate and the Republic of Yemen since May 2005, has helped boost telecommunications links between the two countries and the outside world.

The Telecommunications Regulatory Authority (TRA), established under Royal Decree No. 30/2002, is the body responsible for implementing general policies on streamlining the telecommunications sector, protecting the interests of all parties involved and enabling new companies to play a part in this vital sector.

Nawras

This Omani-Qatari-Norwegian private sector telecommunications company - went into operation in March 2005, while Oman Telecommunications Company (Omantel) has floated 30% of its shares on Muscat Securities Market as part of a series of steps designed to increase the company's capital. Networks have been expanded, new booster stations have been established up and the number of channels has been increased with new services introduced at low prices, ensuring Omantel and Oman Mobile remain the sector's biggest companies in terms of size and range of services.

The Sultanate also chaired the Arabsat annual general meeting, held in Muscat in May 2006 and is chair of the organisation's current, 29th session. Omantel's CEO was elected chairman of the South Asia, Middle East and North Africa Communications Council (SAMENA) during the Council's first meeting in Dubai in April 2006, as the Council seeks to upgrade the region's telecommunications environment.

As far as telephone services are concerned, the capacities of all digital exchanges are being expanded. At the end of April 2006 there were 257,381 fixed

telephone subscribers, up from 250,342 at the end of 2005.

With regard to Global Service Mobile (GSM) services, Oman Mobile has signed 245 agreements with telecommunications companies in 100 countries



around the world to enable Oman Mobile subscribers to make calls from their mobile telephones when abroad. At the end of April 2006 there were 1,519,560 GSM subscribers, up from 1,333,225 at the end of 2005.

The Sultanate's telecommunications services now cover over 95% of the country

There is still an extensive and flourishing network of prepaid, smart card public telephones to provide members of the public with telephone facilities in public and remote areas. At the end of April 2006 there were 6,824 public telephones, up from 6,770 at the end of December 2005. Omantel also provides mobile, vehicle-based telephones for public use at festivals and exhibitions.

Oman's Digital Society and E-Government

Steady progress in telecommunications has been accompanied by an increasing range of advanced electronic and internet services. These include the ADSL (Asynchronous Digital Subscriber Line) service known as "Powernet", which will reinforce Oman's digital community and e-government infrastructure. At the end of April 2006 the internet had 64,199 subscribers in addition to those using the prepaid Ufuq card.

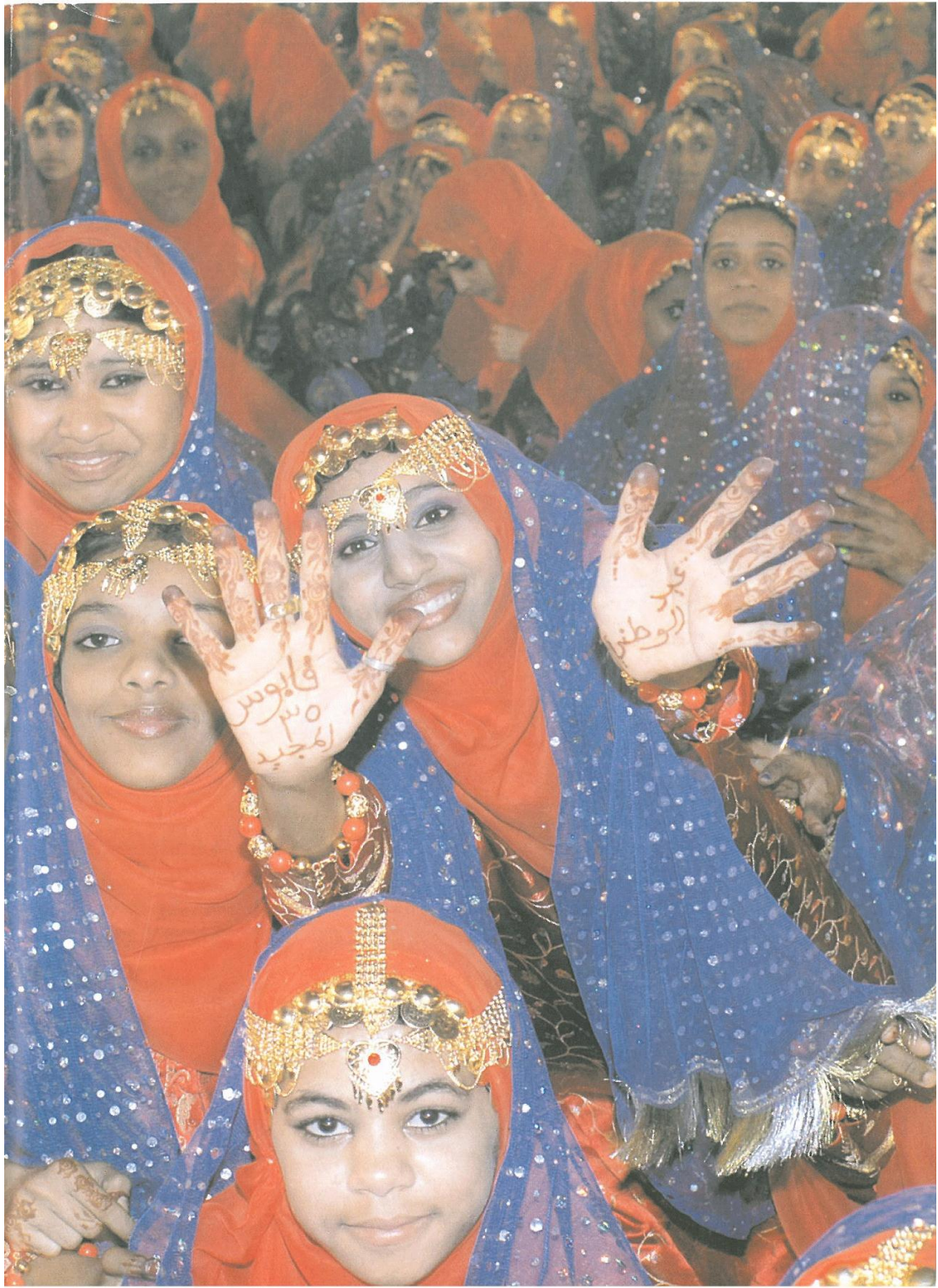
One of the most important steps in the creation of Oman's digital community and e-government was the issue of Royal Decree No. 92/2006 on 21 May 2006, to establish the Information Technology Authority. This body, which comes under the

jurisdiction of the Ministry of National Economy, is a financially and administratively independent legal entity. The Authority aims to promote the government's policy of switching to a knowledge-based economy, coordinates the activities of public and private sector departments and institutions and controls the infrastructure and regulatory system of Oman's digital community.

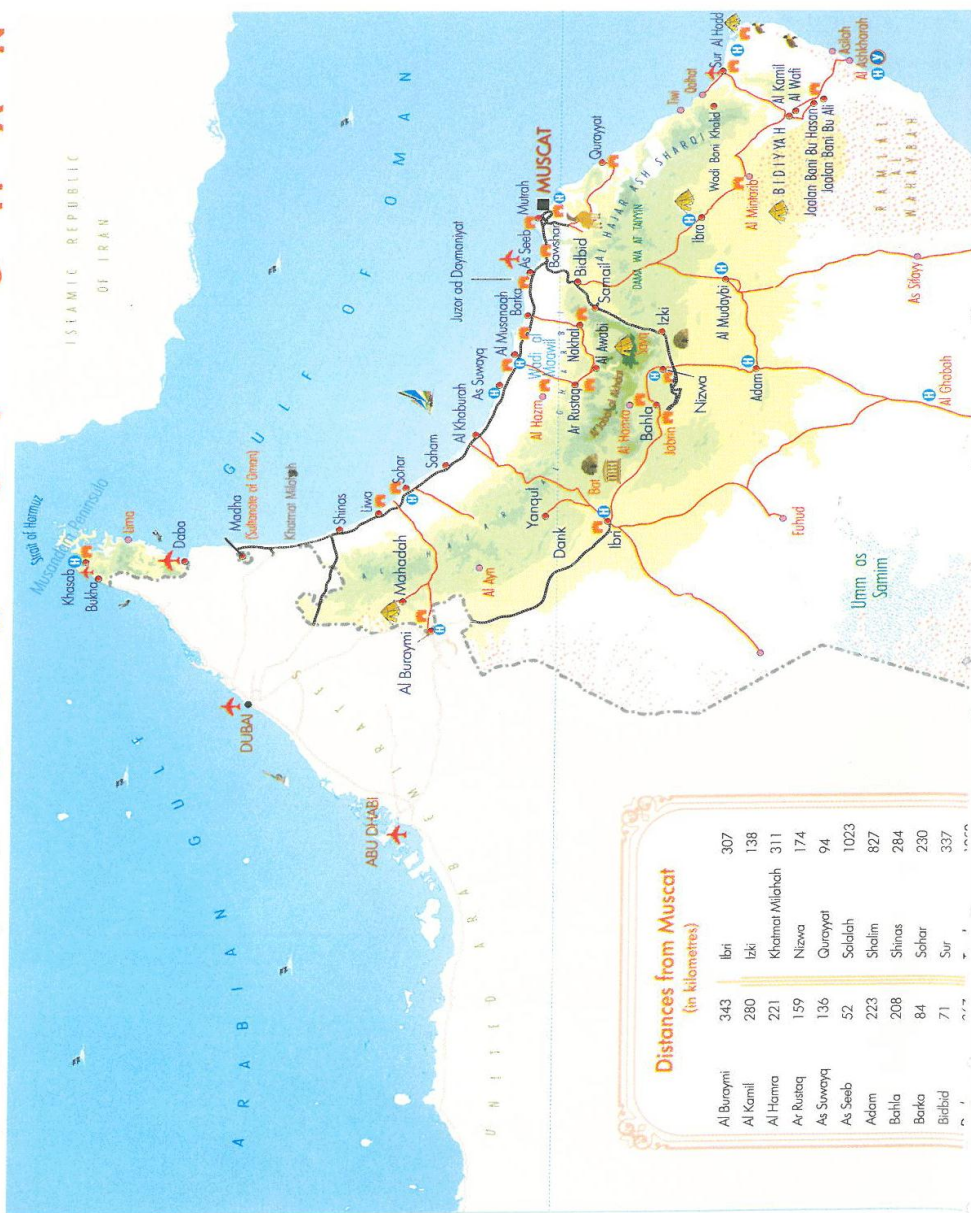
In a further measure towards establishing e-government, an agreement was signed on 17 June 2006 to set up a single government network linking all government units. The network will enable electronic transactions to be carried out securely, speedily and efficiently. Under this automatic system information and other services will be provided via the Ubar Electronic Services Portal. The single government network, due for completion at the end of 2007, is being set up by Oman Telecommunications Company (Omantel) and will eventually link 750 government sites across the country.

By the end of 2006 an electronic portal will be available to provide a full range of related services to simplify procedures and transactions.





S U L T A N A T E O F O M A N



OMAN IN FACTS AND FIGURES

Land Area	309,500 sq kms
Capital	Muscat (Population: 690,432)
Religion	Islam
Language	Arabic, but English is spoken in the education and economic sectors
Time	GMT + 4
Currency	Omani Rial (1000 baizas = US\$2.58)
Climate	Temperate (30 C) from October to March, but hot (up to 50 C) and humid from April to September, except in Dhofar where it rains during the monsoon/khareef season from mid-June to end-August.
National Day	18th November

ECONOMIC INDICATORS

	UNIT	2005
Gross Domestic Product (GDP) at Current Prices	Mn. RO	11,817.4
Per Capita Share of GDP	RO	4,712
Total Government Revenue	Mn. RO	4,553.3
Total Public Expenditure	Mn. RO	4,261.6
Average Daily Oil Production	Bbl.	774,000
Average Price of Oil	US\$	50.26
Total Commodity Exports	Mn. RO	7,186.9
Non-oil Exports of Omani Origin	Mn. RO	555.3
Total Commodity Imports		3,449,300

SOCIAL INDICATORS

	UNIT	2005
Total Population	1,000	2,508,837
- Omani	1,000	1,842,684
- Expatriate	1,000	666,153
Crude Birth Rate	per 1,000 popula-	24.75
Infant Mortality Rate	tion	10.28
Hospitals	per 1,000 live	58
Health Centres, Units and Clinics	births	897
Hospital Beds	No.	5,270
Doctors	No.	4,182
Male and Female Nurses	No.	9,277

Life Expectancy at Birth	No.	74.28
Schools	No.	1,049
Students	No.	569,000
Students per Class	-	29
Civil Service Employees	-	132,000
Omanis Registered with the Public Authority for Social Insurance	-	99,000
Expatriate Employees in the Private Sector	-	425,000
Asphalted Roads	Km.	16,548
Internet Subscribers	-	76,000
Hotels and Accommodation	-	153
Electricity Production	GW/H	12,648
Electricity Distribution	GW/H	12,023
Water Production	Gallons	28,072,000
Water Distribution	Gallons	28,014,000

Above figures supplied by Ministry of National Economy

WEBSITES

State Council (Majlis A' Dawla)
= www.statecouncil.gov.om
Consultation Council (Majlis A'Shura)
= www.shura.om
Royal Oman Police = www.rop.gov.om
Diwan of Royal Court = www.diwan.gov.om

Ministries:

Agriculture and Fisheries
= www.maf.gov.om
Awqaf and Religious Affairs
= www.maraoman.net
Civil Service = www.mocs.gov.om
Commerce and Industry
= www.mocioman.gov.om
Education = www.moe.gov.om
Finance = www.mof.gov.om
(ditto) State General Reserve Fund
= www.sgrf.gov.om
Foreign Affairs = www.mofa.gov.om
Health = www.moh.gov.om
Heritage and Culture = www.mhc.gov.om
Higher Education = www.mohe.gov.om

Housing, Electricity & Water
= www.mhew.gov.om
Information = www.omanet.om
Justice = www.moj.gov.om
Manpower = www.manpower.gov.om
National Economy
= www.moneoman.gov.om
Info Technology Technical Secretariat
= www.ittf.gov.om
Oil and Gas = www.mog.gov.om
Regional Municipalities, Environment and
Water Resources = www.mrmewr.gov.om
Social Development = www.mosd.gov.om
Sports Affairs = www.mosa.gov.om
Tourism = www.omantourism.gov.om
Transport and Communications
(Oman Post) = www.comm.gov.om

Other organizations:

Birds of Oman = www.birdsoman.com
Capital Market Authority
= www.omancma.org

Central Bank of Oman = www.cbo-oman.org
 Civil Status Directorate-General
 = www.civilstatus.gov.om
 DigitalOman magazine
 = www.DigitalOman.com
 Environment Society of Oman
 = www.environment.org.om
 Geological Society of Oman
 = www.gso.org.om
 Historical Association of Oman
 = www.hao.org.om
 Information Technology Authority
 = www.eOman.gov.om
 Knowledge Oasis Muscat (IT Park)
 = www.kom.om
 Meterology Office (Seeb airport)
 = www.met.gov.om
 Muscat International Book Fair
 = www.mctbookfair.gov.om
 Muscat Municipality
 = www.mctmnet.gov.om/www.mm.gov.om
 Muscat Securities Market
 = www.msm.gov.om
 National Organsiation for Scouts and
 Guides = www.omanscouts.gov.om
 Oman Air = www.omanair.aero
 Oman Centre for Investment Promotion and
 Exports Development = www.ociped.com
 Oman Centre for Traditional Music
 = www.octm-folk.gov.om
 Oman Chamber of Commerce and Industry
 = www.chamberoman.com
 Oman Daily Observer newspaper
 = www.omanobserver.com
 Oman Gas = www.oman-gas.com
 Oman LNG = www.omanlng.com
 Oman National Transport Co
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 Oman News Agency
 = www.omannews.com
 Oman Oil Company = www.oman-oil.com
 Oman Oil and Gas Directory
 = www.Omanoilandgas.com
 Oman Post = ww.comm.gov.om
 Oman Radio FM
 = www.oman-radio.gov.om
 Oman Refinery Company
 = www.orc.co.om
 Oman Society for Fine Arts
 = www.omanartsociety.net
 Oman Television = www.oman-tv.gov.om
 Oman Telecommunications Company
 = www.omantel.net.om
 Oman Tribune newspaper
 = www.omantribune.com
 Petroleum Development Oman
 = www.pdo.co.om
 Port Services Corporation/Port Sultan
 Qaboos = www.pscoman.com
 Public Authority for Craft Industries
 = www.paci.gov.om
 Public Authority for Social Insurance
 = www.taminat.com
 Public Establishment for Industrial Estates
 = www.peie.om
 Royal Air Force of Oman
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 Salalah Port Services
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 Sohar Port = www.portofsohar.com
 Sports Oman = www.sportsoman.com
 State Audit Institution = www.sai.gov.om
 Sultan Qaboos University
 = www.squ.edu.om
 Telecomms Regulatory Authority
 = www.tra.gov.om
 Tender Board = www.tenderboard.gov.om
 Times of Oman = www.timesofoman.com
 The Week newspaper
 = www.apexstuff.com
 Whale and Dolphin Research
 = www.whalecoastoman.com

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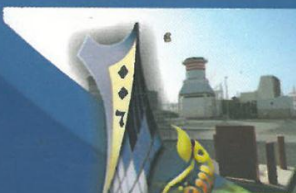
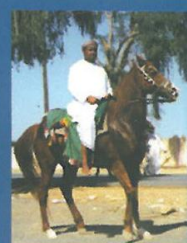
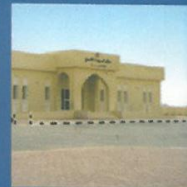
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