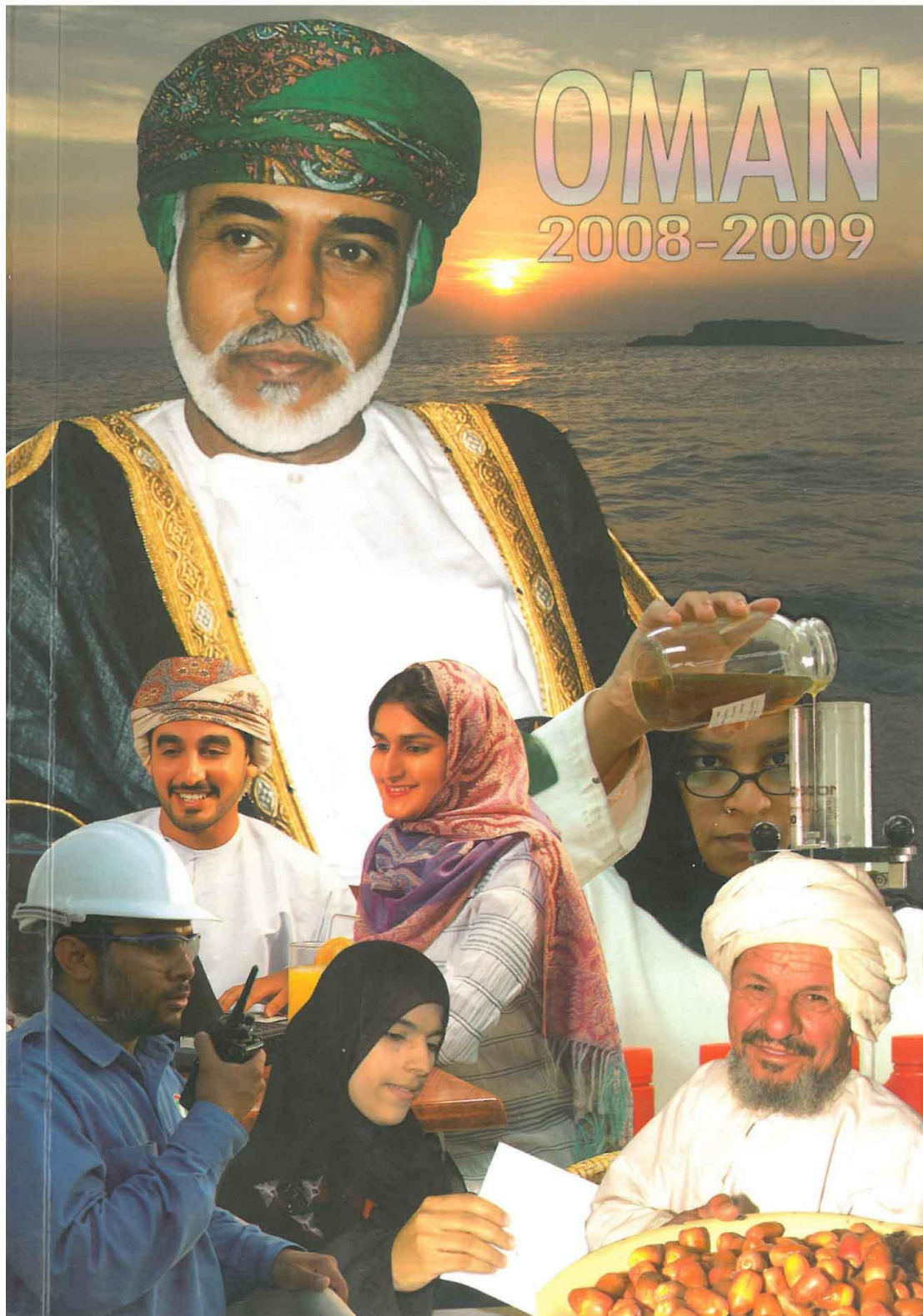
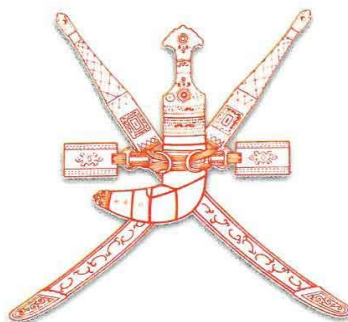






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*In the name of God, the Compassionate,
the Merciful*

“ 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)

**Excerpts from the speech of His Majesty Sultan Qaboos
bin Said on the occasion of the Opening Annual Session
of the Council of Oman (Majlis Oman) on
6th November 2007**

‘The development of the Omani individual, the formation of his character, his education and his training are at the forefront of the noble goals that we constantly seek to achieve in order to provide everybody in this fine country of ours with a decent, prosperous life. All the achievements over the past years are steps on this long road which we must tread together – shoulder to shoulder and in close co-operation – in order to reach the main objective: that is, to work for the greater glory of the nation and to raise its banner high.’

‘We have faith in the progress the Sultanate is witnessing in every sphere – may God be praised – and in its ability to keep pace with the realities of the modern age and ensure that its sights are constantly trained on the future. Hence we look forward to the day when the Council of Oman - in particular its Majlis A’Shura (Consultation Council) component - assumes more extensive functions and responsibilities in the fields of economic and social development.’

‘We are justly pleased that the elections for the Majlis A’Shura (Consultation Council)’s sixth term have been well organised and are running smoothly in an atmosphere of tranquillity and security. This is clear evidence of the citizens’ good sense and their commitment to the values and principles of this virtue-loving society. We greatly appreciate the enthusiasm of the citizens – men and women – in exercising their right to vote in the manner we have indicated and choose the people who will represent them in the Majlis A’Shura. And we thank God for the success of this enterprise.’

‘Over the past years the Gulf Co-operation Council has succeeded in establishing firm foundations for co-operation in several fields. However, we need to strengthen our determination to achieve an even greater degree of the progress and prosperity that our peoples are striving towards. The aims of our Council are clear and, with the help of Almighty God, we are on our way to achieving them and ensuring security, peace and stability for our region, as well as progress and prosperity for our people.’

‘The essential characteristics of our domestic and foreign policy are clear. We are on the side of comprehensive, sustainable development and growth at home, and friendship, peace, justice, harmony, coexistence, mutual understanding and positive, constructive dialogue abroad. This has been our position from the start. This is our position now and this – God willing - is how we shall remain. We hope that the whole of humanity will enjoy well-being, prosperity, security, stability and co-operation in establishing the scales of truth, rights and justice.’



HIS MAJESTY SULTAN QABOOS BIN SAID

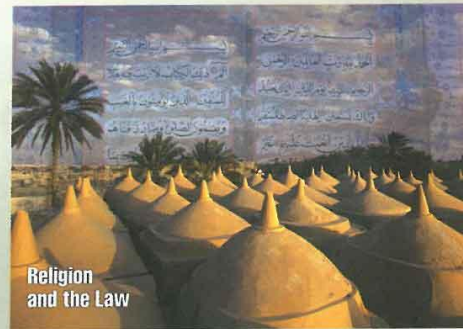
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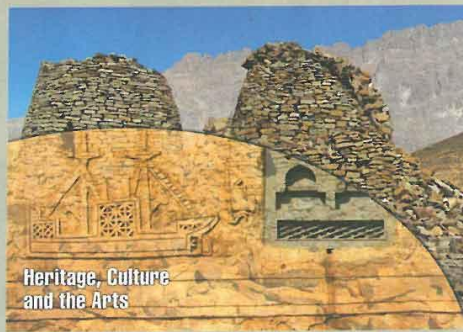
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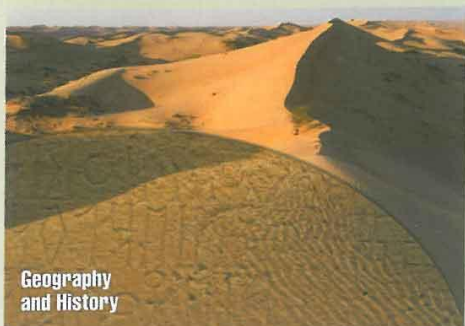


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PREFACE

As the Commission on the Rule of Law in the Arab World, the Commission has the honor to present this report to the Arab League and the Arab States. The Commission was established by the Arab League in 1995, and its mandate is to study the state of the rule of law in the Arab World and to make recommendations to the Arab League and the Arab States on how to improve it. The Commission has held several meetings and has conducted extensive research and consultations with governments, civil society, and the media. This report is the result of the Commission's work and is intended to provide a comprehensive overview of the state of the rule of law in the Arab World and to identify the challenges and opportunities for improvement. The Commission believes that the rule of law is essential for the development and stability of the Arab World and that it is the responsibility of all stakeholders to work together to strengthen it.

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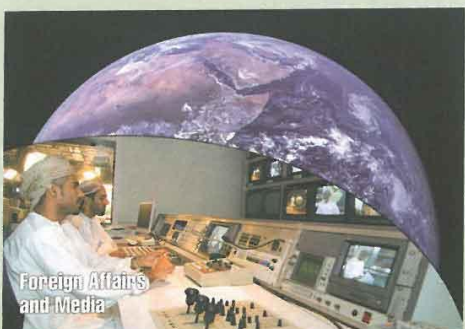
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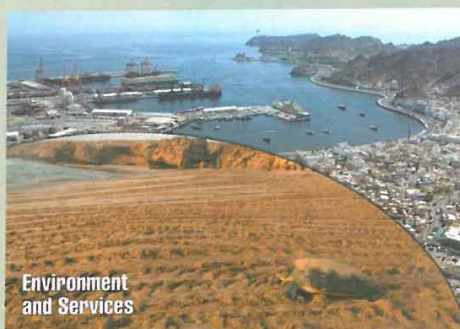
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PREFACE

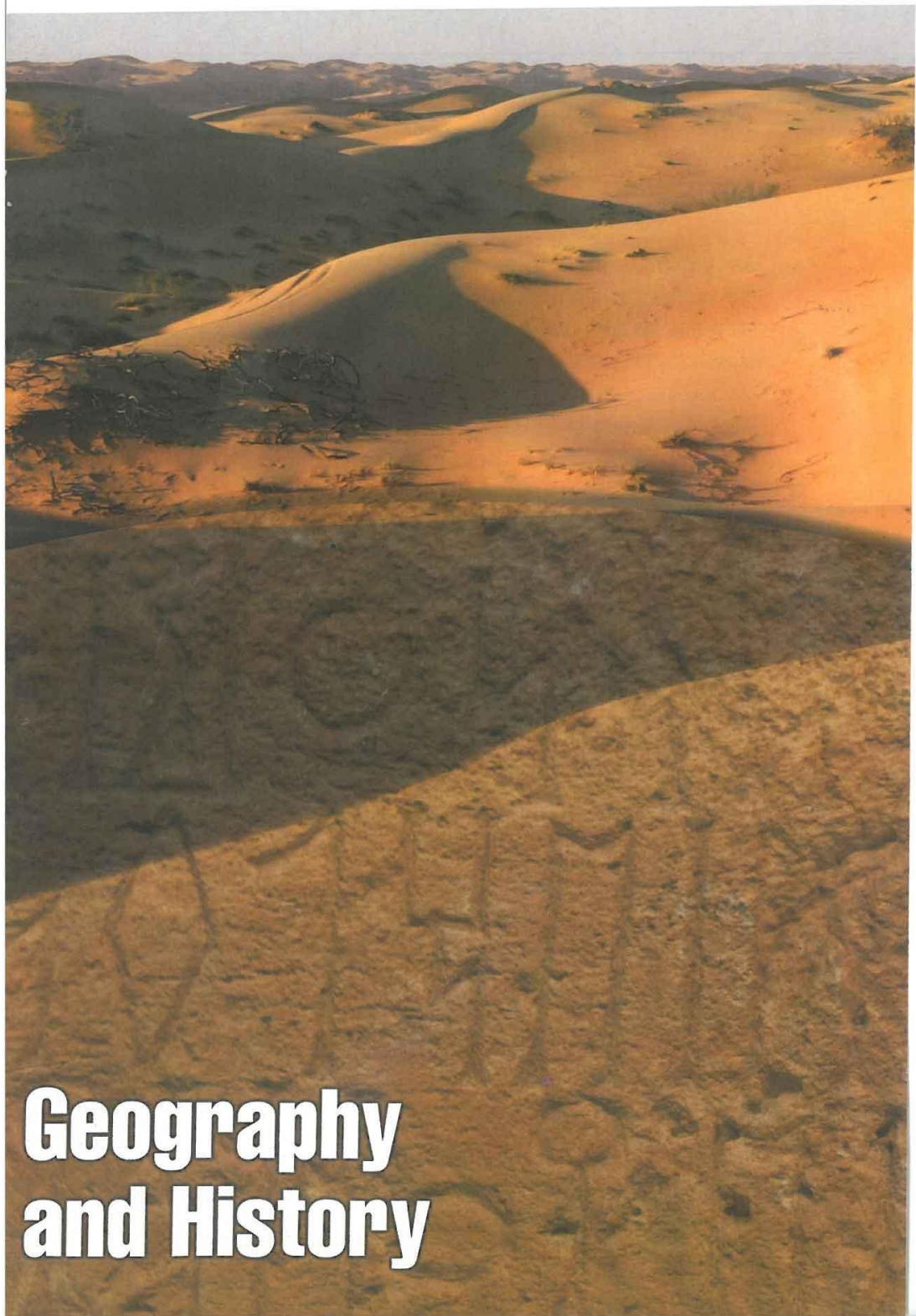
As Oman continues to make steady progress along the path of sustainable development, its main priority remains, as always, the creation of a modern state in which its citizens can enjoy decent, prosperous lives.

The Sultanate's impressive achievements are the outcome of the close co-operation that exists between the government and people, and they reflect the importance His Majesty Sultan Qaboos bin Said attaches to involving the country's citizens in every stage of the development process.

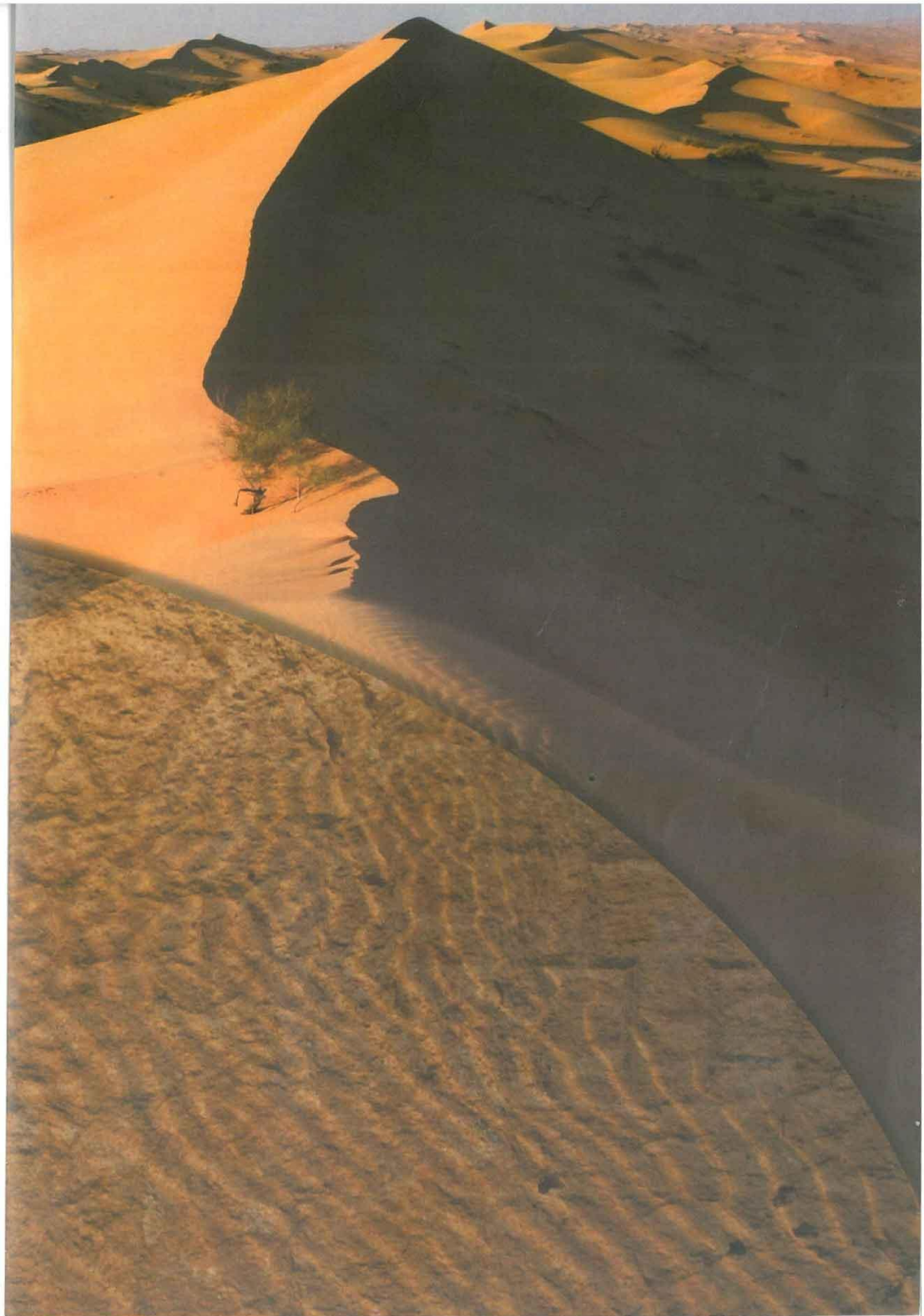
The combined efforts of the public, the state and the private sector have yielded tangible results that can be seen across the whole country. Through this book the Ministry of Information has tried to highlight some of those achievements that have taken place in the economic, social, political and cultural fields, and also in every other sphere of the country's life.

In doing so, it recognizes the talents and creative contributions made by the Omanis themselves, as well as the example set by His Majesty, the builder of Oman's modern Renaissance, through his sacrifices and tireless endeavours on behalf of the nation and its citizens.

Ministry of Information



Geography and History



GEOGRAPHY

The Sultanate of Oman's geographical location has through the millennia had a major influence on its politics, strategic options and development. The country lies at the crossroads of three continents and four seas, in the extreme south-eastern corner of the Arabian Peninsula, extending from latitude 16.40 to 26.20 degrees north and from longitude 51.50 to 59.40 degrees east. Its spectacular approx. 3,165 kms coastline extends from the south-eastern extremity on the Arabian Sea and the entrance to the Indian Ocean, up to Musandam in the north, where it overlooks the strategic Strait of Hormuz and the entrance to the Gulf.

Oman 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. It has sovereignty over a number of small islands in the Gulf of Oman and the Strait of Hormuz, including Salamah and Her Daughters, as well as Masirah and the Hallaniyat Islands in the Arabian Sea.

The Sultanate lies on the Tropic of Cancer and is generally one of the world's hot and arid regions. However, the extreme south of the country has a tropical climate, making it a popular holiday destination for visitors from around the region in the parched summer months.

As well as dominating the oldest and most important sea trade route in the world between the Gulf and the Indian Ocean, Oman, with an area of 309,500sq. km, is straddled by the Arabian Peninsula's ancient, historic caravan routes, through which trade once flourished. Today, centuries later, although the caravans bearing their loads of silks, perfumes, textiles and frankincense, have long gone, Oman continues to dominate one of the oldest and most important sea trade routes between the Gulf and the Indian Ocean.

In a country of considerable geographical diversity, Oman's outstanding feature is the Hajar mountain range, which runs from Ru'us al Jibal at Ras Musandam to the Arabian Peninsula's south-eastern extremity on the Arabian Sea. The Hajar range, a huge arc running from the north-west of the country to the south-east reaches 3,000 metres at its highest point in the Jabal al Akhdhar, and flanked by this all important sea trade route, the Strait of Hormuz.

In the Governorate of Musandam the mountains soar to a height of 1,800 metres above sea level before falling dizzily and dramatically into the blue waters of the Strait of Hormuz, which cuts a deep channel waterway between the coasts of Oman and Iran. It is on the Omani side that the Strait's navigable shipping lanes lie.

Geology

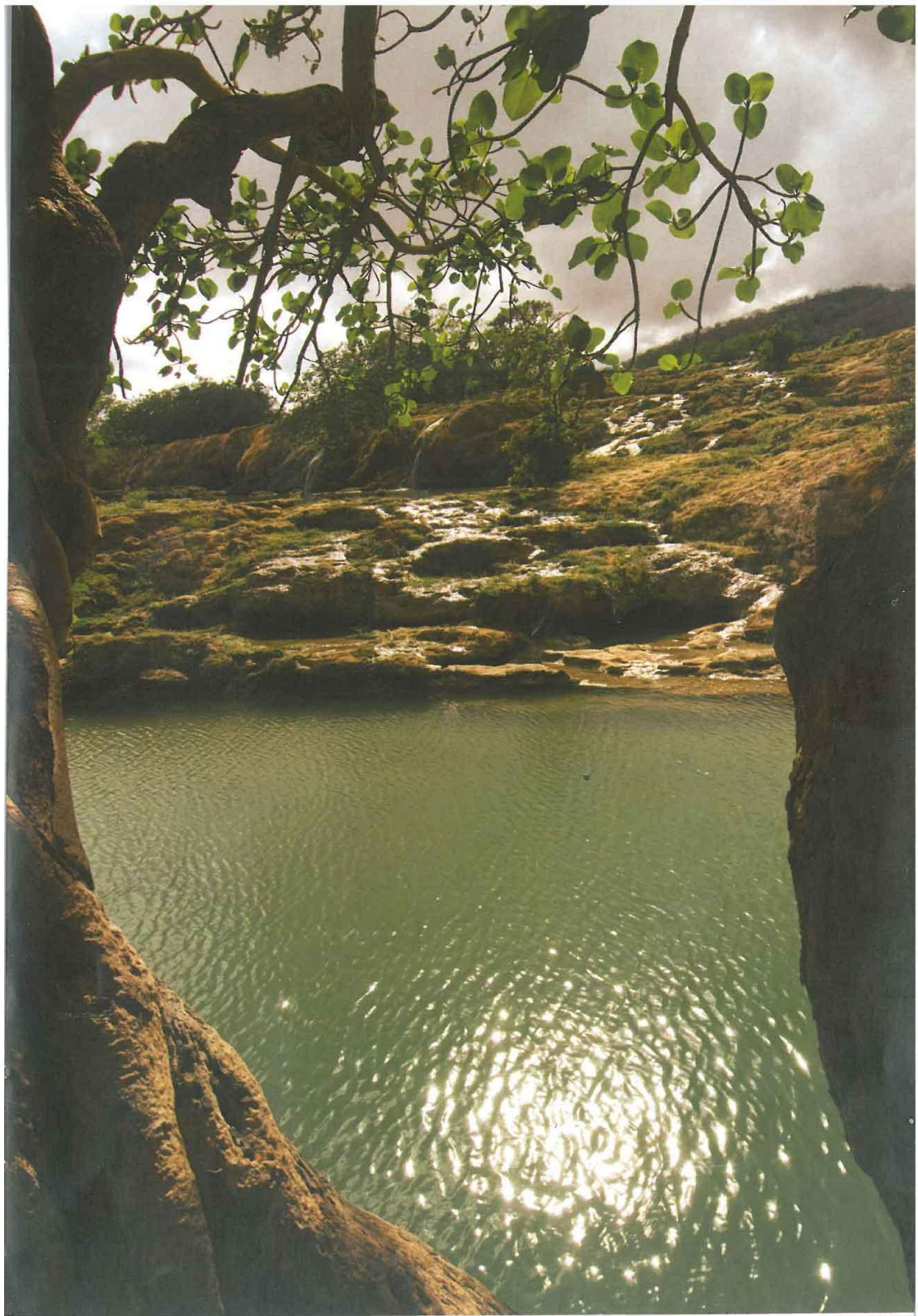
In a region where first time visitors might expect predominantly arid desert landscapes, Oman has much to offer in the way of geo-physical diversity. The Sultanate's strikingly varied and spectacular landscapes are a blend of its geological history and climate over the past few million years.

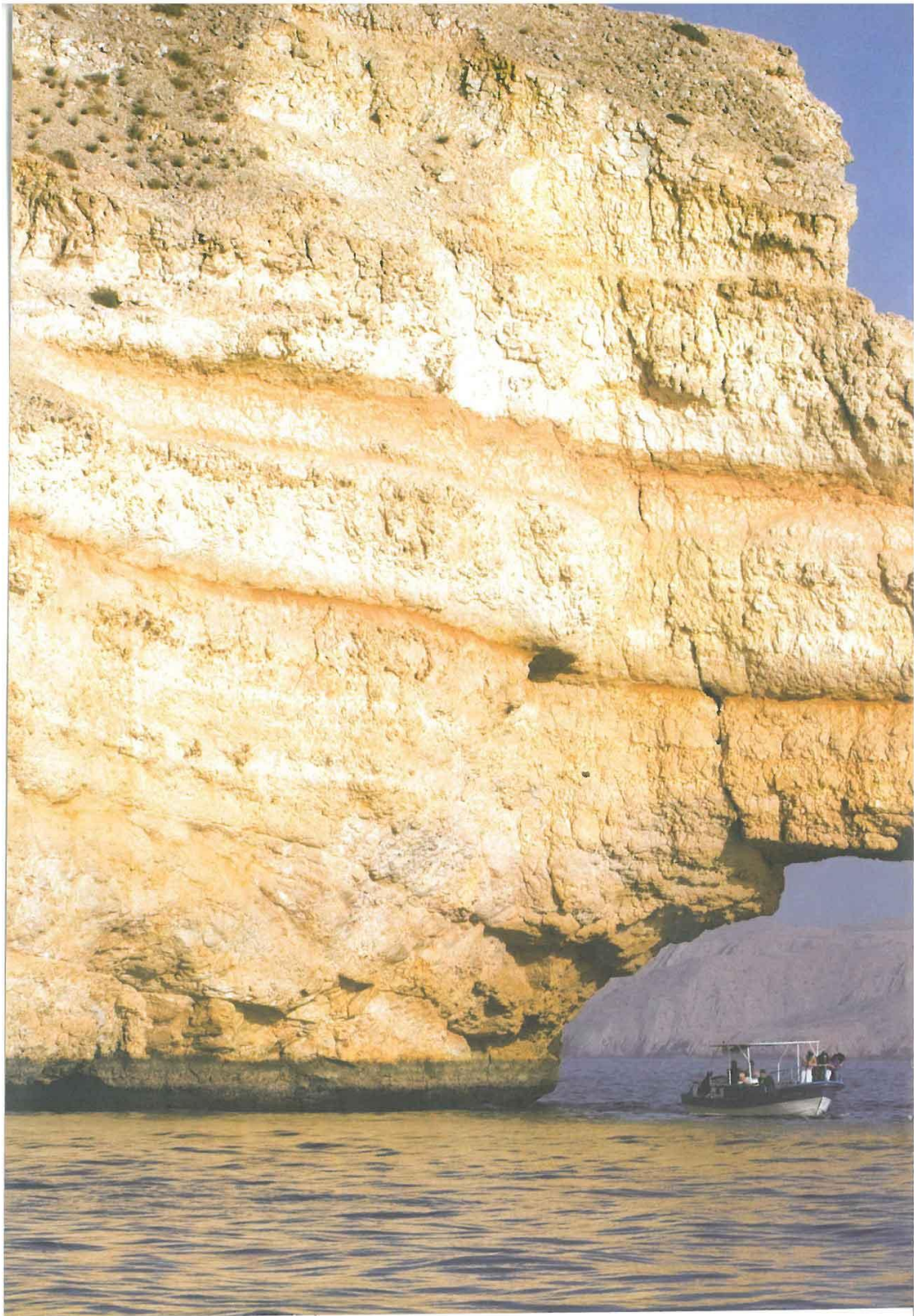
Superb rock outcrops in the Hajar mountains, the Huqf and Dhofar are a paradise for geologists from around the world. The country's rock record spans around 825 million years and includes at least three periods when the country was covered by ice; somewhat surprising given its present latitude and climate.

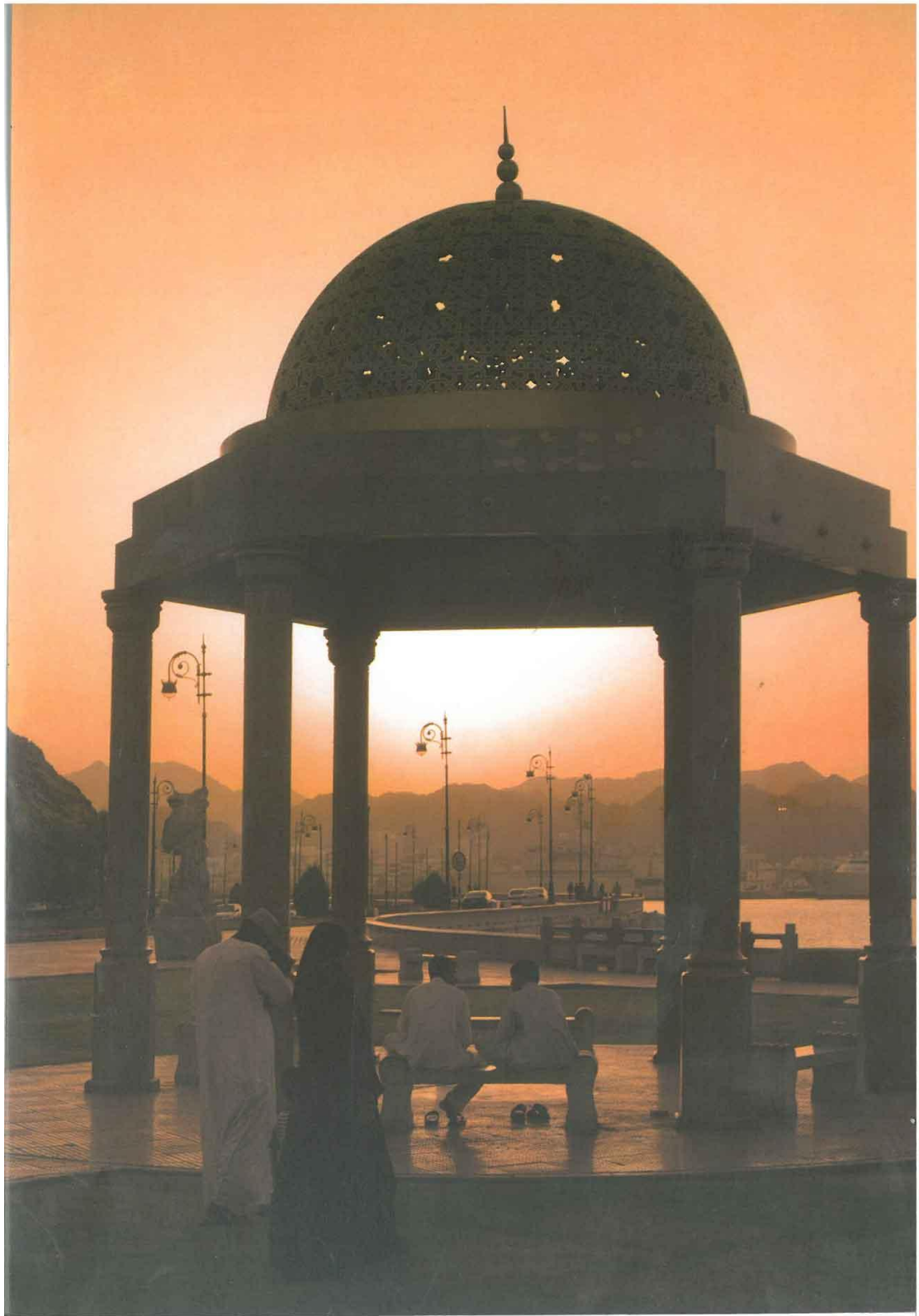
Located at the southeast corner of the Arabian plate, Oman is being pushed slowly northward, as the Red Sea grows wider. The lofty Hajar mountains and the now drowned valleys of the Musandam region are dramatic reminders of this. Even to a lay person the sight of fossils of starfish and other sea creatures deeply

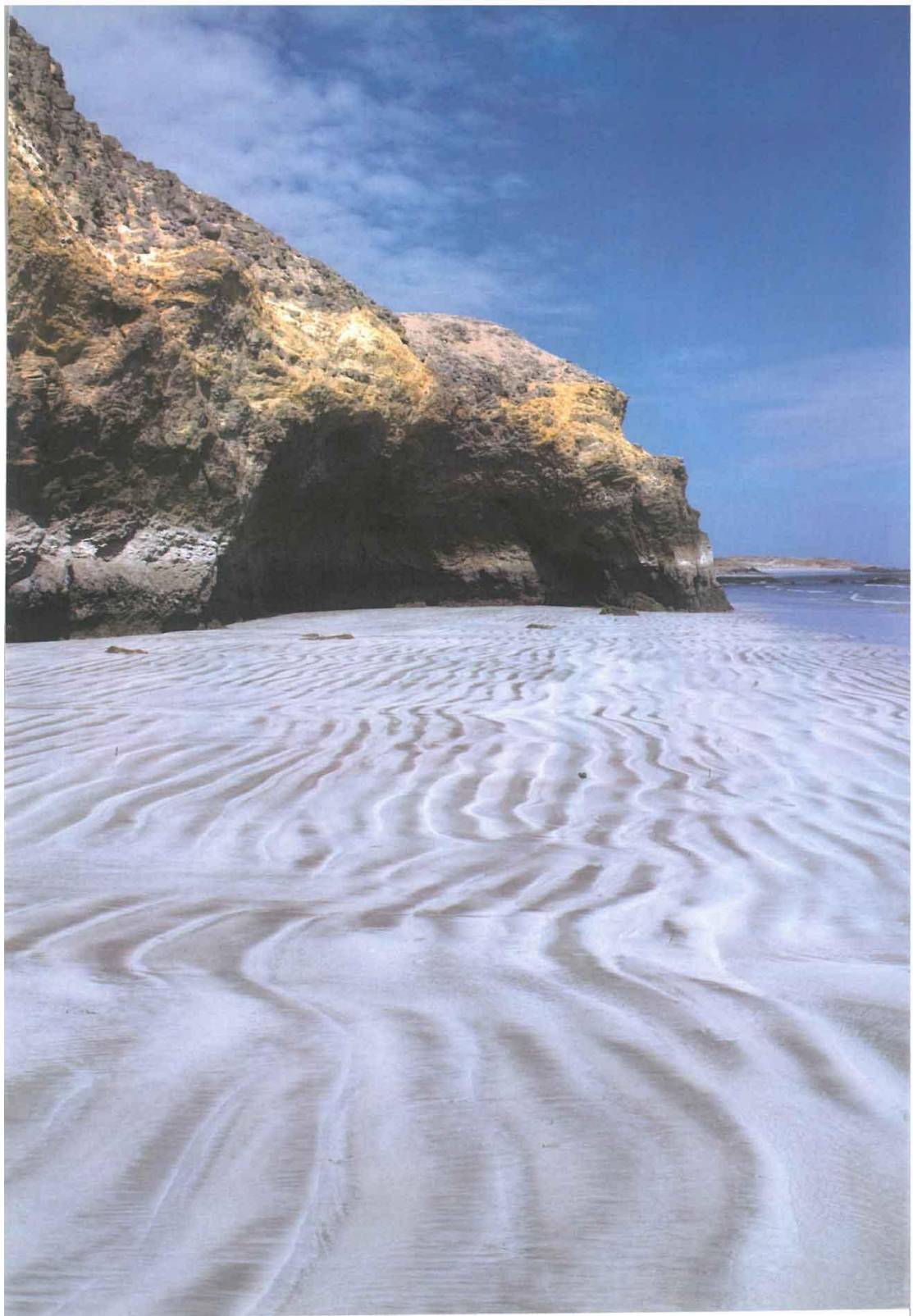
Wadi Darbat and its lush vegetation after the monsoon in Dhofar

Overleaf:
Natural arch in 60 million year old Tertiary limestones. Such features form by the sea eroding slightly softer areas faster than the harder surrounding rocks









well as several wilayats such as Mirbat, Taqah, Sadah, Rakhyut and Dhalkut.

The coastal waters of Dhofar are enormously rich in fish, particularly sardines; the surplus sardine stocks are frequently used as animal fodder and fertiliser.

Dhofar's mountain region extends for about 400 kms from the mainland opposite the Hallaniyat Islands in the east to the borders of the Republic of Yemen in the west. It forms a continuous chain which includes Jabal Samhan in the east and the mountains of Jabal Qamar in the west. At no point is this range more than 23 kms wide or higher than 2,500 metres.

A 75 kms swathe of the mountains is cloaked in greenery from June to September every year during the khareef (monsoon) season, which gives the region a very different character from the rest of the Arabian Peninsula as the south-west monsoon winds and rains transform Dhofar into a delightful summer resort with lush pastures. Water flows from the springs of this region throughout the year.

Frankincense trees continue to flourish in some parts of Dhofar, a reminder that this region was internationally famous for its trade in this substance, the main source of Oman's wealth in ancient times.

THE GOVERNORATES, REGIONS AND WILAYATS

Oman's transformation into a modern state is reflected in its administrative divisions, that have helped reinforce development efforts since 1970, before which no such divisions or structure existed.

The Sultanate has four governorates – Muscat, Dhofar, Musandam and Buraimi – each with its own individual administrative, geographical and economic significance. There are also five regions – the Batinah, the Dhahirah, the Dakhiliyah, the Sharqiyah and the Wusta. Between them the governorates and regions comprise a total of 61 wilayats.

The Ministry of the Interior is responsible for overseeing the governorates of Musandam and Buraimi and the regions. The governors of Musandam and Buraimi, as well as the walis (chief administrators) of the wilayats – one wali per wilayat – run the local administration and act as a link between the government, its institutions and Omani citizens.

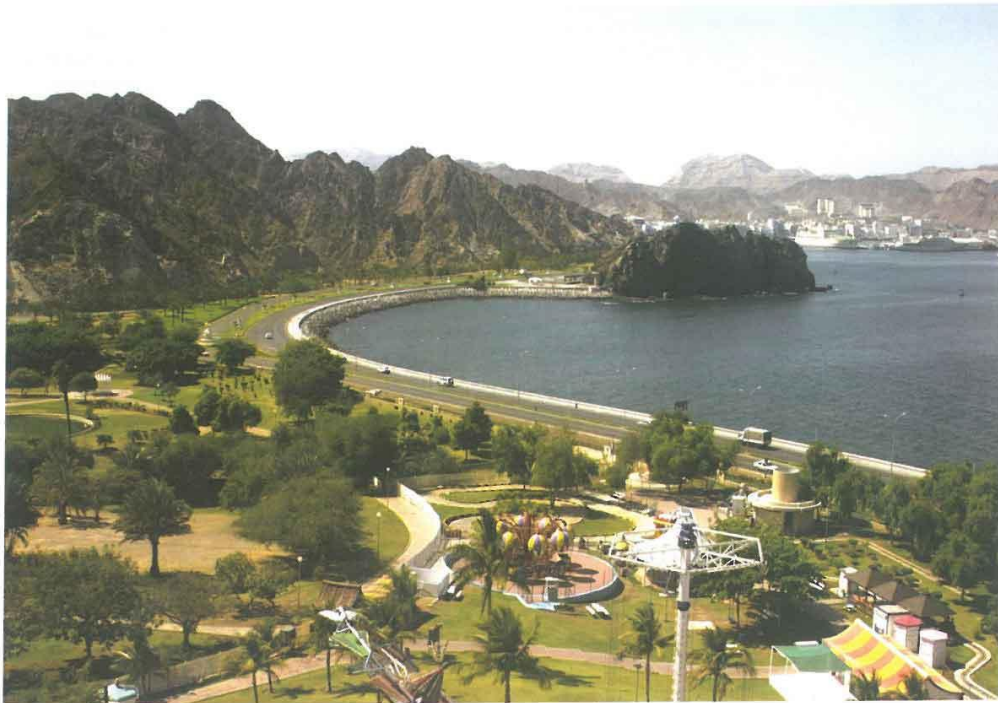
Over the course of successive development plans Oman has succeeded in establishing a balanced distribution of the benefits of its economic success – a result of its oil wealth – across the country's governorates and regions. The large projects and industrial estates that have been set up from Muscat to Salalah, from Sur to Sohar, from Nizwa to Musandam and Buraimi and from Ibri to Haima, balance the priorities of national development with the needs of each region. Ensuring there are services, good communications networks and employment opportunities throughout the country has helped avoid flight to the cities thereby maintaining a healthy balance of people and opportunities nationwide.

Different regions each take turns at hosting the country's main national and religious occasions, including the National Day celebrations held annually in November.

The Governorate of Muscat

The Governorate of Muscat is the Sultanate's political, economic and administrative centre, its seat of government and the location of the capital city of Muscat and the headquarters of the administrative apparatus of state. The Governorate of Muscat is also a vital hub of domestic and international economic, tourist and commercial activity.

The stunningly beautiful coastline of Khaluf in the Wusta region



The Governorate of Muscat lies on the Gulf of Oman at the southern end of the Batinah coast. It borders on the Eastern Hajar mountains and the Sharqiyah region to the east, the Batinah region to the west and the Dakhiliyah region to the south. With a population of 632,073, according to the latest available census figures, Muscat governorate comprises six wilayats – Muscat, Mutrah, Bausher, Seeb, al Amerat and Quriyat. Each wilayat is administered by a wali appointed by the Governor of Muscat. The governorate is responsible for providing essential public services within its administrative borders.

One of many parks in Muscat Governorate

The governorate's affairs are administered by the Minister of State and Governor of Muscat, appointed by His Majesty the Sultan.

The Governorate of Dhofar

The Governorate of Dhofar in the south of the country continues to play an important role in Omani history –as it did in ancient times.

As well as being the Arabian Peninsula's 'Land of Frankincense', Dhofar was also Oman's gateway to the Indian Ocean and the crossroads of southern Arabia's caravan routes.

Salalah, the Dhofar region's main city, is around 1,000 kms from Muscat. It borders the Wusta region to the north-east, the Arabian Sea to the south-east and south, the Republic of Yemen to the west and south-west and the desert known as the Empty Quarter, to the north and north-west.

Dhofar, with a population of 215,690 according to the 2003 census figures, had ten wilayats – Salalah, Thumrait, Taqah, Mirbat, Sadah, Rakhyut, Dhalkut, Muqshin, Shaleem and the Hallaniyat Islands. Since then, Royal Decree No. 13/2006 accorded wilayat status to al Mazyounah, previously a niyabat (sub-



The unspoilt coast at Bandar Nuss, near Hasik, Dhofar

wilayat), on 6/3/2006.

A variety of development projects have provided populated settlements in Dhofar's urban, mountain and desert areas with all essential services including local development centres.

Modern utilities are up and running at the al Mazyounah border, along with a free trade zone, and a modern highway now runs between al Mazyounah and Ghaidha, linking Oman with the Republic of Yemen.

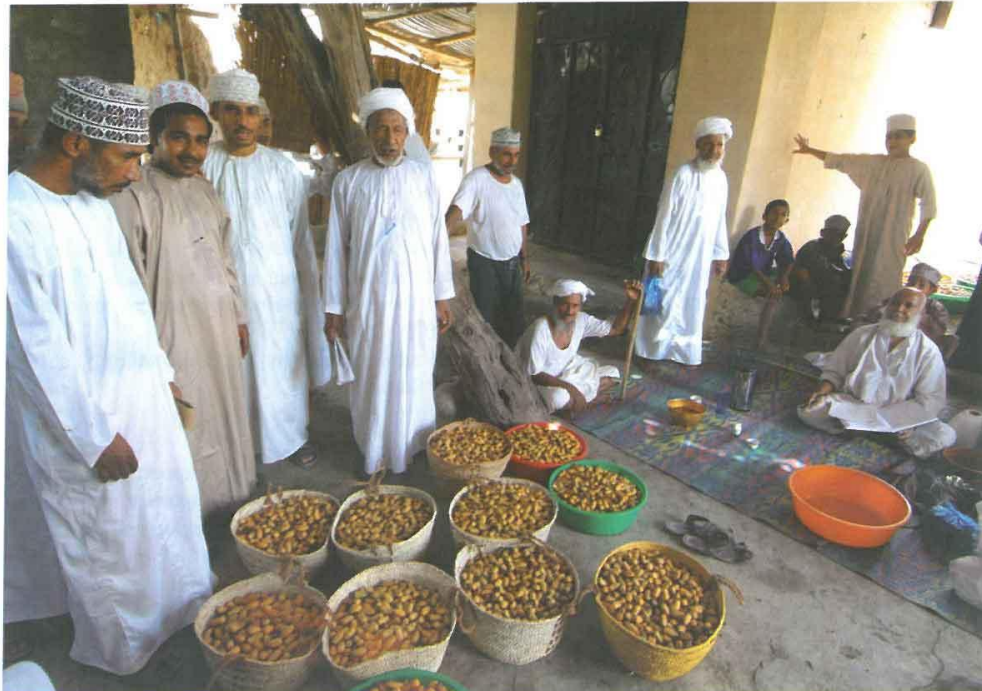
Port Salalah is a major economic enterprise with a range of amenities including a free trade zone. There are also a number of tourist development projects underway to accommodate the ever increasing number of annual visitors to this lush and temperate region.

The governorate's affairs are administered by the Minister of State and Governor of Dhofar, appointed by Sultan Qaboos.

The Governorate of Musandam

The Governorate of Musandam is of immense strategic importance because of its position overlooking the Strait of Hormuz – the most important international shipping lane for oil exports and trade between the Gulf region and the outside world. Some 90% of all the Gulf's oil is exported through the Strait, which also forms the eastern gateway for trade and shipping to and from the Gulf littoral states.

Musandam governorate lies at the extreme northern end of the country, where the Strait of Hormuz links the region with the open seas of the Gulf of Oman





Wadi Dham known for its unusual rock formations and huge boulders, near Ibri

and the Indian Ocean. It has four wilayats: Khasab, Bukha, Daba al Bay'ah and Madha. Its population is recorded as 28,378.

Musandam has seen numerous development projects under the Renaissance, particularly in the fields of health, education, water, electricity, roads, sewerage and ports. Ongoing economic and investment projects to establish and develop an industrial zone will make use of locally available resources, not least manpower.

The Governorate of Buraimi

Royal Decree No.108/2006, issued on 15/10/2006, established the Governorate of Buraimi and awarded it priority status in the Seventh Five-year Plan (2006-2010), granting approval for a number of new road, electricity and other service projects, as well as plans to develop an industrial estate.

Historically, the area of Buraimi occupied a vital strategic and trading location in the north-west of Oman. Because of an abundant supply of water from wadis and aflaj (irrigation channels), it became an important station on a major trade route, as well as a significant producer of wheat, dates and other fruit.

There are the remains of castles in the governorate, as well as numerous forts, including those of al Khandaq, al Hillah, Bait al Nadd and al Khabib.

Buraimi has three wilayats – Buraimi, Madha and al Sinainah. Al Sinainah, previously a niyabat (sub-wilayat), became a wilayat under Royal Decree No. 107/2006, issued on 15/10/2006. According to the 2003 census the governorate has a population of 76,838.

Khasab lies in a natural harbour at the foot of Wadi Khasab

A traditional date auction takes place in a Batinah souq

The Batinah region

The Batinah region – a strip of land between the sea and the mountains is also



known as the Batinah Coast. It is the region with the largest number of wilayats – 12 - and occupies an important geographical and commercial location along the southern shore of the Gulf of Oman.

The Batinah has for centuries been a major sea trade and transport link between Oman and other countries of the Gulf and the Indian Ocean. Its extensive economic resources include the country's largest agricultural plain – the Batinah Plain – as well as numerous mineral deposits, currently being commercially exploited as the basis for a number of major heavy industry projects.

Port Sohar, which is now nearing completion, is one of Oman's mega-projects on which the concept of de-centralised development hinges. The port is part of the Sohar Industrial Estate, easily as big as a town, that has attracted a large number of heavy industrial and manufacturing enterprises such as fertilisers, petrochemicals and aluminium. The area, already well served by an efficient road and highway network will receive a further boost with the opening of a new airport being planned to serve the area.

With a total population of 653,505, according to 2003 census figures, the Batinah region has the largest population concentrations in Oman. With its 12 wilayats - Sohar, Rustaq, Shinas, Saham, Liwa, al Khabourah, al Suwaiq, Nakhal, Wadi al Ma'awil, al Awabi, al Musana'ah and Barka - it extends along the coast of the Gulf of Oman from Khatmat Malahah in the north, to the wilayat of Barka in the south, enclosed between the Gulf of Oman to the east and the slopes of the Western Hajar mountains to the west.

Numerous road, communications, urban development and other service projects have been implemented in the region, with particular attention being paid to town planning and the development of public parks and tourist sites; these include two of the Sultanate's most famous natural hot springs at Ain al Kasfah in Rustaq and Ain al Thuwwarah in the wilayat of Nakhl.

The Dhahirah region

The Dhahirah is rich in history, agricultural resources and tourist potential. It consists of a semi-desert plain that slopes southwards from the Western Hajar mountains towards the Empty Quarter desert, which borders its western side. The mountain of Jabal Kawr marks its eastern boundary with the Dakhiliyah region, while the Wusta region lies to the south.

The Dhahirah region has three wilayats - Ibri, Yanqul and Dhank – and, at the 2003 census, a population of 130,177. Its most distinctive features are its agricultural production and its location on the crossroads of the old Arabian caravan routes.

It also boasts numerous oil and gas fields and has benefited from a generous share of Oman's development projects.

The Dakhiliyah region

With its rich history, cultural heritage, location and topographical features, the Dakhiliyah is the Sultanate's strategic hinterland. It comprises the large upland area in the centre of Oman, including the Jabal al Akhdhar mountain range, the foot of which slopes gradually southwards towards the desert.

The Dakhiliyah region forms a pivotal communications link with the other regions. To the east it borders on Sharqiyah region, to the west the Dhahirah, to the south the Wusta region and to the north the Governorate of Muscat and the Batinah region.

The Dakhiliyah is one of the Sultanate's foremost agricultural regions. It has

Nizwa Fort, built in 1668, opened up new attractions for the visitor in January 2008

Occasionally the Jabal al Akhdhar, at 3,000 metres, sees a fall of snow

eight wilayats – Nizwa, Sumail, Bahla, Adam, al Hamra, Manah, Izki and Bidbid. The 2003 census records a population of 267,140.

The Dakhiliyah region has seen tremendous advances in health, roads and education services, as well as in urban growth, industry and communications. In addition to the opening of its referral hospital, the city of Nizwa has had a complete upgrade in terms of its services and utilities, that have, in recent years, been totally streamlined. The capacity of the Manah power station has been expanded and region's main highways have been upgraded. Phase Two of the Rusayl-Nizwa dual carriageway is now complete and work has begun on the further development of the city's industrial estate. Construction work is underway on Phase One of Nizwa's non-government university, which currently operates from temporary premises.

The Sultan Qaboos Academy for Police Sciences is located in Nizwa and the Higher Institute of Jurisprudence will be established there. The Institute, along with the College of Law in Muscat, will produce graduates in jurisprudence and specialist legal fields.

The Wusta region

The Wusta region lies to the south of the Dakhiliyah and Dhahirah regions. Bordering the Arabian Sea to the east, the Empty Quarter desert to the west and the Governorate of Dhofar to the south, it has a large number of productive oil and gas fields as well as a temperate climate throughout the year.

Three of the region's four wilayats – Mahawt, al Duqm and al Jazer – are on the Arabian Sea, while the fourth – Haima – is in the interior. At the time of the 2003 census it had a population of 22,983.

The government accords high priority to the development of the Wusta. Work is in progress on the construction of a port and ship repair dry dock at al Duqm. As the population is sparse and spread over small, far-flung centres of habitation, the region is supplied with clean drinking water from purpose-built desalination plants. The road system is in the process of being upgraded and expanded; main roads include the Nizwa-Haima-Thumrait highway, the 190 kms Sinaw-Mahawt road and the Mahawt al Duqm road.

In terms of per capita spending, the Wusta region ranks second after the Governorate of Musandam in expenditure on development projects over the course of more than one Five-year Development Plan.

Recent initiatives include water, electricity, road, harbour, health and education projects. Life in the once peaceful region is changing rapidly and, like the rest of Oman, the Wusta is making rapid progress towards further integrated development and prosperity.

The Sharqiyah region

The Sharqiyah region is in the north-east corner of Oman, with the Arabian Sea lying along its eastern flank. It includes part of the Eastern Hajar mountains within its area and borders on the Sharqiyah Sands to the south and the Dakhiliyah region to the west. With a population of 313,761, according to the 2003 census, the Sharqiyah region has 11 wilayats – Sur, Ibra, al Mudhaibi, Bidiyah, al Qabil, Dima wa'l Ta'een, al Kamil wa'l Wafi, Ja'alan Bani Bu Ali, Ja'alan Bani Bu Hassan, Wadi Bani Khalid and Masirah Island.

Two major natural gas plants are located on the coast, near Sur, i.e. Oman LNG and Qalhat LNG.

A large part of the Wusta region is desert and gravel plains, but oil has now been discovered

The Sharqiyah is a region of contrasts. Here traditional architecture in Jaalan Bani bu Hassan



HISTORY

From ancient times Oman has keenly established and maintained strong links with the world's major civilizations. Its position on the old East-West Silk Route ensured that up until the end of the 19th century it was a prosperous Indian Ocean commercial and maritime centre.

Now, as in the distant past, the country enjoys good relations with numerous international powers and – through its pivotal role in promoting links with other peoples and civilizations – it is a major player in the Gulf, Arab and international arenas.

When the Sultanate embarked upon its ambitious and challenging development programme in 1970, its historic background provided all the essential elements necessary for a prosperous future. Its leadership had a firm grasp of reality, its people were willing and able to shape their destiny with their own hands and its vital geographical location ensured Oman was able to make a significant impact on the international scene.

A country as old as history itself – archaeological excavations have unearthed evidence of settlements dating back to 4,000 BC - Oman has made significant contributions to world civilization throughout various stages of history. It has been a major maritime and political power, enjoying relations from early times with countries as far flung as China, the United States, Britain and France; its ambassadors were received with respect in the capital cities of those nations centuries ago.

The common thread running through all stages of Oman's history and one that links its modern regeneration with earlier periods of prosperity is the ability of its leadership to establish national unity. Such social harmony forms the bedrock of a strong state and a robust economy based on security, stability and competent, sophisticated political administration.

Historical studies record extensive ties between Oman and the ancient civilizations of the East including China, India and Mesopotamia, as well as the Eastern Mediterranean, the Nile Valley and other parts of North Africa. After the Sultanate voluntarily embraced Islam around 630 AD, Oman's role in spreading its message was far greater than is generally recognized outside specialist academic circles.

Like other peoples with long histories and ancient civilizations, Oman has passed through a succession of different historical periods. By the Middle Ages, the country had established itself as a prosperous seafaring nation sending dhows from its great port at Sohar to trade with merchants in far-flung destinations. However, this success attracted unwelcome attention from the outside world. This attention coincided with a period of tribal turbulence in Oman when, from 1154 for a period of more than 450 years, the Bani Nabhan ruled the central area of the country intermittently.

The Ya'rubia era, which began in 1624, succeeded in expelling the Portuguese from the Omani coast, the Gulf and the Indian Ocean.

The Al Busaid dynasty was founded by Imam Ahmed bin Said in 1744 – Sultan Qaboos bin Said is a descendent of the line – and over the course of more than 264 years it has succeeded in enhancing the country's power and influence. There have been some periods of weakness, isolation or internal conflict in Oman's history, caused by various domestic, regional and



Recent excavations reveal that Al Baleed's origins date from pre-Islamic times. Here the columns of the mosque

international factors. However, the situation came to an end in 1970 with the accession to power of His Majesty Sultan Qaboos.

Oman's names

Oman has been known by various names during the course of its history. The best known are Magan, Mezoun and Oman, each of which has a specific cultural or historical connotation.

To the Sumerians, who had extensive trade and maritime links with Oman, Magan was associated with ship-building and copper-smelting – the two occupations for which it was famous – and Sumerian tablets referred to it as 'the Land of Magan'.

Mezoun is derived from the word muzn, which means clouds and abundant water, an indication that historically, water was plentiful in Oman in comparison with neighbouring Arab countries. This could explain Oman's agricultural prosperity and stability in days gone by and the consequent development of its civilization.

The name Oman has been linked to the migration of Arab tribes from an area in Yemen called Uman, some of these immigrants established themselves on the plains earning a livelihood from agriculture and fishing, while others settled in the interior and the desert regions working as herdsmen and shepherds. Other 21st century Omani families are able to trace their ancestral routes to other parts of Arabia and it is certain the Sultanate's strong maritime links with other nations has, over centuries, helped add to the eclectic blend of ancient peoples that represent present day Omani society.

Spreading the message of Islam

Oman was among the first countries to embrace Islam voluntarily. The Prophet Muhammad sent Amr bin al 'Aas to the joint rulers of Oman at that time, Jaifar and 'Abd – the sons of Julanda bin al Mustakbir – inviting them to accept the faith. The invitation was accepted and from that day forward Oman became a bastion of Islam, helping to spread its message to many parts of the world, particularly East and Central Africa.

During the early years of the Islamic mission Oman played a prominent role in the wars of Apostasy that took place after the death of the Prophet Muhammad, and also in the great Islamic conquests by land and sea, particularly in the areas of present day Iran, Iraq, and several other countries in the region and beyond.

However, Oman's most notable achievements in this regard were through extensive trading and seafaring activities in East Africa, particularly during the 19th century, when it introduced and propagated Islam in many of that area's coastal regions and some parts of Central Africa. Omanis also carried the message of Islam with them to China and ports around south and east Asia, where Muslim communities continue to live and prosper today.

At home, Islam and Islamic values remain an integral part of Omani society, creating a strong bond between its citizens.

The Ya'rubia era and the expulsion of the Portuguese

In 1507 the Portuguese, seeking to expand their powerful trading empire and extend influence over Oman's flourishing Arabian Sea and Indian Ocean trading routes, managed to take control of large stretches of the Omani coast. However, this invasion – as all others – met with fierce resistance and, despite the unsettled political situation in the country at that time, neither Portugal nor any other power was able to extend its rule beyond these limited coastal regions.

The interior - as well as certain coastal areas including Sohar - always provided the Omanis with the strategic hinterland they needed to maintain strong campaigns of national resistance that eventually led to the expulsion of the Portuguese after around a century and a half of occupation.



Al Mirani Fort and the
Al Khor Mosque in
Muscat



One of the oldest forts in Oman, Rustaq Fort was the home of Imam Ahmed bin Said until his death in 1783

The accession of Nasser bin Murshid as Imam of Oman in 1624 marked the start of Ya'ruha rule. Imam Nasser succeeded in uniting the country under his leadership for the first time in many years and, after equipping a powerful naval fleet, he was able to reduce Portuguese influence and free some of the coastal cities from foreign control.

Imam Sultan bin Saif, his successor, continued the military offensive against the Portuguese and in 1650 his forces liberated Muscat. This heralded the decline of foreign power in the Gulf region as a whole, as Omani forces drove the Portuguese out of the region to the coasts of India and East Africa.

Al Busaidfrom liberation to the creation of a modern state

In 1744 the inauguration of Imam Ahmed bin Said, Wali of Sohar and the surrounding areas, marked the start of a new era of Oman's history that continues to the present day. Imam Ahmed bin Said's accession to the imamate of Oman was in response to the wishes of the influential people of that time, who greatly admired his courage, particularly in ridding the country of Persian invaders. Their confidence was not misplaced. Imam Ahmed bin Said, who founded the Al Busaidi dynasty, went on to reunite the country, quench the fires of internal dissent and build up a large naval military force, as well as a huge merchant shipping fleet, thereby reviving Oman's maritime trading credentials as well as its political position in the region. In 1775 he sent around 100 vessels, led by the great cruiser Al Rahmani, to the northern Gulf, where they broke the Persian siege of Basra in response to an appeal for assistance from the Wali of Baghdad.



After Imam Ahmed's death in his capital, Rustaq, in 1198 AH/1783 AD, he was succeeded by a number of distinguished imams and sultans who continued the Al Busaid rule. During the reign of his grandson Hamad (1199 AH/1784 AD-1206 AH/1792 AD) the capital was moved from Rustaq to Muscat, where it remains to the present day.

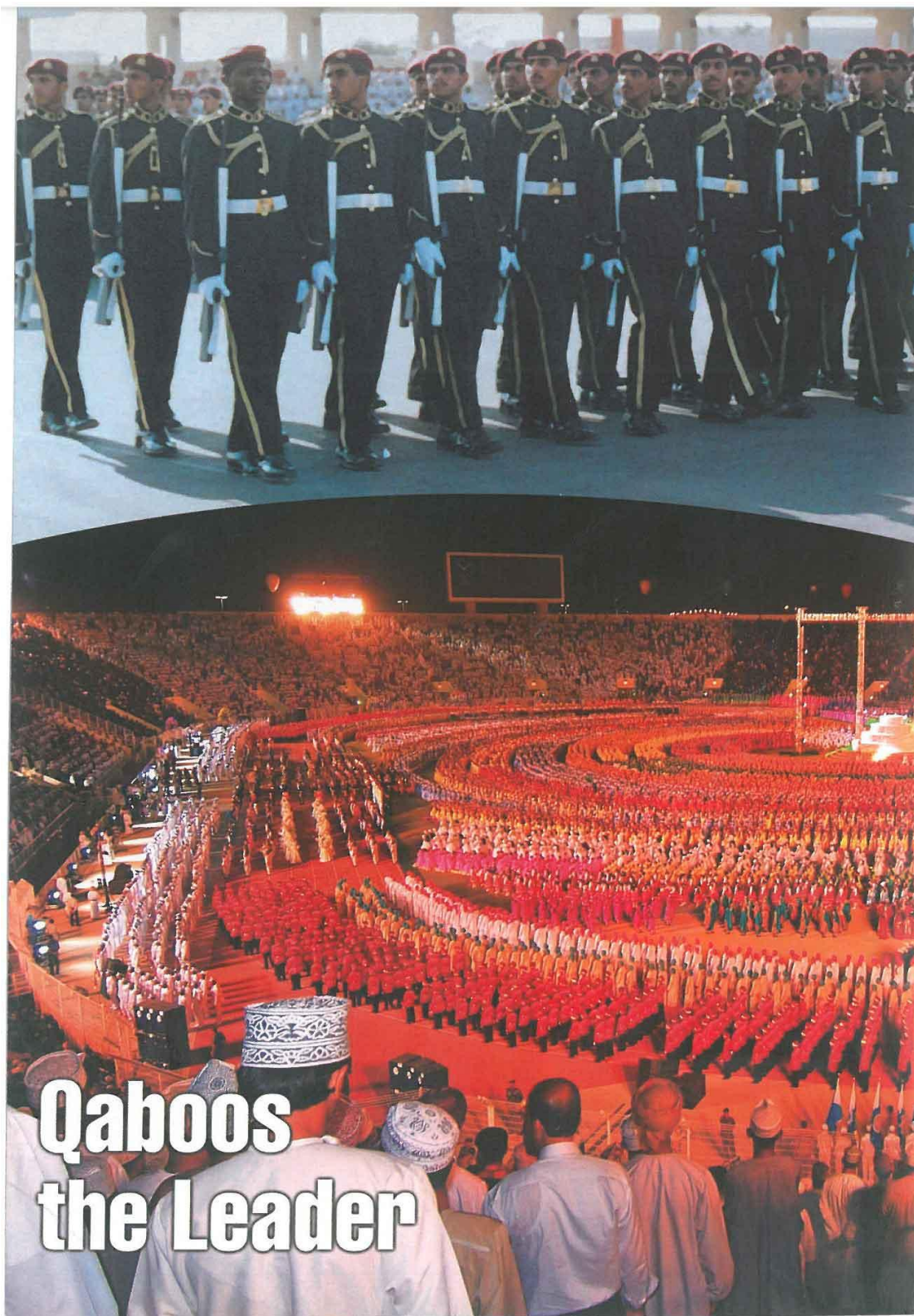
Traditional style of house construction

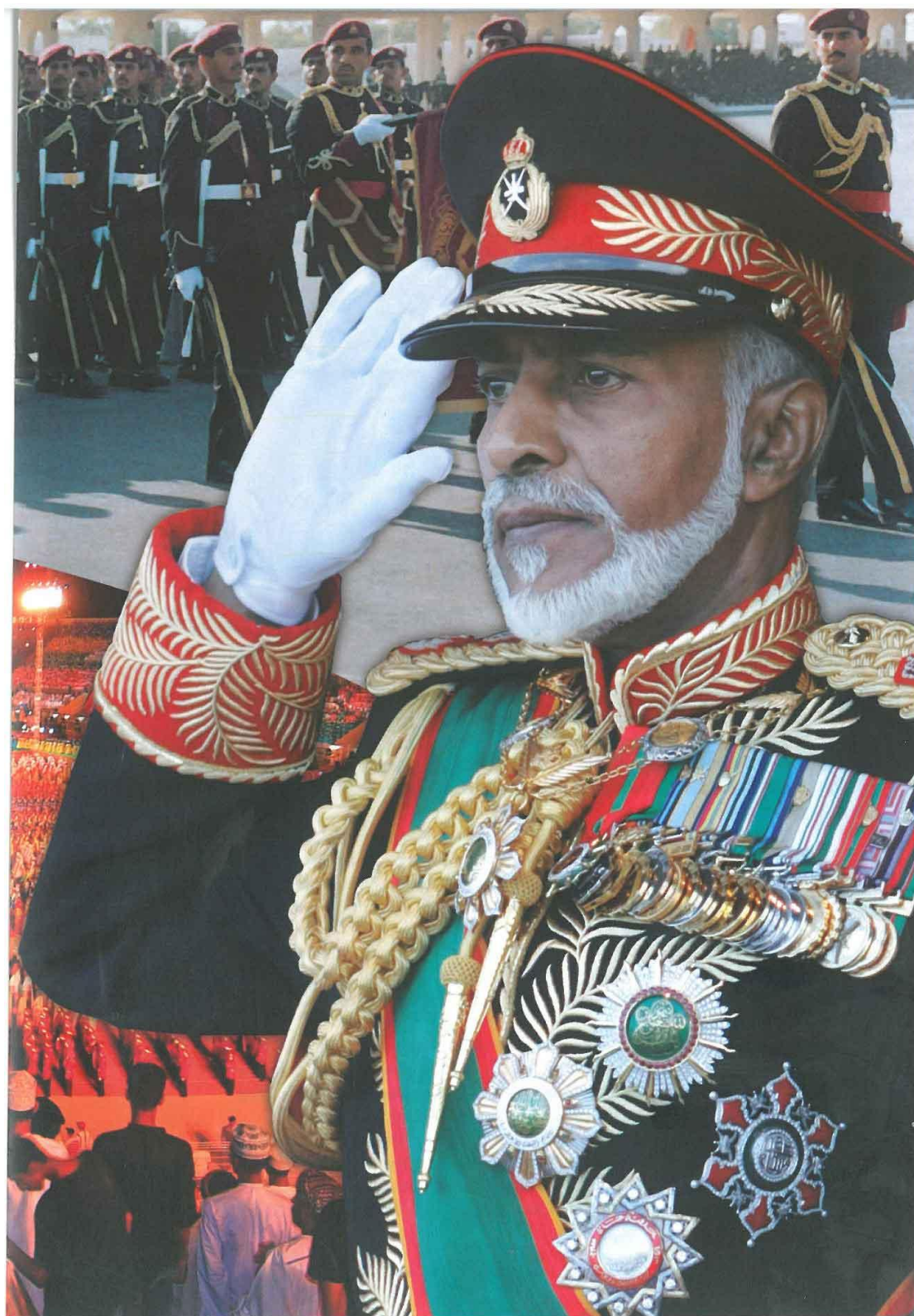
Throughout their history a strong sense of belonging to a single nation has united Omanis in the face of external threats and challenges. A continuation of Al Busaid rule since the middle of the 18th century is a further unifying factor. When Sultan Qaboos came to power in 1970, Oman began to emerge from a period of decline and isolation. The country was almost as far removed from the forward looking and prosperous 21st state we know today, as it is possible to imagine. The country had only a few basic roads, a handful of schools and little in the way of even the most basic of social services. Many of Oman's wealthy had left the country to seek their fortunes abroad.

One of the first challenges Sultan Qaboos took on was the reversal of this "brain drain". He embarked upon a plan to encourage expatriate Omanis home and throw the weight of their knowledge and experience behind helping fulfil his dream of a strong, unified, educated and productive nation. This they did with enthusiasm, making their vital contribution to the thriving, vibrant country that is modern day Oman.

Nabi Ayoub (Job's tomb), a revered man of God in several religions. It lies about 40 kms from Salalah at Ittin, Jabal al Qara









QABOOS THE LEADER

The architect of Oman's transformation over the past 38 years has been its leader Sultan Qaboos bin Said. His Majesty has led the drive towards modernisation and development, sometimes referred to as "the Renaissance", boldly forward at every stage, stressing the need for government and citizen to work together as a single team with a common goal.

His Majesty Sultan Qaboos at the 28th GCC Summit held in Doha in 2007

Sultan Qaboos was born in Salalah in Dhofar 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. At the age of 16, having spent his childhood in Salalah, the young Qaboos was sent to England for a private education; in 1960, aged 20, he entered the prestigious Sandhurst Military College there as an officer cadet.

From the moment His Majesty assumed the reins of power on 23rd July 1970 he dedicated himself to the nation and people of Oman with the words: 'The land of Oman and its people are in my heart and in my thoughts, and the job I have taken on is a duty, not a ceremonial honour.'

Despite challenges of the past 38 years His Majesty's commitment has never wavered. His firm belief in the future of Oman and its people along with his determination to build a just and democratic system of government, in tune with the realities of Omani society and the demands of the modern age, still holds true.

Sultan Qaboos was determined that Oman's real wealth, its people, should be a vital and essential part of the development process. His Majesty involved the whole community in laying the foundations for nationwide, sustainable development. 'We are all one fabric, one body and one nation, and the best of us is the one who works for

his country and contributes to its progress,' he noted.

The focus started and has remained on developing individual citizens' resources and providing them with education, training and qualifications. This is not a society that encourages indolence or dependence on the state. Self-reliance is a fundamental principle of the Sultanate's development process and, while support is always close at hand, Omanis are encouraged to develop independence in dealing with the challenges of social and economic development.

Academic chairs

Academic chairs have been established in Sultan Qaboos's name in several of the world's leading universities to promote the study of Arab and Islamic civilization, as well as intercultural dialogue and a better understanding of this region. These universities include Harvard and Georgetown in the United States, Cambridge and Oxford in Britain, Melbourne in Australia, Beijing in China, Aal al Bayt in Jordan and Leiden in the Netherlands. Chairs have also been established in Information Technology in Pakistan, in Desert Agriculture in Bahrain, and in Water Management in Relation to Economic Diversification in Utrecht in the Netherlands. A Sultanate of Oman section/corner was opened at the Moscow University Library in 2007.

Private sector involvement

From the early 1970s, Omanis embraced the principles of free trade and open markets while the state played a vital role in planning development programmes in every field. Partnerships between the government, the people and the private sector have been – and remain – a basic element in Oman's efforts to ensure sustainable development and the private sector is making a growing contribution to the economy under government reformed privatisation policies. These policies have opened up extensive opportunities for private enterprise in, for example, the fields of education at all levels, airport management, power generation and distribution and water supplies.

The drive towards Omanisation has been designated a priority by His Majesty and by the end of February 2008 the number of Omanis working in the private sector and registered on the books of the Public Authority for Social Insurance (PASI) stood at 136,596.

Great importance is attached to enabling women to play a full part in society, life and work, on an equal footing alongside their male counterparts. The Sultanate is a strong supporter of international efforts to combat human trafficking and is preparing an anti-trafficking law. It has signed up to international anti-discrimination agreements and, through the Sultanate's General Labour Confederation encourages workers to form labour committees and unions to look after their welfare and speak on their behalf.

Greater integration

A number of steps have been taken to expand popular participation in the national decision-making process and in shaping the course of the country's development.

Elections for the Consultation Council (Majlis A'Shura) sixth term (2008-2011) were held on 27th October 2007 to choose 84 representatives of the Sultanate's wilayats. On 4th November 2007 His Majesty issued Royal Decree No. 107/2007 appointing the 72 members of the State Council (Majlis a'Dawla) sixth term (2008-2011), which includes 14 women. Sultan Qaboos opened the annual session of the Council of Oman, which comprises the combined State Council and Consultation Council, on 6th November 2007.

In the sixth term (2008-2011), the Consultation Council is expected to play a dynamic role within the Council, thanks to its newly enhanced powers and functions



and the addition, at the instruction of His Majesty, of an additional channel of co-ordination between the Council of Ministers and the Consultation Council – which allows for the introduction of joint meetings between all the members of the two councils in the hope streamlining their separate activities.

The involvement of the ‘man and woman in the street’ includes not only exercising the right to vote and stand as a candidate for the Consultation Council, but also taking part in local administration and civic bodies and organisations such as trade unions, state authorities and national institutions. Sultan Qaboos keenly advocates such a stance and has frequently made clear that action taken at institutional level in no way diminishes the importance of – and need for – participation at the individual level.

His Majesty listens to one of his citizens during a Royal Tour of the country

His Majesty the Sultan’s annual Royal Tours

His Majesty’s annual Royal Tours of the Sultanate’s regions have been an established institution and a unique feature of the country’s political landscape since the early years of his rule. They provide a forum for the leadership and the people to exchange views, and the effects of these exchanges have a serious economic, social and political impact on the course of the country’s development.

Sultan Qaboos strives to be in touch with all his subjects, to hear their views and experiences whenever possible in the hope it may help government formulate a system in keeping with contemporary Omani society; the tours provide an ideal opportunity for the direct contact he desires.

The Royal Tours, which last for several weeks and sometimes for months at a time, may vary in character and in the activities they involve. However, all have the same essential aim of enriching the country’s economic, political and social development, as well as reflecting Sultan Qaboos’s commitment to the progress, prosperity and welfare

His Majesty greets people of all ages during the Royal Tours



of the nation and its citizens. His Majesty has often commented on the importance with which he regards the information gleaned on the Royal Tours, which also remain immensely popular with the people.

While the tours provide a forum for informal, spontaneous meetings between His Majesty and the people, other aspects of them are relevant to the development process. Seminars held on a variety of topics during the course of the Royal Tours included one on national manpower and another – in February 2007 – on ‘The sustainable development of the agricultural sector and the regulation of its labour market’. During his inspections Sultan Qaboos also issues instructions for the implementation or completion of projects that have a direct bearing on the actual needs of the people in the areas he visits.

Proving himself a leader truly in touch with his people and committed to their welfare Sultan Qaboos recently issued several directives, and put in place measures to reduce the effects of the high prices of basic commodities resulting from imported inflation and increased government spending. These measures included food subsidies; moves to impose stricter regulations on rent and food increases across the country, increased social security benefits for those in need, a review of the pensions system, and salary increases for civil servants and many of those employed in public sector related professions. Monitoring of the situation is ongoing.

Good performance

The year 2008 – the third year of the Seventh Five-year Plan (2006-2010) – boasts the biggest budget in the Sultanate’s history, with a public spending figure of RO5.8 billion, predicted revenues of RO5.4 billion and an estimated deficit of RO400 million. The budget estimated a conservative oil price of US\$45 per barrel, which has frequently been less than half the actual price achieved on world markets, and an average daily production figure of 790,000 barrels. Under the terms of the 2008 budget, the education and health sectors account for 49% and 12% respectively of total current expenditure. A large rise in expenditure on regional service projects is anticipated, as well as an increase in development spending on several major projects and to finance various new projects initiated on His Majesty instructions during the annual Royal Tours. The 2008 budget also provides extra cash for tourism, industry, oil and gas, airports, seaports and service sectors such as roads and electricity.

Oman saw an 11.6% rise in GDP in 2007 and a positive domestic climate was created by the rise in government spending, the increase in oil prices in the world markets and a significant level of growth in the non-oil sectors. This will bolster economic growth both this year and in future years, particularly in view of the rise in investments in the Omani economy – including investment from an increasing number of foreign sources – and the introduction of the Gulf Common Market, initiated on 1st January 2008.

Foreign Relations

Oman’s successes extend to its relations with the outside world. The Sultanate’s foreign policy is highly respected and international accolades reflect its stance in foreign affairs.

On 15th October 2008 His Majesty was named ‘Justice and Humanity Personality for 2008’ by the World Press, Publishing and Distribution Establishment, based in Riyadh. His Majesty was unanimously selected in appreciation of his wise policies stemming from the perception that ‘the human being is the tool and maker of development’.

The Global Competitiveness Index 2008-2009, released on 8th October,

His Majesty meets President Nursultan Nazarbayev of the Republic of Kazakhstan in March 2008

His Majesty has discussions with His Highness Sheikh Khalifa bin Zayed al Nahyan, President of the United Arab Emirates





ranked Oman 38th out of 130 countries. This Report was introduced in 2004 for the World Economic Forum. The GCI is based on 12 pillars of competitiveness.

In September 2008 the Sultanate was ranked 40th in economic freedom at the international level in the annual report issued by the Canada-based Fraser Institute. This Report covered 140 countries and used 42 data points to measure the degree of economic freedom in five broad areas.

The Sultanate was listed as the top Arab state in the Middle East and North Africa in terms of security in the Vision of Humanity-Global Peace Index study, coming 25th out of a total of 140 states around the world. The study, supervised by the British magazine The Economist's Intelligence Unit, was published in May 2008.

On 31st March 2008 the United Nations General Assembly approved a resolution on the world road safety crisis submitted by Oman in conjunction with the Russian Federation. The resolution stressed the need for international efforts in this field to be co-ordinated.

On 15th January 2008 it was announced that the Sultanate had come third in the Middle East and 42nd out of 157 states in the world in the world, according to the 2007 Economic Freedom Index published by America's Heritage Foundation and The Wall Street Journal. Ten freedoms are measured for determining economic freedom including trade results, business, property rights and investment.

In November 2007, the Sultanate was awarded a prize by the Gulf Nationalisation and Employment Strategy Forum for the highest level of jobs occupied by nationals in the AGCC states. By the end of June 2007 Omani nationals accounted for around 85.8% of those employed in the state's administrative apparatus.

Also in 2007, Sultan Qaboos was awarded the Russian International Association's Peace Prize in recognition of his efforts on behalf of world peace and

In Alexandria, His Majesty is welcomed by President Mohamed Hosni Mubarak of the Arab Republic of Egypt

His Majesty is warmly greeted by President Moammar Ghaddafi on his arrival in Libya in the summer of 2008

His Majesty reviewed bilateral relations during a meeting with His Majesty King Abdullah II of the Hashemite Kingdom of Jordan





co-operation and his call for rapprochement between peoples.

In 2007, His Majesty won the Jawaharlal Nehru Award for International Understanding. This prize, overseen by the Indian Council for Cultural Relations, is awarded annually to leaders and distinguished personalities who have made outstanding contributions to the promotion of international understanding and friendship between peoples.

His Majesty discusses matters of mutual interest with His Highness Sheikh Hamad bin Khalifa al-Thani, Emir of Qatar

Cultural pursuits

Sultan Qaboos attaches great importance to cultural pursuits, including literature, art, music, heritage and history, and he is a firm supporter of intercultural dialogue and mutual understanding between peoples. The 'Royal Opera House' currently being built in al Qurm in the governorate of Muscat will include an opera house and numerous other facilities.

The Sultan Qaboos Cultural Centre in Washington, which helps promote understanding between the Arab and American peoples, hosts and participates in cultural activities and exhibitions. These most recently included an exhibition entitled 'Encompassing the Globe: Portugal and the World in the 16th and 17th Centuries' which showed how the Omanis carried their culture and language to many regions of the world. On the sidelines was an exhibition entitled 'The Indian Ocean from Muscat to the Spice Islands', staged at the Smithsonian group of galleries from June to mid-September 2007. The Centre will take part in the Arab Folklore Programme in Washington in early in 2009.

A positive role in the Gulf, the Arab region and the world

Oman's approach to Gulf, regional and international issues is notable for its strong

belief in the importance of peace, security and stability in this vital region.

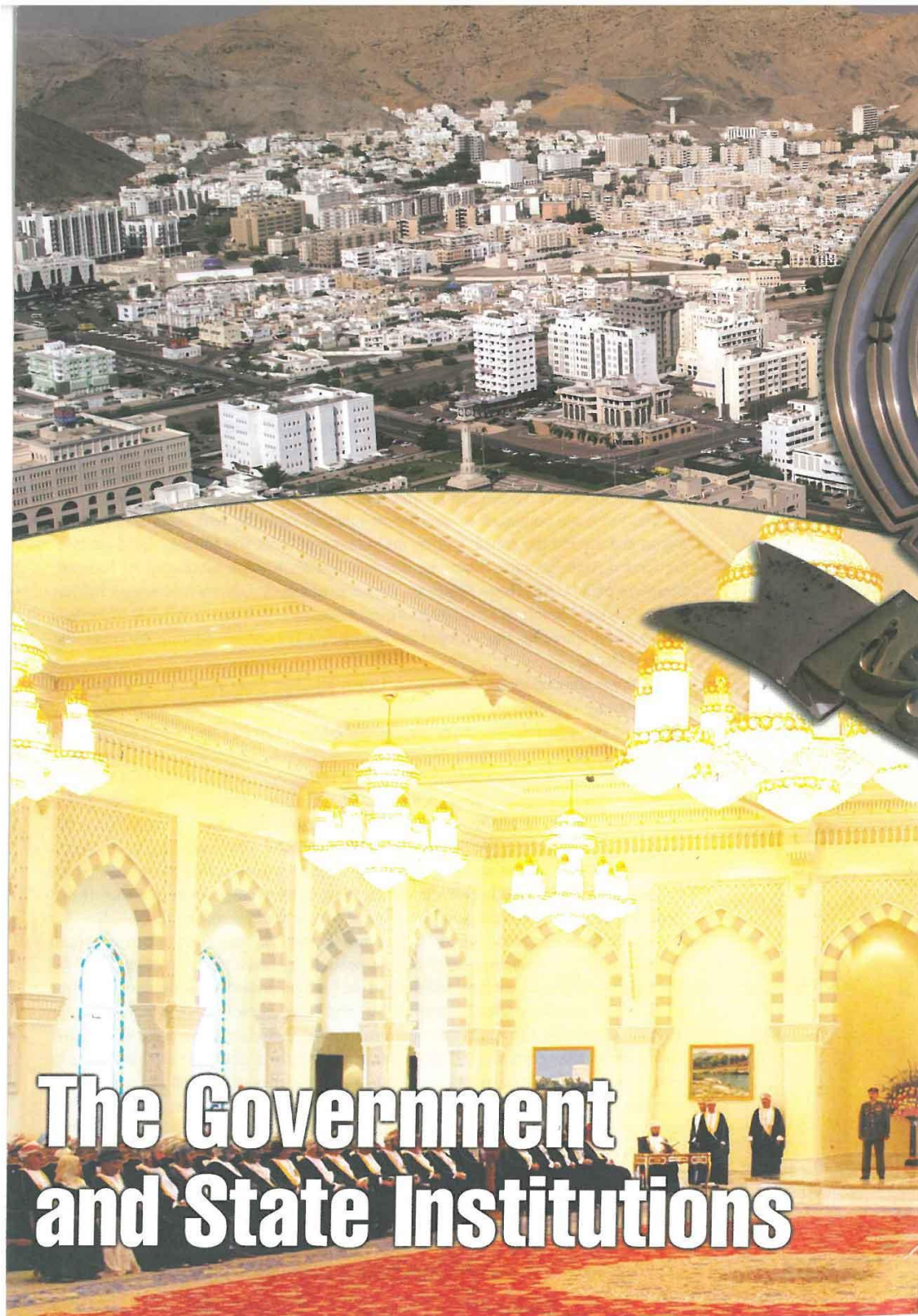
Because Oman's policies and political positions have been consistently honest and credible over the years, it has succeeded in building an excellent reputation and gaining the trust of the countries and peoples of the region and beyond. This is a reflection of its general political and diplomatic approach, at bilateral level and within the Gulf, Arab and international contexts, the importance of such a role, particularly at this frequently troubled period of history, cannot be overestimated. His Majesty noted: 'Oman is a country that loves peace. We build our relations on common interests with all, without deceiving others or allowing ourselves to be deceived. It is this that has set the Omani state's diplomacy on the right path. We have no quarrel with any state in the region.'

However, we need to strengthen our determination to achieve an even greater degree of the progress and prosperity, and in this connection Sultan Qaboos has stated clearly: 'The essential characteristics of our domestic and foreign policy are clear. We are on the side of comprehensive, sustainable development and growth at home, and friendship, peace, justice, harmony, coexistence, mutual understanding and positive, constructive dialogue abroad.' The Sultanate enjoys a special relationship with its fellow AGCC member states and over the years has worked hard to reinforce and expand co-operation and joint action, at both the bilateral level and within the context of the AGCC as a whole. At the same time, it has also sought to develop co-operation with the Republic of Yemen and involve it more closely in the AGCC's affairs.

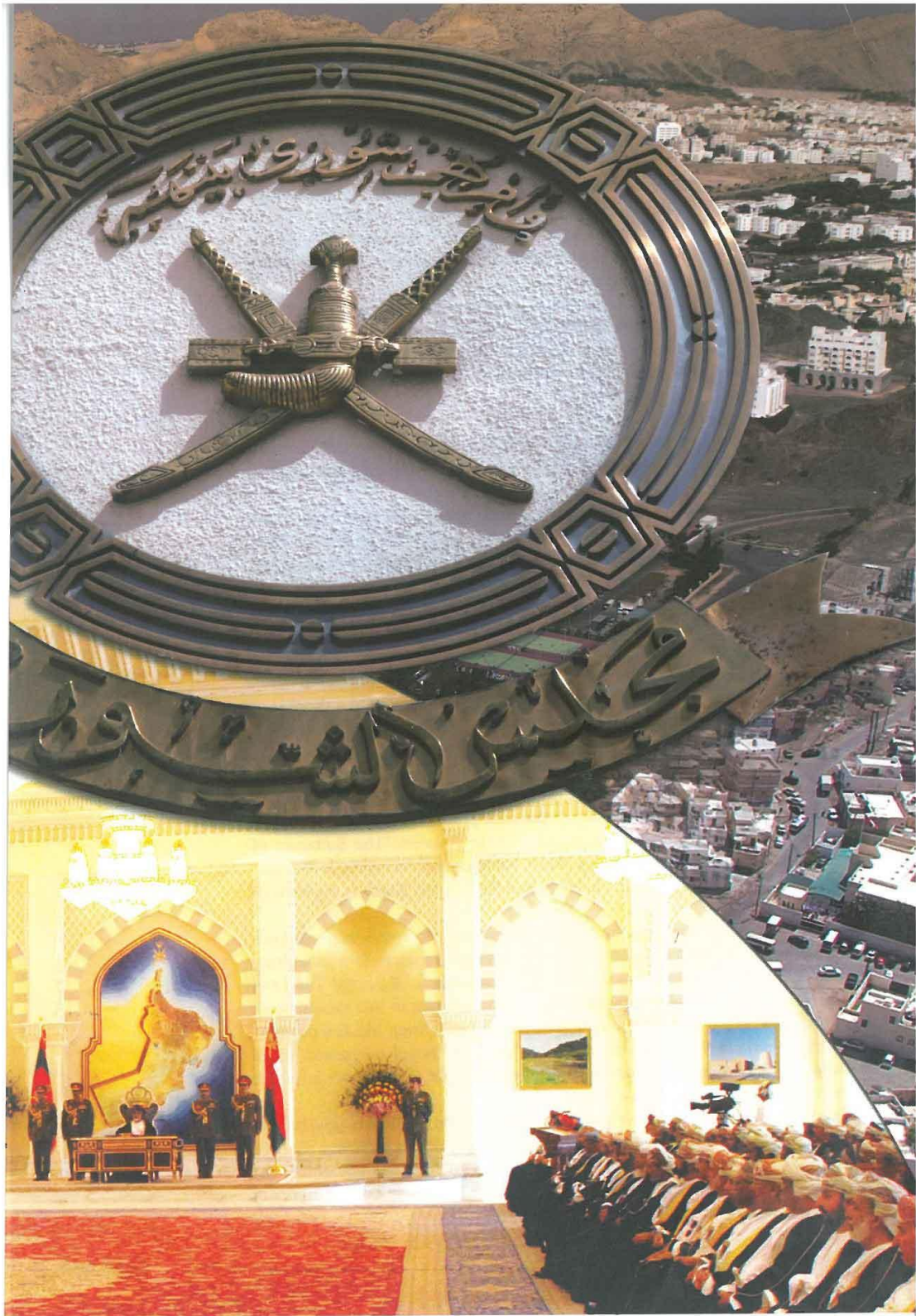
The Sultanate continues to develop its bilateral relations with other states in the region and around the world. During the summer of 2008 His Majesty paid visits to the United Arab Emirates where he met HM Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE; Hosni Mubarak, President of Egypt; Libya where he met Libyan leader Colonel Muammar Gaddafi; to Aqaba where he met King Abdullah II of Jordan; and to Doha where he was received by HH Sheikh Hamad bin Khalifa Al Thani, the Emir of Qatar.

In these sometimes troubled times Oman attaches great importance to keeping open friendly channels of communication with all sides. This has been especially true of its bilateral relations with neighbouring Iran, currently the object of criticism from the West for the planned expansion of its nuclear programme. In a significant observation, Sultan Qaboos noted: 'All I hope is that the spectre of war will not hang over this region, which is the nerve centre of the world economy...Its peoples only seek peace. We want our region to be far away from the catastrophes of wars. We want it to progress along the path of development...and enjoy prosperity, stability and progress. All this can be achieved by a simple process of reciprocity; that is, that we respect the interests of others while calling upon them to respect our interests. If that happens, the only songs the peoples will hear will be the anthems of peace.'

The Sultanate has consistently backed peace efforts in the region since they began in the late 1970s. It supports every sincere, positive initiative to lift the blockade of the Palestinian people, create the conditions in the Palestinian territories for the restoration of Palestinian national unity, achieve a just and comprehensive peace and enable the Palestinian people to regain their national rights, including their right to establish their own independent state. The Sultanate also supports efforts to establish security and stability in Iraq and safeguard the unity and integrity of its land and people. It is working to promote harmony and mutual understanding in Lebanon and it is making every effort to contribute to a solution of the problems in Sudan and Somalia, as well as other Arab issues, through constructive dialogue.



The Government and State Institutions



THE GOVERNMENT & STATE INSTITUTIONS

On his accession to power 38 years ago, Sultan Qaboos bin Said announced that the creation of a modern state with efficiently functioning institutions would be his top priority.

Starting from scratch, as he was forced to do with little or nothing in the way of even the most basic political infrastructure, this process was bound to be a challenging one. However, during the intervening years it has been successfully achieved, and today the country's well established institutional structure contributes to Omani society and its development at all levels.

A system of government, founded on the principles of popular participation and the rule of law, continues to evolve and prosper within each authority, department and state institution in the land, be they situated in the capital city of Muscat or the smallest Dhofari wiliyat; all share clearly defined powers and responsibilities.

The Basic Law of the State

The Basic Law of the State, promulgated under Royal Decree No.101/96 on 6th November 1996, affirms the principles that have guided state policy since Sultan Qaboos came to power in 1970.

The Law provides the legal framework of reference governing the functions of the different authorities and separates their powers. At the same time it protects and guarantees the freedom, dignity and rights of the individual in a manner that ensures the rule of law in accordance with the highest international standards.

The Basic Law of the State comprises 81 Articles in seven chapters. This document – unprecedented in Oman's long history – defines the system of government and establishes the guidelines of state policy in various fields and also details public rights and duties. It contains provisions covering the Head of State, the Council of Ministers and the judiciary, and includes references to a number of specialised councils, including the Council of Oman. Laws are promulgated on the basis of the Basic Law of the State's provisions and must not conflict with them.

Firm principles

The Basic Law of the State lays down the firm principles on which the state and the system of government are founded. Article 1 states: 'The Sultanate of Oman is an independent, fully sovereign, Arab, Islamic state. Its capital is Muscat.' Article 2 notes: 'The state's religion is Islam and the Islamic Sharia is the basis of legislation.'

Chapter One of the Basic Law of the State specifies the manner and procedures for accession. Article 5 stipulates: 'The system of government is a 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 two Omani Muslim parents.' According to Article 9, rule in the Sultanate shall be 'based on justice, shura (consultation) and equality'. Citizens shall have the right to take part in public affairs in accordance with the Law.

Article 59 declares: '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 Basic Law of the State guarantees the independence of the judiciary and makes interference in a lawsuit or the affairs of justice 'a crime punishable by Law'.

The provisions contained in the Basic Law of the State, including the guarantees of citizens' rights and freedoms and the stipulations covering the functions and activities of the different authorities and institutions, define every aspect of the Omani political system and the way it operates within the framework of the regulatory laws.

The State's organisational structure

His Majesty is Head of State, its highest and final authority and the Supreme Commander of the Armed Forces. He is the symbol of national unity as well as its guardian and defender. Article 42 of the Basic Law of the State defines His Majesty's functions.

The Council of Ministers

The Council of Ministers assists the Sultan in drawing up and implementing general state policy and is the authority responsible for ensuring such policy is implemented. The Council submits recommendations to the Sultan on economic, political, social, executive and administrative matters; these include proposing draft laws and decrees; protecting the welfare and interests of the general public - guaranteeing the provision of essential services and improving general conditions; setting out the goals and policies for economic, social and administrative development and proposing ways and procedures of efficient implementation while ensuring proper use is made of financial, economic and human resources.

The Council also scrutinizes the operations of the administrative apparatus of state, monitoring performance and ensuring co-ordination between departments; generally overseeing the implementation of laws, decrees, regulations, decisions, treaties, agreements and court rulings and ensuring that they are complied with; and any other responsibilities entrusted to it by the Sultan or assigned to it under the provisions of the Law.

The Council of Ministers has a secretariat-general to assist it in the performance of its functions.

The Council of Ministers is headed by His Majesty the Sultan. Its members 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 the Diwan of Royal Court

HE General Ali bin Majid al Ma'amari

Minister of the Royal Office

HE Sayyid Badr bin Saud bin Hareb

Minister Responsible for Defence Affairs

HE Sayyid Saud bin Ibrahim al Busaidi

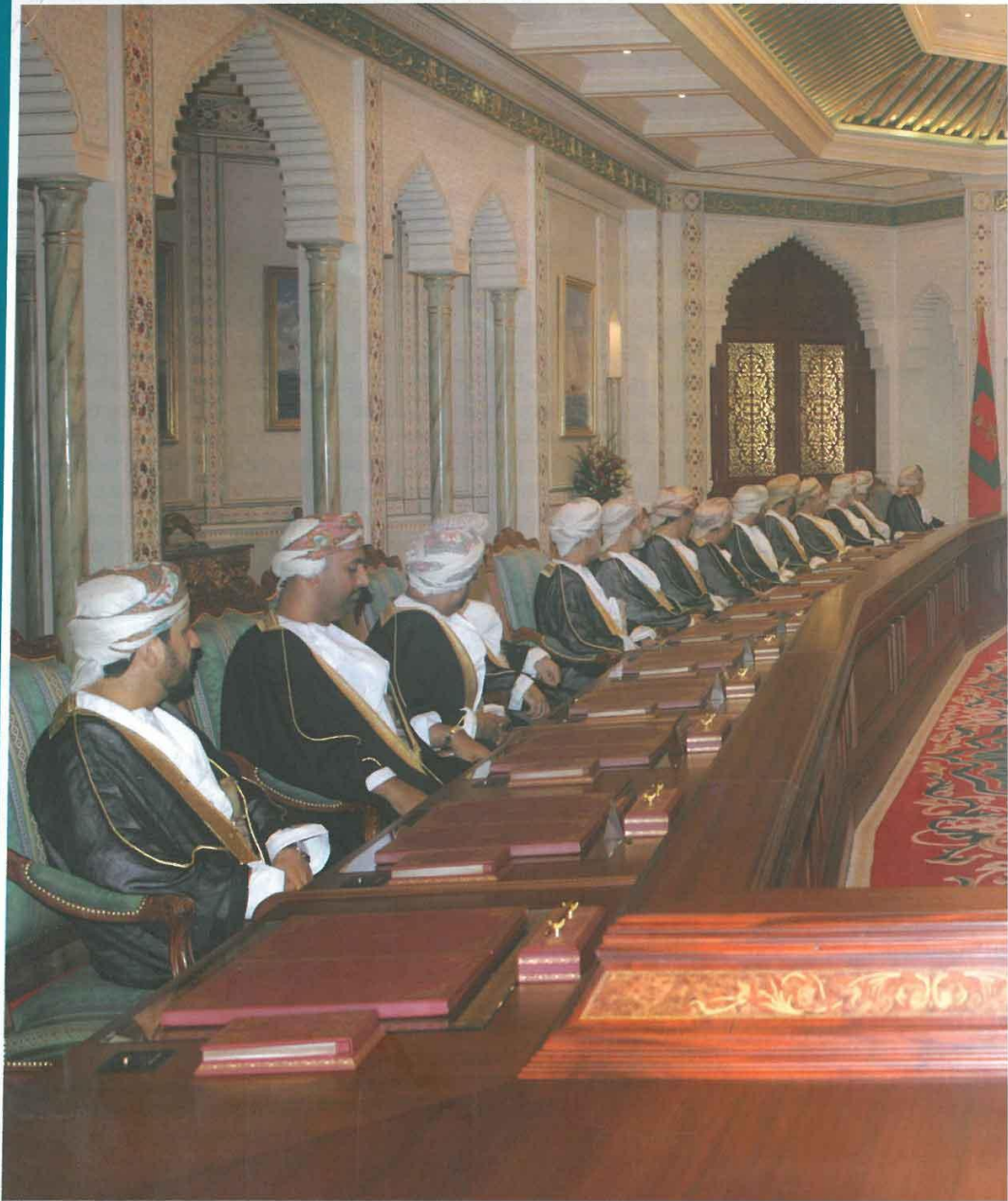
Minister of the Interior

HE Yousuf bin Alawi bin Abdullah

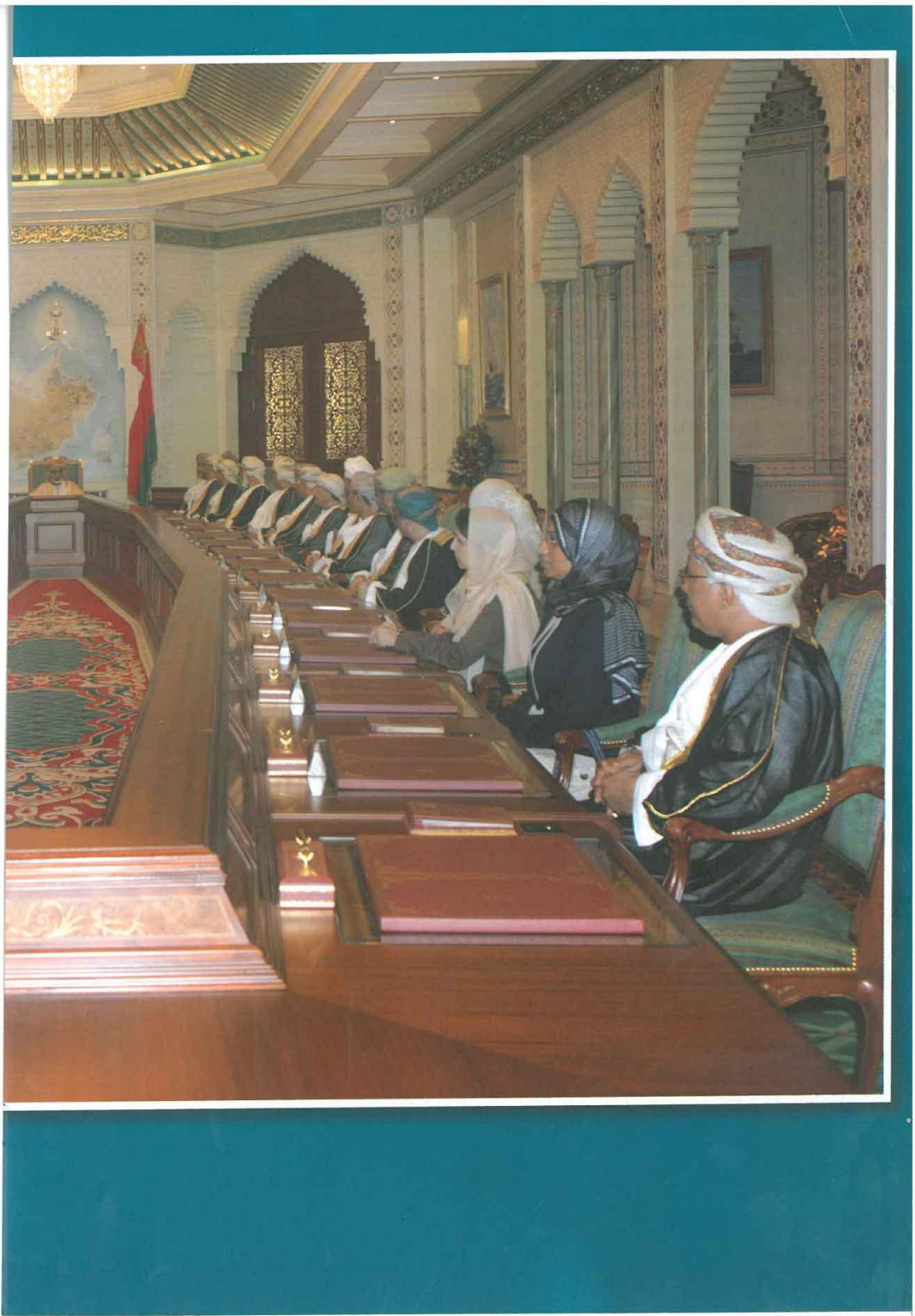
Minister Responsible for Foreign Affairs

HE Sheikh Mohammed bin Abdullah al Hinai

Minister of Justice



His Majesty chairs a meeting of the Council of Ministers



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 Fisheries Resources

HE Dr. Ali bin Mohammed bin Moosa
Minister of Health

HE Sayyid Hamoud bin Faisal bin Said
Minister of Environment and Climate Affairs

HE Maqbool bin Ali bin Sultan
Minister of Commerce and Industry

HE Mohammed bin Ali al Alawi
Minister of Legal Affairs

HE Sheikh Abdullah bin Mohammed al Salmi
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 Transport and Communications

HE Sheikh Salim bin Hilal al Khalili
Minister of Agriculture

HE Hamed bin Mohammed al Rashdi
Minister of Information

HE Yahya bin Saud al Sulaimi
Minister of Education

HE Sheikh Mohammed bin Abdullah al Harthi
Minister of Civil Service

HE Dr. Rawiyah bint Saud al Busaidiyah
Minister of Higher Education

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

HE Dr. Rajiha bint Abdulamir bin Ali
Minister of Tourism

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

HE Dr. Sharifa bint Khalfan bin Nasser al Yahya'eah
Minister of Social Development

HE Sheikh Mohammed bin Marhoon bin Ali al Ma'amari
Minister of State and Governor of Dhofar

HE Sheikh Saif bin Mohammed bin Saif al Shabibi
Minister of Housing

HE Sheikh Abdullah bin Nasir bin Abdullah al Bakri
Minister of Manpower

HE Sayyid Khalid bin Hilal bin Saud bin Hareb al Busaidi
Secretary-General of the Council of Ministers

The Defence Council

Royal Decree No. 105/96, issued by Sultan Qaboos on 28th December 1996 established the Defence Council. Headed by His Majesty, its eight members are chosen on the basis of their rank or position and meet by royal command to consider matters relevant to the maintenance of Oman's defence and security.

The National Security Council

Royal Decree No. 63/2003, issued on 23rd September 2003, amended the name of the National Security Committee to the National Security Council. The Council considers all matters 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.

Article 2 of The Law on the Prevention of Terrorism, promulgated under Royal Decree No. 8/2007 on 22nd January 2007, states: 'The National Committee for the Prevention of Terrorism shall be restructured and its responsibilities defined by a decision of the National Security Council, and it shall operate under its supervision'.

The Council, which has a secretary-general appointed from the staff of the Royal Office, may request the attendance of non-members at its meetings in certain circumstances.

The Financial Affairs and Energy Resources Council

This 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 financial allocations for development projects, domestic and foreign investments and funding, savings and other related financial and monetary matters.

The Council's remit includes the development of energy resources, with the aim of maximising their contribution to the national economy. It meets under the chairmanship of His Majesty or its Deputy Chairman.

The Supreme Judicial Council

The Supreme Judicial Council draws up general judicial policies, ensures the independence of the judiciary and monitors its development. In this connection it oversees the work of the courts and the Public Prosecutor's Office, facilitates access to legal proceedings and considers nominations for appointments or promotions to judicial positions, proposes, considers and comments on draft laws on judicial matters, including judicial co-operation agreements between the Sultanate and other states.

Higher Committees, Specialist Councils and Public Authorities

The administrative apparatus of state includes a number of Higher Committees, Specialised Councils and Public Authorities, each responsible for managing or overseeing 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 effective co-ordination between the different departments operating within a particular sector. The members of the committees, councils and authorities include ministers and public figures with responsibility for the relevant fields.



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 - in co-ordination with the relevant ministries. It is chaired by the Deputy Prime Minister for the Council of Ministers.

The Supreme High Committee for the Five-year Development Plans

The Supreme High Committee for the Five-year Development Plans carries out a half-yearly evaluation of the Seventh Five-year Plan (2006-2010) in accordance with Royal Decree No. 1/2006 and ensures proposals are progressing on schedule. It is chaired by the Deputy Prime Minister for the Council of Ministers, and its members include the Chairmen of the State Council (Majlis A'Dawla) and the Consultation Council (Majlis A'Shura), as well as a number of ministers and undersecretaries.

The Supreme High Committee for the 7th Five-year Development Plan (2006-2010) meets to ensure proposals are progressing on schedule

The Research Council

Sultan Qaboos issued Royal Decree No. 54/2005 on 22nd June 2005 setting up the Research Council and defining its prerogatives. The Council regulates, encourages and supports scientific research at national level and provides it with both material and moral support. It is the prime authority in this field and liaises between the different authorities and institutions involved in this sector. It supports individual initiatives and research plans, as well as the publication of scientific papers and any other research related tasks. The Sultanate's final draft scientific research strategy was presented at an international conference convened for that purpose in Muscat in October 2007.

The Council is headed by the Adviser to His Majesty the Sultan. Its members include – in their official capacity – the Minister of Higher Education (Deputy Chairperson), the Minister of Health, the Minister of Oil and Gas, the Minister of Social Development, the Minister of Education, the Secretary-General of the Ministry of National Economy, the Presidents of the Oman Chamber of Commerce and Industry, Sultan Qaboos University, Sohar University, Nizwa University and Dhofar University and the Director of Knowledge Oasis Muscat (KOM). A number of other Council members, with particular areas of experience and/or wisdom, are recruited in a personal capacity.

The Economic Co-ordination Council

This government council was set up under Royal Decree No. 94/99, issued on 22nd November 1999. It examines and considers all economic issues, including any problems that may be adversely affecting economic development, particularly with regard to the private sector and proposes methods of stimulating the national economy. It is led by the Minister of the Diwan of Royal Court.

The Civil Service Council

The Civil Service Council - headed by the Minister of the Diwan of the Royal Court - draws up the general policy for the Civil Service and considers related decisions, laws and procedures, especially those aimed at increasing Omanisation levels and improving the performance of the state's administrative apparatus.

The Higher Education Council

The Minister of the Diwan of the Royal Court also heads the Higher Education Council, established by Royal Decree No. 65/98 on 27th September 1998. It has 15 members, including the Minister of Higher Education who acts as its Deputy Chairperson. The Council sets out the general policies for higher education and scientific research in Oman's universities and higher institutes of learning, and endeavours to ensure that they are in line with the country's needs and its cultural, social, economic and scientific goals. It regulates student intake at the country's universities and higher institutes, reviews draft laws on higher education and examines and proposes amendments to laws and regulations in this field in the light of developments. Annual reports are submitted to the Council of Ministers.

The Supreme Committee for Town Planning

The Supreme Committee for Town Planning was set up in 1985 and restructured under Royal Decree No. 123/2007 on 9th December 2007. Chaired by the Minister of National Economy, it is responsible for drawing up general town planning policies within the context of the Sultanate's development plans. It monitors the implementation of approved planning programmes and sets out the principles for valuing land expropriated by the government under the law for the construction of public utilities.

Sultan Qaboos University (SQU) Council

Sultan Qaboos University (SQU) Council seeks to maintain and improve the standards of university education and ensure the greatest possible degree of co-ordination between SQU course disciplines, graduates, and the needs of the national development plan. It is headed by the Minister of Higher Education. Royal Decree No. 71/2006, which promulgated the Sultan Qaboos University Law and approved its organisational structure, was issued on 2nd July 2006.

The Tender Board

The Tender Board was established on 30th April 1973 and operates under the Tender Law and Regulations promulgated under Royal Decree No. 86/84. The Board is responsible for opening and studying bids for the award of all government tenders with a value in excess of RO250,000, including purchases and the implementation of projects, with the exception of defence contracts. The Board seeks to guarantee the efficient implementation of government projects and the provision of goods and materials to the highest specifications, while ensuring that the best and most efficient possible use is made of public funds. It seeks to manage government tenders in a transparent, credible, fair, objective and professional way. The Board has the authority to monitor the implementation of contracts through to completion and is committed to supporting national industrial products and the country's Omanisation policies. Chaired by the Minister of Transport and Communications, the Board approved 391 tenders in 2007 with a total value of around RO968,909,135. *(Also, see page 173)*

The Capital Market Authority (CMA)

The Capital Market Authority (CMA) was established as part of the restructuring of Muscat Securities Market (MSM) under the Capital Market Law in the Sultanate of Oman, promulgated under Royal Decree No. 80/98 on 9th November 1998. The Minister of Commerce and Industry chairs the CMA's board of directors. The Authority oversees MSM, regulates and monitors the issue and trading of all securities, serving and safeguarding the interests of investors and the national economy. *(Also, see page 181)*

The National Commission for Education, Culture and Science

The National Commission for Education, Culture and Science was set up under Royal Decree No. 5/74, issued on 16th September 1974, and is chaired by the Minister of Education. Its responsibilities include arranging and promoting contacts between the Arab, Islamic and international organisations involved in education, culture and the sciences (UNESCO, ALECSO and ISESCO), and the relevant educational and cultural departments and bodies in the Sultanate. In 2007 the Sultanate provided UNESCO with a grant to support education in Africa. The Sultan Qaboos Prize for Environmental Conservation has been awarded by UNESCO every two years since its establishment in 1989. In 2006 the member states of UNESCO's General Conference unanimously chose the Sultanate to chair the Conference. *(Also, see page 121)*

The Oman Charitable Organisation (OCO)

The Minister of Legal Affairs heads the Oman Charitable Organisation (OCO), which engages in charitable works at home and abroad. It also offers help in coping with accidents and natural disasters that affect individuals or communities. The OCO also supports social welfare projects and programmes for children, orphans, the disabled and the elderly. An example of this was in June 2008 when the OCO sent 210 tonnes of relief items (tents, blankets etc) for earthquake victims to China.

The State Audit Institution

The State Audit Institution was established by Royal Decree No. 95/99, issued on 22nd November 1999, as a financially and administratively independent body to replace the State Audit Secretariat-General. The International Organisation of

Supreme Auditing Institutions (INTOSAI) held its fifth symposium on performance auditing in Muscat on 3rd March 2007 – the first such event to be held in an Arab city. Some 28 states attended.

The Public Authority for Craft Industries (PACI)

The Public Authority for Craft Industries (PACI) was established under Royal Decree No. 24/2003 on 3rd March 2003 as an independent legal entity under the supervision of the Diwan of the Royal Court. It aims to promote Oman's thriving traditional craft heritage, thereby ensuring that the old skills, perfected by former generations, survive as well as providing employment for new generations of craftspeople. In October 2008 craftspeople were given two Royal Grants. Sheikha Aisha bint Khalfan bin Jamayel al Siyabiyah – the first Omani woman to hold ministerial rank – is the Chairperson of PACI. *(Also see page 164)*

The National Information Technology (IT) Committee

The National Information Technology (IT) Committee was set up to oversee the development of the Sultanate's IT sector and promote its benefits following a decision by the Council of Ministers in 1998. It is chaired by the Minister of National Economy and Deputy Chairman of the Financial Affairs and Energy Resources Council. The Committee has set up a technical working group as well as a technical secretariat at the Ministry of National Economy. The National IT Strategy was launched on 7th May 2003 and Knowledge Oasis Muscat (KOM) an information technology park, which plays a pivotal role in Oman's IT sector, was opened at Al Rusayl Industrial Estate in September the same year. *(See page 165)*

The Information Technology Authority (ITA)

The Information Technology Authority (ITA), established under Royal Decree No. 52/2006 on 31st May 2006, comes under the jurisdiction of the Ministry of National Economy. It is a financially and administratively independent legal entity. *(Also, see page 195)*

The Accreditation Council

The Accreditation Council researches the requirements and criteria for accrediting higher education institutions and their programmes. It also sets out the principles for accreditation within the context of the Higher Education Council's policies and lays down the procedures for evaluating the performance of the higher education institutions. The 10-member council was originally set up under Royal Decree No. 74/2001, issued on 27th June 2001, to complement the work of the Higher Education Council but restructured under the terms of Royal Decree No. 32/2002, issued on 27th March 2002.

The Oman Medical Speciality Board (OMSB)

The Oman Medical Speciality Board (OMSB) is responsible for training doctors in specialist medical fields in the Sultanate's hospitals in line with the latest scientific advances in the field of healthcare. It was established by Royal Decree No. 31/2006, issued on 2nd April 2006. In September 2008 it launched the website of the Oman Medical Journal – www.omjournal.org

Telecommunications Regulatory Authority (TRA)

The TRA, established by Royal Decree No. 30/2002, issued on 12th March 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 enter and contribute to this vital sector.

National Documents and Archives Authority

Established by Royal Decree No. 60/2007 on 2nd July 2007, the Authority organises and manages documents and archives. It is affiliated to the Council of Ministers and enjoys legal personality and administrative and financial independence. The Minister of Heritage and Culture has been appointed to supervise the Authority for a foundation period not exceeding four years. (*Also, see page 162*)

OMANI SHURA (CONSULTATION)

Along with his personal commitment to change and development, Sultan Qaboos made clear on his accession to power in 1970, that all Omani citizens would be required to play a full and active role in shaping their country. It was clear the people would be forced to adjust to the rapid changes taking place around them to forge a better and more prosperous society, with access to education, healthcare and employment opportunities. From the beginning His Majesty believed it was vital that the people should work closely with the government 'like the different organs in a single body'.

In the first year of the development process Sultan Qaboos spoke of the goal of 'establishing just democratic governance in our country within the context of our Omani reality and in accordance with the traditions and customs of our society'. From that time onwards, public participation began to be established in a variety of areas and Oman's consultative institutions began to evolve. It was designed to be a gradual process guided by the Sultanate's own domestic circumstances which would not be dependent upon imported models, a distinctly Omani enterprise 'in the field of democratic action in which the people play their part in formulating national decisions'.

From the establishment of the State Consultative Council in 1981 to the creation of the Consultation Council (Majlis A'Shura) in 1991, the State Council (Majlis A'Dawla) and the Council of Oman (Majlis Oman) in 1997 (as laid down in the Basic Law of the State promulgated in November 1996), the consultative process has been inspired by Oman's traditions and the close social cohesion that exists between the members of the Omani community; yet at the same time it has adopted the best features of the modern age.

While the Sultanate's parliamentary regulations define the specific functions and responsibilities of the different consultative institutions (the State Council, the Majlis A'Shura and the Council of Oman, which comprises the State Council and Majlis A'Shura), Sultan Qaboos has sought to ensure that the maximum possible degree of co-ordination and integration exists between them, as well as between them and other state institutions, as they mobilise their energy and potential to work side by side in the interests of the country and its people.

The Council of Oman (Majlis Oman)

Article 58 of the Basic Law of the State, promulgated in 1996, states that the Council of Oman (Majlis Oman) consists of the State Council (Majlis A'Dawla) and the Consultation Council (Majlis A'Shura), and that its members comprise the members of the two councils. The Council of Oman has no direct legislative powers; its function is purely advisory, though it can submit legislative proposals to the government. It meets at the invitation of His Majesty to study and discuss matters

raised by him. Decisions are taken by majority vote.

Sultan Qaboos opens the Council of Oman's annual session - which marks the beginning of the annual sessions of the State Council and the Majlis A'Shura - with a wide-ranging speech that identifies the course and priorities for national action and sets out guidelines for the state's institutions.

In his speech in November 2007, marking the start of the Council of Oman's and the State Council's fourth terms and the Majlis A'Shura's sixth term (2008-2011), His Majesty described the development and future prospects of Oman's consultation process - particularly with regard to the Council of Oman and the Majlis A'Shura. He spoke of the need for closer contacts between the government and the Council of Oman and hailed the public's enthusiastic response in exercising their right to vote in the elections for the Majlis A'Shura's sixth term in October 2007.

His Majesty noted that 'Oman's eventful years of experience in the practice of Shura have succeeded in establishing the concepts of joint action and mutual co-operation between the country's citizens and the state's administrative institutions.' He noted that 'the Council of Oman in general, and the Majlis A'Shura in particular,' would take on 'wider responsibilities in the fields of economic and social development.'

'Accordingly, we shall urge our government to raise and intensify its contacts with the Council of Oman so that it can carry out its duties and tasks in the best possible manner.'

The State Council (Majlis A'Dawla)

The State Council (Majlis A'Dawla) established in 1997 in implementation of the provisions of the Basic Law of the State, carries out in-depth studies of the topics put before it, including draft laws, before steps are taken to promulgate them. It is a financially and administratively independent legal entity based in the Governorate of Muscat.

The State Council contributes to economic and social development and works diligently for closer co-operation between the government and the public.

The State Council and the Council of Ministers co-ordinate their activities through the Ministerial Co-ordinating Committee and the State Council Office (an executive organ elected from within the Majlis). An annual meeting is attended by all members of the Council of Ministers, the State Council and the Majlis A'Shura, offering further opportunity for joint action, co-ordination and mutual understanding between the three councils.

Membership of the State Council

The State Council's members include former ministers, undersecretaries, ambassadors, judges, senior officers and others of equivalent rank, as well as leading men of science and culture with expertise in specific fields. A Royal Decree appoints the Chairman and members of the Council and - under the Law - the number of its members must not exceed the number of members of the Consultation Council (Majlis A'Shura). At the beginning of its fourth term (2008-2011) the State Council had 70 members, including 14 women, appointed by Royal Decree No. 107/2007, issued on 4th November 2007. During 2008 the membership was increased to 72.

Members of the State Council must be nationals of Omani origin as defined by the Law, not less than 40 years of age and of good social standing and reputation. With the exception of people with recognized expertise in the fields of science, literature or culture, or university professors, it is not permitted to combine membership of the State Council with either membership of the Majlis A'Shura or public office.

Membership of the State Council is for a period of four years and is renewable.



State Council sessions and prerogatives

The State Council has an annual session of not less than eight months in duration, beginning from the inauguration of the Council of Oman (Majlis Oman). The Council Office determines the number of sittings although the Council Chairman is empowered to summon extraordinary sittings if required.

The State Council enjoys a range of powers, including the authority to review draft laws before promulgation, with the exception of those laws the public interest requires should be submitted directly to His Majesty. It also oversees the smooth running of development plans, encourages investment and aims to improve the performance of administrative departments.

The Council studies and comments on topics referred by His Majesty or the Council of Ministers, and its chairman submits an annual report to Sultan Qaboos on the Council's activities.

The State Council's studies cover the economic and social aspects of the development and matters relevant to the daily lives of Oman's citizens, include retirement pensions, technical education, practical training and the demands of the Sultanate's labour market.

The State Council Chairman visited the People's Republic of China in September 2007 and represented His Majesty at the Organisation of Islamic Conference's 11th summit in Senegal in March 2008.

The Consultation Council (Majlis A'Shura)

After the State Consultative Council – Oman's first consultative institution – had been in operation for ten years (1981-1991), His Majesty inaugurated the Consultation Council (Majlis A'Shura) in December 1991 as 'a solid building block

The Majlis A'Dawla acts as a link between the government and the people



The Consultation Council/ Majlis A'Shura is an elected consultative institution comprised of elected representatives

in the construction of an institution-based state'. Over the years the Majlis has developed and streamlined its organisation, performance and prerogatives in line with the steady development of Oman's other institutions.

The Majlis A'Shura's members represent the Sultanate's wilayats and are elected in general and direct elections in which Omani women play a full role in terms of voting as well as standing as candidates on an equal footing with men. Omani women were the first in the Arab Gulf Co-operation Council (AGCC) states to enjoy equal status in this regard; their membership of the Majlis A'Shura dates from 1994.

In the elections for the Majlis A'Shura's sixth term (2008-2011) on 27th October 2007 no women were elected, although there were 21 women candidates among the 631 who stood for the 84 seats in Oman's 61 wilayats. Of those wilayats, the 23 with a population of 30,000 or more returned two members each, while the remaining 38 – with populations of less than 30,000 – returned one member; 40 of those elected were taking up their seats for the first time

As well as being transparent and well organised, the elections for the Majlis A'Shura's sixth term were supervised by the judiciary and every stage was transmitted live on radio and television. The high turnout included a large number of Omanis resident abroad, as well as the visible participation of women.

Greater co-ordination and integration

His Majesty the Sultan noted: 'We expect the Council of Oman in general, and the Majlis A'Shura in particular, to take on wider responsibilities in the fields of economic and social development. In doing so, we hope that the experience gained will provide an impetus for further beneficial and constructive action in serving this dear nation . . . Accordingly, we shall urge our government to raise and intensify

its contacts with the Council of Oman so that it can carry out its duties in the best possible manner.'

Sultan Qaboos has frequently called for a greater degree of co-ordination, integration and joint action between the Majlis, the Council of Ministers and the state's administrative departments and there are now strong indications the Majlis A'Shura will become more broadly engaged in the country's economic and social development.

According to the Law, Oman's Majlis A'Shura is a financially and administratively independent legal entity based in the Governorate of Muscat. Its Chairman was appointed by Royal Decree No. 88/2007, issued on 9th September 2007.

Membership of the Consultation Council (Majlis A'Shura)

The members of the Consultation Council (Majlis A'Shura) represent the Sultanate's wilayats and are elected by the public in general elections. For each Majlis term a decision issued by the Minister of the Interior classifies the wilayats on the basis of their populations to determine the number of members to represent them. Those elected to office are the candidates who receive the greatest number of votes, according to the official election results.

Citizens –male and female – have the right to stand as candidates for the Council provided that they are nationals of Omani origin as defined by law. Candidates must be not less than 30 years old and of good social standing and reputation in their wilayats. They must not have been convicted of a criminal offence, indecency or dishonesty unless they have been rehabilitated, and they must have a reasonable standard of education and appropriate practical experience. Membership of the Majlis A'Shura is for four years and renewable if the member is re-elected. A member may not combine membership of the Majlis A'Shura with membership of the State Council or public office. The Majlis A'Shura's term is also four years, beginning from the date on which the official results of the general elections are announced and ending on 30th September of its fourth year. The Council's sixth term ends on 30th September 2011.

The Consultation Council (Majlis A'Shura)'s sessions and prerogatives

The Consultation Council (Majlis A'Shura) functions through the exercise of its powers and prerogatives, which are constantly being expanded as a result of the amendments to the State Council and Majlis A'Shura regulations, originally promulgated under Royal Decree No. 86/97. The most significant of these amendments were in Royal Decrees Nos. 74/2002 and 2/2007, and in the amendments to the Majlis's internal regulations promulgated in Royal Decree No. 71/2004. The Majlis plays an increasingly active role in preparing development plans and monitoring their implementation. The Majlis sessions have been extended to run for at least eight months a year. The Majlis Office (an organ elected from within the Majlis membership) sets the timetable and agenda for the Council's ordinary sittings although the Chairman – who has two deputies elected from the Majlis membership – is empowered to summon extraordinary sittings.

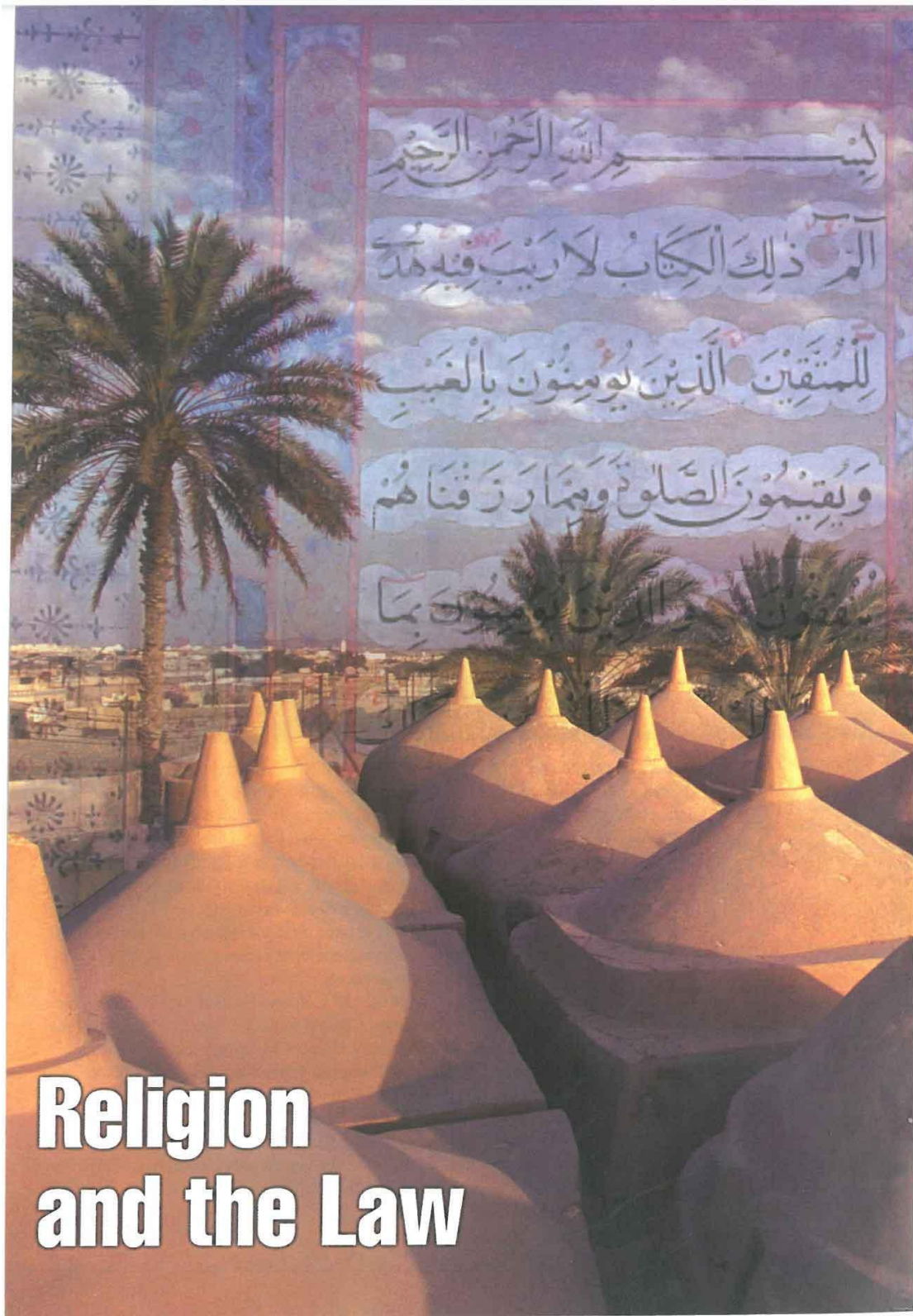
The Majlis' standing committees are: the Legal Committee, the Economic Committee, the Health and Social Affairs Committee, the Education and Culture Committee, and the Services and Local Community Development Committee. Special ad hoc committees are also formed from time to time, with responsibility for specific sectors such as tourism and national manpower. The Council enjoys a range of powers that enable it to work for greater public participation in the decision-making process and strengthen its contacts with the Council of Ministers and other state bodies. The Majlis exercises its functions in a variety of different ways. It



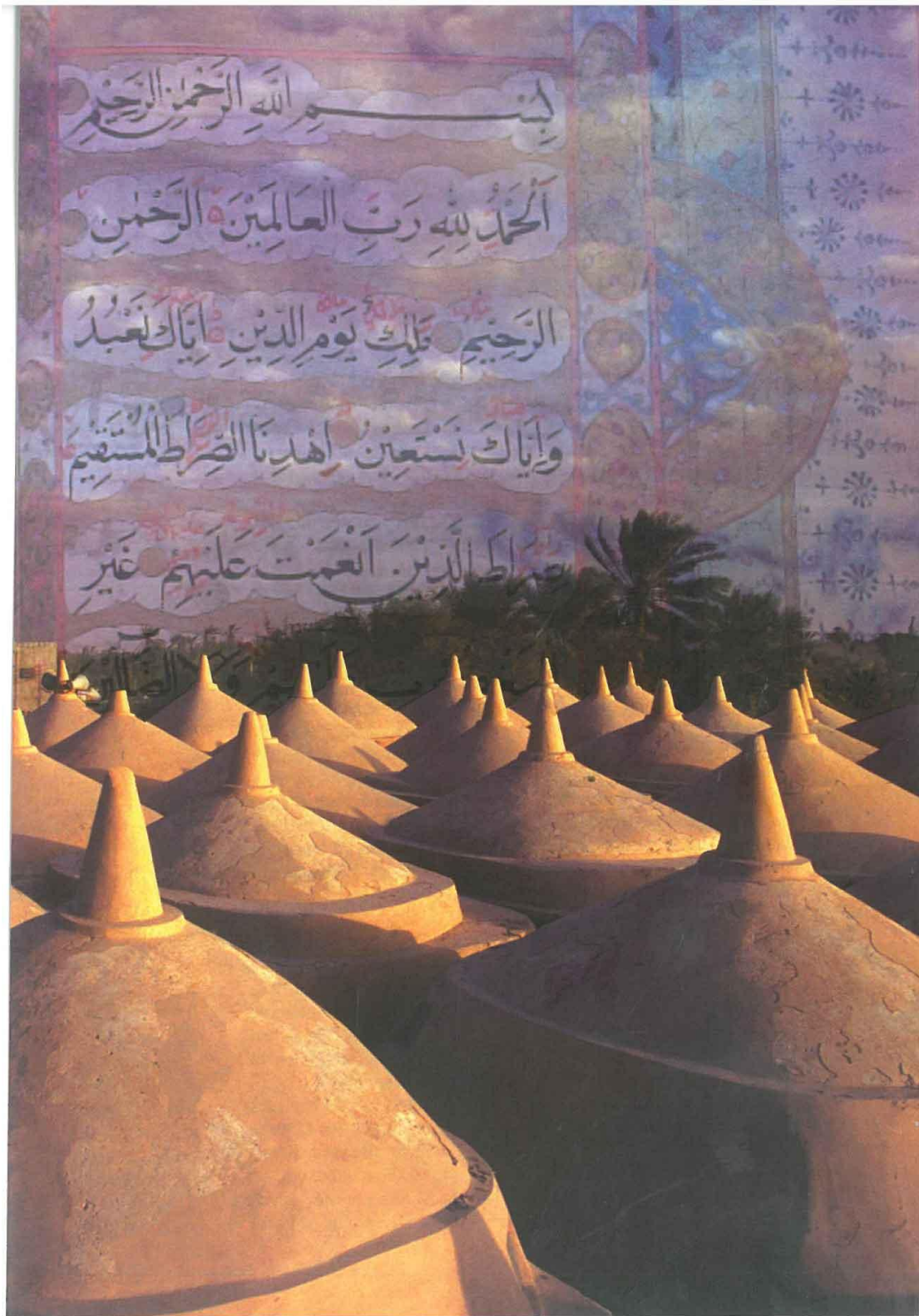
Ladies enthusiastically vote at the Majlis A'Shura Elections. Women have been members since 1994

raises questions and requests debates with ministers on matters of public interest, considers requests and proposals from members of the general public on issues of general concern, and monitors the implementation of the Development Plan. These discussions, which are published in the media, provide citizens with the opportunity to observe the progress of their country's development in different fields. The Majlis studies a wide range of subjects that are directly relevant to the daily lives of the Omani people. In addition to devoting considerable effort to shaping the requirements of future development plans, recently these have included inflation, the high price of consumer goods and building materials, and the draft Income Tax and Food Safety Laws referred to the Majlis by the government.

In March 2008 the Majlis attended the 13th Conference of the Arab Parliamentary Union and the 50th session of the Union Council in Arbil, Iraq. In March 2009 the Sultanate will host the Arab Parliamentary Union's 14th Conference and the Union Council's 52nd session in Muscat. A European Parliament delegation visited the Sultanate in March 2008 for discussions with the Majlis A'Shura with the aim of bolstering and developing bilateral relations. The Majlis also attends events, activities and meetings of Islamic and international parliamentary unions and exchanges visits with parliamentary and consultative bodies in other countries. There are parliamentary friendship groups between the Majlis and numerous Gulf, Arab and regional parliamentary bodies.



Religion and the Law



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الْحَمْدُ لِلَّهِ رَبِّ الْعَالَمِينَ الرَّحْمَنِ

الرَّحِيمِ تِلْكَ يَوْمَ الَّذِينَ إِيَّاكَ نَعْبُدُ

وَإِيَّاكَ نَسْتَعِينُ اهْدِنَا الصِّرَاطَ الْمُسْتَقِيمَ

صِرَاطَ الَّذِينَ أَنْعَمْتَ عَلَيْهِمْ غَيْرِ

RELIGION AND THE LAW

The Omanis have been significant contributors to human civilization throughout their history and have sought to develop good relations with people across the globe. The Omani character, along with the influences of heritage and traditions, is based on a spirit of tolerance and a willingness to accept and respect other people and their beliefs.

Religious tolerance is a distinctive feature of the Omani character, which totally rejects fanaticism and extremism, while the Basic Law of the State guarantees personal freedoms, including the legal right to practise one's religion.

Article 28 of the Basic Law of the State affirms that 'the freedom to practise religious rites in accordance with established custom is guaranteed, provided that it does not infringe on public order or decency.' This freedom is further supported by Oman's Personal Status Law.

There are several houses of worship in the Sultanate where non Muslims – Christians, Hindus and others - can practise their religion in freedom and safety.

Inspired by this enlightened vision, which reflects the essence of Omani society, the Ministry of Awqaf and Religious Affairs has initiated a number of activities aimed at promoting a proper understanding of Islam while safeguarding Oman's traditions and heritage.

In view of the challenges facing Arab and Islamic states in these often troubled times, it is essential that the true religion of Islam, which rejects immoderation and extremism be more clearly understood.

The Sultan Qaboos Centre for Islamic Culture, which is attached to the Sultan Qaboos Grand Mosque in Muscat, plays a vital role in promoting cultural contacts and dialogue with other societies and helping familiarise them with the civilization and teachings of Islam. It hosts lectures by scholars, intellectuals and academics from around the world and regularly holds seminars and symposiums.

The Ministry of Awqaf and Religious Affairs staged a seminar entitled 'Legislation and renewal in contemporary Islamic *fiqh* (jurisprudence)' from 5th to 8th April 2008 as part of a series of seminars on the 'The development of *fiqh* sciences in Oman.' Preparations for the series – which aims to study and revive the Islamic *fiqh* heritage and devise a more flexible and realistic *fiqh* culture - began some years ago. The Omani government also promotes dialogue and the study of Arab and Islamic culture in prominent universities around the world including Harvard in the US, Britain's Oxford and Cambridge Universities, Melbourne in Australia, China's Beijing University, and Jordan's Aal al Bayt as well as other academic institutions.

The Sultan Qaboos Cultural Centre in Washington organises cultural events and takes part in exhibitions in the United States to help foster greater understanding between the Omani and American peoples. In 2007 the Centre sponsored 'The Indian Ocean: from Muscat to the Spice Islands' exhibition, which formed part of a wider exposition staged by the Smithsonian group of galleries. The Sultan Qaboos Cultural Centre also plans to take part in the Arab folklore performances in the US capital early in 2009, along with several other Arab countries.

Responsibility for building and maintaining the Sultanate's 13,950 mosques falls within the remit of the Ministry. However, in September 2008 His Majesty ordered two Royal Grants: one, worth RO12 million, will be allocated for the renovation of mosques in the Sultanate. Another, worth RO31 million, will be allocated for the purchase of two buildings to replace the Al Rabat houses which were affected by the expansion projects in the Holy City of Mecca. The Al Rabat

On 21st May 2008, two royal decrees were issued dealing with the imposition of emergency law and general mobilisation. Royal Decree No. 75/2008 outlines steps that might be taken should there be any threat to security or public order in the Sultanate, resulting from war, threat of war, general disaster, epidemic or disease. Meanwhile, Royal Decree No. 76/2008, known as the general mobilisation law, summarises measures that could be invoked following an increase in international tensions or in the unlikely event that the outbreak of war appears imminent.

The judicial system

With the judicial system's legal, organisational and administrative structures in place, the focus has turned to the construction and renovation of the regional court complexes and notary-public premises. Several of these are already fully equipped and open and by the end of the current Five-year Plan in 2010 others will be fully functional and the Higher Institute of Jurisprudence will have been set up to train assistant judges.

The Judicial Authority Law classifies the Omani courts according to type and level and defines their functions and jurisdiction. The jurisdiction of military courts is limited to offences committed by members of the armed forces and security forces and does not extend to other categories, as stipulated in Article 62 the Basic Law of the State.

The Judicial Authority Law classifies the Omani courts as follows:

The Supreme Court

The Supreme Court, based in Muscat, is the highest court in the land 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 and on appeals filed before it.

The Supreme Court has a technical office with a number of judges who extrapolate legal principles from the Court's rulings. The office issues collected rulings in classified form, and produces a periodical devoted to judicial matters and legal research, in addition to a series of books of rulings issued by the Supreme Court, together with the principles extrapolated from them.

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 from 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 Ibra – that consider appeals against rulings delivered by the Courts of First Instance.

The Courts of First Instance

The 40 Courts of First Instance in various wilayats across the country are responsible for ruling on civil and commercial cases, requests for arbitration, personal status cases and general, labour, tax, rent and other cases within their jurisdiction, under the terms of the Judicial Authority Law.

The Courts of First Instance consist of several specialised circuits whose rulings are delivered by a single judge. Criminal circuits are set up under the jurisdiction of the Courts of First Instance on the basis of a decision given 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 Diba also have three-judge circuits.

The Civil and Commercial Procedures Law promulgated under Royal Decree No. 29/2002 regulates the work of the different courts, with the exception of the criminal circuits, which come under the remit of the Criminal Procedures Law.

Court employees and notaries-public are trained by the Ministry of Justice, which has lately streamlined the operations of its departments and the courts with the introduction of modern technology.

The Administrative Court

The Administrative Court was set up to rule on administrative disputes. It hears cases filed by civil servants and members of the public against government departments, as well as 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 is headed by the State Advisor for Justice Affairs.

The Attorney General's Office

The Attorney General's (Public Prosecution) Office is responsible for bringing general cases and oversees law enforcement affairs in the different regions. Its powers include the authority to enforce criminal laws, pursue the guilty and implement rulings in accordance with the Law.

In April 2008 the appointment was announced of the first Omani woman as Director of the Public Prosecution Directorate in the wilayat of Barka.

The Public Prosecutor's Office Law, promulgated under Royal Decree No. 92/2001, regulates the work of the Attorney General's Office.

Legal Affairs

Oman's legal system is based on Royal Decrees issued by Sultan Qaboos, which in turn derive their authority from the Basic Law of the State.

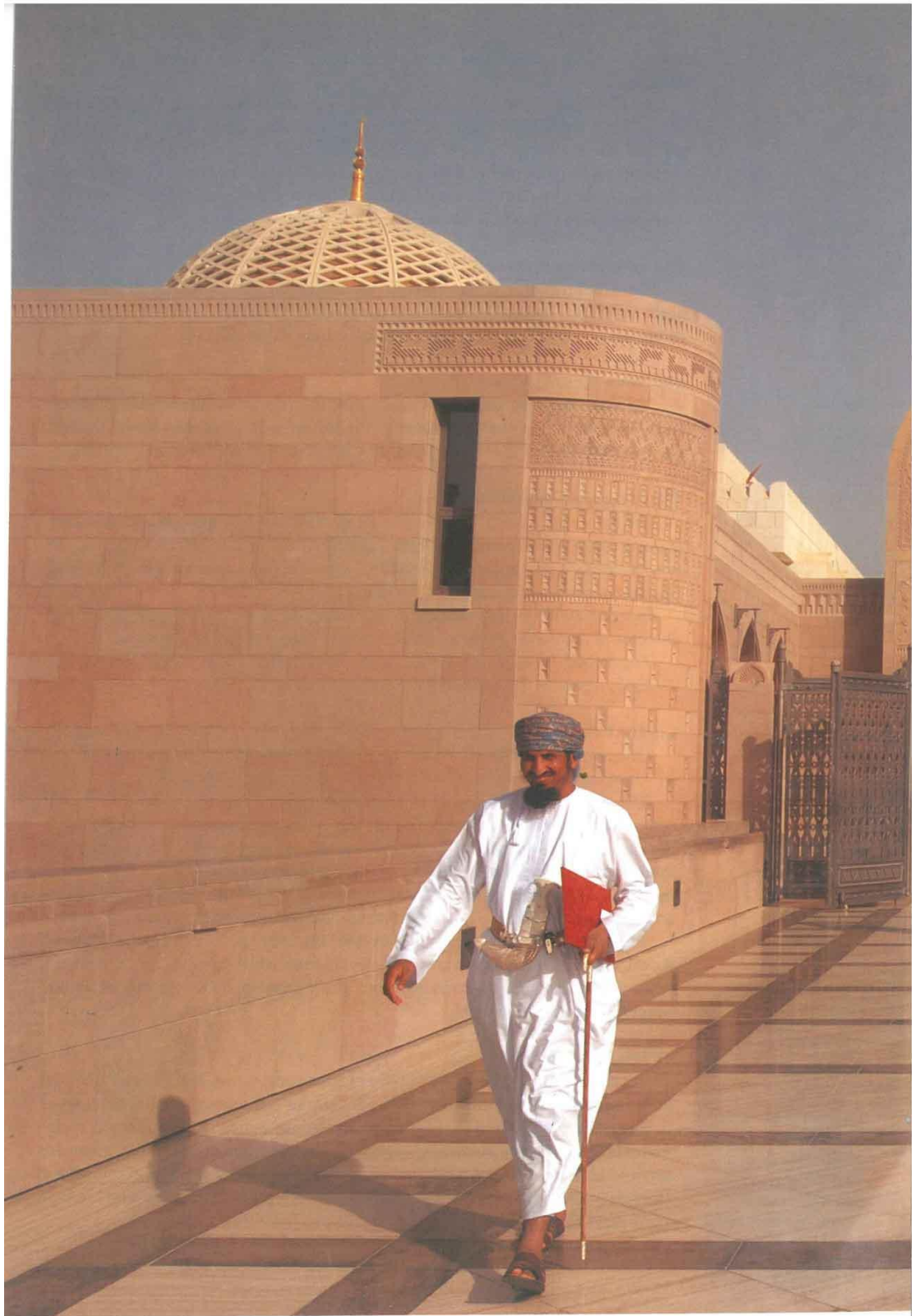
The decrees promulgate laws regulating various aspects of the life of the community, as well as the activities of, and relations between, the different state institutions. The Ministry of Legal Affairs prepares and revises draft laws, other draft decrees, international agreements and contracts in which the government is one of the contracting parties. The Ministry also gives legal opinions and advice on matters put before it by other ministries and administrative departments.

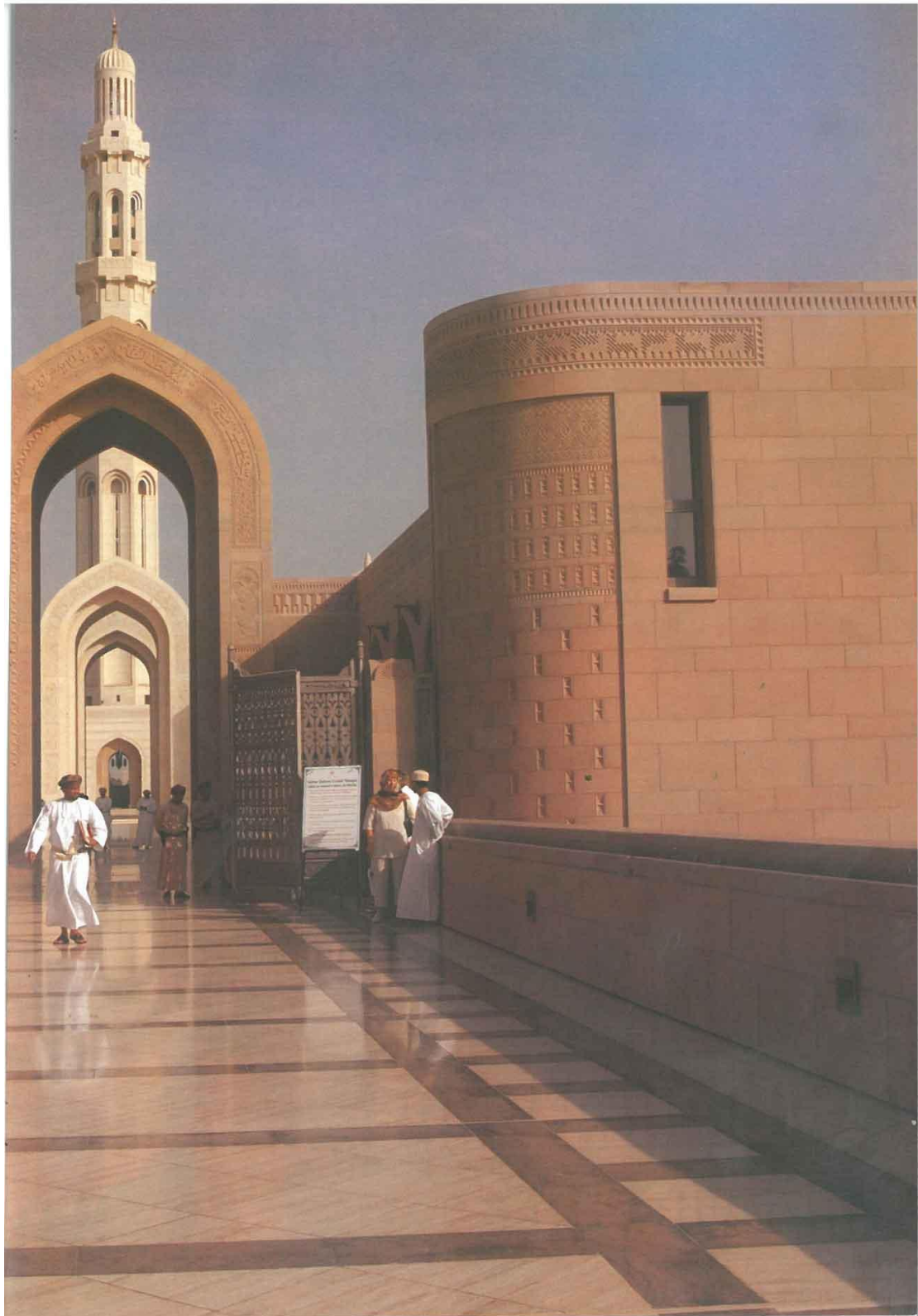
In addition, it gives legal opinions and officially approved interpretations of Royal Decrees, laws, decisions and regulations when circumstances demand, while protecting the government's interests in any disputes arising out of the implementation of contracts.

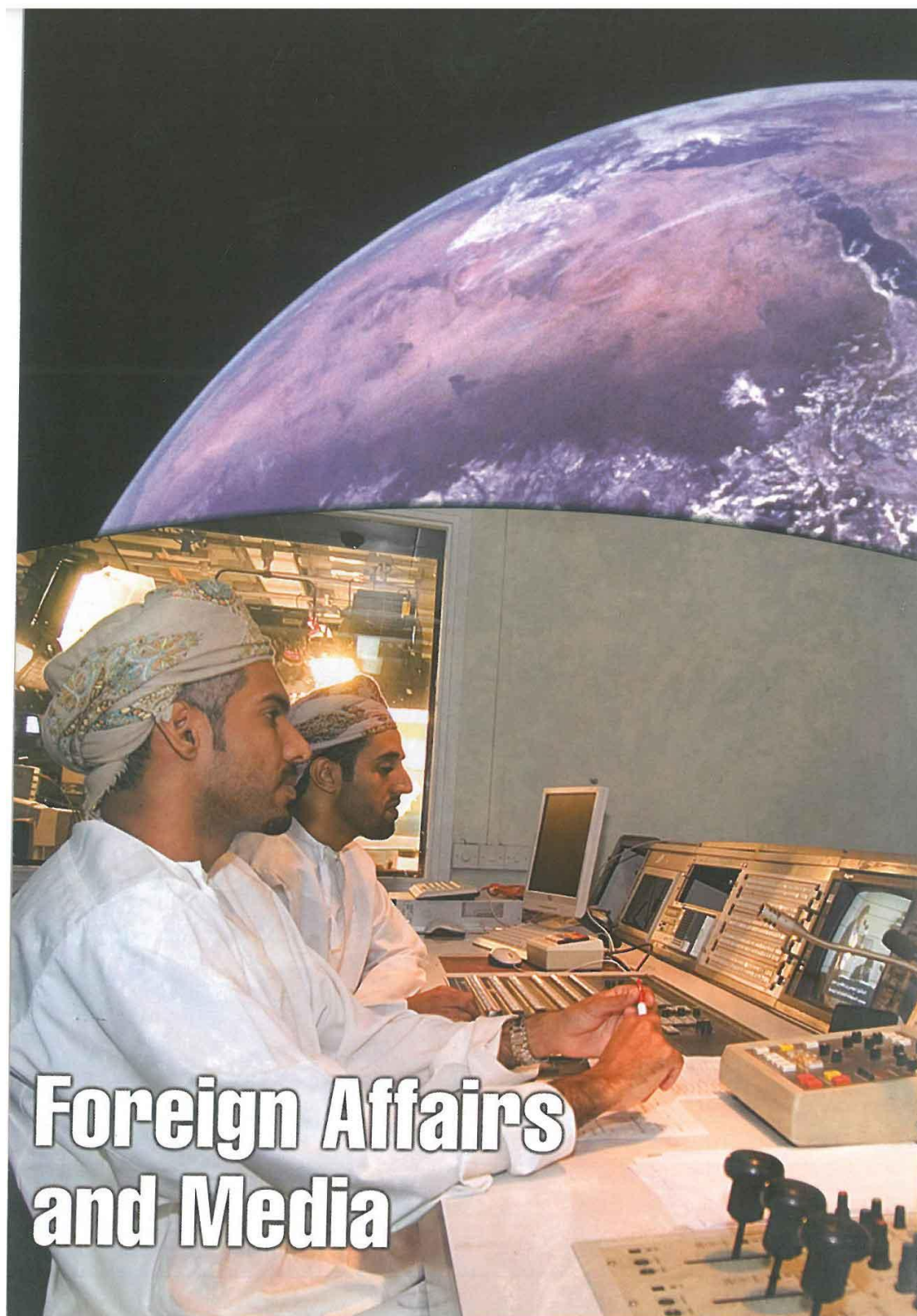
Official Gazette

At the beginning and in the middle of each solar month the Ministry of Legal Affairs publishes the fortnightly 'Official Gazette', containing the official texts of decrees, laws, ministerial decisions and regulations issued in the Sultanate. It also compiles, collates and publishes – annually – bound volumes of statutes, as well as an official legal reference work including opinions derived from legal rulings and interpretations, and issues a guide to Royal Decrees, laws and decisions in both book and CD form.

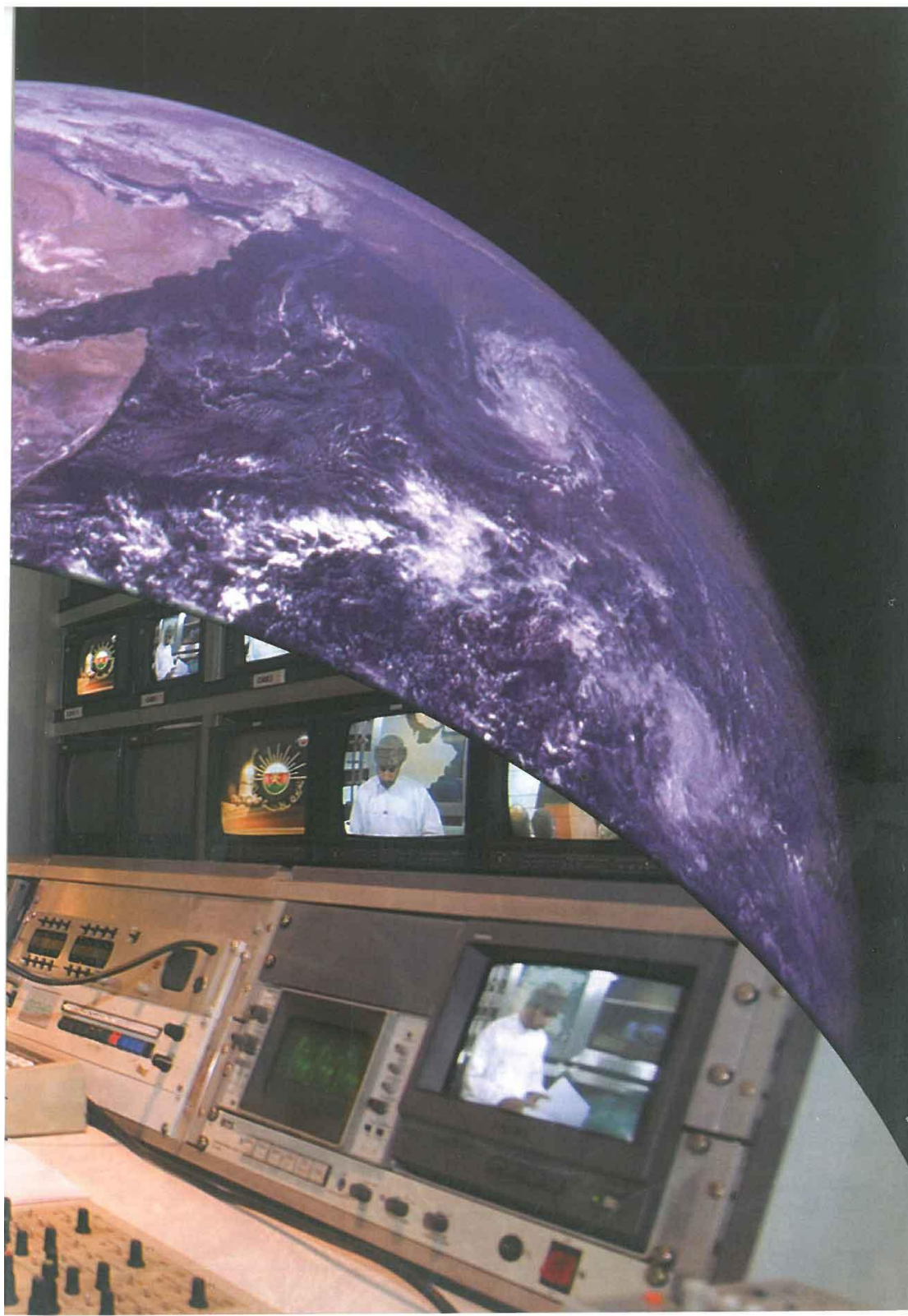
Overleaf: The Omani character is based on a spirit of tolerance and a willingness to accept and respect other people and their beliefs







Foreign Affairs and Media



FOREIGN AFFAIRS

Oman's foreign policy and its relations with other countries around the world are shaped by historical experience; now – as in the past – the focus is on building bridges and creating opportunities for increased bilateral cooperation, whenever and wherever such occasions arise.

The Sultanate's 'Middle Way' method of diplomacy has a long history – one which Sultan Qaboos was happy to revive, develop and fine tune. In his speech at the annual inauguration of the Council of Oman on 6th November 2007, His Majesty noted: 'The essential characteristics of our domestic and foreign policy are clear. We are on the side of comprehensive, sustainable development and growth at home, and friendship, peace, justice, harmony, coexistence, mutual understanding and positive, constructive dialogue abroad. This has been our position from the start. This is our position now and this – God willing – is how we shall remain. We hope that the whole of humanity will enjoy well-being, prosperity, security, stability and co-operation in establishing the scales of truth, rights and justice.'

Since the 1970 accession of Sultan Qaboos, Oman has worked diligently to promote international peace, security and stability and continues to strive for improved relations, closer co-operation and positive dialogue with other nations, in an attempt to contribute to the emergence of a more peaceful, secure and stable world order.

The Sultanate's leadership and candid, straightforward policies are trusted and admired internationally for their consistency. Oman respects international principles, treaties and charters and its credible, unambiguous political stance has helped create conditions for fruitful dialogue between various states and peoples.

The country's measured approach to international diplomacy and the sound policies implemented at home have helped it build strong ties with neighbours in the Gulf, the Arab region and the wider global community.

Omani policy within the Gulf region

Oman enjoys a close and special relationship with its fellow Arab Gulf Cooperation Council (AGCC) states, with which it shares not only common history and interests but also unified hopes and aspirations towards peace, security, stability and prosperity.

At the 28th summit of AGCC leaders in the Qatari capital, Doha, on 3rd and 4th December 2007, Sultan Qaboos declared: 'The Co-operation Council has succeeded in establishing firm foundations for co-operation in several fields. However, we need to strengthen our determination to achieve an even greater degree of progress and prosperity.'

An important move towards increased AGCC cooperation to come out of the 2007 Doha Summit was the launch of the Gulf Common Market on 1st January 2008, a decisive step towards further economic integration of the six states.

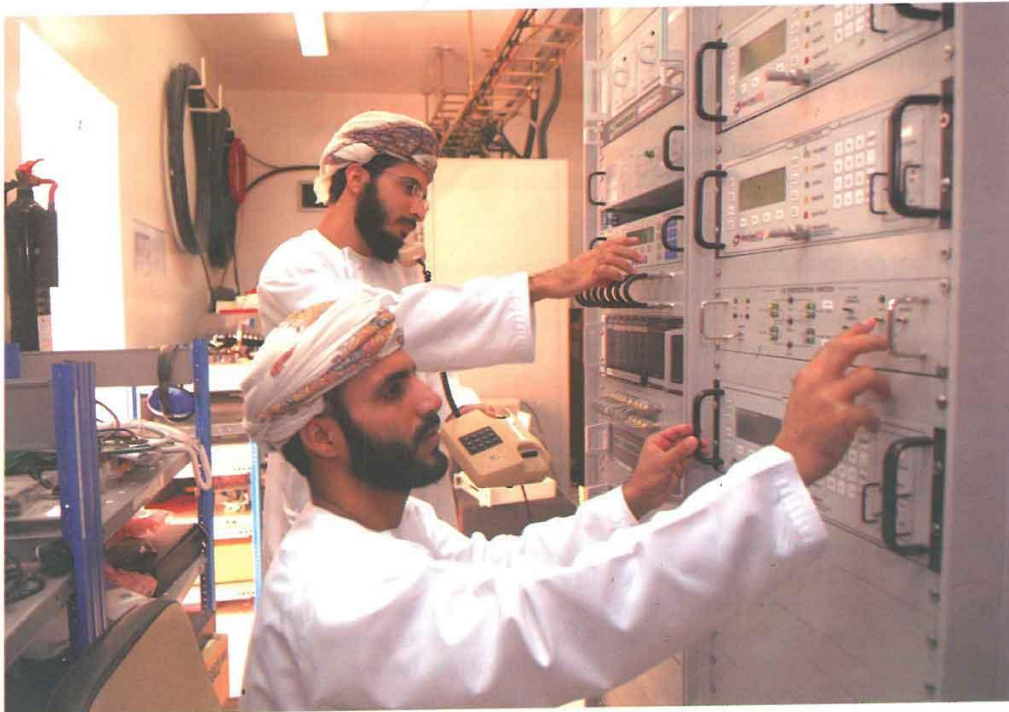
Muscat will host the next Summit – the 29th – at the end of December 2008. The event is expected to be a landmark in the development of the AGCC in meeting the aspirations of its collective people, who are living through uncertain and frequently disturbing times.

The AGCC states have been able to successfully co-ordinate their positions on a variety of Gulf and Arab questions enabling them to reach constructive compromise on a range of issues, despite the fact their views do not always coincide. The Deputy Prime Minister visited Doha to help bolster economic and scientific co-operation with particular focus on gas projects in October 2007 and in May 2008, as well as representing Oman when leaders of the GCC states met in Dammam as part of their 10th consultations summit in May.

In February the United Arab Emirates (UAE) Deputy Prime Minister, Sheikh Hamdan bin Zayed Al Nahyan attended meetings of the Oman-UAE Supreme Joint Committee in Nizwa.

Regional bilateral relations

In addition to maintaining friendly and positive relations with its fellow AGCC states -



The Holy Qur'an programme – FM 93.2 MHz

The Holy Qur'an programme, which began broadcasting in July 2006, attracts a growing audience. It broadcasts from 3 pm to 10 pm from Saturday to Thursday, while on Friday programmes begin at 11 am and run through until 10 pm.

The Holy Qur'an programme's rich variety of subject matter is designed to promote the Islamic religion's concepts of tolerance and moderation. Initially the programme could only be received in the governorate of Muscat and the surrounding areas, but in February 2008 His Majesty issued directives that it should be extended to cover all the Sultanate's governorates and regions. It can be received on the FM band, by satellite or via the internet on www.oman-radio.gov.om/qurn

Sultanate of Oman Radio's English service – FM 90.4 MHz

The English service broadcasts for 18 hours a day on the FM band, providing a useful channel for dialogue between Omani nationals and members of non-Arab communities living in the Sultanate. It presents material on cultural topics and music – including traditional Omani music – as well as programmes on tourism, health, heritage, the sciences and a range of other subjects.

There are co-operation arrangements – including programme exchanges – between Oman Radio and the radio stations of the AGCC states and other Arab states. There are also programme exchange agreements between the English service and broadcasting services in a large number of Asian and European countries.

Radio Awards

Sultanate of Oman Radio continues to work to improve the quality of its output and the performance of its national staff, as well as increasing the proportion of locally produced programmes. In 2007 the station came second in the 'Know Your Country' competition, held by the Arab Broadcasting Union in collaboration with the Arab Union of Hotels and Tourism, for its programme 'Al Siyaahah al Sahrawiyyah fii Saltanat Oman' (Desert Tourism in the Sultanate of Oman). The Youth service won a Best Broadcaster gold award for the programme 'Il'abha Sahh' (Play it Properly), and a silver award for the same programme at the 2007 Tunis Festival. Oman Radio also came third for bilateral programme exchanges between Arab broadcasting services – an indication of the level of its co-operation with other radio stations.

Non-government radio and TV channels

The Law on Private Radio and Television Stations, promulgated in 2004, opened up opportunities for the Omani private sector to own and manage radio and TV transmission channels in the Sultanate. Today there are three privately-owned Omani radio stations broadcasting on the FM band. They are: -

- Radio Wasal, owned by Sabco Media = FM 96.5 MHz
- Radio Hala, owned by the Media Entertainment Network, and broadcasting on FM 102.7 MHz
- Hi FM (English) also owned by the Media Entertainment Network, broadcasting on FM 95.9

Sultanate of Oman Television

Sultanate of Oman TV employs the latest technology to cover events and developments at home and abroad. It was one of the first Arab TV channels to transmit by satellite – starting in the mid-1970s – and today its programmes can be received round the clock, not only in Oman but throughout the world, either by satellite or via the internet. Sultanate of Oman Television has two channels – the First



Ladies play their part in Oman TV. Here in the news room

Programme, which transmits 24 hours a day, and the Second Programme, which is on air from 4pm - 1am.

Sultanate of Oman TV does not only focus on local events. A large proportion of its other material, also locally produced, deals with events and developments in the Gulf, Arab and international arenas. Like Oman Radio it has a network of correspondents in the world's leading capital cities.

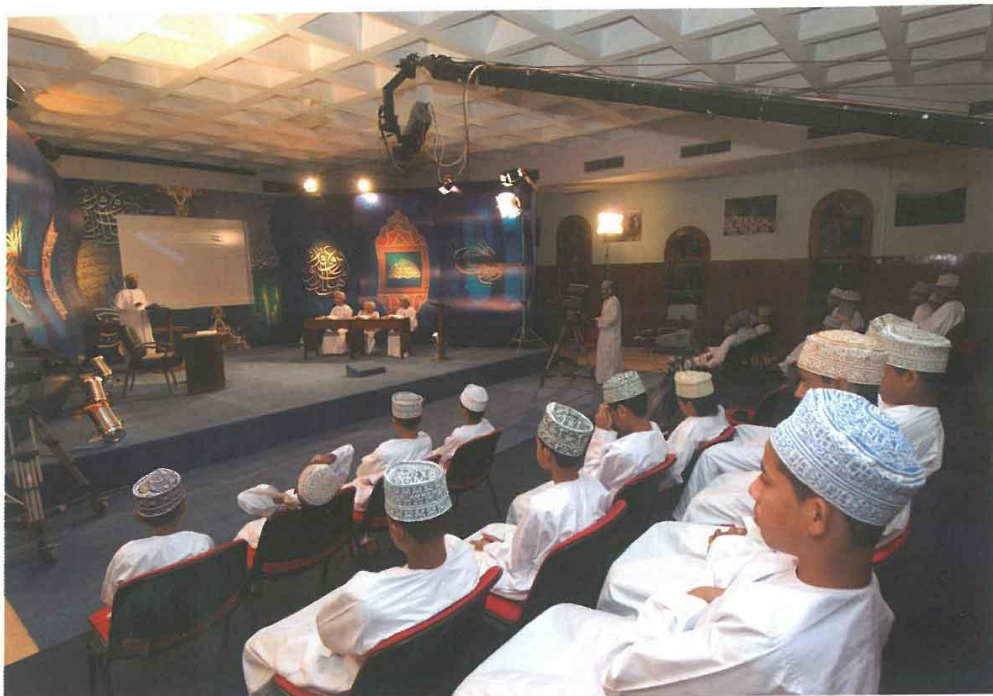
Oman TV transmits seven daily news bulletins, including one in English; an economic bulletin and an hour-long news programme shortly after midnight covering the major news stories of the day. It also produces films on a wide range of largely domestic topics such as Oman's history, culture, tourist attractions and the Shura (consultation) system, as well as life in the desert, mountains and plains. It has also made a film on the aftermath of the exceptionally severe storm (cyclone Gonu) that struck the Sultanate in 2007, one of ten Oman TV produced that year.

All TV programmes are produced by qualified Omanis, trained at home and abroad. In many sections of the radio and television stations the staff is 100% Omani. The production of local programmes is subject to strict quality-control criteria and digital operating systems have been introduced. The TV video library computer has an automatic indexing and search facility and much of the programme production, relay and transmission equipment has recently been updated.

Sultanate of Oman Television's Second Programme

Sultanate of Oman TV launched its Second Programme on 1st November 2006. This service, which broadcasts for nine hours a day – from 4 pm to 1 am – gives priority to programmes for the younger generation, who form the majority of the population. A major aim of this service is to educate and disseminate information





Broadcasting live
- a TV control room
(left) and a 'Recitation
of the Holy Koran'
competition (above)

about the modern world, as well as to stimulate discussion on topics such as Oman's tourist attractions and heritage. In August 2008 full coverage of the Olympic Games in Beijing was broadcast daily.

The Digital Studio Complex

The state-of-the-art digital studio complex currently under construction near the television centre in al Qurm, comprises a large number of digital studios of various sizes and will have a major impact on the country's radio and TV operations. Equipped to produce a full range of programmes, its buildings will cover an area of around 21,000 square metres.

Oman TV Awards

The greater part of Oman TV's output is locally produced and several of its films and other programmes have won prizes at Gulf and Arab festivals. These include the documentary film 'Ardh al Lubaan' (Land of Frankincense), which won a silver award in the documentary films competition at Cairo's Arab Media Festival in 2007. 'Al Tuyoor fii Oman - al Juz' al Thani' (Birds of Oman - Part Two) came top of the documentary films category in the Ayyam Majan Competition, on the sidelines of the 2007 Muscat Festival, winning the Golden Khanjar (Dagger) award.

The Media Creativity Competition

The Ministry of Information attaches great importance to developing the professional skills of Omanis in the media. It provides training courses in the Sultanate (at the Media Training Centre) and abroad, and in 2004 it introduced the Media Creativity Competition to encourage and recognize creative talents and

'Morning Coffee', a
popular local affairs
programme



engender a competitive spirit. For the first three years it was held annually. However, to encourage wider participation and give media personnel more time and opportunity to prepare for the event, in 2007 the Minister of Information issued Ministerial Decision No. 61/2007 that contained a new set of regulations. Under the new system, the competition will be held every two years and the number of fields covered has increased from 29 to 67.

The next Media Creativity Competition will be in 2009 and includes the Press Competition, which is open only to Omani nationals working on newspapers, magazines and in the Oman News Agency (ONA). The competition covers nine fields including stories on news; investigative journalism; interviews, cartoons and photography.

The Radio Competition offers prizes for excellence in 26 fields including directing and development in discussion programmes as well as those featuring variety, sports, cultural issues and society; scriptwriting, acting, music and sound effects also fall into this category.

The TV Competition is broader still, covering 32 fields, including programmes on a wide variety of topics for adults and children. The TV competition singles out excellence in directing, development, screenwriting, acting, camera and sound work, sports commentating and news reporting and again, is open only to Omani citizens.

The Omani press

The Omani press, which is not subject to censorship, comes under the Law on Printed Matter and Publications, amended by Royal Decree No. 87/2004, issued on 3rd August 2004. Most of the press is owned by the Omani private sector, which is significant in enabling citizens to enjoy the freedoms guaranteed by the Basic Law of

The Second Programme carries sports news and programmes for the younger generation

houses cater to the needs of Omanis visiting the Holy City.

The Ministry also sponsors and organises welfare services for Omani pilgrims during the Hajj season and supervises the Qur'an memorisation schools and summer centres in various parts of the country. In addition to setting up an electronic library project, the Ministry publishes the quarterly Islamic magazine '*Al Tasamuh*' (Tolerance).

The Office of His Eminence the Grand Mufti of the Sultanate propagates religious knowledge, issues *fatwas* (religious rulings) and represents the Sultanate at Islamic events and conferences. The Ministry of Awqaf and Religious Affairs oversees the Institute of Sharia Sciences, which trains imams and preachers and awards a bachelor's degree in Sharia Sciences (jurisprudence and preaching). The Ministry invests *Awqaf* (endowments) and *Bait al Mal* (treasury) funds in productive projects and provides facilities for the collection and distribution of *Zakat*.

The Law

The rule and sovereignty of the law and the independence of the judiciary are fundamental principles put in place to safeguard the rights of every Omani citizen. The Sultanate's modern, integrated judicial authority protects the status of the judiciary and upholds its independence; it is structured in a way that enables citizens and residents to exercise their legal rights as determined by the constitution.

The role and neutrality of Oman's judiciary is reinforced by the safeguards contained in the Basic Law of the State which guarantee the rights of individual citizens. An accused person is considered innocent until proven guilty in a legal trial, with all the necessary guarantees put in place to ensure the rights of the defendant are upheld.

No accused person may be subjected to physical or psychological abuse, and there can be no crime or punishment except in accordance with the Law, before which all citizens are equal. These and other safeguards are covered by the provisions of Articles 17 to 27 of the Basic Law of the State.

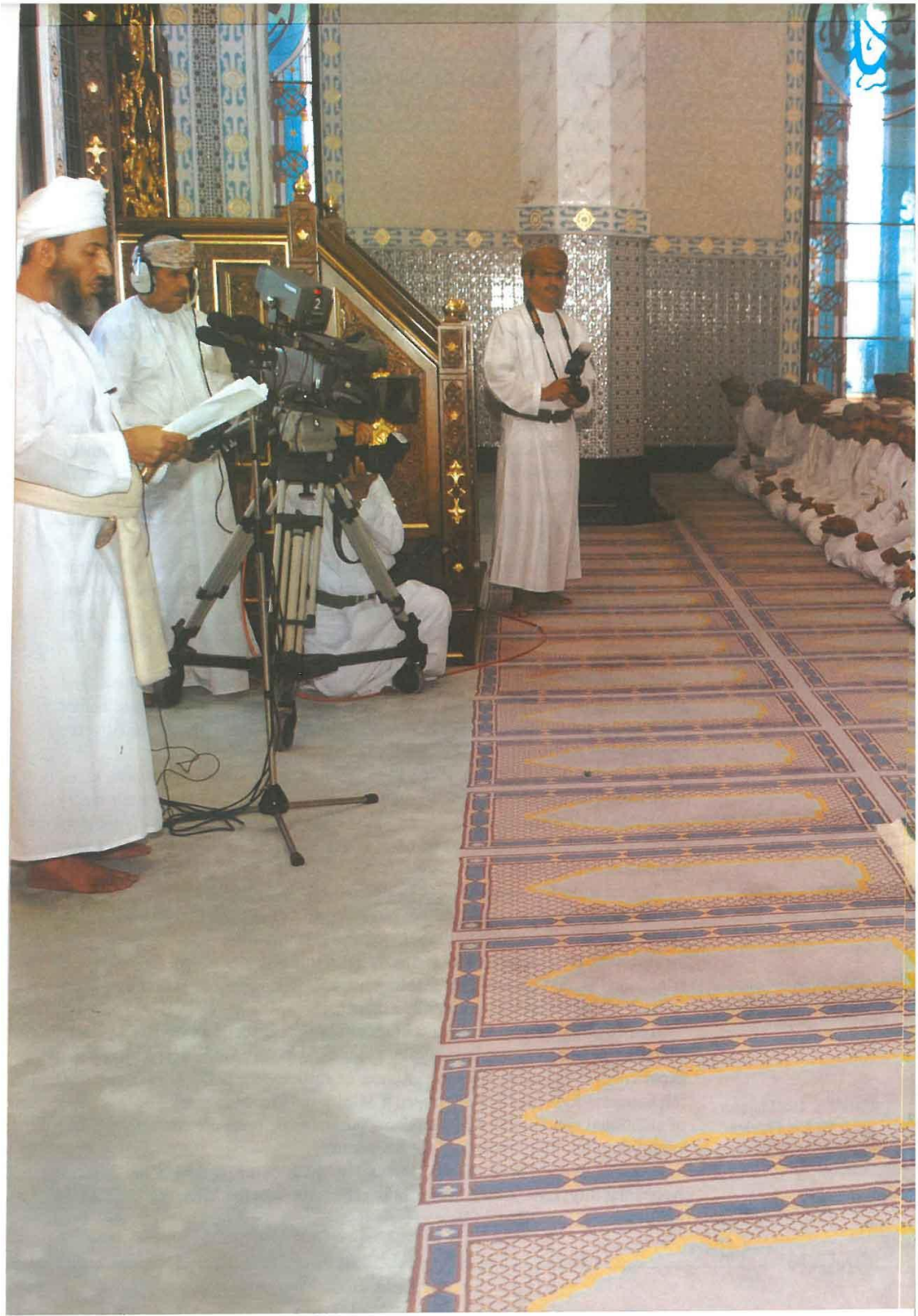
A Supreme Judicial Council has been set up and other steps have been taken to upgrade the judicial sector and make the right to legal recourse more easily accessible to all citizens and residents. These steps include the training of members of the judiciary, the renovation of court complexes and the construction of new complexes and premises.

The Law on Conciliation and Settlement, promulgated under Royal Decree No. 58/2005, made provision for the establishment of conciliation and settlement committees in various parts of the country, thereby providing an additional channel for resolving civil, commercial and personal status disputes within the context of established Omani custom and enabling litigants to reach a settlement by mutual consent without recourse to the full judicial process.

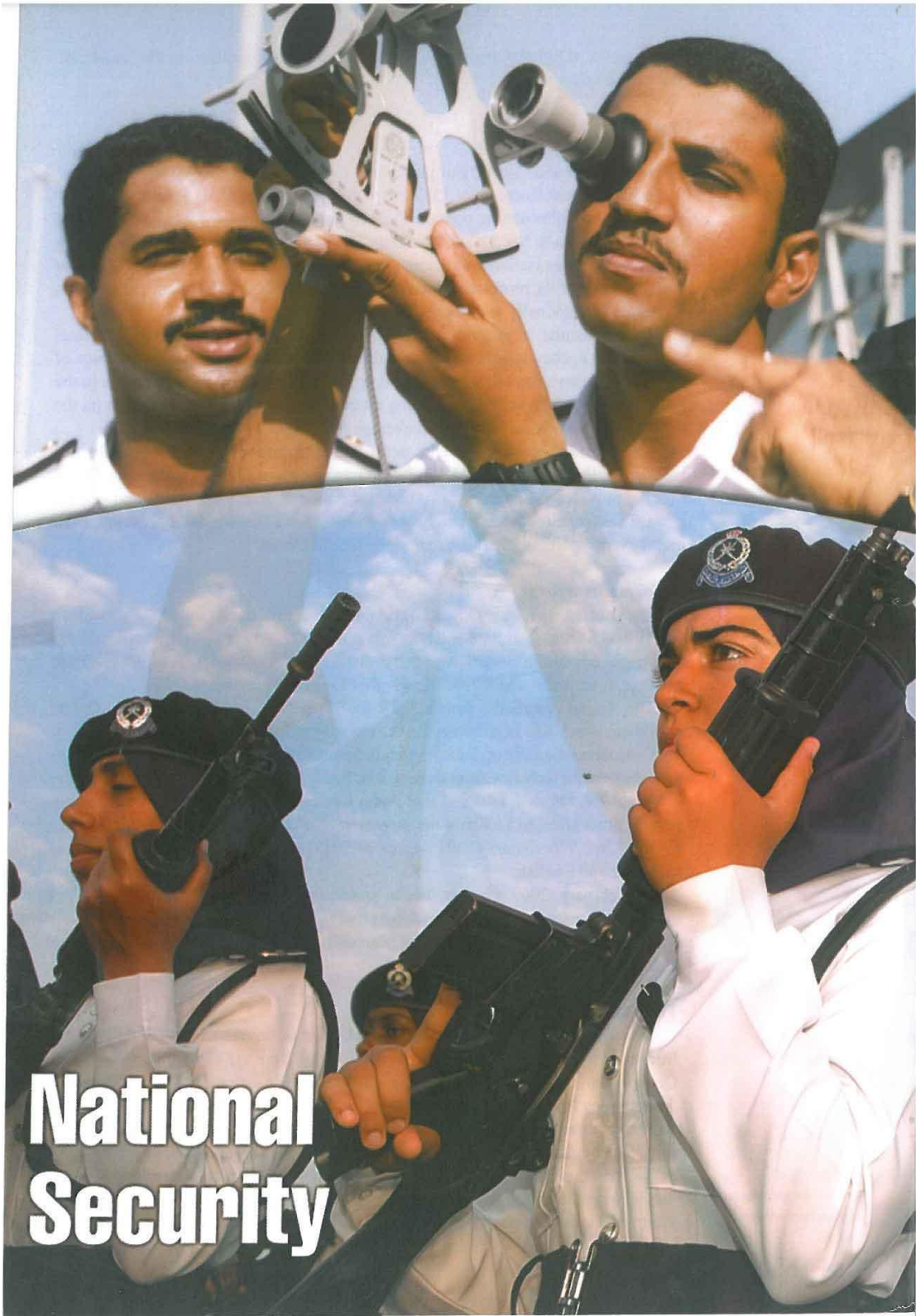
The conciliation and settlement committees have a social as well as a judicial character. Each committee is headed by a judge and includes members with relevant experience. In February 2008 the Minister of Justice, who is Deputy Chairman of the Supreme Judicial Council, issued a Ministerial Decision setting up a number of additional conciliation and settlement committees; there are currently 31 such committees in different areas of the Sultanate.

On 10th March 2008, Royal Decree No. 30/2008 promulgated the Juvenile Accountability Law which came into effect six months after the date of its publication in the Official Gazette.

Overleaf: His Majesty
joins the Eid Prayers
at the A'Zulfa Mosque
in Seeb

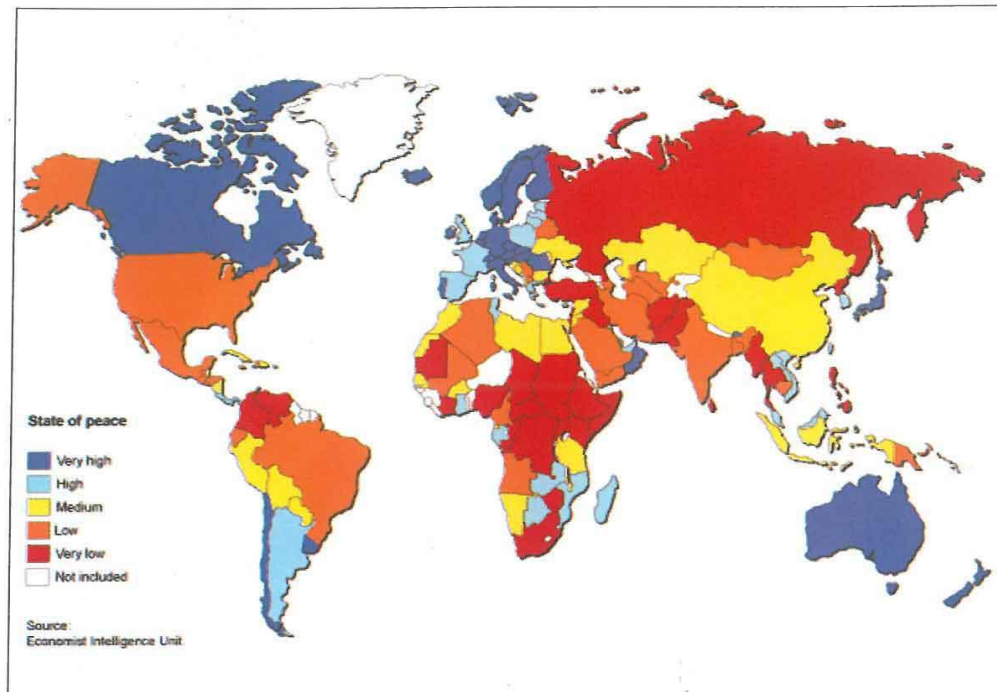






**National
Security**





SECURITY

In a region of recent turbulence, Oman is widely recognized as a country of peace and security much appreciated and enjoyed by tourists and short-term visitors as well as its citizens and residents.

Security is regarded as an essential precondition for national development and the flowering of individual talents and potential. Sultan Qaboos and his government are determined to guarantee the peace and stability on which a secure state is built and maintained, allowing the country and its citizens to achieve their fullest potential.

The Sultan's Armed Forces (SAF), the Royal Guard of Oman (RGO), the Royal Oman Police (ROP) and the other security services play a vital role in safeguarding the Sultanate's security and stability. A study issued in May 2008 by the Intelligence Unit of the London-based British magazine *'The Economist'* classed Oman in its 'Global Peace Index 2008' (GPI) as the most peaceful country in the Middle East and North Africa, and ranking it 25th worldwide.

The Sultan's Armed Forces (SAF)

The Sultan's Armed Forces (SAF) represent a cornerstone of Oman's modern development. The creation and development of the SAF and the Royal Guard of Oman (RGO) play an important role in the defence of the nation and the protection of its achievements.

Oman is widely recognized as a country of peace and security



Training and Exercises are held regularly both inside and outside the Sultanate

In developing SAF and the RGO, the Sultanate focused first and foremost on intensive training rather than an intensive arms programme. Although it sought to make the most efficient and appropriate use of its modern, advanced weapons and equipment, Oman recognizes that a highly trained and proficient body of manpower was its most important asset.

The SAF's three main arms – the Royal Army of Oman (RAO), the Royal Air Force of Oman (RAFO) and the Royal Navy of Oman (RNO) – along with the RGO, form a modern, well-organised and well-equipped fighting force that enjoys a full range of integrated modern weaponry and high-level combat proficiency.

The Sultan's Armed Forces (SAF)'s modern weaponry and equipment includes tanks, armoured personnel carriers, missile systems, armoured cars, advanced fighter aircraft, helicopters, landing craft, warships and gunboats. Its bases are linked by a sophisticated command and control system.

The Royal Army of Oman (RAO)

The Royal Army of Oman (RAO) has a range of fully integrated, high performance weapons, services, administrative and technical units. Its formations and infantry, armoured and artillery brigades, as well as the Sultan of Oman's Parachute and support units, are supplied with firepower control, air defence weaponry and all the support equipment used in modern warfare, including missile launchers and other weapons capable of meeting the demands of joint operations.



The Firqat Forces have been significantly upgraded in areas such as training, organisation, installations, services, utilities and communications. The Medical Services possess state-of-the-art equipment to ensure efficient medical support and battlefield evacuation services as well as advanced medical care for the men of the Sultan's Armed Forces and their families. The Force Medical School (FMS) provides first class training, while the flying doctor's services reach every corner of the country.

RAO has modern weapons – here a G6 self-propelled howitzer on Exercise

The Royal Navy of Oman (RNO)

The Royal Navy of Oman (RNO) fleet boasts a range of advanced weapons capabilities, including gunboats, fast missile boats and support, training, cargo and survey vessels, which can be deployed to protect the Sultanate's territorial waters, safeguard its national strategic interests and economic security, monitor the safe passage of shipping and oil tankers through the Strait of Hormuz, as well as guaranteeing the overall safety of units of the Sultan's Armed Forces at sea, and related support defence operations.

The RNOV Al Munasir was inducted into the RNO to carry out joint amphibious support and marine transport operations.

The Said bin Sultan Naval Base with its advanced operational, training and service facilities, is one of Oman's leading naval establishments and its Naval Training Centre has been accredited by the AGCC Computer HQ as an International Computer Driving Licence (ICDL) examining centre. An



Three new ships have been ordered by the Royal Navy of Oman as part of its ongoing modernization programme

agreement has been concluded with the British company, Vosper Thornycroft, for the construction of three new RNO ships as part of the navy's ongoing modernisation programme. In May 2008 the RNO staged the 'Khanjar Haad 2008' naval training exercise in Omani territorial waters in conjunction with the naval forces of several friendly countries.

The Royal Air Force of Oman (RAFO)

The Royal Air Force of Oman (RAFO)'s modern weaponry and systems include fighters, bombers, helicopters, transport aircraft, anti-aircraft missile batteries, advanced radar systems and training aircraft. The technology of the defence and weapons facilities and bases are continually being upgraded to keep pace with the very latest developments.

RAFO has a number of multi-purpose F16 fighter aircraft, as well as Hawk and Jaguar aeroplanes and Super Lynx 300 and NH90 helicopters, whose duties can include combat, search and rescue missions, providing back-up for the Royal Navy of Oman in protecting the Omani coasts, and support services for members of the public.

Al Musana'ah Air Base - one of the air force's latest projects - is capable of handling modern, high-tech fighter aircraft. RAFO takes part in numerous flight exercises with the air forces of the Arab Gulf Co-operation Council (AGCC) states and other friendly countries. In 2007 it signed a contract for the purchase of two Airbus A320-300 aircraft to replace some of its current transport planes.

Overleaf: RAFO has a number of the F16 multi-purpose fighter aircraft







The Royal Guard of Oman (RGO)

The Royal Guard of Oman (RGO) is an important element of the Sultanate's military establishment and, with the advanced equipment and systems supplied to its infantry, armoured and artillery units, it has achieved a high standard of proficiency and combat capability. The RGO trains personnel on its full range of systems and equipment and holds specialist training courses at various different levels of expertise. Its Technical College produces highly qualified personnel for employment within the RGO as well as other government bodies and awards the same certificate as that awarded by technical colleges in the United Kingdom.

The Royal Oman Symphony Orchestra (ROSO) with its talented complement of highly trained young Omani musicians comes under the auspices of the RGO. *(Also see page 163)*

In addition to their official duties, the Red Helmets motor-cycle team are a popular attraction at acrobatic displays and similar recreational events.

Other service units

The Ministry of Defence's Engineering Services provide technical and engineering support for military exercises, as well as maintenance, essential services and infrastructure utilities at military installations. Their other duties include road building in some of the governorates and regions. In 2006 Engineering Services launched a Comprehensive Building Equipment Project to support various schemes around the country.

The RGO is an important component of the Sultanate's military establishment

The Defence Ministry's National Survey Authority produces military and civil maps, carries out aerial photography, sets the criteria for topographical surveys, maintains the National Geographic Archives and provides aeronautical charts, geographical aids and training in cartography and map production. The Institute of Survey Sciences and Map Production, established at the National Survey Authority, attracts staff from military and civil departments.

Military Social Services at the Sultan's Armed Forces (SAF) Staff HQ provide social welfare services for serving and former SAF officers and other ranks. In addition to general welfare services, their remit includes the provision of housing loans, as well as care, rehabilitation and medical services for the disabled. The Sultanate is a permanent member of the Arab Union of War Veterans and Victims Associations.

The Morale Guidance Department organises media coverage of military, social and cultural events involving the SAF and the RGO and issues the monthly magazine '*Jund Oman*' (Soldiers of Oman) as well as other publications. It produces and presents military radio and TV reports and programmes in conjunction with the Ministry of Information, organizes competitions and carries out a number of other duties including helping ensure the smooth running of the annual military Hajj mission.

The SAF Museum at Bait al Falaj Fort chronicles Oman's military history through the ages, and during August 2008 it displayed some of its exhibits at the Khareef Festival in Salalah.

Facilities and training

The Sultan's Armed Forces (SAF) and the Royal Guard of Oman (RGO) have a number of education and training institutions for training officers and other ranks in a range of specialist military, scientific, technical, technological and linguistic disciplines. These include: the Command and Staff College in Bait al Falaj, the Officers' Training School in Sohar, the Sultan Qaboos Military College at Aydim, the School of Administration and Ordnance MAM, the Sultan Qaboos Air Academy at Ghalla, the Royal Air Force of Oman's Technical College and RAFO's Aircraft Control College at Seeb; the Royal Navy of Oman's Junior Staff School; the RNO's Fleet School, and the RNO's Training Centre at Wudam; as well as a number of other establishments. The SAF also offers its personnel the opportunity to complete their higher education at home or abroad.

Mobilisation and field exercises are held to improve the combat capability of the armed forces, either within the SAF or in co-operation with the armed forces of the Arab Gulf Co-operation Council (AGCC) states and other countries.

Cultural, academic, scientific, religious and sporting activities

The Sultan's Armed Forces (SAF) and the Royal Guard of Oman (RGO) attach great importance to providing personnel with opportunities to develop their cultural, academic, scientific, religious and sporting interests. Libraries and clubs linked through the Ministry of Defence's internal network have been set up at SAF headquarters.

The RNOV Shabab Oman was commissioned into the RNO in 1979 as a traditional sail and adventure training vessel, providing outward bound and leadership training for civil and military personnel. She has traversed four continents and visited over 100 ports in 43 countries since being commissioned. In 2008 she made a European deployment visiting Arab ports en route to Italy, Spain, Portugal, France, the UK, Germany, Norway and the Netherlands. In August 2008 RNOV Shabab Oman was decorated with the international friendship prize at the completion of a race in the North Sea. The occasion represented the fifth time in the ship's history of participating in such events: its contribution has previously been recognized in Denmark in 1996 and 2001, Japan in 1997 and Norway in 2005. The prize is awarded by the International Sailboat Racing Association to ships that excel in nurturing and promoting peace, cooperation and friendship with competing vessels and crews.

The SAF attaches importance to physical fitness and to this end it has established a number of sports facilities including a military sports complex and a shooting range. Sports competitions are held between teams from the different formations and the armed forces also take part in regional and international military events. The SAF shooting team and the national shooting team have a number of international championship wins under their belt.

The bands of the SAF and the RGO are highly trained and accomplished performers and regularly take part in both domestic and international festivals and competitions. In the summer of 2008 the RAO music band participated in the International Bagpipes Competition in Scotland, returning with eight trophies won in various events.

Contributing to development

As well as defending the nation and protecting its security the Sultan's Armed Forces (SAF) play a direct part in the country's ongoing development. They take on projects such as road building and the provision of health and other essential services in the remote desert regions and other inaccessible areas.

Following the devastation wreaked in certain areas of the country by cyclone Gonu in 2007, the SAF and the Royal Guard of Oman (RGO) gained the respect and unconditional admiration of Sultan Qaboos and Omani citizens with their sterling work in helping rebuild roads, transporting relief supplies, rescuing stranded citizens and repairing bridges and other installations.

The SAF also trains civilians in navigation, communications and administration, runs training programmes for students, takes part in search and rescue operations at sea and in cases of natural disasters and helps prevent illegal immigration.

Retired SAF and RGO personnel frequently join the private sector, contributing their skills and experience to the Sultanate's ongoing development process. In recognition of their role, 7th December has been designated SAF Veterans' Day.

In August 2008 RNOV Shabab Oman received the International Friendship Award for the 5th time from the International Sailboat Racing Association

RAFO helicopter crews assist citizens in remote mountainous villages



THE ROYAL OMAN POLICE (ROP)

The Royal Oman Police (ROP) enjoys the highest levels of support from His Majesty and the government, who recognize security as an essential precondition for the country's development, progress and prosperity. The ROP carries out its mission with efficiency and professionalism which has had a positive effect in bolstering co-operation between the police and the public. While the ROP extends its services to everyone within the Sultanate's borders, high priority is given to attracting Omani nationals – both men and women – into its ranks.

Advanced electronic services

The Royal Oman Police (ROP) employs the latest technology in all its operations and details of its services can be obtained from its internet website which received 31,970 visitors over the past year. A new electronic portal service has been introduced at Muscat International Airport to simplify procedures for passengers, along with a system for collecting charges by ATM card. Visas can now be obtained by filling in an electronic application form accessible at: www.rop.gov.om/visa/english, where an automated system will deal with queries.

The ROP's passports and residence departments and sections in the governorates and regions continue to receive some passports and residence paperwork by post and offer a range of facilities aimed at encouraging tourism. The ROP is currently working closely with the Ministry of Tourism on the creation of a Tourist Security Police department to help cope with the increasing number of tourists visiting Oman.

The customs departments and customs clearance offices at overland border crossing points have been streamlined and the Directorate-General of Customs has been issued with equipment for inspecting containers and freight vehicles, thereby speeding up the movement of freight traffic over the Sultanate's borders. The customs departments in the Arab Gulf Co-operation Council (AGCC) states are linked with the customs centre at the AGCC Secretariat General's HQ in Riyadh, to enable full and accurate data to be collected on trade movements between the member states and the outside world.

In addition to the traditional services provided by the ROP in such areas as civil status – i.e. registration of births, marriages, deaths and divorces – the new multi-purpose Civil Status ID cards now being issued to nationals can be used as voter registration and health cards. Oman's expatriate residents and their dependents are being issued with residence cards while, in a further step towards e-government, and in co-ordination with the Ministry of Manpower, labour and residence cards have been combined. In September 2008 it was announced that the ROP will start implementing a new system at the airports whereby Omanis and expatriates who possess the Civil Status ID will be able to proceed to a machine and use their IDs, without any need to stamp the passport.

Two mobile registration stations being set up by the Directorate-General of Civil Status will provide a full range of services to enable people with special needs as well as residents of inaccessible areas to process their applications and paperwork near to their homes. Working hours have been extended at the Civil Status Centre in the governorate of Muscat. It now operates from 6am till midnight. Working hours at the Salalah and Sohar centres have also been extended; they are now open from 7.30 am till 7.30 pm.



The newly-opened Traffic Services building is equipped with the latest technology and is open to the public round the clock

Training

The Royal Oman Police (ROP) prioritises training to the highest levels of all Omani recruits, irrespective of rank. Women have served in the ROP for over 35 years and their contribution and experience will be expanded by special training courses, currently held only in the governorate of Muscat, but with plans to go nationwide in the near future.

The Sultan Qaboos Academy for Police Sciences (SQAPS) provides basic training for members of the police force; training courses for students of the police colleges and diploma courses in police sciences for university graduates and those with equivalent qualifications. It also trains civilian personnel intending to join the military sector, as well as candidates for senior positions in the police, and holds courses and programmes for members of the ROP to bring them up to date with the latest technological and scientific developments relevant to their professional fields.

New installations and modern equipment

The Royal Oman Police (ROP) is continually building new facilities to keep pace with the latest technology and provide the best possible services for members of the public. The modernisation of its existing facilities is an ongoing process.

The new Directorate-General of Passports and Residence building opened in the wilayat of Seeb in 2007 and work continues on the construction of a state of the art forensic laboratory as well as police command complexes in the Batinah and Dakhiliyah regions, the traffic services buildings in Sohar, Sur, Sumail and Rustaq.

Oil and Gas Installations Security Police stations are being built at Mina al



Fahal in Muscat and Port Sohar, while studies are being carried out on plans to construct Oil and Gas Installations Security Police stations at Qalhat Industrial Port and Port Duqm. Several other projects are in the pipeline.

The Directorate-General of Prisons has moved to its new premises in the wilayat of Sumail in the Dakhiliyah Region. The well-equipped new Central Prison complex, built to the highest international specifications, has workshops and support programmes to help rehabilitate inmates. It comprises three separate prisons - one for adult males, one for juveniles and a third for women.

The Police Aviation Directorate has been extensively modernized. During the year under review, orders were also placed for search and rescue helicopters with the AgustaWestland company in Italy. Omani nationals continue to be trained as helicopter pilots, navigators and maintenance engineers. The Special Task Force Command's new free-fall parachute team, which comes under the jurisdiction of the Directorate of Special Operations and VIP Protection, takes part in security operations requiring its distinct brand of skills and performs in free-fall parachute displays at national and police events.

The Police Coastguard Command has been supplied with a number of fast patrol boats with advanced technical specifications to assist it in protecting the security of Oman's territorial waters, prevent smuggling and illegal immigration and provide assistance when required. The ROP's catamaran-style patrol boat 'Haras-1', launched in Italy on 23rd May 2008, helps provide security in Oman's territorial waters and is able to operate in the roughest weather conditions. The 52-metre long vessel has a helicopter landing deck, medical assistance unit, speed boats and can accommodate over 100 people. A second vessel is expected to be commissioned before the end of the year.

'Haras-1' the ROP's latest catamaran-style patrol boat provides security in Oman's territorial waters, and is able to operate in the roughest weather conditions



ROP helicopters assist in emergency search and rescue cases

A Police Coastguard training centre and a coastguard station have been built at Port Sultan Qaboos.

Road safety

The Directorate-General of Traffic is working closely with the Sultanate's other authorities to reduce the level of traffic accidents and the losses to life and property resulting from them. Traffic accidents are an international problem requiring the highest possible degree of co-operation between the countries of the region and beyond.

On 31st March 2008 the United Nations General Assembly adopted a resolution on the world road safety crisis which the Sultanate introduced in collaboration with the Russian Federation. Previously, in 2004, the UN General Assembly had unanimously approved an Omani initiative calling for international co-operation to prevent road accidents.

The Sultanate took part in the First International Road Safety Week organised by the United Nations in May 2007 and in 2010 it is due to host the 'International Conference on Road Safety'. In February 2007 it hosted the 6th Meeting on Road Safety at the Traffic Safety Institute, which was attended by experts from 60 states. The Sultanate won five prizes for road safety in 2005 and 2006 – in 2005 from the Indian Institute for Traffic Education and in 2006 from the First Traffic Safety Festival, which the United Nations held in Geneva in April of that year. Some 36 countries were represented at the event, though only three of them were Arab states. The United Nations Economic and Social Commission for Western Asia (ESCWA) hailed the Royal Oman Police (ROP)'s efforts to enforce traffic safety procedures in its October 2006 report.



Women take their turn on duty as road traffic patrol officers

The ROP has introduced a new system to simplify procedures for dealing with minor road accidents, which is designed to minimise congestion and inconvenience to accident victims. Following its success in the Governorate of Muscat, on 1st March 2008 it was extended to the rest of the country. Women's police traffic patrols have also been introduced; in the first phase these are limited to the Governorate of Muscat. A modern, well equipped Traffic Services building staffed by trained Omani nationals has now been opened and its licensing and vehicle registration services are open to the public round the clock.

Work has been completed on the automatic vehicle inspection centre project, which is having a positive impact in reducing traffic accidents and improving road safety. This project, which comprises 14 inspection centres or stations in different parts of the country, carries out regular vehicle checks and investigates accidents using modern computerised equipment and computer programmes that conform to the highest international standards.

First aid and Civil Defence services

In response to His Majesty the Sultan's instructions, over the next five years the Royal Oman Police (ROP) is expanding its Ambulance Service to cover every area of the country. First aid posts being set up are staffed with trained nationals and equipped with state-of-the-art ambulances. Currently the Ambulance Service has 16 centres covering the Governorate of Muscat and the main highways between the Batinah Region and the Governorate of Dhofar. Of its 16 first aid centres along the route, eight are in the governorate of Dhofar, while the other eight are located near the worst accident black spots. The number of centres is scheduled to increase with each stage of the expansion project until they cover every wilayat by 2012.

Additional ROP officers are allocated to the Dhofar region to assist citizens during the Salalah Khareef Festival







A mobile hospital provides medical treatment wherever its services are required

Meanwhile, a fully equipped mobile hospital will provide medical care and travel to wherever its services are required.

The exceptional climatic conditions resulting from cyclone Gonu, that hit the Sultanate in June 2007, highlighted the need for a more streamlined Civil Defence service and modern equipment including state-of-the-art fire engines. Therefore, new Civil Defence posts have now been set up in the wilayats of Shinas in the Batinah Region and Sumail in the Dakhiliyah Region. A Directorate-General of Civil Defence building is currently under construction.

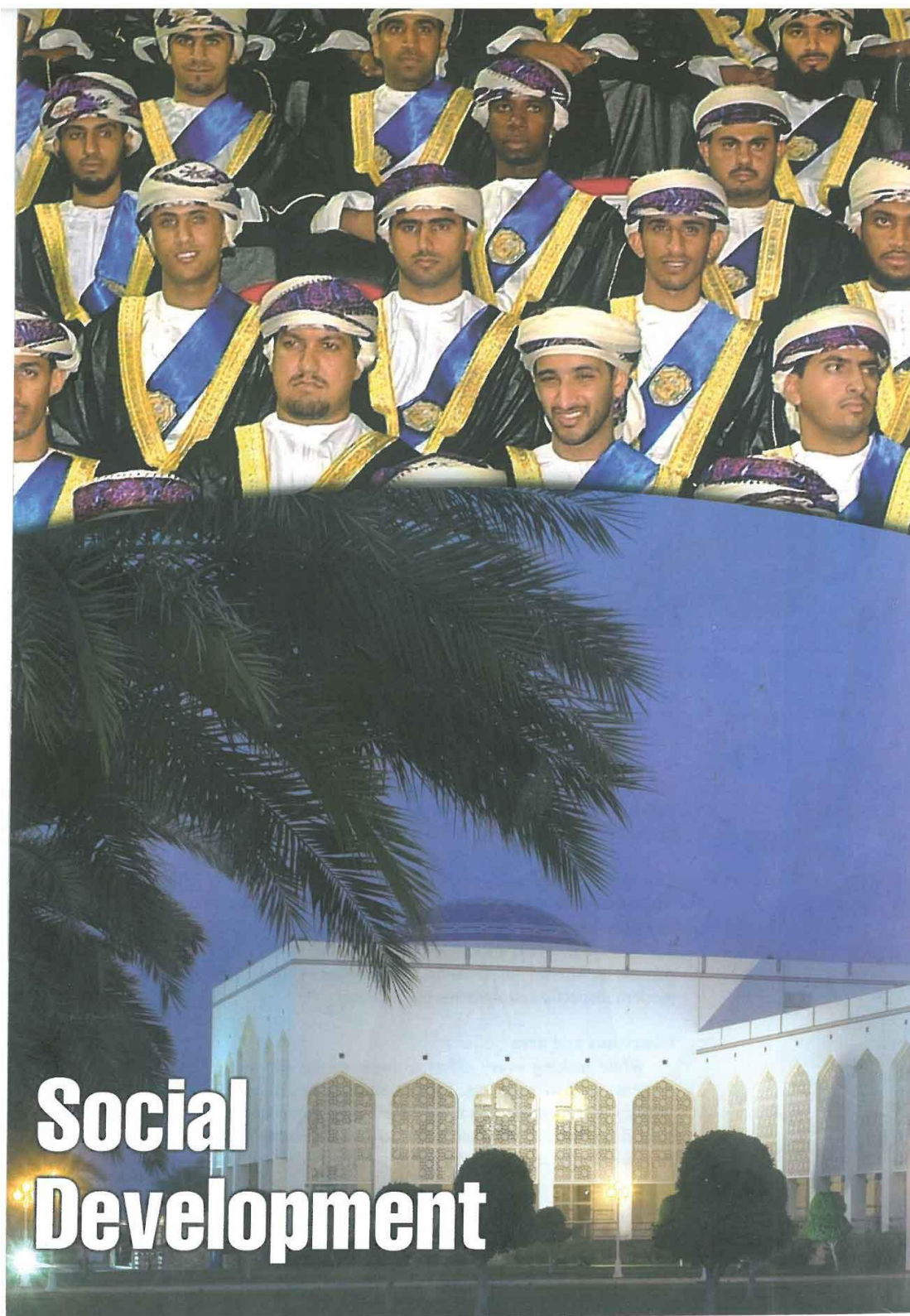
Emergency Response Centre

With regard to airport security, the Emergency Response Centre is undergoing an expansion and modernisation programme, in line with international standards for aircraft accident management operations centres. The system for issuing permits at Muscat International and Salalah Airports has been automated and modern inspection equipments put in place.

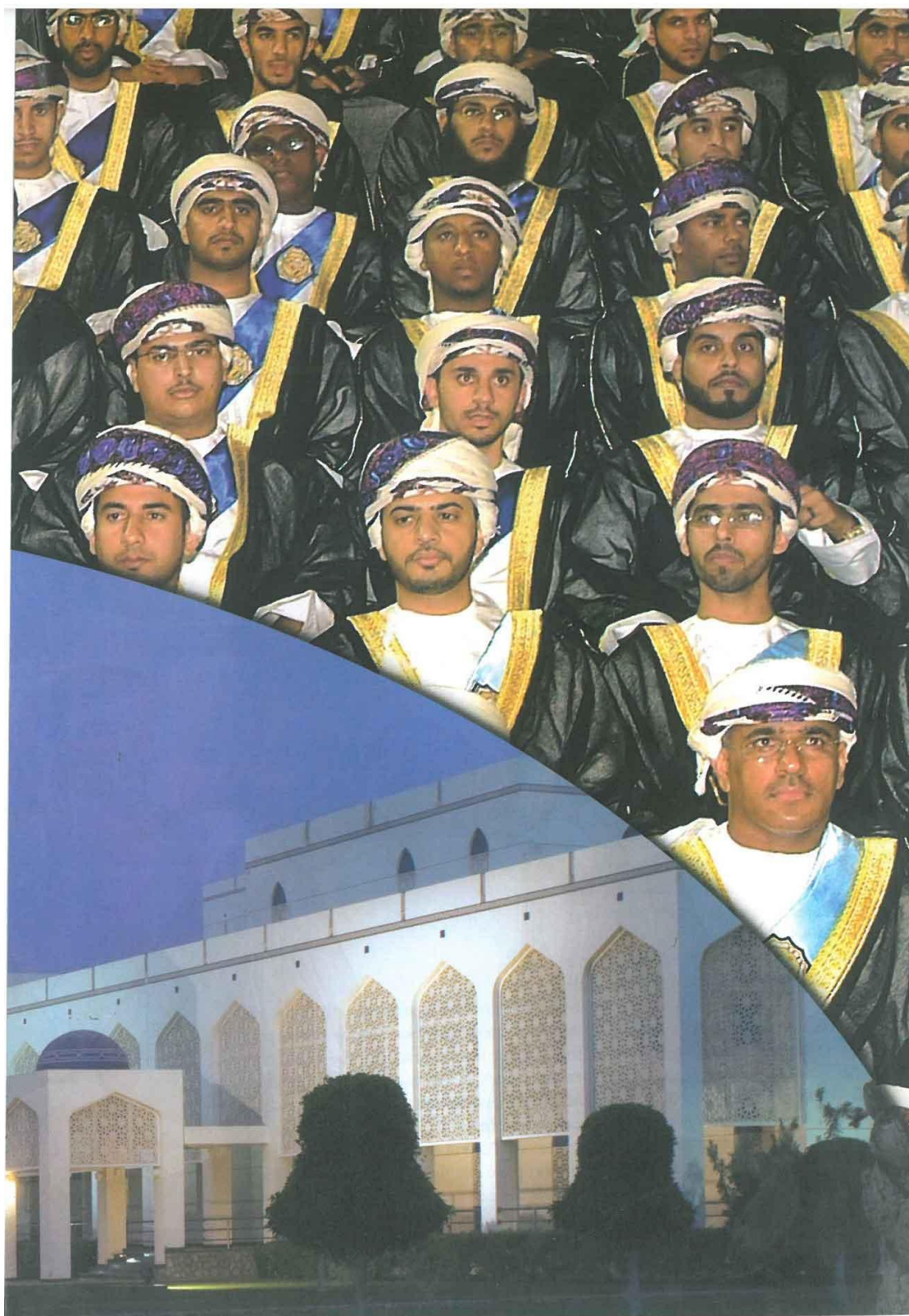
Courteous and firm

While making every effort to improve the services it provides for Omani citizens, foreign residents, tourists and visitors, the Royal Oman Police's top priority is law enforcement. By adopting an approach that is both courteous and firm, it has succeeded in gaining the trust and goodwill of the general public, with positive consequences for the country and all those within its borders.

Regular training and up-dating courses are essential for ROP personnel



Social Development



EDUCATION

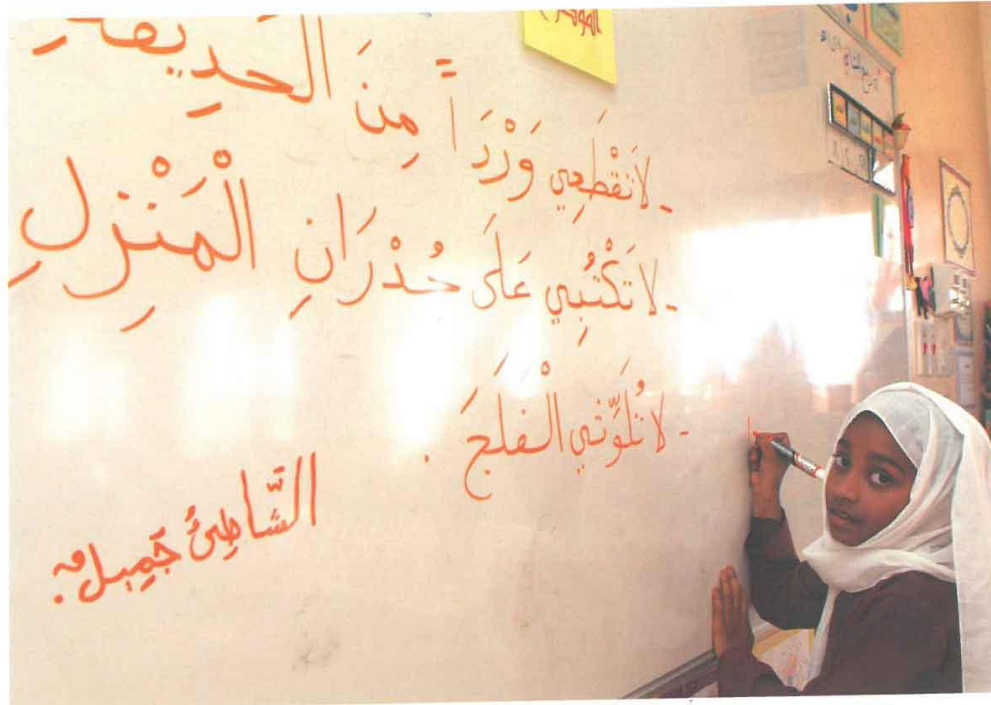
The government has a strong desire to see Omani nationals playing a leading role in all areas of employment – both trades and professions - in the Sultanate. In order to achieve this aim, education and training are designated areas of priority and have been a cornerstone of each of the Sultanate's Five year Development Plans. The Ministry of Education's commitment to a sector that - while maintaining traditional values - is modern and advanced is reflected in its range of educational programmes, including the Basic Education System, designed to meet the demands of modern science and culture in the information age.

According to figures released in May 2008 by the Ministry of Education, there are around 563,236 male and female students in Oman's 1,052 government schools, which are staffed by some 41,989 male and female teachers. There are also 174 private schools in the country (including two international schools); many of these are popular with the children of expatriates. These private schools have a total of 37,374 male and female students, 2,797 male and female teachers and some 484 administrative staff.

In the 2007-2008 school year the Ministry of Education began introducing programmes scheduled for implementation during the current Seventh Five-year Plan (2006-2010). Under these directives the Basic Education System will be expanded, while post-Basic education for the 11th and 12th grades will be upgraded to encourage the continuing development of skills, enabling young people to benefit from educational, training, and work opportunities schemes, after they have left full time education.

The Ministry of Education's National Programme sets out to upgrade the education system as a whole. In the first instance the scheme will focus on mathematics, the sciences and environmental geography, in line with present-day international educational trends. In devising the programme, the education ministry received significant input from the Trends in International Mathematics and Science Study (TIMSS), the Teacher Education and Development Study – Mathematics (TEDS-M), the Progress in International Reading and Literacy Study (PIRLS), the Programme for International Student Assessment (PISA) and a number of other international studies. A new type of exam will be introduced which will include testing on specific areas of knowledge as well as an assessment of the individual's ability to apply reason and initiative to general problem solving.





Beautifully written!

The educational portal

The Ministry of Education took an important step when it opened an educational portal on the internet as part of the Sultanate's move towards a fully fledged-government system. The portal provides easy access and communication links between users. It enables information to be transferred efficiently between the Ministry of Education and other government ministries and departments and offers employees additional opportunities for using and developing their skills and creative potential in the workplace.

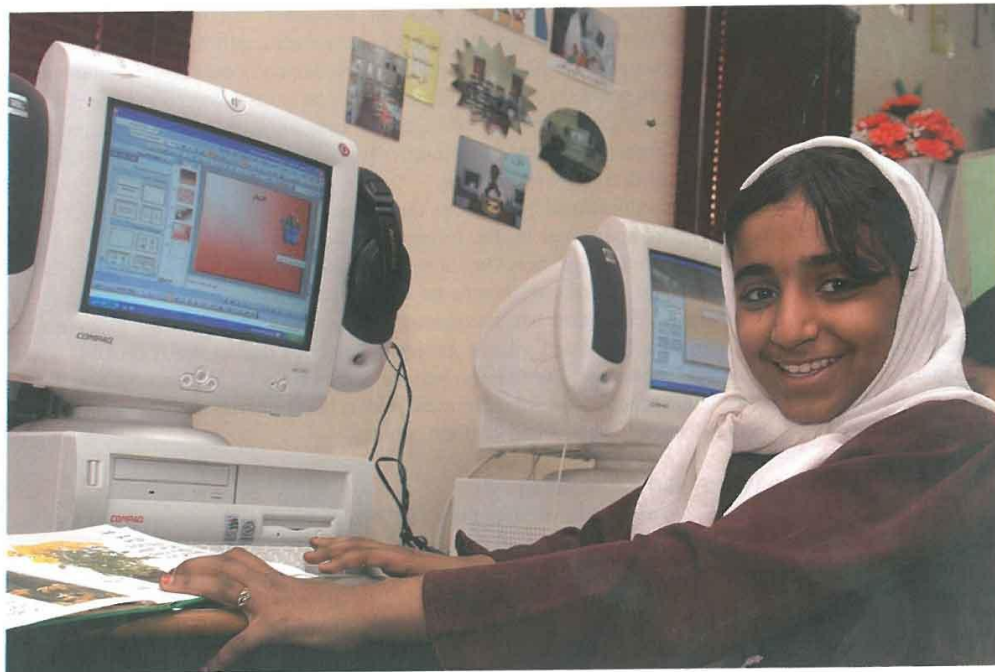
Oman's educational portal was the winner of the 2007 Oman Web Awards Competition, sponsored by the Information Technology Authority (ITA), taking gold in two categories: best Omani website and best Omani educational website.

As part of a nationwide scheme to eradicate illiteracy in the Sultanate, the Ministry of Education has introduced a number of adult literacy programmes, including the 'educated village' project, launched during the Arab Gulf states' education ministers' conference held in Oman's South Batinah Region in the 2004-2005 school year. After an initial pilot scheme proved successful, the project was extended to various parts of the country.

The Special Needs Sector

Special needs education in Oman has advanced significantly over the past two decades. The main schools in this sector include Al Amal School for the Deaf, with 279 male and female students and 78 teaching staff, the Special Educational Needs School with 335 students and 61 teaching staff, the Omar bin al Khattab Institute for the Blind with 120 students and 43 teaching staff, and the Al Wafa Centre for the Blind.

The Basic Education System is being expanded



The Ministry of Education's learning difficulties programme provides services in Basic Education schools for students with special needs, rather than transferring them to specialist schools. The programme began in two schools in the 2000-2001 school year; it currently - in the 2007-2008 educational year - covers 300 schools across the country.

In an experimental initiative, the Ministry placed students handicapped by hearing difficulties and special educational needs, in classes in four Basic Education schools. The experiment yielded positive results in the 2006-2007 school year and has since been extended to cover four educational regions - the South Batinah, North Sharqiyah, North Dhahirah and the Governorate of Dhofar.

Electronic learning

The Ministry of Education has adopted the concept of electronic learning in which educational and training programmes are presented over the internet. Students who are part of this scheme will either study alone or with the assistance of a teacher. This programme is one of the main channels for distance learning and follows two lines of approach: the 'virtual class' system - in which interactive 'virtual classes' are the main electronic learning tool for presenting lectures on the internet - and the 'self-paced learning' system.

The 'learning difficulties programme' provides services in Basic Education schools

HIGHER EDUCATION

In 2007 the final plans were completed for the construction of the Ministry of Higher Education building and classrooms at the College of Applied Sciences in Ibri. Work began on the classroom project at the College of Education in Rustaq and renovation work was carried out on the College of Applied Sciences in Sur following the damage it sustained in the cyclone, which struck the Sultanate in the summer of 2007. The Ministry of Higher Education continues to send students on scholarships abroad. There are currently Omanis in Australia, New Zealand, the United States, the UK, France and Germany. There are two categories of sponsorship, full scholarships, of which there are currently 60, and partial scholarships, which currently benefit 83 students.

Colleges of Applied Sciences

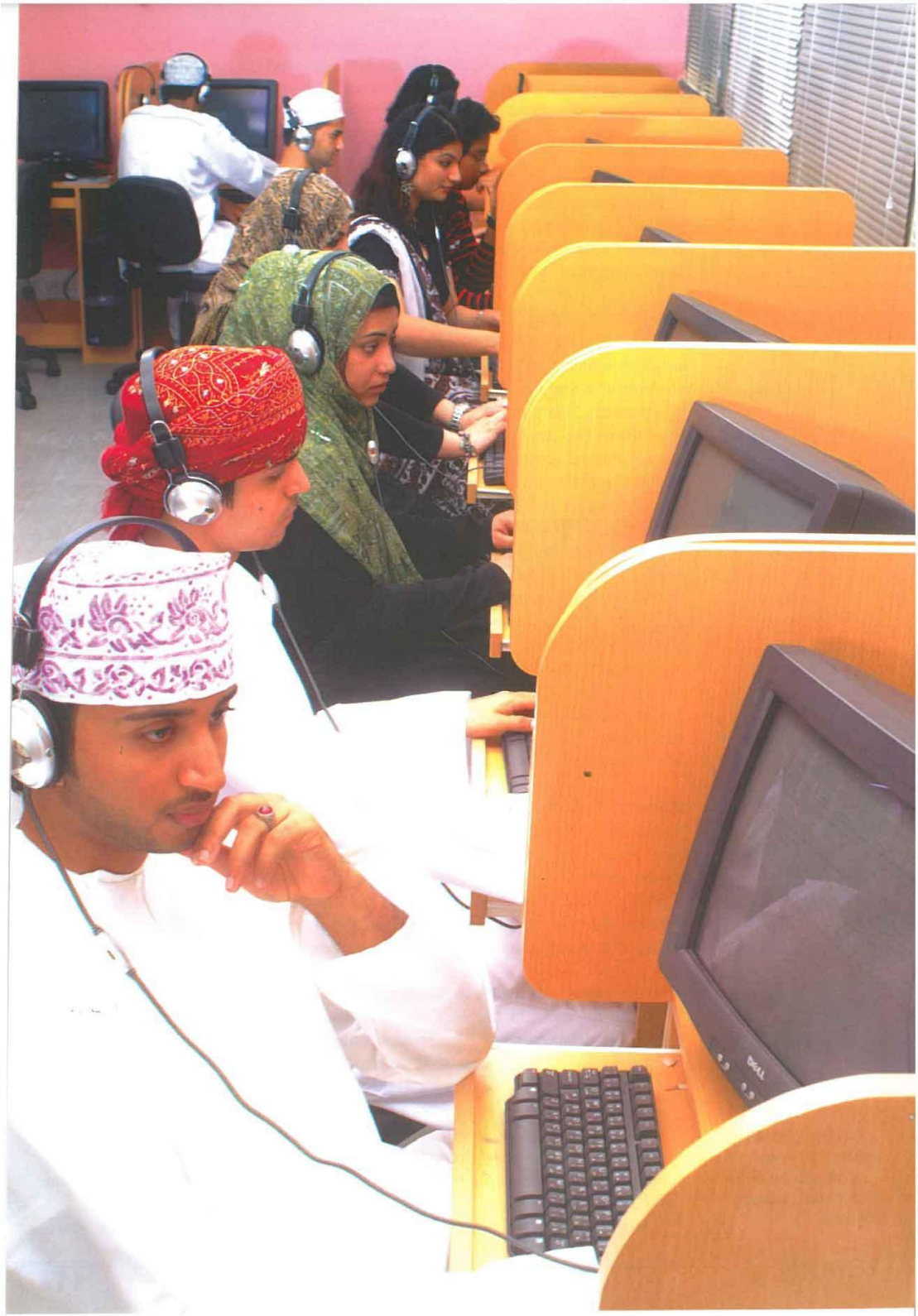
In 2007, Royal Decree No. 62/2007, converted five Colleges of Education - in Sohar, Sur, Nizwa, Ibri and Salalah - into Colleges of Applied Sciences. In the same year Oman's Colleges of Applied Sciences had a student intake of 1,650, while the College of Education in Rustaq had an intake of 350. Language laboratories will be installed at each of the five Colleges of Applied Sciences, along with information technology (IT) centres.

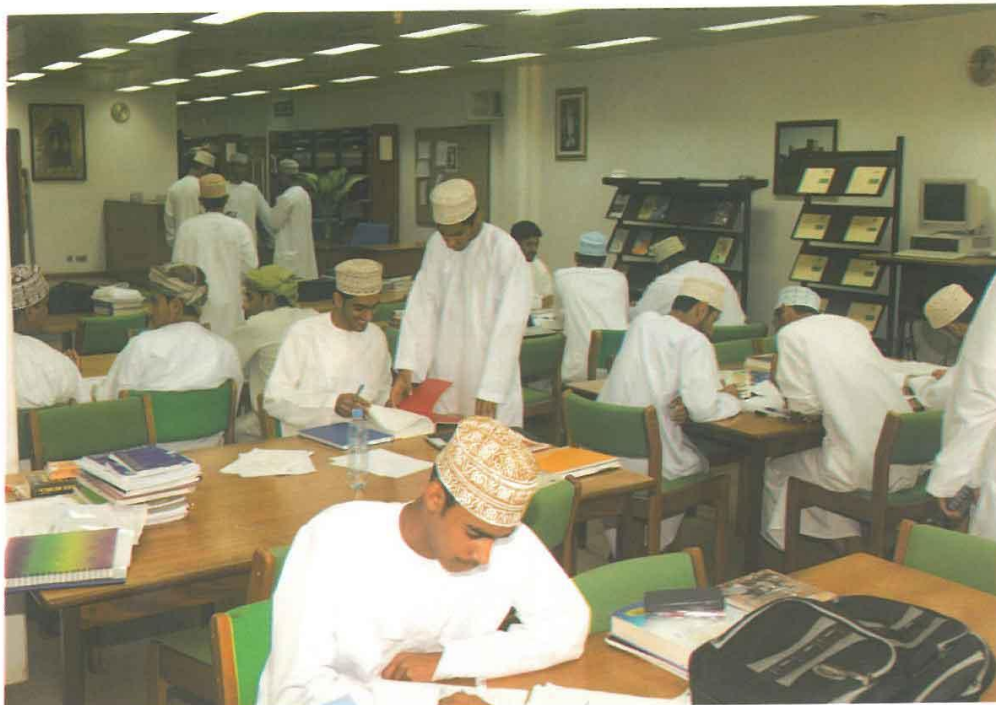
Private higher education institutions

From the moment the door was first opened to private investment in higher education the sector has seen steady progress. The Accreditation Council was set up by Royal Decree in 2001 to regulate the accreditation, assessment and quality control of the Sultanate's higher education institutions and several plans and programmes have been drawn up to guarantee the standards of the higher education sector. The government offers extensive facilities and support to encourage the growth of private higher education institutions. Non-government universities receive grants totalling 50% of their paid-up capital, to a maximum of RO3 million.

Higher education in Oman has expanded significantly over the last few years.

Electronic learning: either by 'virtual class' on the internet or the 'self-paced learning' system





Sultan Qaboos University works closely with universities around the world

In the 2007-2008 academic year there were 24 higher education institutions with a total of 25,988 male and female students – a 27.6% increase on the previous academic year. Three new universities – Muscat, Al Sharqiyah and Buraimi - are scheduled for development soon.

Academic Chairs.

The Ministry of Higher Education supervises His Majesty's Chairs in Baihrein, Melbourne , Utrecht and Leiden.

The Higher Education Admissions Centre (HEAC)

The Higher Education Admissions Centre (HEAC) co-ordinates procedures for admitting students enrolling in higher education. An electronic data exchange system was set up in 2007 to exchange information and statistics between the HEAC and institutions and schools. In 2007 the HEAC was awarded the WordSmith, an award for the world's best electronic product by a panel of 36 judges from various countries for its concept of an electronic student admissions system.

Sultan Qaboos University (SQU)

Sultan Qaboos University (SQU) is one of the Arab world's leading academic institutions. From the moment it received its first student intake in 1986 the university has endeavoured to establish itself as one of the Sultanate's academic and scientific pioneers.

Today SQU offers a wider range of opportunities for general secondary certificate graduates than ever before. With an intake of 3,356 male and female students in the 2007-2008 academic year, the total number of students at its eight colleges has

Non-government universities receive grants totalling 50% of their paid-up capital



risen to 15,177. SQU has added a number of first degree and diploma programmes to its range of courses. In the 2006-2007 academic year approval was granted for a bachelor's degree programme in music at the College of Arts and Social Sciences, a higher diploma programme in vocational guidance at the College of Education and an intermediate diploma programme in applied statistics at the College of Science.

Scientific research is of critical importance to SQU's plans, devised to upgrade the quality of education offered by at the university, while enhancing its contribution to the sciences and human knowledge. In 2007 SQU approved 75 academic research projects involving 171 research students, increasing the total number of internally funded research studies between 1999 and 2007 to 641 and the number of research students involved in these projects to around 1,800 at an overall cost of RO4.5 million. In 2007 His Majesty personally funded four strategic research projects.

SQU's eight research centres are: the Centre for Environmental Studies and Research, the Communications Research Centre, the Oil and Gas Research Centre (Shell Chair), the Seismological Centre, the Centre for Remote Sensing and Geographical Information Systems, the Water Research Centre, the Virtual Reality Centre for Carbonate Studies and the Oman Studies Centre.

The University's ten colleges are: - the Colleges of Science, Education, Engineering, Arts and Social Sciences, Commerce and Economy, Agriculture and Marine Sciences, Medicine and Health Sciences; Law and Nursing SQU awards bachelor's and master's degrees, as well as higher diplomas and doctorates.

In the auditorium
of Sultan Qaboos
University

SQU Hospital

Sultan Qaboos University Teaching Hospital's highly specialised medical facilities include a bone marrow transplant centre, a sleep disorders diagnostic and treatment unit, an iodine radiation unit as well as electronic microscopes and cell flow analysis equipment. SQU Hospital is the only one in Oman to offer these specialist services, along with others including paediatric neurology, rheumatism and diabetes treatment services, as well as artery surgery, cornea transplants and renal dialysis.

The National Commission for Education, Culture and Science

The National Commission for Education, Culture and Science seeks to promote development in education, culture and the sciences, as well as communications. In 2007 and 2008 it contributed to a huge number of projects, conferences and seminars. The Commission's Secretariat-General attended the 34th session of UNESCO's General Conference in Paris, as well as the seventh co-ordination meeting of heads of delegations of the member states of the Organisation of Islamic Conference (OIC) in Paris on 18th October 2007, the meeting of National Committee secretaries in Kuwait and the first meeting of secretaries of National Committees and the Arab Gulf states' Arab Education Office.

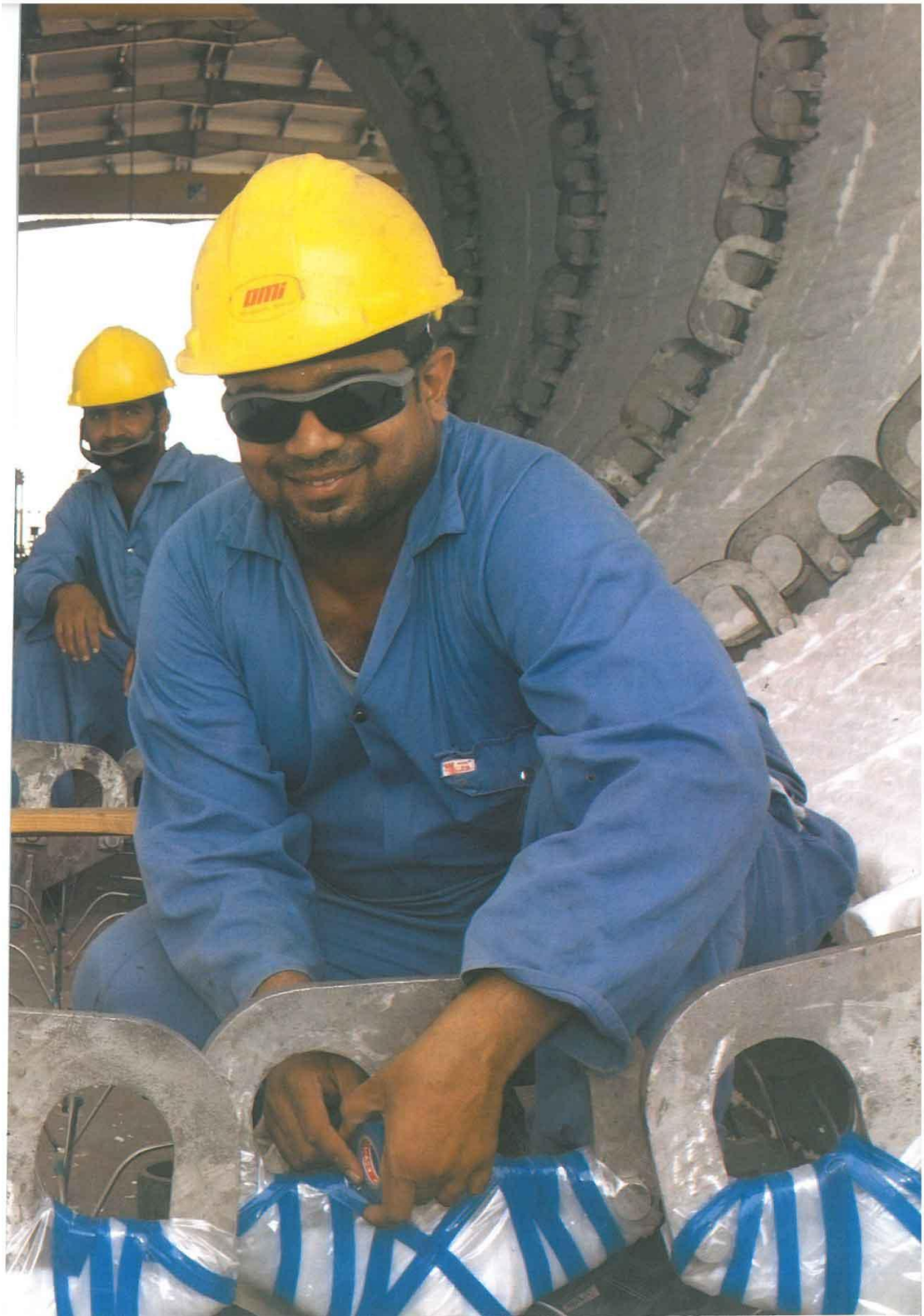
The Commission has held several seminars and training workshops on education-related topics as well as a variety of events linked to Unesco. It endeavours to ensure there is an active Omani presence at Arab and international forums.

MANPOWER & SOCIAL DEVELOPMENT

As the Sultanate and its people moved boldly into the 21st century, the government's determination to maintain some of the country's tried and true traditions - including respect for the individual and the inclusion of all Omanis in the political decision making process - remained unchanged. In times of prosperity

Practical work in
the field







Omanis are proving their excellence in the private sector

Omanis have enjoyed the rewards through education programmes for all, a free health service, improved standards of living and a sophisticated infrastructure. In times of trouble, such as that experienced when parts of the country were battered by cyclone Gonu in the summer of 2007, all sections of society are expected to pull together for the greater good.

The government's support for its population is evident at many levels. A recent example has been the assistance citizens have received to counter the wave of inflation sweeping the world as a result of the turmoil in global markets. The government has taken decisive measures to lighten the burden of higher prices on the Omani citizen, including increasing the salaries of government employees, with particular support being given to those on low incomes. Government employees on the lowest grades received pay rises of up to 43%. The prices of some essential foodstuffs were reduced and rent rises were capped to a maximum of 15% every two years.

The number of civil service employees stood at 114,624 at the end of 2007, representing 4.4% of the total population, and an increase of 6,389 on the 2006 figure. Among them 99,896, or 87.7% are Omani nationals, demonstrating the success of the Omanisation policy initiated by the Ministry of civil service to replace expatriates with Omanis. The targeted percentage for Omanisation is 95% by the year 2020.

The Ministry of Social Development carries out technical and research studies and operates projects and pilot schemes in various social fields with the aim of promoting community development, providing people with the tools and knowledge to enjoy more productive and fulfilling lives. The Ministry prepares social welfare plans and programmes for families and individual citizens, frequently backed up by material assistance. It takes steps to improve the housing, economic and social conditions of families on social security and involves the government and non-government sectors



Technological training is a future must for young people

in an increasing number of development and social projects in cooperation with various state authorities.

During the last quarter of 2007 and the early months of 2008 the government continued to assist the victims of the adverse weather conditions that devastated certain regions of the Sultanate during the previous summer. This assistance followed the initial cash payouts made to citizens to compensate for the damage to homes and property, including cars that had been wrecked in the storm.

Acting on the results of its studies and research, the Ministry has moved on from its traditional approach to social work, to involve several independent associations and institutions, which are working alongside the government to promote economic and social development. Women are being empowered to play a more active part within the family and in society. The Main Committee for the Seventh Five-year Development Plan (2006-2010) set up a permanent committee with responsibility for the social sector which has been given the task of studying community issues and recommending ways of tackling problems, either through legislation or other channels. The Ministry has carried out studies on various issues, which might have a negative impact on the community –including divorce and juvenile delinquency –, and has submitted memoranda to the permanent committee on the problems it considers to be the most serious. With each memorandum the Ministry has included relevant facts and figures, as well as a series of recommendations.

The Ministry's livelihood projects programme is designed to improve economic conditions for families reliant on social security benefits. The programme provides a source of income while encouraging the channelling of potential into activities that might eventually help recipients earn an independent living. Families on social



security enjoy a range of benefits and facilities including exemption from charges for services provided by the Ministry of Housing, Electricity and Water.

In 2008, the Ministry of Social Development launched the Productive Social Security Families Project with the aim of enabling families on social security, the disabled, and others in reduced economic circumstances, to become productive and thereby contribute to their country's economic growth.

Every year 1,500 scholarships are granted for courses within the Sultanate to children of families on social security through a scheme organised by the Ministry of Higher Education working closely with the Ministry of Social Development.

According to available figures between the 2000/2001 academic year (when the programme began) and 2006/2007, a total of 9,183 male and female students were enrolled in the scheme at private universities and colleges in the country at a cost of RO48,295,362. By the 2005/2006 academic year 2,325 students on this scheme had graduated. Some students are accepted into technical colleges, which come under the aegis of the Ministry of Manpower, and a team recruited from the Ministries of Social Development and of Manpower monitors their subsequent employment. According to the latest published information, 458 sons and daughters of families on social security have been found employment as part of this scheme. Government higher education institutions that pay monthly grants to their students from social security families include Sultan Qaboos University (SQU), which had 741 students in this category during the academic year 2007/08, as well as the technical colleges with 193 students and the vocational training centres with 123 students.

In January 2008 a micro-credit programme agreement was signed during the course of the Intilaaqah Best Young Entrepreneurs Awards to help social security dependant families set up their own businesses. Loans of up to RO3,000 will be given without interest.

Social resources

The Ministry of Social Development employs a highly professional team of more than 160 experts and administrators to fulfil a range of functions, including research into social trends and developments, interviewing families applying for

Women are learning to contribute to the family and to the economy

social welfare and conducting regular home visits where necessary. The team also provide advisory services, launch community awareness campaigns and contribute to the activities of non-government institutions working in related fields.

Services for the Disabled

Services for the disabled are provided by the government and community-backed civil institutions. Health services are free to all Omani citizens but for those with disabilities, the onus is placed upon early diagnosis and swift medical intervention for those with hereditary conditions.

A range of specialist services are offered: some, like the Khoulia Hospital in Muscat, specialise in physical disabilities, while others, including the Ibn Sina

Hospital, specialise in mental disabilities in adults. Sultan Qaboos University Hospital specialises in paediatric behavioural medicine, while Al Nahdha Hospital deals with hearing problems. The Ministry of Social Development is responsible for overseeing several care centres including the Al Wafa Voluntary Social Centres that provide day care and rehabilitation services across the country.

Al Wafa Social Centres

There are currently 22 Al Wafa voluntary social centres across the country. Their volunteer staff provide welfare and rehabilitation services for handicapped and disabled children. The social centres are managed by public committees and chaired by the deputy wali of the wilayat in which they are based. Members include representatives of social development departments, parents or guardians of handicapped and disabled children, representatives from the community and the supervisor of the centre concerned.

The Ministry of Education operates a programme that places disabled children in ordinary schools; during the 2007-2008 academic year 34 schools accepted pupils under this scheme.



Early diagnosis is essential

Care for the aged

Respect and kindness for the elderly and the provision of care and assistance for those in need are part of Omani and Islamic tradition. The traditional method of care for the aged - by the family at home - is widespread in Oman. However, government back-up is provided for those in need of support. A special residential home was set up in 1979 to provide accommodation for old people who have no relatives or for cases whose circumstances preclude providing them with home care.

There is a growing trend towards elderly Omanis living within the family while



using a combination of the welfare services available. The role of non-government organisations and the voluntary sector continues to expanding to provide improved and extended services for this valued segment of society.

Associations

The Ministry encourages the establishment of social associations and institutions and the important role they play in the community. Omani women are active through 51 women's associations, which are closely involved in women and family issues and operate a range of education and training programmes and provide support services that help improve the economic and educational conditions of Omani women and their families.

The Sultanate's 19 professional associations also come under the Ministry's aegis. Each association – which includes members of a single profession such as engineers, doctors, social workers, economists, accountants, writers, journalists, lawyers etc. – aims to improve the professional and cultural calibre of its members and serve the public by putting its members' expertise at the community's disposal.

In April 2008, the first 'Local Societies Forum' was held in Muscat. The three day event aimed to shed light on the strategic role played by local societies in serving society as well as highlighting their pivotal role in enriching the voluntary work culture.

YOUTH AND SPORTS

One of Oman's finest sporting episodes occurred in April 2008 when Muscat received the Olympic Torch. The city was one of only 22 capitals around the world to be chosen for this event and the only Middle Eastern capital to enjoy the honour.

Wheelchair tennis players are given tips by a professional coach before leaving Muscat to take part in international tournaments

In Muscat the torch was carried by 80 sporting personalities, 57 were Omanis, while the company sponsoring the Beijing Olympics nominated the other 23. Five thousand students – boys and girls – lined the route taken by the torch.

Sultan Qaboos attaches great importance to Oman's heritage and traditions and on his instructions an inter-regional traditional games and sports competition was held in the summer of 2007. Participating teams competed in four traditional games – al Sayyad, al Yous, al Lakad and al Quraie. Other 2007 initiatives included the formation of the Oman University Sports Committee, which will oversee the preparation of sports programmes for Oman's public and private universities and

colleges and the introduction of a training programme, one of the aims of which will be to choose the people who will represent Oman at future sporting events.

The third 'Summer of Sports' event, involving more than 20,000 youngsters was held from 14 June to 24 August 2008. when coaches and training facilities were made available across the country in 38 disciplines enabling young people to participate in football, handball, basketball, volleyball, athletics, hockey, swimming, tennis, cycling and bowling etc. Arrangements were also made for women and girls to enrol for squash, table tennis, gymnastics, badminton and equestrian events.

The Sultanate is currently preparing to host the 19th Gulf Cup at the beginning of 2009.

Sporting achievements

- A first for Oman was the holding of the maiden ballot election to pick the Oman Football Association (OFA) chairman on instructions from the world governing body, FIFA. Sayyid Khalid bin Hamed al Busaidy was declared the first elected OFA chief.

- The Sultanate best-known international footballer, Ali al Habsi made a historic first with a debut for Bolton Wanderers in the English League Cup against Fulham in September and followed it up by playing the coveted UEFA Cup match against European

giants Bayern Munich and Red Star Belgrade. He became the first Omani to play an English Premiership game in March 2008 and concluded the season with nine Premiership games.

- The national Spikers won the Rashid International Volleyball tournament in Dubai for the first time last year and topped the year 2007 with a runners-up spot at the GCC competition. The Spikers started the year on a laudable note when they grabbed the silver medal at the 18th Gulf Cup.

- The tennis team got a place in the Davis Cup Group II Asia/Oceania Zone for the first time and the Sultanate's top female player Fatma al Nabhani stole the limelight at the Arab and regional tournaments.



Muscat was one of only 22 capitals around the world chosen to carry the Olympic Torch in 2008



Participating in the 29th Olympic Games held in Beijing, People's Republic of China

- Another first was achieved with the national cricketers exploits at the ACC Cup Twenty20 in Kuwait in November 2007, where they were declared joint winners.
- Oman's only international racing driver Ahmad al Harthy collected a hat trick of podium finishes at the United Kingdom Formula Renault Winter Series.
- In shooting, at the 11th Arab Games held in Cairo in November 2007, Oman took gold through the efforts of Sinan bin Mohammed al Nasri and bronze with Saleem bin Salim al Nasser in the double trap shooting. In 2008 Allahdad al Balushi qualified for the Olympic Games with his score at the Asian meet in Kuwait.



Women actively participate in sporting events

• In swimming, the juniors clinched the bronze medal in the team event at the seventh GCC Open Water Swimming Championships in the Saudi Arabia and in May 2008 while the national swimming team won two silver and two bronze medals at the GCC competition in Qatar.

Mohammed al Habsi took part at the Beijing Olympic Games in the 100m breaststroke but was unplaced.

• In equestrian events, Oman emerged overall champions in the tent-pegging event at the Pan-Arab Games in Cairo in November 2007.

• In the first GCC Women's Sports Championship in 2008, hosted by Kuwait, Omani women distinguished themselves finishing third overall, winning a total of 20 medals in various events.

Sports infrastructure

The programme to improve the national sports infrastructure saw new facilities added to the sports complex in Sur, including an indoor sports hall and team accommodation.

The Ministry of Sports Affairs has signed agreements for the construction of indoor sports halls at the Sohar and Nizwa sports complexes and at the

Seeb Club, which is expected to see a number of other improvements, including increasing the existing seating capacity by the end of 2008.

Asian Beach Games

And with the setting up of the organising committee and the release of the logo of the Muscat Asian Beach Games, the Oman Olympic Committee (OOC) has begun its preparations for the second Asian Beach Games, scheduled for Muscat in December 2010.

Equestrian events are popular



Collecting a hat trick of podium finishes at the United Kingdom Formula Renault Winter Series

SCOUTS AND GUIDES

The Sultanate celebrated 75 years of involvement in the scouting movement in 2007.

Omani scouts and guides were actively involved in a number of social service projects.

The Directorate-General of Scouts and Guides at the Ministry of Education organised a peer education scheme with the aim of educating the younger generation about the dangers inherent in certain unhealthy practices, such as smoking and the use of non-prescription drugs, while the scout and guide leaders and boy and girl rovers helped provide voluntary services in the wake of cyclone Gonu, which struck the Sultanate in June 2007. The Directorate hosted a strategy session of Arab guide leaders in Muscat 23-29 November 2007 in conjunction with the Arab Guide Regional Organisation, which was attended by 14 Arab states.

Omani scouts and guides took part in several events abroad including the 18th Arab Regional Guides' Conference in Tunis from 18-24 May 2007; in the celebrations marking the 100th Anniversary of International Scouting at the 21st World Scout Jamboree held in Britain from 27 July to 8 August 2007 with the slogan 'One World, One Promise', and in the 25th Arab Scout Conference, organised by the Arab Scout Organisation in Cairo from 12-17 November 2007.

The main international events were the 50th World Scout 'Jamboree-on-the-Air' (JOTA) and the 11th 'Jamboree-on-the-Internet' (JOTI), organised annually by the Swiss HQ of the World Organisation of the Scout Movement, in which more than 3,500 Oman-based scouts and guides took part.



Omani scouts taking part in the 50th World Scout 'Jamboree-on-the-Air'

The Sultanate won the Diamond Shield in the one-off International Telecommunications Competition, organised by the World Organisation of the Scout Movement from 1st January to 31st December 2007, in celebration of one hundred years of the scout movement.

THE HEALTH SECTOR

Throughout the Five-year Plans, which began in 1976, the Ministry of Health has operated a range of programmes aimed at extending its services to improve the general health of Oman's population.

In terms of healthcare, Oman is now one of the world's advanced nations.

The current Five-year Development Plan follows a results-based strategy and highlights the priorities of the Sultanate's public health policy. The Plan operates in parallel with Gulf, regional and international trends, Oman's own commitments and the UN Millennium Declaration, which sets out a programme to improve general healthcare in the global community to 2015.

Working on the principle that 'prevention is better than cure,' the health care provided by the state includes education as well as treatment. A special initiative on non-communicable disease prevention and control designed to fight current and potential future problems such as obesity, cardiovascular disorders and diabetes is in place alongside programmes to provide physiotherapy rehabilitation services as an essential component of the country's overall health care package.

The Ministry regularly monitors the incidence of all communicable diseases through its epidemiological and disease surveillance directorate and contributes to the safeguarding of national and global health by responding with alacrity



whenever an international health emergency arises (e.g. SARS or Bird flu).

The Sultanate's health care system operates at three levels. They are:-

- 1 – Effective, high quality primary health care provided by the health centres, polyclinics and local hospitals in all the Sultanate's governorates and regions.
- 2 – Secondary health care provided by the referral hospitals in all Oman's governorates and regions, as well as other hospitals in some of the main wilayats, which offer specialist healthcare requiring a higher level of specialised skills.
- 3 – Tertiary health care provided by the major hospitals in Muscat (the Royal Hospital, Khoula Hospital and al Nahdha Hospital), which operate as nationwide referral hospitals. Ibn Sina Hospital, in Muscat, is a tertiary hospital for psychological and nervous disorders.

Of the Sultanate's 59 hospitals, 49 come under the jurisdiction of the Ministry of Health. The country has a total of some 5,314 hospital beds, or 20.2 beds per 10,000 of the population. Of these, 4,544 beds – or 85.5% - are in Ministry hospitals.

Primary health care is provided nationwide by 203 health centres, clinics and dispensaries. Of these, the Ministry of Health operates 67 health centres with beds, 72 centres without beds, 20 polyclinics and 30 local hospitals, all offering similar services and facilities.

In 2007 the Health Ministry's outpatient clinics received 11 million visitors and around 241,000 patients were treated as in-patients at its hospitals. Some 79,000 surgical operations were performed in the Sultanate's hospitals.

A 'cradle to the grave' health service is free for all Omanis

Changes in Workforce Densities 1995-2007

Workforce Density	End-2000	End-2005	2007
Physicians per 10,000 population	13.6	16.7	18.7
Nurses per 10,000 population	32.6	37.0	39.6
Dentists per 10,000 population	1.1	1.8	2
Pharmacists per 10,000 population	2.1	3.0	3.5

Source: Annual Health Report, Ministry of Health, Oman (2007)



Omanisation of medical staff is gaining pace

Oman offers a “cradle to the grave” health service. Health care begins before birth and continues throughout childhood and later life.

The Sultanate operates extensive child immunisation programmes against tuberculosis, polio, diphtheria, whooping cough, tetanus and measles, as well as viral hepatitis, german measles, mumps, hemophilus influenzae B and other diseases.

A baby friendly hospital initiative promotes breast-feeding, proper nutrition, advocacy for birth spacing and other community-based projects. Free medical attention is available to Omani citizens throughout their lives but working on the principle that ‘prevention is better than cure,’ the health care provided by the state includes health education as well as treatment.

In addition to the new clinics and centres, in March 2008 the Ministry signed agreements to set up further health centres at a cost of around RO4 million at Sumail in the Dakhiliyah Region, Wadi al Hiyl in the wilayat of Madha in Buraimi, al Dahareez in Salalah in Dhofar, Ras al Hadd in Sur in the South Sharqiyah Region and Wadi Bani Khalid in the North Sharqiyah Region.

Other agreements for a further RO4 million were signed in April 2008 for the construction of health centres in

West Salalah in Dhofar, at Ibri in the Dhahirah Region, al Sawadi at Barka in the South Batinah Region, Wadi Minqal in Sur and at al Wafi in the al Kamil wa'l Wafi area of the South Sharqiyah Region.

The health service covers every part of the country – rural as well as urban districts. Its facilities include:-

- In the Governorate of Muscat: the Royal Hospital (622 beds), Khoula Hospital (447 beds), al Nahdha Hospital (74 beds), Ibn Sina Hospital (74 beds), al Rahma Hospital, which specialises in chest problems (24 beds) and Quriyat Hospital (30 beds). Other facilities include the Bausher Polyclinic, al Watteya Polyclinic (gynaecological and maternity), Quriyat Polyclinic and 23 health centres, including two with maternity beds.
- In the Governorate of Dhofar: Sultan Qaboos Hospital (450 beds), as well as hospitals in Taqah, Tawi Ateer, Rakhyut, Sadah and Madinat al Haqq; Dhofar's hospitals have a total of 538 beds. Among other facilities are the Salalah Polyclinic and 27 health centres, 22 of which have maternity beds.
- In the Dakhiliya Region: Six hospitals – in Nizwa, Sumail, Bahla, Adam, Izki and al Jabal al Akhdhar – with a total of 543 beds, as well as three polyclinics and 15 health centres, including five with maternity beds.
- In the Sharqiyah Region: 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 Bidya. The Sharqiyah is divided into two health regions – North Sharqiyah with 12 health centres including five with maternity beds, and South Sharqiyah with two polyclinics and 15 health centres, including nine with maternity beds. Altogether there are 787 hospital beds in the Sharqiyah Region.
- In the Batinah Region: Ten hospitals – in Sohar, Rustaq, Saham, Wadi Bai Ghafir, Wadi al Sarmi, Wadi Mistal, Wadi al Hawasna, Wadi al Haimli, Wadi Bani Kharus and Wadi Hibi. The Batinah is also divided into two health regions – North Batinah (Sohar Polyclinic, four other polyclinics and nine health centres, including three with maternity beds), and South Batinah (two polyclinics and eight health centres with maternity beds). The Batinah Region has a total of 761 hospital beds.
- In the Dhahirah Region: Three hospitals – in Ibri, Yanqul and Tan'am – with a total of 260 beds, as well as a polyclinic in Ibri and ten health centres including seven with maternity beds.
- In the Governorate of Buraimi: Two hospitals – Buraimi and Wadi al Jizzi. The Governorate also has three health centres.
- In the Governorate of Musandam: Three hospitals – Khasab, Bukha and Daba al Bay'ah – with 156 beds, as well as a polyclinic in the wilayat of Khasab and three health centres with maternity beds.
- In the Wusta Region: Three hospitals – Haima, al Duqm and al Jazer – with 72 beds, and five health centres with maternity beds.

The emphasis is on decentralization as a managerial strategy, regional directors enjoy greater financial and decision-making authority for health services management than in the past. Hospital Directors are now responsible for the delivery of health services provided by the respective health institutions and plans to monitor performance of the autonomous hospitals are being developed. The hospital autonomy initiative aims to deliver better and more cost-effective services in the future than ever before.

Major social care services including rehabilitation support are provided by the Ministry of Social Development. The services of qualified physiotherapists are available in most national and regional hospitals.

To keep pace with the development of the health care infrastructure and minimize dependence on manpower import, the Ministry felt the need to accelerate human resources development to train medical and paramedic staff locally and abroad.



Genetic technology offers new prospects for the care and prevention of genetic disease. An analysis is made at a cytogenetic and molecular genetic laboratory run by the Ministry of Health in Muscat

OMANISATION

The Omanisation level among the country's nurses is expected to increase to over 80%, with several regions touching 100%. Over 80% Omanisation level may be reached by end-2010 in case of pharmacists (84%), physiotherapists (89%), radiographers (88%), assistant pharmacists (85%) etc. Physician Omanisation level is expected to increase to about 46% by end-2010. Omanisation level in physician specialists is expected to go up from 23% at end-2005 to 38% by end-2010. Specialty Omanisation is expected to reach reasonable figures (40-47%) in case of two key specialties viz. General Pediatrics and Internal Medicine. However, in two other major specialties, Obstetrics & Gynaecology and Anesthesiology, Omanisation levels are likely to continue to be low (10-30%) until at least 2010.

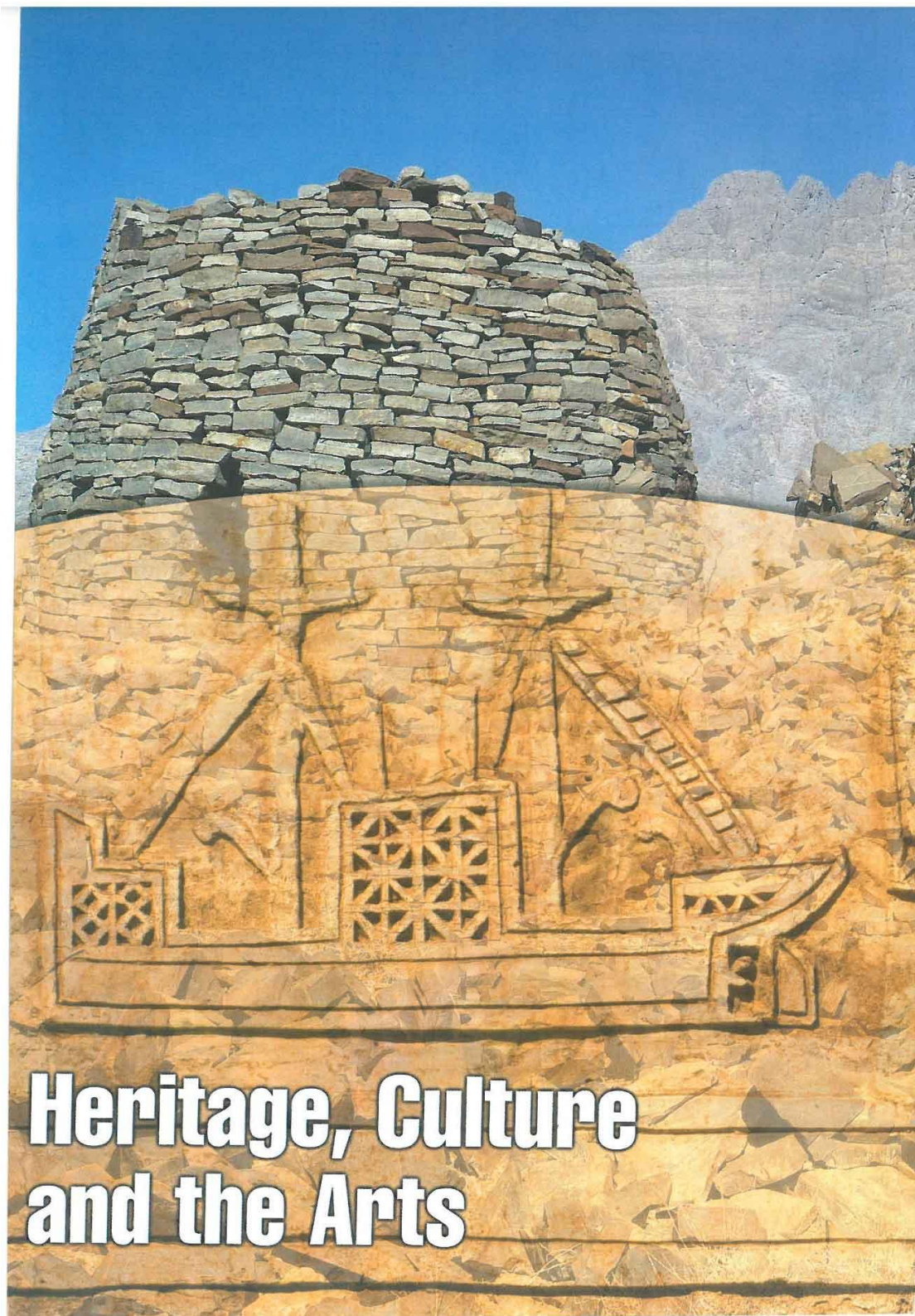
The Ministry of Health pursues an e-Health strategy, according to which Information Technology and Communication (ITC) will be used comprehensively in all health care institutions, with information shared across various concerned institutions. The use of ITC is already widespread in state health institutions and eventually, the Ministry plans to evolve a National e-Health Records Repository.

There are also a number of private medical facilities as well as those specialising in ayurvedic, Chinese and homeopathy, along with chiropractor centres.

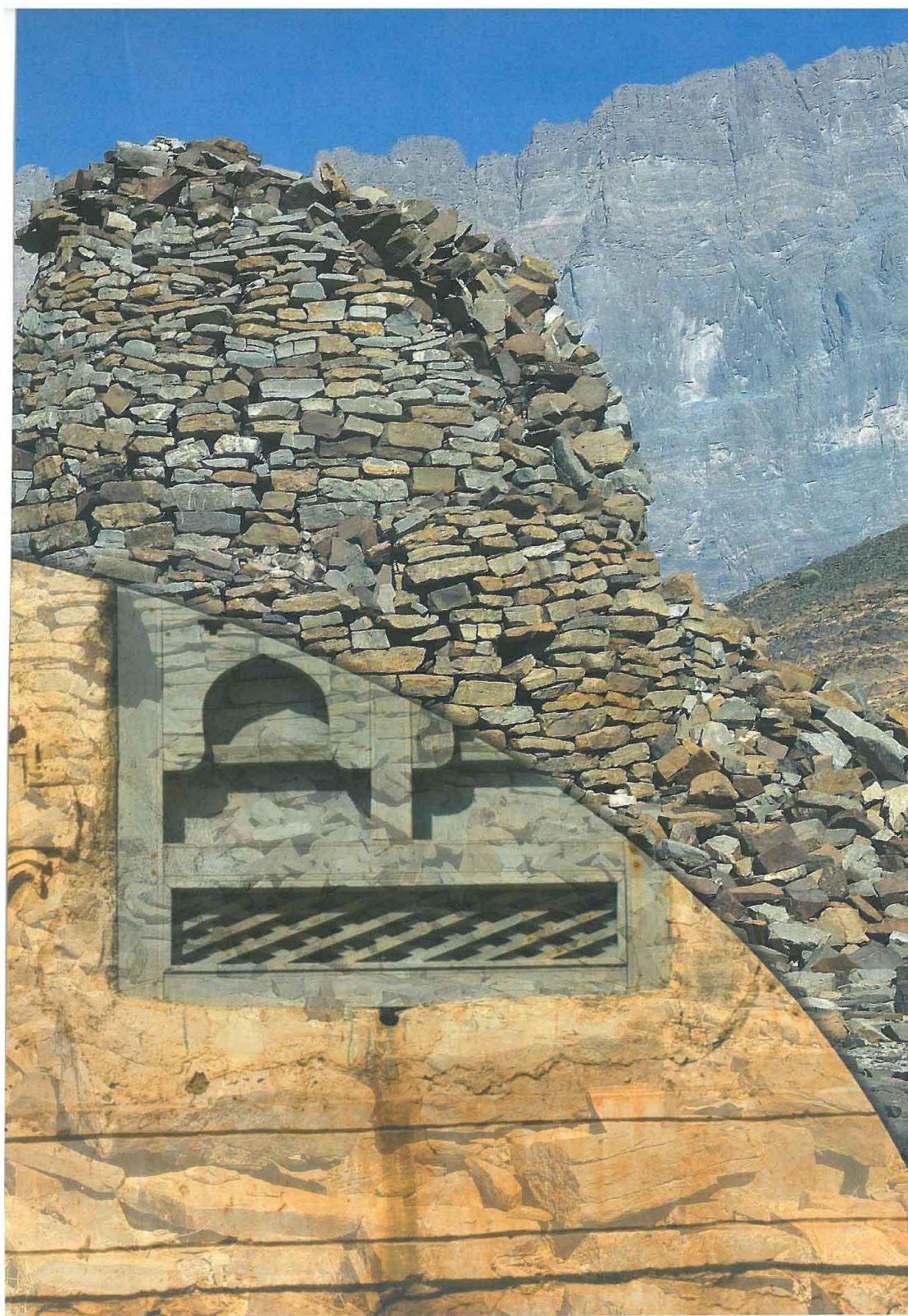
Dental and oral health

Dental and oral health has seen rapid development across all regions. At the end of 2006 there were nearly 100 dental clinics in government primary health care establishments, in addition to the dental and oral surgery clinic at the al Nadha Hospital.

Private clinics around the country offer every type of treatment from orthodontics and implants to cosmetic dentistry.



Heritage, Culture and the Arts





HERITAGE, CULTURE AND THE ARTS

While Oman and its people are fully committed to the drive to progress and development, there exists within the country a strong determination not to exchange their long established traditions for the trappings of the modern age; efforts have consistently been made to blend the two and get the best of both worlds.

The government policy of conserving the country's heritage and promoting its culture and arts is pursued through various official institutions and channels. In addition to excavating archaeological sites, the Ministry of Heritage and Culture maintains an inventory of the country's historic buildings and hosts annual art and literary events, discussion forums and cultural weeks at home and abroad. Societies like the Literary Association and the Cultural Club continue to play a useful role.

The culture of the past can be found in the country's many museums that showcase a wide range of exhibits from ancient and more contemporary times. Meanwhile, in modern, visitor-friendly surroundings the continuing restoration of Oman's forts and castles helps project a living history of the country alongside its fascinating past.

As well as devising a series of management plans for the Land of Frankincense sites, the Office of the Adviser to His Majesty for Cultural Affairs is working with various UNESCO committees and collaborating with several scientific and research institutions and universities on programmes to restore and maintain the Sultanate's rich cultural and natural heritage.

The Ministry of Tourism, which recognizes their importance as tourist attractions, is revamping forts and historic sites; several of these will eventually be converted into museums. Its renovation programme includes the forts of Nizwa, Khasab, al Hazm Fort, Bait al Radaida, Bait al Nu'man and Barka.



An old grave at Samad a'Shan, near Madaibi in the Sharqiyah region

His Majesty conferred two Royal Grants on crafts people in October 2008

Excavations at archaeological sites

The Ministry of Heritage and Culture monitors the archaeological excavations taking place in the Sultanate.

● Among these is the Bausher dig – a joint AGCC initiative being carried out by experts from the antiquities departments of the AGCC states. This operation will enable one of the most important archaeological sites in Muscat to be documented and protected from the effects of urban sprawl. The project is a valuable example of what can be achieved by constructive co-operation between the AGCC states.



The Bausher site contains several tombs originally excavated by a German archaeological team in the 1980s before the joint Gulf team undertook further explorations in 2004, which unearthed soapstone implements, earthenware pot fragments, a seal, spearheads, a pair of bronze tongs, shells and beads.

- A dig at the Bait al Maqham site at Bausher in Muscat revealed remains of the walls of a rectangular chamber believed to have served as a kitchen since the area containing earthenware fragments and a central oven containing coal.

- The Ministry also oversaw digs on a number of other sites including the Waihi al Murr, near Tanuf, in the Dakhiliyah Region, four kilometres from Bahla Fort. This site revealed a burial ground dating from the third millennium BC which, when excavated, contained two separate sections. The first contained earthenware pots, beads and fragments of soapstone vessels, while the second section housed 12 tombs containing skeletons and earthenware fragments.

- A recovery operation was carried out at an ancient site in the village of al Faiqain in the wilayat of Manah when a water reservoir was under construction in the vicinity. Three tombs were excavated, two of which were found to date from the late Iron Age (300 BC), while the third dated from the late Copper Age and Early Bronze Age (3200-2700 BC). The main finds at the site were bronze arrowheads, soapstone vessels, earthenware cups and pottery fragments.

- Some exploratory digs were carried out in an enclosed area at the al Khawbar site in the wilayat of Sumail, where a badly damaged tomb was unearthed containing the remains of a skeleton and some soapstone vessels and earthenware fragments.

- Some 20 tombs in a rectangular area at the al Birain site, near Quryat in Muscat, were found to have been badly damaged as a result of construction work in the area. They dated from two eras - the Lizq period (1000-400 BC) and the Samad

The Bausher archaeological site in Muscat is being documented by antiquities experts from a joint AGCC initiative



The Land of
Frankincense Museum,
part of the Al Baleed
archaeological site in
Dhofar

al Shaan late Iron Age period (300 BC – 793 AD). The tombs contained human remains, earthenware fragments, daggers, bronze lances and axes, as well as a number of small glass, ivory and agate beads, some soapstone implements and a large bronze pin.

- A comprehensive survey was carried out at Seih al Makarim in Sohar, where a large area was divided into ten sections and the contents of each recorded. The area was found to contain around 1,000 tombs, most dating from the first millennium BC.

- A dig at Halban, Seeb, on a site dating from between 3200 and 2000 BC consisted of a burial ground of tower and beehive tombs similar to the ones at Bat (see below). There have been excavations in the area previously and a study made of the life of its inhabitants during the third millennium BC. A mission from the German Mining Museum first carried out a survey of the site's archaeological contents in 1993.

- The Salut archaeological site lies at the heart of what was once an ancient oasis occupying a large area in the western part of a valley, crossed by Wadi Bahla and Wadi Sayfam. Salut was a fortified settlement (1300-800BC) located at the foot of the western side of the al Hajar mountains, one kilometre north of the modern town of Bisya in Bahla. The ruins of the fortress are set on a rocky outcrop of about 20m, some 45m above the level of the surrounding plain.

The historical importance of the site is linked with the arrival of the first Arab tribes from Southern Arabia to the territory known as present day Oman. Its archaeological relevance resides both in its developed fortification and monumental architecture - the only example of the period known to exist in the Omani interior - and in the use of the sophisticated irrigation system, known as falaj.

The large number of artefacts revealed during excavations include stone and bronze tools, pottery vessels, votive objects and examples of the constructional technique of mud-brick and stone structures employed at the Salut fortress. Since 2004, an Italian team from Pisa University (IMTO) in cooperation with the Office of the Adviser to His Majesty for Cultural Affairs has been excavating the site. A comprehensive programme for conservation, restoration and eventual opening of the site to the general public has been carried out.

The Bat site and archaeological surveys

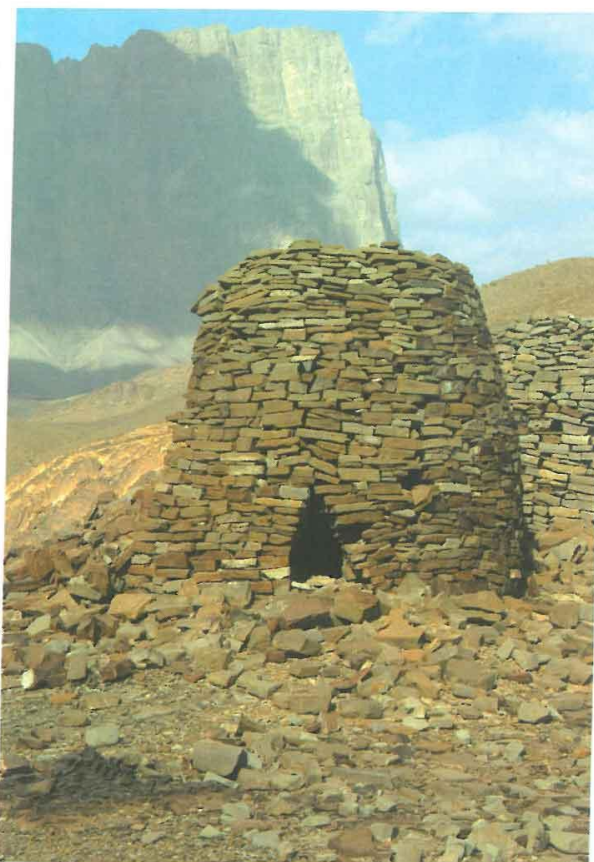
The German mission continues with its surveys and excavation work at the Bat site in Ibri, in conjunction with a team of archaeologists from the University of Pennsylvania, under the supervision of the Ministry of Heritage and Culture. An inventory is being drawn up of all the archaeological features at the site and excavation work is also being carried out in the nearby hills. A tomb has been found, dating from the Umm al Nar period, as well as two circular structures dating from the third millennium BC, found to contain items including earthenware pots, swords, stone pestles and cosmetic implements, and – for the first time – a lump of frankincense. Work will continue in Bat for at least the next two years.

- An archaeological survey carried out by the French mission in the wilayat of Adam has revealed a number of Bronze Age sites.

- At the village of Zakait in the wilayat of Izki the Italian mission has discovered a site containing settlements dating from the beginning of the early Bronze Age overlooking rock caves from the Hafeet era (3000-2700 BC), where an earthenware jar from the period was discovered. The mission's aim is to study the condition of the tombs, explore the buried settlement structures and record their finds on a three-dimensional digital map to assist in the reconstruction of the settlement.

- The British mission continues its work on the al Hajar Project in the Dakhiliyah Region. Most of its activities are centred on Wadi Bahla and Wadi Maleeh and a multi-faceted exploration programme that will contribute to a more comprehensive understanding of the civilizations of the two areas.

- In 2007 an archaeological team from Basel University in Switzerland began a 5-year project surveying the al Huqf and al Duqm areas of the Wusta Region. As at July 2008 the survey had resulted in the discovery of 791 items, most being stone tools used for the purpose of fishing. It is hoped that the items discovered in the Al



One of a series of beehive tombs at Al Ain, with Jebel Misht in the background



Al Baleed's origins date from pre-Islamic times. It is one of UNESCO's 'Land of Frankincense' listed sites

Huqf desert are related to the Stone Age and that they will help in providing more details about human life in the Pleistocene Age in the south Gulf area.

Historic buildings

The Ministry of Heritage and Culture's Historic Districts Registration and Protection Committee, formed in 2006, embarked on a nation-wide survey of historic buildings and districts at the beginning of 2007; the survey was divided into five areas.

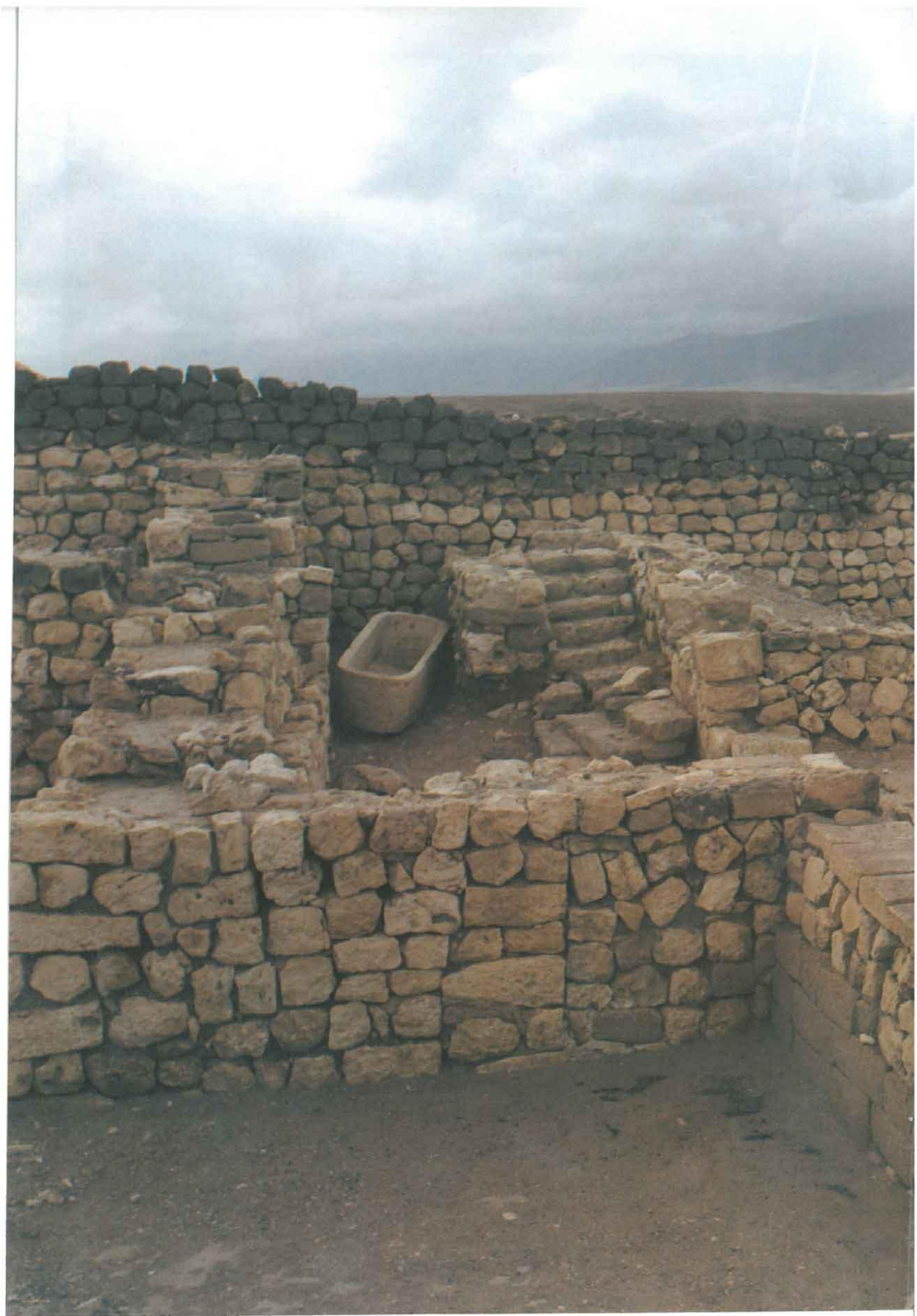
Results show there were 282 old districts in the Dakhiliyah Region, 261 in Dhofar, 215 in the Batinah Region, 94 in the Sharqiyah Region, 108 in the Dhahirah Region, 121 in the governorate of Musandam, 11 in Muscat and 36 in the governorate of Buraimi. The Committee did not record any historic districts or buildings in the Wusta Region.

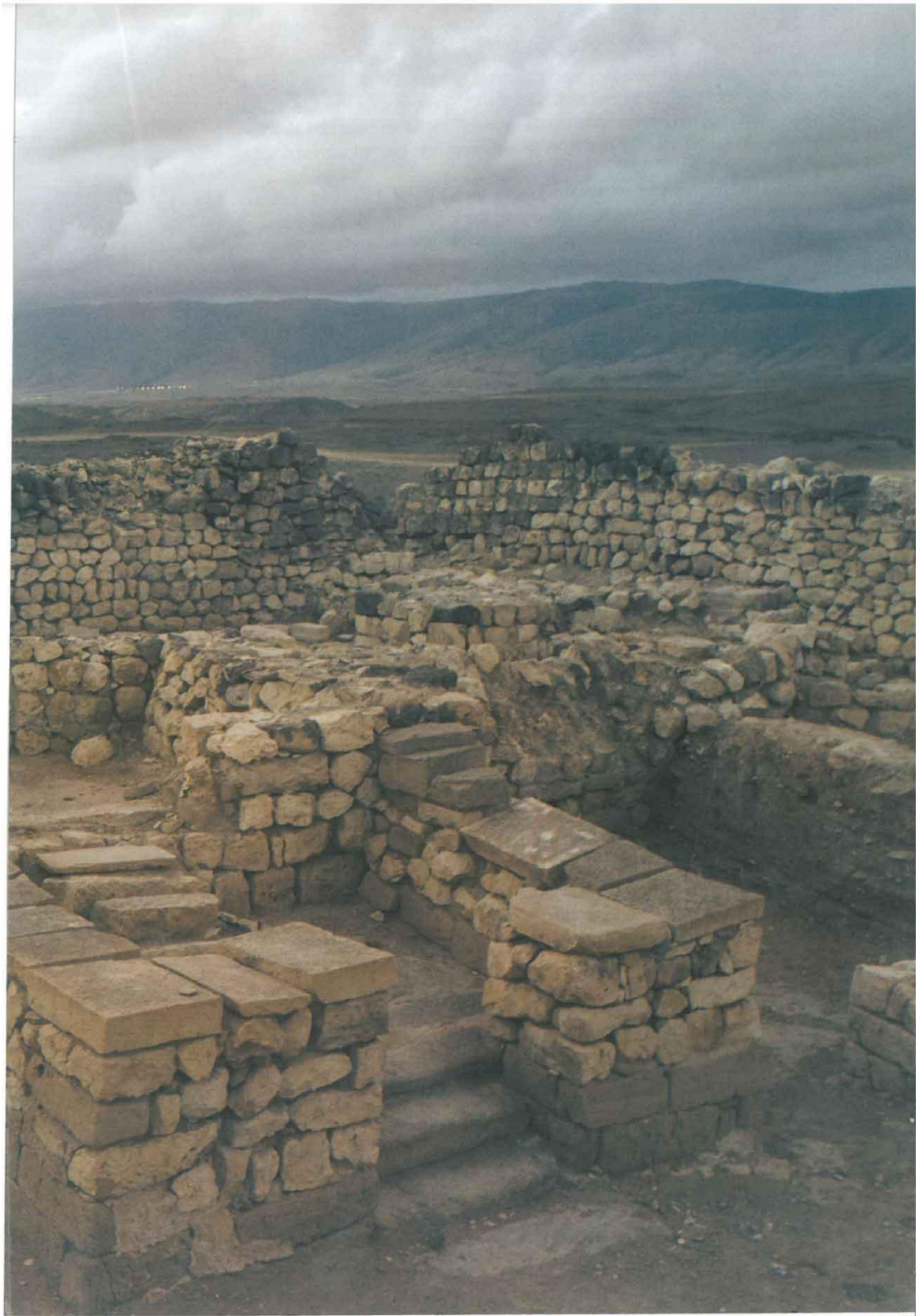
The Committee has approved plans for preserving the historic districts and agreed such sites should be restored as open-air museums and real-life examples of Oman's traditional architecture. It will study options for managing the sites that ensure each retains its original architectural character and will attract tourists thereby providing employment for the local populations.

Overleaf: Sumharum is a significant settlement in terms of Dhofar's pre-Islamic era. It lies in the middle of the frankincense-producing area

Land of Frankincense sites

In ancient times frankincense from the Sultanate and particularly from the Dhofar region was regarded as the very best quality available anywhere in the world. Oman made fortunes and helped promote cultural contacts between nations through the frankincense trade and the sites connected with that trade remain of exceptional international value.





The government attaches great importance to the country's archaeological and natural heritage and several of the sites connected to the frankincense trade that fulfil the criteria of UNESCO's Convention for the Protection of the World Cultural and Natural Heritage, have been added to its World Cultural and Natural Heritage List including Shisr (Wubar), Khor Rori (Sumhuram) Al Baleed Archeological Park and Wadi Dawkah.

The Office of the Adviser to Sultan Qaboos for Cultural Affairs is currently engaged in restoring, developing and managing these sites in collaboration with a number of UNESCO committees, several academic and scientific institutions and universities with specialist expertise in the investigation, restoration and maintenance of the cultural and natural heritage. Work on the sites is carried out according to a seasonal programme.

• Al Baleed

Recent excavations reveal al Baleed's origins date from pre-Islamic times and that it was a major population centre around 2000 years BC. It was a city of considerable importance during the late Iron Age and flourished during the Islamic periods.

Like other coastal centres in Oman such as Sohar and Qalhat, al Baleed was a port city on the southeastern shore of the Arabian Peninsula.

To encourage cultural tourism a park has been established on the site, together with the Museum of the Land of Frankincense, which comprises two halls: a History Hall presenting a brief history of Oman depicting its cultural heritage over the ages; and a Maritime Hall containing models of Omani ships and other exhibits highlighting the country's relationship with the sea. In addition to a multi-media room, the museum boasts a number of curio and handicraft shops, staffed and managed in co-operation with the Public Authority for Craft Industries. Other features include an example of an old Baleed house, a viewing tower, a platform for watching birds in Khor al Baleed lagoon and neighbouring lagoons, small boats for children and trips around the Khor, footpaths along its northern shore, a nursery for frankincense seedlings and a botanical garden containing examples of the trees and plants of the mountains of Dhofar.

A bridge spans the Khor al Baleed lagoon, providing access to the archaeological site and a model of Wadi Dawkah has been installed in the Park. In 2007 the Museum received 35,019 visitors.

• Khor Rori (Sumhuram)

The Khor Rori (Sumhuram) site has a main gateway, perimeter fence, access footpaths, descriptive panels and a café and picnic area. The ancient city of Sumhuram was built in the Khor Rori area between the end of the fourth century BC and the fifth century AD and is the most significant settlement in terms of Dhofar's pre-Islamic era. It lies in the middle of the frankincense-producing area.

Excavations show that Sumhuram was prosperous and well defended. It was an Arab city of major importance enjoying extensive maritime links with the Mediterranean region, India, the Gulf and the rest of the Arabian Peninsula.

• Shisr (Wubar)

Excavations at the Shisr (Wubar) site have revealed numerous traces of human settlements dating from the Iron Age and the Islamic period, as well as evidence frankincense was produced and traded there. It is believed frankincense was transported through the area to the southern side of the Empty Quarter or northwards to the oasis of Yabrin. Within its citadel are the ruins of an administrative building.



Excavations at Wubar indicate human settlements dating from the Iron Age

as well as the remains of a main gateway, some round and square towers and a number of chambers. A plan has been drawn up to develop the site and establish it as a major tourist attraction.

• Frankincense in Wadi Dawkah

Wadi Dawkah is a typical frankincense-growing area, about 40 kms north of Salalah, near the main road to Thumrait. Around 5,000 trees are currently being cultivated in the nursery there which, when transplanted, will help restore natural balance to areas of the wadi where tree numbers have been reduced as a result of environmental damage. Part of the wadi will be a designated reserve; measures are already in place to protect it. To ensure that frankincense trees continue to grow in their natural environment, some 3,000 new trees have already been planted and the mature, established trees of the area are being carefully tended and protected.

Restoring the forts and castles

The Ministry of Heritage and Culture restores, maintains, studies and documents ancient buildings in order that they may be identified and preserved for posterity. In 2007 restoration work was completed on al Aija Fort in Sur, Bait al Yahmedi in Ibra, al Thermad Fort in the wilayat of al Suwaiq, the al Maghabisha Wall and the fort of Saham on the Batinah coast, as well as Bukha and Daba in the Musandam.

• Bahla Fort

Bahla Fort's casbah is currently being extensively restored. This imposing citadel, which stands on the top of a rocky mound in the middle of an oasis of date



palms, is mainly built of mud, though sarooj (burnt clay) is also used in some parts of it. Its main features are its enormous area – it is the oldest and biggest fort in Oman – and the hill on which it stands. Its central courtyard is open to the sky.

Restoration work has been completed on some parts of the fort, such as Bait al Jabal, which forms an extension of the south-western corner of the building and dates from 18 AD, and al Bait al Hadith, which lies between the casbah and Bait al Jabal and dates from the middle of 19 AD. Restoration work revealed several underground chambers, not previously listed among the fort's numerous rooms and additional features and facilities.

The Ministry has also restored the Friday Mosque, which lies on another hillock near the Fort. An inscription dated 4 AD was written in ink on one of the columns of the Mosque. To date this is the oldest inscription found in any Islamic building in the Sultanate. Bahla's Friday Mosque was once used as an institute of learning that produced numerous scholars and jurists over the centuries.

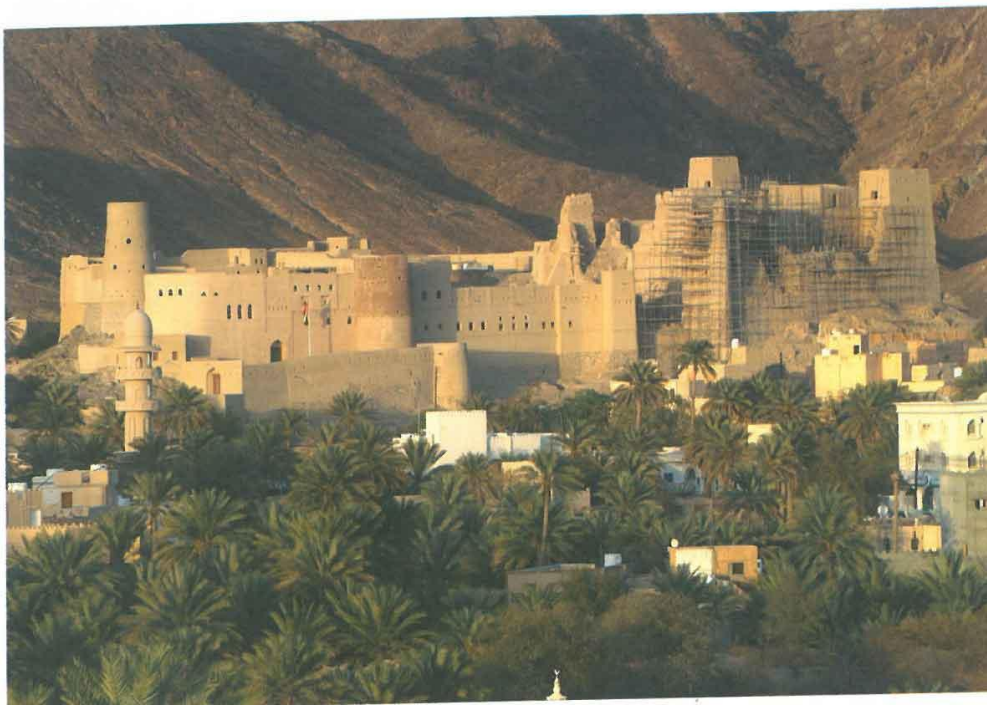
Wadi Dawkah where 1,000s of frankincense trees (*Boswellia sacra*) are being planted some 40kms north of Salalah

• The forts of Sumail and al Musana'ah

The Sumail Fort restoration project continues in Sumail. Several towers are also being restored in other parts of the wilayat – at al Adhdah, al Muraifa' and al Habas. Local date palm trunks are being used to rebuild ceilings in a number of the buildings. Al Musana'ah's famous fort is being restored with three round towers, several rooms and a barzah (Wali's reception area). It is located next to the town's old souq.

• The forts of al Awabi and al Khubaib

Restoration work is nearing completion on al Awabi Fort, which stands at the



Bahla Fort is the oldest and biggest fort in Oman, dating from the middle of 19 AD

head of Wadi al Fara' overlooking Wadi Bani Kharus. It is a two-storied, walled, rectangular building with two round towers – at its eastern and western corners.

Al Khubaib Fort, in the niyabat of Samad al Shaan in the wilayat of al Mudhaibi, is in the process of being restored. Built of stone and burnt clay, it has two storeys, two round towers and two entrances and numerous defensive features such as *saqataat* – the openings above the entrance – once used to pour hot date syrup or water onto enemy invaders – as well as numerous passages, corridors, staircases and steps allowing access to the roofs of the towers and the upper floors of the building. Other features include food and grain stores and a water supply with toilet and washing facilities.

Al Khubaib Fort is particularly notable for its extensive gypsum and wood ornamentation. All its doorways are beautifully decorated with hand crafted geometrical designs.

• Jabrin Fort

Proposed improvements include an electronic guide for visitors to the fort in a choice of six languages – Arabic, English, German, French, Japanese and Hindi. As part of the programme the fort will be refurbished with old artefacts, information boards and new lighting systems. The café and rest area will be renovated and modernised.

• Khasab Fort

The Ministry of Heritage and Culture has restored a large damaged section of Khasab Fort's structure and installed damp proofing and a modern electric wiring system. The fort's large central tower has been renovated and converted into a



museum containing rare local artefacts, handicrafts and information about the customs, traditions and folklore of Musandam.

Jabreen Fort is to be completely refurbished

Maintenance work has been carried out on other parts of the Fort. The old living quarters have been furnished with items typical of a Musandam home, including – with the collaboration of the Omani Women's Association in Musandam – traditional costumes and items of personal adornment. The courtyard of the fort has various model artefacts recalling a bygone age, as well as a shop for the sale of curios, gifts and handicrafts which opened to the public in 2007.

• Al Hazm Fort

The proposed improvements to al Hazm Fort include a multilingual electronic guide, a cannon museum and a range of sound, light and aromatic effects; visitors will be able to smell dates in the date store, cooking in the kitchen and perfume in the women's quarters.

A cannon museum will be installed in the fort's two towers featuring a large collection of different field guns from Oman, Portugal, Britain, France, the USA, India and Persia, with details of their history and importance from a military point of view. Their carriages have been painstakingly reconstructed in their original styles and forms with the assistance of experts from the United Kingdom and historic documents from the British, Portuguese and Spanish archives. Each cannon and cannon cart has its own distinctive history.

• Bait al Maqham

Restoration work has been completed on Bait al Maqham in Bausher's al Falaj



Hazm Fort is to have a cannon museum which will feature a collection of field guns from Oman, Portugal, Britain, France and the USA.

quarter, Muscat. Known as the house of Sayyida Thurayya bint Mohammed bin Azzan, it is a large, palatial, three-storied fort. The ground floor has four rooms, a wide corridor with beautiful arches and a staircase leading to the upper floors and the building's main tower. The fort is built mainly of mud brick and has thick, solid walls, which fell into disrepair when it was abandoned for many years.

• Nizwa Fort

Extensive improvement work has been carried out on Nizwa Fort with trees and shrubs planted in the courtyard, stone-paved pathways laid and shelters and seating installed. New facilities have been added including a cafe for visitors and a shop for the sale of curios, gifts and Omani handicrafts. The renovated stables are now workshops for the preparation of Omani halwa and the manufacture of brassware and silverware. Some 22 of the Fort's lower-level store rooms have been converted into a museum devoted to the Dakhiliyah Region and the city of Nizwa, as well as on the history and architectural features of the fort. It opened to the public in January 2008.

• Bait al Radaida

The main feature of the refurbished Bait al Radaida Fort will be its permanent exhibition of traditional small arms. Other improvements in the pipeline include maintenance work on the old falaj in the building's outer courtyard. Two rooms will be devoted to traditional handicrafts, one of the rooms beside the outer courtyard will become a shop for the sale of traditional-style curios and a café will be built with visitor facilities.



• Bait al Nu'man

Proposed improvements to this Fort include general outdoor maintenance work, including a tree planting scheme in the inner courtyard and modernisation of the electricity and lighting systems. Internal improvements will involve total refurbishment of the building's contents and the provision of visual aids and printed information. There is also a plan to convert the fort into a museum devoted to the culture and traditions of the Batinah Region's coastal strip.

• Barka Fort

Barka Fort's inner courtyard and rooms will house an exhibition illustrating the farming and fishing traditions of the area. Audio-visual aids will be used to show features such as the *zajirah* (traditional irrigation device) and the *manjoor* (wooden wheel used in the *zajirah*); demonstrations of the use of domestic animals in irrigation, as well as the traditional sport of bull-fighting (where two bulls go head to head), fishing, including examples of the types of fishing boats used in former times, and examples of the wilayat's customs, traditions and popular folklore.

To encourage archaeological tourism the Ministry of Tourism will continue with its programme of renovating forts and castles across the country. Forts and castles overseen by the Ministry of Heritage and Culture received 6,671 visitors during 2007.

Oman's museums

Several existing museums have been improved and modernised in recent years and new ones have opened. One of the Ministry of Heritage and Culture's main projects was the inauguration of the Sayyid Faisal bin Ali Al Said Museum on 7th January 2008. This museum showcases the history of traditional weapons through the ages and has a room devoted to Oman's defensive architecture. It is also designed to host temporary exhibitions.

The Ministry has also upgraded and modernised the Children's Museum and added ten new pieces of advanced scientific equipment, designed to appeal to various age groups, and selected to tie in with the school syllabi.

The Bait al Baranda Visitors' Centre, which comes under the jurisdiction of Muscat Municipality, is a major new landmark that records the story of the capital city from the earliest geological epochs to the present day by means of interactive displays. It is complemented by the Muscat Gate Museum, sited in the upper floor of Muscat Gate, that also illustrates Muscat's development through the ages.

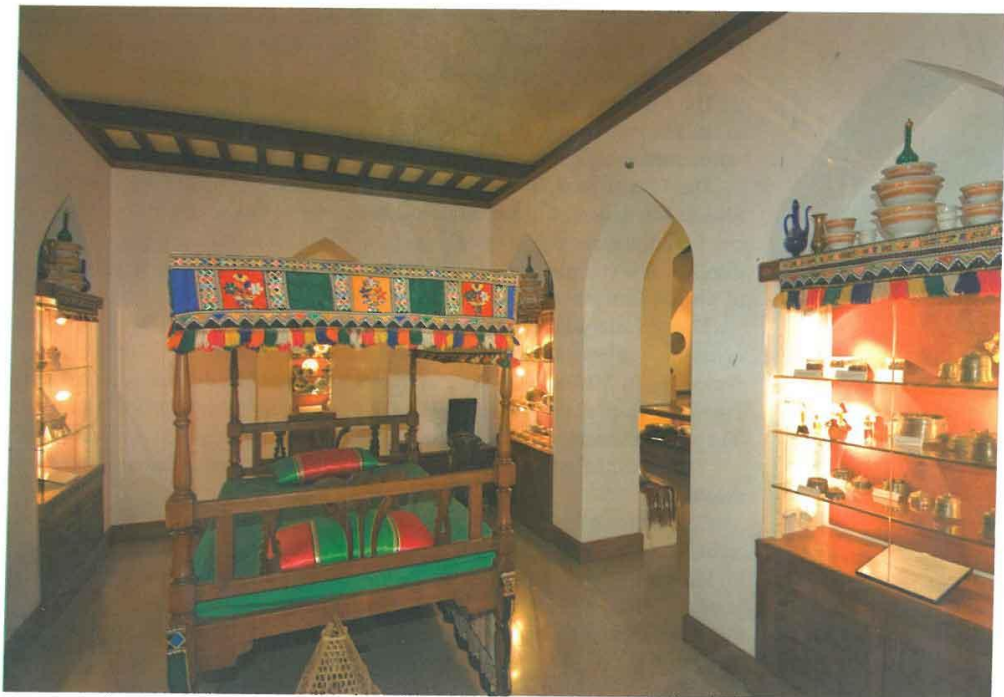
The privately-managed Bait al Zubair Museum, in old Muscat, contains cosmetic implements, items of personal adornment and examples of traditional weapons. In March 2008, Bait al Zubair celebrated its 10th anniversary with the opening of four new galleries situated in a new 3-storey wing called 'Bait al Oud'. The new galleries exhibit rare prints, maps, charts, photographs and furniture.

The Omani-French Museum contains historic documents on Omani-French relations.

The Sultan's Armed Forces Museum, containing military memorabilia was re-opened in September 2007, following renovation. The Natural History Museum in Muscat highlights some of the Sultanate's rich wildlife including a skeleton of a sperm whale.

The Omani Heritage Museum in Qurm, Muscat, features a display devoted to 'the cycle of life'. The Currency Museum at the Central Bank of Oman has a display of coins and notes, while the privately-run Bait Adam in Qurm has a

Bausher's Bait al
Maqham Fort under
restoration, built
mainly of mud brick
with thick, solid walls



The Library of Public Knowledge is popular with all nationalities

unique collection of Oman's postal history. In Salalah, the Land of Frankincense Museum, housed in the Al Baleed Archaeological Park, is featuring, among its many fascinating frankincense exhibits, a photographic exhibition of work by the late British explorer, Sir Wilfred Thesiger.

Library of Public Knowledge

The Library of Public Knowledge is based in Qurum, Muscat and run by the Diwan of Royal Court. It invites the public to make use of its information services including the latest books, periodicals and internet services.

Literature and the arts

In September 2008 Sultan Qaboos confirmed the formation of a supreme committee, headed by the Minister of Diwan of the Royal Court, to study the status of theatre and the standard of drama in the Sultanate, and to evaluate current levels of performance. The committee will begin its work shortly by seeking the views of experts in the field of theatre and drama.

Literature and the arts are the mainstay of present-day cultural life in Oman and a wide range of official activities and events have been held over the past year.

Seven theatre groups set up in various parts of the country under the aegis of the Youth Theatre enjoy the support and patronage of the Ministry of Heritage and Culture. The Youth Theatre has staged several plays that have helped enhance the reputation of the Omani theatre at home and abroad. The Youth Theatre group performed a play called 'Al Manjoor' at the 8th Arab Gulf States' Theatre Festival, held in Qatar for 10 days in November 2007 and won five prizes for its efforts. The Ministry also oversees Oman's 17 non-government theatre groups.

The 13th Literature Forum – with poetry readings and critical analysis sessions – was staged by the Ministry of Heritage and Culture in Khasab, Musandam for five days in July 2007. Oman hosted a number of art exhibitions and took part in the 1st Gulf Culture Festival in the Emirate of Sharjah and a competition entitled 'Egypt in the Eyes of the World's Children.'

Cultural Weeks, Exhibitions and Festivals

Cultural Weeks are a form of bilateral exchange between different countries that offer opportunities for artists and writers to meet and exchange ideas. The Ministry of Heritage and Culture has taken part in numerous cultural weeks, including events in Algiers, Berlin and Syria.

The 13th annual Muscat International Book Fair held from 26 February to 7 March 2008, attracted a large number of leading Arab and international publishing houses. A week long Book Fair was held for the first time from 23 -30 August 2008 at the Salalah Tourism Festival as part of the Back to School educational Book Fair.

The Ministry of Heritage and Culture, the Ministry of Information and several Omani publishing houses contribute regularly to international book fairs in cities including Cairo, Casablanca, Riyadh, Abu Dhabi, Tunis, Tehran, Syria, Frankfurt, Sana'a, Algiers, Tripoli, Kuwait, Doha, Sharjah and Lebanon.

The Ministry represented Oman at the 1st Gulf Cultural Festival, from 21-26 October 2007, and the al Janadiriya Festival in Saudi Arabia in March 2008.

Omani Manuscripts

The Ministry of Heritage and Culture's Manuscripts Department has a collection of some 4,600 manuscripts from Oman and elsewhere covering a diverse range of topics. It continues to collect and purchase manuscripts through the Manuscripts

Bait al Zubair celebrated its 10th anniversary in 2008 with the opening of four new galleries featuring rare prints, maps, charts, photographs and furniture

Overleaf: A beautiful copy of an old Holy Koran



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
 الْحَمْدُ لِلَّهِ رَبِّ الْعَالَمِينَ
 الرَّحْمَنُ الرَّحِيمُ
 مَلِكُ يَوْمِ الدِّينِ
 إِيَّاكَ نَعْبُدُ
 وَإِيَّاكَ نَسْتَعِينُ
 اهْدِنَا الصِّرَاطَ
 الْمُسْتَقِيمَ
 صِرَاطَكَ الَّذِي نَقُودُ
 عَلَيْهِ قَدْرَ الْمَقْصُودِ
 وَلَا تُضِلَّنَا إِلَى
 الْغَيِّ



and Archives Valuation Committee. Recently the Department acquired a number of superbly illuminated rare manuscripts including 'Takhmis al Burda' by al Busiri, 'Khizanat al Akhyar' and 'Bayan al Shara'

The manuscripts on medicine, chemistry, hadith, Qur'anic sciences, along with critical interpretation of the text, have been catalogued as part of a scheme that aims to index all the manuscripts in the department's possession.

The Manuscripts Department offers facilities for scholars and post-graduate students to study the manuscripts and details of its published and printed material can be accessed on the internet. The process of documenting and preserving them is ongoing.

Many of the manuscripts are in poor condition and need to be carefully restored and preserved, so a special department has been set up for this purpose, staffed by Omani nationals, trained by experts.

The Department also publishes manuscripts it considers to be of particular value. So far 750 have been published covering such fields as *fiqh* (Islamic jurisprudence), history and literature, as well as several other disciplines. Copies are presented to academic and cultural institutions at home and abroad and displayed at book fairs and exhibitions.

The Literary Association

The Literary Association, part of the Ministry of Heritage and Culture, holds a full programme of activities throughout the year and across the country. Literary evenings, poetry recitals, short story readings and criticism sessions are an important part of its annual programme along with events hosting distinguished living Omani poets and writers. The Association also stages annual seminars on

Cultural Weeks in different countries offer opportunities to meet and exchange ideas – here in Berlin

the history, intellectual life and development of various Omani towns and cities; the contents of 15 of these seminars have been published in book form and offer a useful source of material for scholars and researchers.

The Association devotes an annual seminar to critical analysis of a specific branch of literature (e.g. classical or vernacular poetry, short stories, etc.) believing no nation can excel in the literary field unless its work is subjected to careful scrutiny.

The Literary Association's annual cultural competition is open to all Omani writers and intellectuals and covers a wide range of creative fields including classical and vernacular poetry, short stories, novels, articles, plays and literary research. The judges are all academics with recognized expertise. The addition of the novel to the list reflects the maturity shown by some Omani novelists in recent years. Some forms of vernacular poetry were included because the Association sees the competition as an opportunity to promote and document Oman's traditional folklore – such as 'al Ayyalah' and 'al Maidan' – and encourage poets to produce verses in these styles. The Association has published over 40 titles on various cultural and literary topics.

The Cultural Club

The Cultural Club operates under the supervision of the Minister of Heritage and Culture, with the aim of fostering cultural and social ties between intellectuals, writers and artists and promoting cultural awareness through events such as seminars and lectures. The club stages art exhibitions and cultural evenings as well as featuring works by members and non-members, in collaboration with other bodies at home and abroad. The club invites Arab artists and creative writers to hold exhibitions, deliver lectures or take part in other cultural events on the Club's premises. Currently the Cultural Club has a short story group, a poetry group and a translation group.

The Oman Encyclopaedia

The Oman Encyclopaedia is a national project that aims to publish a comprehensive reference work on Oman and its people. It will cover Omani society, history, religion, economy, politics, art and literature, as well as various aspects of Oman's natural history such as its flora, fauna, marine environment, climate and other features.

The Encyclopaedia is designed for the general reader who has an interest in facts and figures on Oman. The project has been planned in three main stages: preparation, implementation and production. The final production stage is due to begin in 2009, when the material will be edited, revised and checked for accuracy, style, soundness of approach and unity and similarity of structure, before it is finally printed. The project is due for completion in November 2010.

The National Documents and Archives Authority

The National Documents and Archives Authority which catalogues and stores a wealth of Omani records and written documentation. Its property is deemed to be public property. The Authority is based in Muscat with plans to establish computer linked branches in the governorates and regions.

The Authority held an international symposium in October 2007 in conjunction with the Institute of Public Administration, which was attended by 178 participants, including a number of experts from Gulf and other Arab states.

The first batch of 25 students was sent to a university in Tunisia in the 2007-

2008 academic year to study document management. The next 25 will be sent in the 2008-2009 academic year. (Also, see page 60.)

The Royal Opera House

On the instructions of His Majesty a 'Royal Opera House' (formerly called the 'House of Musical Arts') is under construction by the Diwan of Royal Court Affairs on an 80,000 sq.m. area in Qurum, Muscat. This hi-tech project is due for completion in the summer of 2010 and will have state-of-the-art, lighting and sound systems and an expandable stage and orchestra pit. The seating in the auditorium will be adjustable according to the type of performance (i.e. opera, play or concert). It will accommodate an audience of up to 1,100 people. The Royal Opera House will also boast a 32-metre-high tower capable of facilitating all kinds of theatrical wizardry to enhance performances.

Al Fulajj Castle Theatre

Al Fulajj Castle Theatre in Barka, which opened in 1999, is the responsibility of the Ministry of Tourism. During its 2007-2008 season it staged three productions. In the first of these, the Royal Oman Symphony Orchestra and Syria's Mari Orchestra (with Maestro Raad Khalaf) performed a joint concert featuring 50 girl musicians – the first time an event of this kind had been staged in the Gulf. The second production was an evening of traditional African folklore, while the third was devoted to Bangladeshi music and classical dances.

The Oman Centre for Traditional Music (OCTM)

The Oman Centre for Traditional Music (OCTM) at the Ministry of Information was established in 1984. The Centre documents traditional Omani music and songs and makes audio and video recordings of them on location. All recorded material is kept in the Centre's archives along with details of the musical forms, instruments, performers and the regions to which they pertain. These archives will be transferred onto a digital system and a photographic album will illustrate the style of the performances. By the end of 2009 the Centre expects to complete its compilation, documentation and field recordings of traditional Omani music and musical instruments, together with details of how the instruments are made, thumbnail sketches of leading performers and instrument makers, the terminology used in traditional music and its artistic significance, in both Arabic and English. The recordings will include lullabies, wedding songs and work songs.

At present the OCTM is setting up a museum to display examples of traditional Omani musical instruments. Other projects include a department for teaching the theory and practice of traditional music to Omani nationals to complement the current programme and a scheme to promote and support the best traditional musicians and instrument makers. The Centre plans to sponsor Omani researchers and run training courses to teach techniques for documenting and recording traditional Omani music. By the beginning of 2009 the Centre will have finished drafting its subject headings and entries on traditional Omani music for the Oman Encyclopaedia. It will continue to update and improve the design and material for its Electronic OCTM website. In 2008 the Centre hosted a busy programme of events and the schedule for 2009 looks equally promising.

The Royal Oman
Symphony Orchestra
performs at home and
overseas

Sultan Qaboos University's Cultural Centre

During His Majesty's historic visit to Sultan Qaboos University in 2000, he



announced plans for the creation of a major cultural centre with a multi-purpose auditorium capable of accommodating up to 5,000 people. Other features of the project include an Oman Studies Centre with a number of specialist libraries and a second auditorium with seating for up to 200 people. The Centre has a main library with space for over 600,000 titles and can accommodate 2,000 visitors at one time. It will be the largest library in Oman, offering services to the public.

Oman Society for Fine Arts

Omani artists have won several Arab and international prizes for their work since the Omani Society for Fine Arts was established in 1993 as a creative forum. The Society runs a full programme throughout the year, which usually culminates in its annual exhibition. Events in 2008 included an exhibition of work by students of Sultan Qaboos University's Art Education Department, an Arabic calligraphy exhibition at the 2008 Muscat Festival, the 3rd Annual Arabic Calligraphy Exhibition and a course in Arabic calligraphy, as well as several exhibitions by individual Arab and foreign artists. The Omani Society for Fine Arts affiliated Photography Club, was set up in 1993. It was awarded a bronze medal at the 29th International Federation of Photographic Art (FIAP)'s Black and White Biennial in which some 46 states took part. The awards were presented at a ceremony held in the Slovakian city of Zilina in August 2008.

There are several privately run art galleries in Muscat that organise well-supported exhibitions of local and international talent.

Cinema, journalists' and writers' associations

Three associations - the Oman Journalists' Association, the Oman Cinema Association and the Oman Writers' Association - received a Royal Grant in 2008 to fund construction of a building they will share as their joint headquarters.

Since it opened in 2002 the Oman Cinema Association has made a number of contributions to the country's cultural life. It staged the 5th week-long Muscat Cinema Festival in January 2008 with support from the Ministry of Heritage and Culture. Two seminars were held on the festival's sidelines - 'Naguib Mahfouz in the Cinema' and 'Women and Artistic Creativity'. The OCA has also held Spanish and French film days and workshops on scriptwriting, film directing and production.

The Oman Journalists' Association, established in 2004, aims to help Omani journalism present a true picture of the Sultanate to the outside world. Improving the cultural and professional standards of Omani journalists and protecting journalists' rights and interests as well as fostering ties between its members and journalists in other countries, is an important part of its brief. Since its formation the Association has held numerous discussion forums and seminars and has hosted a number of high-profile official personalities. In 2008 it held a seminar on 'The Arab Media - Reality and Challenges', and in April 2008 it hosted meetings of the General Union of Arab Journalists' Secretariat, which all Secretariat members attended.

The Oman Writers Association was inaugurated in 2006 during the 'Muscat - Arab Culture Capital' celebrations. It encourages the promotion of Omani creative writing at home and abroad and the building of cultural bridges with similar associations in other countries.

Craft Industries

The Public Authority for Craft Industries (PACI) will administer two Royal Grants conferred on craftspeople by Sultan Qaboos on 19th October 2008. The



Art and photographic exhibitions regularly take place at the Omani Society for Fine Arts, and at privately-run galleries

first Grant is in support of craft industries and craftspeople, providing them with the necessary equipment, maintenance of craft sites and covering the cost of research. The second Grant provides for the setting up of crafts production and training centres....

PACI does much to uphold the cultural heritage of Oman with its enthusiastic promotion of local handicrafts. The Authority provides guidance, training and technical support for artisans working in the craft sector. It registers, documents and conserves the crafts of different regions, while carrying out research to identify the present and future needs of Omani artisans. Schemes to introduce new economically viable crafts are ongoing.

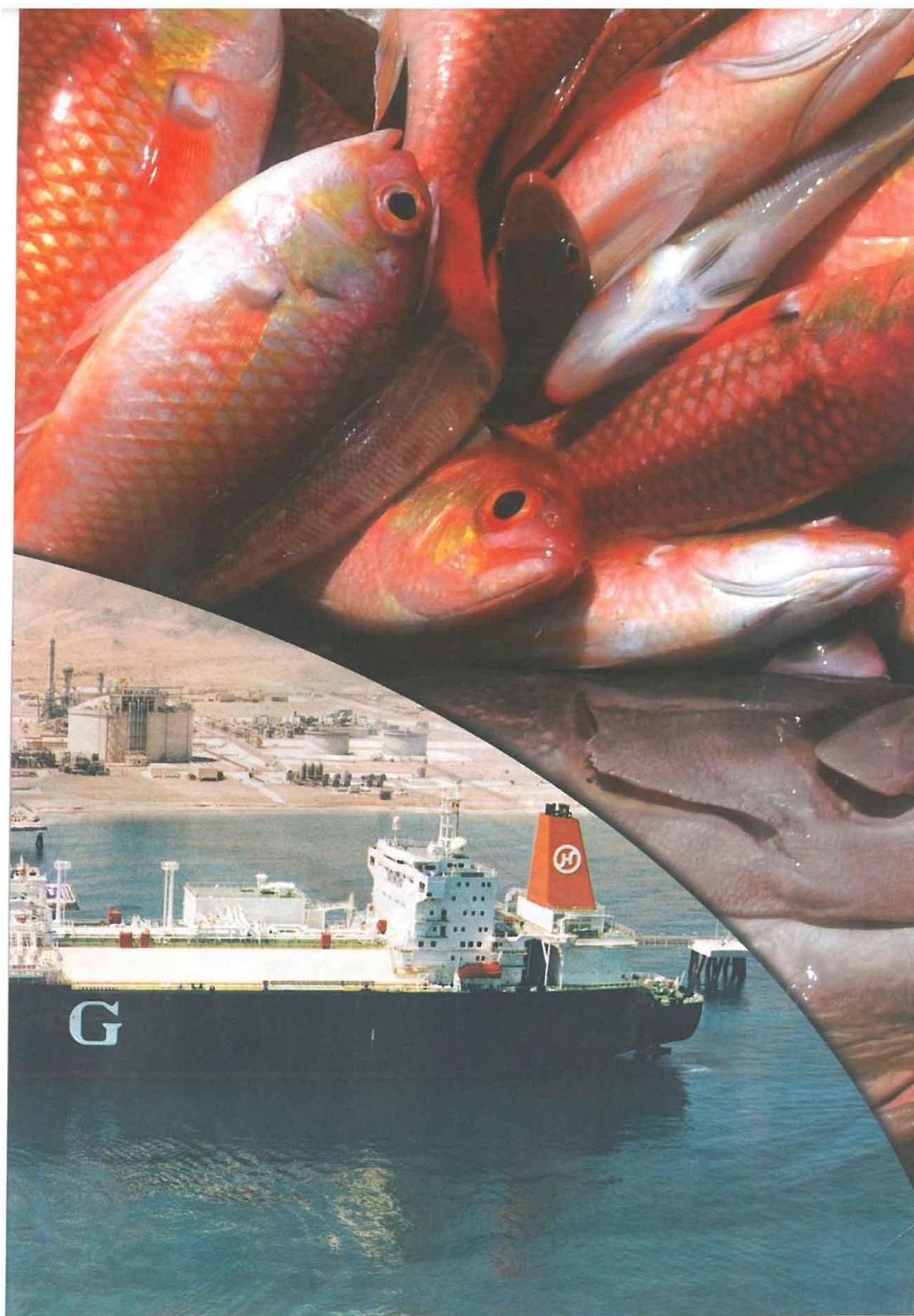
PACI has provided training for young Omani men and women in a range of crafts including cotton textile weaving, embroidery and needlework, the manufacture of Omani *khanjars* (daggers), jewellery and silverware, paper production from date palm products, palm-weave merchandise, and making traditional *jirz* axes.

As part of PACI's strategy to preserve Omani crafts, a set of regulations has been issued governing the sector, a nationwide Crafts Excellence Competition has been instituted, and March 3rd has been declared Omani Crafts Day.

The privately run not-for-profit enterprise - Oman Heritage Gallery (OHG), originated from the need to support Omani artisans and introduce their crafts to a new market place. Today, OHG's products are sold in several outlets in Muscat and Nizwa.



**Economic
Development**



ECONOMY

From the day he assumed the reins of power on 23rd July 1970, Sultan Qaboos bin Said stressed the need for development. Progression was to be achieved through maximising Oman's generous oil revenues in a series of ongoing Five-year Development Plans, which would diversify the country's sources of income and steadily increase revenues.

In 2007 the Sultanate's GDP rose to RO15.5 billion, up 12.9% from RO13.7 billion in 2006. This increase was due in part to the rise in oil price windfalls but chiefly to the growth-friendly climate created by the government's evolving economic and monetary policies. Stronger local demand and improved performance in the non-oil exports sector also played a significant role.

All the country's major economic activities have contributed to this growth. The added value of operations in the oil sector rose by 7% as a result of oil price rises and increasing demand for natural gas, while non-oil activities recorded an encouraging increase of 18.3%.

In 2007 the total value of commodity exports rose to RO9.5 billion – a 14.5% rise over the 2006 figure of RO8.3 billion. Commodity imports in 2007 totalled RO6.144 billion – up 46.6% from the RO4.19 billion recorded in 2006. The value of re-exported goods rose by 30.9% to RO1.003 billion in 2007 – up from RO766.7 million in 2006.

A rise in revenues

In 2007 the government's revenues increased by 16.6 % compared with the previous year – from RO4.979 billion to RO5.806 billion – reflecting the success of efforts to bolster the performance of the national economy and significantly exceeding the projected budget revenue figure of RO4.49 billion.

This rise comes as a result of an increase in all the budget's revenue items, particularly oil, which jumped from RO3.225 billion in 2006 to record RO3.628 billion in 2007, following the increase in the price of a barrel of Omani crude from an average \$61.69 in 2006 to \$65.15 in 2007.

The 2007 budget had conservatively estimated that net oil revenues would reach RO3.015 billion, gas revenues RO550 million and current revenues RO890 million. In the event, market forces provided the treasury with a welcome windfall.

In 2007 the Sultanate raised its public spending to over RO5.371 billion – up 8.8% from RO4.936 billion in 2006. The General State Budget's initial surplus for that year totalled RO434.3 million, compared with the 2006 figure of RO43.8 million. The approved budget for 2007 provided for a deficit of RO 400 million. In the 2007 budget the government's original spending plan was for RO4.89 billion. However, the rise in revenues encouraged it to increase its spending and the accumulated General State Budget surpluses were used to finance a range of infrastructural projects, boost the state's reserves and pay off the government's accumulated debts to the pension funds.

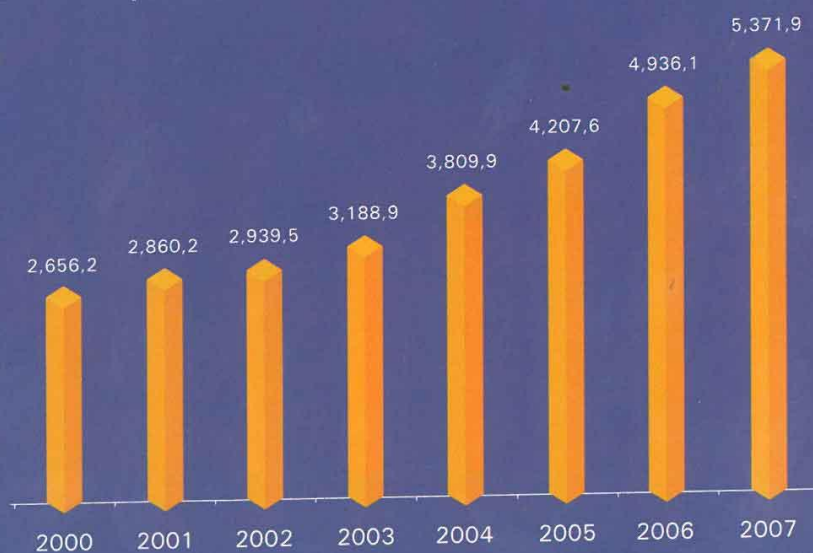
The 2008 budget

The 2008 budget is in line with government plans to reinforce the infrastructure and spread the benefits of development throughout the country. It is also the largest budget in the Sultanate's history in terms of both revenue and expenditure. Projected revenues topped RO5.4 billion, projected spending RO5.8 billion and the projected deficit RO400 million. In the 2007 budget, estimated spending was

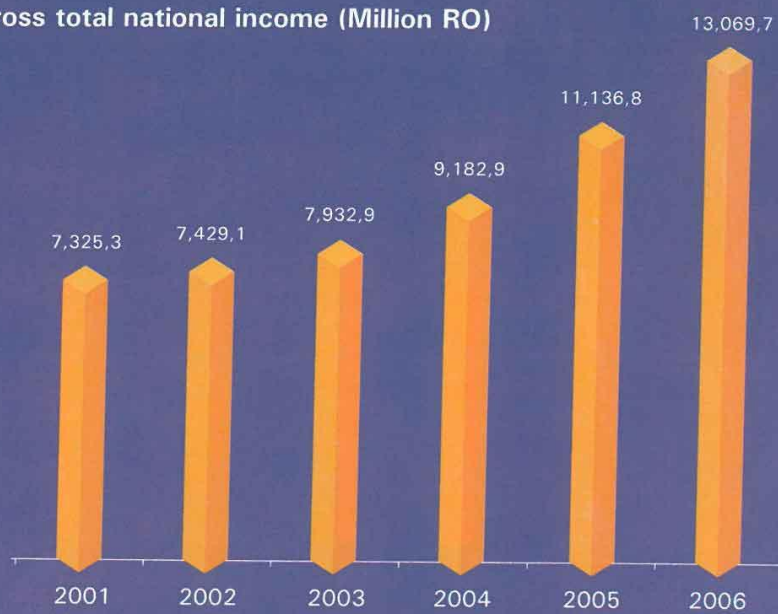
Government Revenues (Million RO)



General Expenditure (Million RO)



Gross total national income (Million RO)



Share per person from gross total national income (RO)



RO4.89 billion, estimated revenues were RO4.49 billion and the estimated deficit was RO400 million. The price of crude was estimated at \$45 per barrel in the 2008 budget, compared with \$40 per barrel in the 2007 budget.

The government is committed to helping to build a strong, competitive economy capable of adapting to the rapid changes taking place around the world and responding to the country's present and future needs. The 2007 rise in the price of oil means the General State Budget is not expected to show a deficit; a surplus is more likely, particularly since the average price of a barrel of Omani crude has been calculated at \$45 while the real figure during 2007 and the first half of 2008 topped \$100 per barrel. However, the global crunch of 2008 and corresponding downturn in oil prices will prompt shifts in the market.

National per capita income

The per capita share of the country's gross national income in 2006 rose to RO5,071 up from RO4,439 in 2005 – a 14.2% increase. This rise is a direct result of the increase in Oman's gross national income in 2006 to RO13.069 billion – a 17.4% rise on the 2005 figure of RO11.136 billion.

The Five-year Plans

The Sultanate's policy has been to develop its economy and generate prosperity through a series of Five-year Plans, which are under constant review.

The first year of the Seventh Five-year Plan was in 2006 – the biggest Plan in Oman's history and the third 'link' in the approved long-term development strategy for the period from 1996 to 2020 as envisaged in the 2020 Vision for Oman's Economic Future.

Under the 2006-2010 Plan, the Sultanate aims to achieve growth rates (at fixed prices) averaging not less than 3% per annum, while boosting living standards and maintaining low rates of inflation.

The Plan's main economic focus is on controlling public spending to ensure that it remains at sustainable levels. Boosting non-oil revenues and according top priority to increasing the productivity of all the economic sectors, particularly oil and gas, while increasing oil reserves by supporting and promoting new exploration, is a designated priority. There are also moves to improve the efficiency of the state's administrative apparatus and tighten controls over its performance.

The Plan also makes provision for growth in the tourist, fishing and industrial sectors, as well as for efforts to encourage exports and promote Omani products in global markets. In this connection, it aims to continue modernising the infrastructure and export-related facilities at seaports and airports, work actively to promote bi-lateral partnerships with economic blocs around the world, encourage domestic and foreign private sector investment, and employ money gained from the privatisation programme to improve the operation of the private sector.

The civil ministries' development programme

The funds originally approved for the Seventh Five-year Plan were around RO3.016 billion, and between the start of the Plan at the beginning of 2006 and the end of November 2007 a further RO2.357 billion was approved for a number of additional projects, raising the total volume of funds approved for the development programme by 78% to RO5.373 billion.

These additional sums were approved on His Majesty Sultan Qaboos bin Said's instructions during His Majesty's royal tours of the country, for various development projects and infrastructural restoration work following the damage

caused by the cyclone that struck Oman in June 2007.

The additional allocations included RO730 million for the roads sector; RO365 million for seaports; RO290 million for the gas sector; RO66 million for housing; RO134 million for airports; RO80 million for health care; RO162 million for town planning and municipal services and RO73 million for education. Some RO285 million was approved for repairs to the infrastructure damage resulting from cyclone Gonu; this sum was approved by the ministerial committee set up on His Majesty's orders to oversee repairs to the damaged infrastructure up to the end of 2007. An additional RO425 million was approved for new projects in 2008.

Economic freedom

International economic reports describe the Sultanate as an investment-friendly state; it has been classified as having a favourable environment for investment and business.

- In October 2007 the World Bank's 2008 'Doing Business Report' ranked the Sultanate in 4th place in the Middle East and North Africa region in terms of reforms in commercial activities, and 49th out of 178 countries around the world. In 2007 it was ranked 55th out of a total of 175 countries.

- In November 2007 it was reported that a string of macro-economic indicators had propelled the Sultanate into the 'Global Competitiveness Index' for the first time ever, bagging the 42nd place in the 'Global Competitiveness Report 2007-2008'. In the October 2008 report Oman came 38th out of 130 countries.

The Sultanate's strong showing on the macro-economic indicators (11th place) including a high budgetary surplus, low debt and low inflation are a result of the economic reforms started in the early 1990s which focused on diversification and privatisation.

The Sultanate is notable for several favourable factors including its well-developed public and private sector institutions (30th). Low levels of corruption and nepotism and an excellent security situation have also helped create a congenial business climate.

The 2007-2008 report covers 131 states with economies ranging from huge to emerging and assesses the states' ability to provide high levels of prosperity for their people. It also considers how effectively they make use of the resources available to them.

The rankings are calculated from both publicly available data and the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum, together with its network of partner institutions in countries covered by the Report.

- In January 2008 it was announced in Washington that the Sultanate was ranked 3rd in the Middle East, and 42nd in the world, in terms of economic freedom, scoring 67.4 points on the '2007 Index of Economic Freedom' published by the *Heritage Foundation and Wall Street Journal* – a survey covering 157 states. The Index used a new system for classifying economic criteria based on a maximum score of 100 points. The higher the score, the higher the level of economic freedom. The total was calculated on a maximum of 10 points for each of a number of specific economic freedom factors including business freedom, trade freedom, property rights and investment.

Attracting investment

Oman is working hard to attract foreign investment that will help create new job opportunities and make use of expertise and technology across a range of fields,

while expanding and diversifying the country's productive base. The Ministry of National Economy is currently creating a suitable legal framework for attracting foreign investment - signing reciprocal agreements with various states around the world - with the aim of encouraging and protecting investment. These agreements are major factors in attracting foreign investment, because they provide protection against non-commercial risks as well as guarantees of just settlements in cases of disputes. At the same time, they protect Omani investors, offering them the same benefits when investing in any of the other states with which the Sultanate has signed reciprocal agreements. By the end of 2007 Oman had signed agreements with 29 countries.

Private sector investments showed significant improvement during the final year of the Sixth Five-year Plan (2001-2005), rising to around RO570 million - some 17.8% higher than the figure projected in the Plan. This increase was largely due to private investment in both the oil and non-oil sectors including industrial projects, tourism and real estate.

The Ministry of Commerce and Industry is making every effort to improve its services for investors. It has taken steps to speed up and simplify procedures, ensuring they are transparent. A 'one-stop shop' has now been set up to operate as an outlet for all government departments involved in investor services and the database of the Commercial and Industrial registers has been brought into line with international systems. The Ministry has amended laws and regulations on investment - particularly the encouragement of foreign investment - so that a foreign investor may now own up to 100% of a project's capital.

Development at al Duqm

The Sultanate is developing al Duqm in the Wusta Region as a hub for the maintenance and repair of super-freighters. This vital investment project, which comes hot on the heels of industrial projects at Sohar Industrial Port, will help further diversify the country's sources of income and strengthen the national economy.

Development plans for al Duqm include a commercial seaport, an airport, a free trade zone, an industrial estate, several oil and gas-based enterprises, including an oil refinery specifically for petrochemicals projects, a power station, a water desalination plant, a residential town and a number of tourist projects.

On 10th November 2007 the government signed an agreement for the construction of Port Duqm (Marine Operations) at a cost of over RO186 million.

In 2007 the government signed an RO254 million (\$660 million) loan agreement with the Japan Bank for International Co-operation to help finance the RO421 million (\$1.096 billion) Port Duqm and dry dock project. In April 2008 an agreement was signed for the construction of the dry dock at Port Duqm at a cost of RO170.168 million.

Port Duqm will be one of the Sultanate's largest and most important seaports. The project is scheduled for completion in 2010.

The Tender Board

(Also, see page 58)

In 2007 the Tender Board awarded tenders in a variety of sectors including health, education, roads, seaports, communications, electricity, tourism and sports.

The main tenders awarded in 2007 included the RO186.892 million Port Duqm (Marine Operations) project, the RO68.436 million Hasik - al Shuwaimiyah road

construction project in the Dhofar, the planning and construction of the Oman Gas Company pipeline system (RO 48.081 million), the supply of catalytic chemicals for Sohar Refinery (RO22.229 million), the project to expand the telephone broad band service for subscribers by 100,000 digital lines (RO6.997 million), the construction of protective flood barriers for the city of Salalah (RO6.884 million), the Quriyat – Sur road construction project (Phase Three – Part One) (RO3.258 million), the provision of consultancy services for road planning and supervision in the projected town of al Duqm in the Wusta Region (RO350,000), and the appointment of an international consultant to prepare a comprehensive strategy for the fixed-line, internet and international telecommunications sector (RO310,000).

The main tenders awarded by the Board during the first half of 2008 included:- the purchase of ten crude oil super tankers (594.055 million), the construction of the dry dock in the wilayat of al Duqm (RO170.168 million), the construction of the sewerage system at al Ma'abala in the wilayat of Seeb (RO58.531 million), the mental hospital construction project in the Governorate of Muscat (RO 40.88 million), the supply, installation and operation of equipment needed for GSM service expansion and improvement projects in various parts of the country (RO30.024 million), the construction of a 220/132/33 kW power station on the Airport Heights and installation of a power supply line (RO20.758 million), the construction of a 132/11 kW power station on the shore at al Adhaibah and installation of a power supply line (RO16.963 million), the provision of hospital catering, cleaning and laundry services (RO16.339 million) and the construction of a power station in the wilayat of al Duqm (RO13.126 million).

Oil and natural gas

Oil and gas revenues form the largest chunk of the General State Budget. The 2008 budget estimated their combined financial contribution at around RO4.23 billion – or some 78.3% of the estimated budget revenue total of around RO5.4 billion.

Oil accounts for about RO3.61 billion (66.8% of the total) and natural gas RO620 million (11.4%). Non-oil revenues make up RO1.17 billion or 21.6% of the total. Oil revenues were calculated on an average production figure of 790,000 barrels per day and a price of \$45 per barrel.

The oil sector

The Sultanate began exporting oil in 1967. Production rose gradually to reach a high of 956,000 barrels per day (bpd) in 2001, falling back in 2002 and 2003 because of the declining productivity of some wells. However, the government has since drawn up an ambitious plan aimed at boosting production to reach around one million bpd.

In this connection the state is increasing its investment in oil and gas every year. Estimated expenditure on oil and gas production in the 2008 Budget amounts to around RO1.35 billion or 23% of overall public spending – a 12% rise compared with the approved budget figure for 2007.

Some RO1.12 billion has been earmarked for investment expenditure in the oil and gas sectors in the 2008 and RO230 million for current expenditure.

Seeking to raise production to around 800,000 bpd by the start of 2009, the government has stepped up exploration operations. At present there are nearly 20 oil prospecting and production companies in the country.

The discovery of extensive new petroleum reserves at the Budour Field in southern Oman was one of the most significant oil discoveries in 2007. Budour

Well No.2 began producing high quality oil at a rate of over 5,000 bpd. Petroleum Development Oman (PDO) is carrying out an intensive programme of appraisal drilling in the Budour Field in 2008 and has made a promising new discovery in the Rabab Field, also in the south.

In 2007 the Sultanate produced 259.2 million barrels of crude oil and oil condensates, compared with 269.2 million barrels in 2006. Average daily production in 2007 was around 710,400 barrels compared with an average figure of 737,600 bpd in 2006. In 2007 it produced some 237.6 million barrels of crude and 21.6 million barrels of oil condensates. In 2007 Oman exported around

222 million barrels of crude oil and oil condensates, compared with 233.2 million barrels in 2006. China, which purchased 99.2 million barrels, or 44.6% of all the country's oil exports, was the main customer, followed by Thailand (39.2 million barrels, or 17.6%) and Japan (29 million barrels, or 13%).

In 2007 the price of Omani oil averaged \$65.15 per barrel, compared with an average price of \$61.69 per barrel in 2006.

At present there are two crude oil refineries in the Sultanate. Mina al Fahal, was opened in 1982 and produces 106,000 bpd, while Sohar Refinery, started operations in April 2007 and currently produces 116,000 bpd. The government is planning to build a third refinery in al Duqm in the Wusta Region in 2010, its output destined for the petrochemicals factories that will set up in the area.

The gas sector

There were several promising new discoveries in 2007. Large deposits of gas were discovered in the Samr Field 28 kilometres to the north of the existing Saih Nahayda Gas Field. PDO also discovered large deposits of natural gas in the Fahud Field in the north. It began producing gas in Fahud on an

experimental basis and this yielded a steady flow of around 100,000 cubic metres of natural gas per day.

The government allocated RO500 million for expenditure on gas production in the 2008 Budget – a rise of 9.8% compared with the RO 455 million allocated in the 2007.

The gas station in the Kawther Field went into operation in October 2007 – a full two months before the scheduled date. This field, which is also in the north, produces over four million standard cubic metres of gas a day for the government gas supply network, as well as 25,000 barrels of condensates, a lucrative by-



Ongoing maintenance at an oil rig

product of liquid hydrocarbons derived from the gas treatment process.

The Kawther Field is Petroleum Development Oman (PDO)'s latest project in its drive to bolster the government's efforts to exploit the country's liquid gas resources.

Work on the Kawther Field's gas station began in August 2005. The project was accelerated to enable the company to meet its commitment to begin supplying gas on 1st January 2008. The station was designed to accommodate a maximum productive capacity of 20 million standard cubic metres of gas and around 80,000 barrels of condensates per day.

In 2007, the British company, BP, began carrying out a comprehensive evaluation of the gas deposits in the Khazzan and Makarem fields after signing an exploration and production sharing agreement for the appraisal.

The Khazzan and Makarem fields, discovered in 1990, cover an area of 2,800 square kilometres in central Oman. They remained untapped due to the complex nature of the deposits, which lie four to five kilometres beneath the ground.

In 2007 the Sultanate produced around 1,070,736 million cubic feet of natural gas - 218,651 million cubic feet of associated gas and 852,085 million cubic feet of non-associated gas. In 2006 the overall production figure was 1,068,888 million cubic feet including 243,052 million cubic feet of associated gas and 825,836 million cubic feet of non-associated gas.

Gas companies

Oman Liquefied Natural Gas (Oman LNG) was established in 1994. Since then it has progressed into a world class company, liquefying natural gas at its plant at Qalhat and exporting it to global markets.

Qalhat LNG (QLNG), was established in 2003. It is owned by the government, the majority shareholder with 46.84%; Oman LNG (36.8%); along with Union Fenosa Gas and three Japanese companies. Its present capacity is 3.3 million tonnes per annum but plans are underway to increase this figure.

The Oman Gas Company SAOC (OGC) was established as a closed joint stock company in 2001 by the Oman Oil Company. OGC owns and operates most of the Sultanate's gas transportation facilities to power generation plants and other, smaller, consumers. In October 2008, OGC started imports of 200 million cubic feet (5.6 million cubic metres) of natural gas daily from Abu Dhabi's Dolphin Energy Company.

Oil and gas super tankers - Oman Shipping Company

In April 2008 the crude oil super tanker 'Mirbat' became the tenth vessel to join the Oman Shipping Company (OSC) fleet, with another 'Manah' launched in August 2008 on the South Korean island of Koji. By the end of 2008, OSC will have a fleet of 16 tankers, all of which will be engaged in the transportation of liquefied natural gas (LNG), crude oil, oil derivatives and methanol.

The induction of these two super tankers will bolster OSC's ability to meet domestic and international needs for Omani crude oil transport services and will expand the scope of the country's oil revenues to include transport and marketing as well as production. During the year OSC executed a number of contracts with shipyards to build a number of multi-purpose tankers to eventually increase the strength of its fleet to 32.

Oman LNG and
Qalhat LNG have gas
plants at Qalhat



The Banking Sector

Oman's banking sector witnessed a year of impressive performance in 2007 and anticipates a similar scenario in 2008. Capital levels of commercial banks in relation to risk weighted assets remained adequate at 15.9% at the end of 2007, considerably higher than the CBO's regulatory minimum capital requirement of 10%. Commercial banks' core capital and reserves increased by 62 % over the year to RO1,458.2 million at the end of 2007. Aggregate assets of the banking system rose by 42.5% in 2007 to RO10.3 billion, while gross Non-Performing Loans (NPLs) recorded an absolute decline by RO33 million to just about RO320 million in 2007, which signifies the extent of improvement in asset quality in 2007.

Gross NPLs as percentage of gross loans declined to 3.2% at the end of 2007 from 5.2% as at the end of 2006. On account of significant past emphasis on adequate provisioning from profits for NPLs, and the additional general provisioning policy, the loan loss coverage (*i.e.* available provisions in relation to outstanding NPLs), increased further from 102% in 2006 to 107.6% in 2007. Net profits of commercial banks, that had almost doubled in two years - from RO79.4 million in 2004 to RO162.9 million in 2006 – soared to RO213.7 million in 2007.

The robust performance of the banking sector continued in the first half of 2008, with total assets growing further by 46.6% to a level of RO12.1 billion at the end of June 2008, core capital and reserves rising by 72.6% to RO1538 million, and provisional net profits (after provisions and taxes) sustaining the surge with a growth of 53.4% from RO90.7 million in the first half of 2007 to RO139.1 million in the first half of 2008.

The CBO plays a pivotal role in leading the development of the banking sector and maintaining it as a cornerstone of the Omani economy, while safeguarding the stability of the national currency. As at the end of 2007, there were 17 commercial banks operating in Oman - including 7 national banks and 10 branches of foreign banks – as well as two specialized banks – the Oman Development Bank (ODB) and the Oman Housing Bank (OHB). The commercial banks have a total of 362 branches in various parts of the country, 27 of which are branches of foreign banks. The ODB and the OHB have 22 branches between them. Ten of the commercial banks – five national and five foreign - are licensed by the CBO to operate as investment banks. There are 50 licensed money exchange companies in the Sultanate, and the CBO has also licensed six finance and leasing companies to provide non-banking financial services such as retail consumer financing, equipment leasing, factoring services and other activities.

The Central Bank of Oman (CBO)

The Central Bank of Oman (CBO) was established on 1st December 1974 under the 1974 Banking Law (later amended under the Banking Law promulgated under Royal Decree No. 114/2000) and began exercising its full powers from 1st April 1975 with an initial capital base of one million Omani Rials. This sum has increased over the years to the current figure of RO400 million. At the end of 2007 CBO's assets stood at RO3.832 billion (\$9.968 billion), which increased to RO4.057 billion (\$10.551 billion) at the end of June 2008. It has two branches – one in Salalah and the other in Sohar.

CBO plays an important role in the overall development of the banking sector, while promoting financial stability and strengthening confidence among the parties involved in banking transactions. Mergers have been encouraged between



The Central Bank of Oman has its head office in Muscat, but branches in Salalah and Sohar

the national banks in order to boost their efficiency. Commercial banks have also been required to raise their minimum capital limits to RO50 million (in the case of a national bank) and RO10 million (in the case of a branch of a foreign bank). From March 2007 the minimum capital required for new national commercial banks was raised to RO100 million (as opposed to the previous RO50 million), while branches of foreign banks are required to raise their minimum capital to RO20 million, rather than the previous RO10 million. Existing local banks are being encouraged to raise their capital to RO100 million over time.

Reflecting the needs of an open market economy, the CBO has deregulated the interest rate structure, under which all deposit rates and lending rates (excluding personal loans) are determined through competition in the banking system. In respect of personal loans, CBO prescribes a ceiling interest rate, and commercial banks are expected to lend at rates below this prescribed ceiling. Currently the ceiling stands at 8.5%. Given CBO's commitment to adopt international best practices in respect of financial supervision, it ensured implementation of Basel-II effective from 1st January 2007, with the active cooperation of banks. The risk based supervision framework is expected to be operational soon. Regulations on Bank Credit and Statistical Bureau (BCSB) and Cheque Return Systems have also been issued, formalizing the existing arrangements in these areas. Significant advances have been brought about by CBO in the areas of payments and settlements. The Real Time Gross Settlement System (RTGS) became operational in 2005, and the Automated Clearing House (ACH) facility followed in 2006.

CBO's monetary and liquidity management operations in 2007 and the first half of 2008 were guided by external as well as domestic macroeconomic and financial sector developments. As the US Fed Funds Target Rate eased sharply

from 5.25% to 2.0% between August 2007 and April 2008, to deal with the sub-prime led concern for recession, given the fixed peg of the RO to USD, Oman had to import the easy monetary policy stance, which was reflected in considerable corresponding easing in CBO's policy rates and inter-bank money market rates.

While the weighted average interest rate on CBO CDs (*i.e.* Certificate of Deposits issued for absorption of surplus liquidity from the banking system) declined from 3.634% in December 2006 to 1.975% in December 2007 and further to 0.726% in June 2008, the overnight domestic inter-bank lending rate also fell from 3.399% to 1.470% and 0.662% during the corresponding period. Fast expansion in money and credit growth, easy domestic liquidity conditions, and declining interest rates in the face of rising inflation created testing conditions for monetary policy operations of the CBO, which remained constrained by the limitations on monetary policy independence because of the fixed peg of the RO to US Dollar (\$). While broad money (M2) and commercial bank credit increased by 37.3% and 38.3%, respectively, in 2007, during the first half of 2008, the corresponding growth remained equally strong at 34% and 52.1%, respectively. The need for restraining money and credit growth guided the conduct of CBO's monetary policy, and despite limitations on monetary independence because of the fixed peg, the CBO introduced two major anti-inflationary measures in 2008; while the reserve requirement was raised in two phases from 3% to 5%, and then to 8% (leading to more permanent absorption of lendable resources from the commercial banks), the lending ratio was also tightened from 87.5% to 82.5% (which limits the extent to which commercial banks could create credit). The volume of absorption of surplus liquidity in the banking system through CDs has also been stepped up by the CBO.

The Capital Market

Muscat Securities Market (MSM) is part of the capital market sector overseen by the Capital Market Authority (CMA) set up by Royal Decree No. 53/88, issued on 21st June 1988. After a decade of steady growth in MSM's activities – as well as in the national economy in general – and in response to new developments in the financial sector at home and abroad, particularly in securities, it was recognized that there was a need to separate the regulatory side of the market from its executive functions so as to improve the effectiveness of the monitoring process and ensure greater protection for investors. It became necessary to amend existing legislation and regulations to bring them into line with MSM's needs and put the market on an equal footing with other global securities markets. Accordingly, Royal Decrees Nos. 80/98 and 82/98 restructured the securities market by establishing three separate bodies – the CMA, MSM and Muscat Depository and Securities Registration Company (MDSRC).

The CMA regulates, licenses and monitors the issue and trading of securities within the Sultanate and oversees MSM and all those who deal in it, as well as the companies listed on the Market. MSM lists and trades securities and operates as a stock exchange, while MDSRC maintains shareholders' registers and deposits, registers and holds securities sale and purchase contracts and proof of ownership transfers, and issues statements on them to shareholders. It is electronically linked to MSM.

Thus the securities market in the Sultanate is soundly based on principles and practices that are designed to develop investor confidence and promote and regulate operations on the capital market.

The Capital Market Authority (CMA)

The Capital Market Authority (CMA) seeks to ensure a fair, efficient and transparent capital market and protect investors from unfair and unsound practices while creating the right conditions for investing savings and funds in securities in a manner that will serve the interests of the national economy.

CMA regulates and monitors the issue of securities in the primary market and lays down the rules for disclosure when securities are offered for public subscription. It carries out studies and submits proposals to the competent authorities on laws in force and, where appropriate, suggests amendments to bring them into line with new developments. At the same time, it sets out the rules for professional conduct and self-regulation between securities brokers and dealers.

In 2007 the CMA introduced rules and legislation designed to tighten up the regulation of every element of the securities market and insurance sectors. Royal Decree No 5/2007, issued on 21st January 2007, amended the Capital Market Law and granted the CMA the power to impose fines directly on companies listed on MSM that fail to disclose the financial and other information required under the provisions of the Capital Market Law.

The Decree also amends several investment fund regulations with the aim of helping these funds spread their investments over a range of fields as well as securities. The Decree also empowers the CMA to regulate and license credit classification companies.

The main developments in Oman's capital market sector in 2008 included the creation of a Corporate Governance Committee – the first to be established in an Arab country. Its aim is to implement a corporate governance plan of action for companies operating in Oman by raising awareness among the general public and promoting the best international corporate governance principles and practices, so they can be adopted by companies listed on MSM and others involved in the national economy including small and medium-sized enterprises. The committee's nine members are drawn from the public and private sectors.

At its meeting in March 2008 the CMA's board of directors approved the signing of a consultancy agreement with the Singapore Co-operation Enterprise for the purpose of upgrading the monitoring side of the Sultanate's capital market. Under the terms of the agreement a study will determine the level of interest among regional companies in investing in MSM, with the ultimate aim of creating a series of new capital market operating systems that will make Oman a major regional financial centre.

The CMA board has approved amendments to conditions for electing members to the boards of directors of public joint stock companies, and the provisions governing their responsibilities. Under the new rules the period for submitting nomination forms for candidates for board membership is reduced from ten days before the Annual General Meeting to two. In another move, the rules for allocating additional shares in the capital of public joint stock companies were amended so that the requirement for appointing an issuing manager no longer applies. Instead, the joint stock company itself will assume the functions of the issuing manager, thus helping simplify the procedure.

Muscat Securities Market (MSM)

During 2007 Muscat Securities Market (MSM)'s trading system underwent a radical transformation. Investors can now trade over the internet and place their own sale and purchase orders through an internet system linked to the brokerage



firms. The system checks all orders electronically before they can advance to the market's trading system. The new procedures allow investors to buy and sell wherever their global location.

Another important development in 2007 was the increase in the volume of trading on MSM. The MSM-30 Index – the main index – rose 61.8 % and at the end of trading in 2007, closed at 9,035.48 points – a rise of 3,453 points, representing the best performance of all Arab financial markets.

The volume of trading rose to around RO2.663 billion, up from RO1.113 billion in 2006, while average daily trading rose from RO4.57 million in 2006 to RO10.61 million in 2007.

By the end of December 2007 foreign participation in the capital of public joint stock companies listed on MSM had risen to 27.55 %, up from 23.27 % at the end of December 2006, while over the same period, the market value of listed securities had soared from RO6.22 billion at the end of December 2006 to RO10.273 billion.

The improvement in MSM's performance hinged on several factors including Oman's improved economic performance resulting from oil price windfalls, greater transparency and the positive knock-on effect of these in the non-oil sectors.

In 2007 public joint stock companies' net profits rose to RO597.413 million – a 53.9 % increase on the 2006 figure of RO388.207 million.

Trading in Bank Sohar shares began on MSM in 2007, after the end of subscription period (9th December 2006 to 7th January 2007). The Bank floated 40% of its capital for public subscription – i.e. 40 million 50% paid-up shares at a price of 520 baisa per share. Subscription applications exceeded the number of shares on offer by 600%. The founders subscribed 60 million of the Bank's capital shares

New procedures at the Muscat Securities Market enable investors to buy and sell wherever their global location.

The volume of trading on the Muscat Securities Market increased in 2007



to the value of RO100 million, RO50 million of which was fully paid up. The Bank called in the outstanding 50 % of capital in mid-2008.

In 2007 the Galfar Engineering and Contracting Co. floated 100 million shares for public subscription at a price of 602 baisa per share. These were traded on MSM on 24th October 2007. Between them, the Bank Sohar and Galfar flotations helped produce a good return for investors.

In 2008 there have been several flotations including new issues, preference rights and special subscriptions. The main ones include the 25 million shares floated by Voltamp Energy Co. which has become a public joint stock company. Trading in its shares began in mid-2008 on MSM at an offer price of 542 baisa per share.

Muscat Depository and Securities registration Co. (MDSRC)

Muscat Depository and Securities Registration Co. (MDSRC) was established by Royal Decree No. 82/98, issued on 25th February 1998, as an Omani closed joint stock company with a licensed capital of RO2 million; issued capital stands at RO1 million divided into a million shares. Muscat Securities Market (MSM) owns 40% of the Company's capital, with the remaining 60% owned by banks, brokerage firms and investment companies.

MDSRC has developed an electronic transfer system for distributing cash profits directly into shareholders' bank accounts to replace the old manual system. The company has adopted policies and strategies designed to protect, safeguard and, where possible, extend the rights of securities holders.

In 2007 the Company administered the distribution of the profits of 36 companies, remitting a total of RO132.7 million to shareholders on behalf of public joint stock companies listed on MSM. In 2007 the Company transferred profits to some 115,000 shareholders, 70% of whom received them by direct bank transfers into their accounts, with the remainder paid by cheque.

The insurance sector

Insurance is an important sector of the Omani economy, offering protection to individuals as well as safeguarding the nation's property and resources, while contributing to the creation of jobs for the domestic workforce and providing a channel for savings to be invested in local development projects.

The insurance sector is regulated by the Insurance Companies Law promulgated under Royal Decree No. 12/79 of 21st March 1979, and various other laws.

Royal Decree No. 90/2004, issued on 3rd August 2004, transferred responsibility for the insurance sector from the Ministry of Commerce and Industry to the Capital Market Authority (CMA). This significant move enabled the sector to improve the level of its performance to international standards. The CMA took a number of steps to upgrade the insurance sector and the legislation and regulations governing it. As well as a series of initiatives aimed at improving the professional standards of insurance company staff, it amended some provisions of the Vehicle Insurance Law and its regulatory structure, and introduced new rules for granting licences to insurance practitioners and new regulations for life insurance. It also began working - in co-ordination with the Arab Gulf Co-operation Council (AGCC)'s Secretariat-General, - on a preliminary draft study for implementation of the single law to oversee and monitor the insurance sector in the AGCC states.

The CMA issued a standard policy document intended to improve the standard of insurance cover and practices, thus minimising disputes over the interpretation of the terms and conditions of vehicle insurance policy documents. In 2008 it sent

out a circular to all insurance companies operating in the country informing them of their obligation to comply with the provisions of Article 60 of the Insurance Companies law, which stipulates that all insurance policy documents issued in Oman shall be produced in Arabic, or at least be accompanied by an exact Arabic translation of the original text.

In May 2008 the CMA approved the establishment of the first Omani reinsurance company with a capital of RO30 million. Founding contributors include Oman Chamber of Commerce and Industry (OCCI) and several private sector institutions and companies involved in the banking, insurance, services and investment sectors. The new company will be listed on Muscat Securities Market (MSM) within five years of the date it goes into operation.

The company aims to increase the volume of insurance premiums retained in Oman, boosting the country's GDP, increasing revenues, creating greater liquidity for funding domestic and regional investment projects, and raising the Sultanate's profile as a regional insurance centre.

In May 2008 a joint insurance database was established to operate as a central record of information on drivers, vehicles, accidents and traffic violations; electronically linked to the Royal Oman Police (ROP) headquarters it will be continually and automatically updated. The scheme will provide registered insurance companies with access to information they require for insurance and reinsurance purposes, while the ROP will be able to obtain full and accurate particulars of people and vehicles involved in traffic incidents across the country.

The scheme is a major new initiative in motor vehicle insurance in Oman, which will help simplify procedures for obtaining insurance and dealing with accidents. By linking traffic violations to insurance premiums, the scheme will increase pressure on drivers to obey the rules of the road. Drivers with a clean record will be charged lower insurance premiums.

On 1st September 2008 the 'Orange Card Auto Insurance System' was implemented. Initially limited to less than 10 companies that meet the requirements of the General Arab Insurance Union, holders of the card enjoy the privilege of being insured in any Arab country that has signed the agreement.

Trade

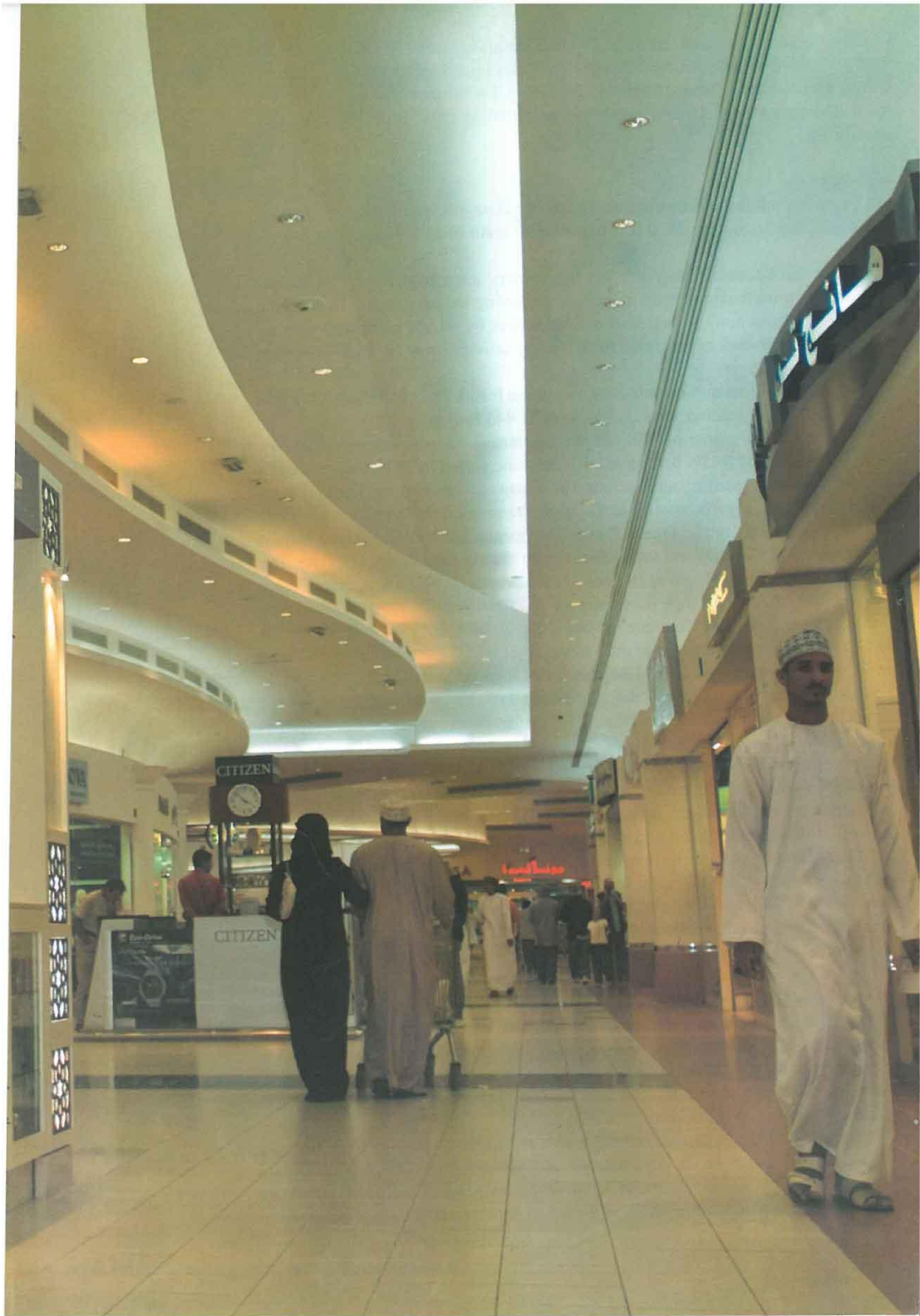
The Sultanate sees trade as a cornerstone of the Omani economy and has exploited the country's geographical location to make it a transit point for the Arab Gulf Co-operation Council (AGCC)'s customs union region and the rest of the world. Particular importance is attached to making the Sultanate an east-west re-export hub and accordingly its seaports and airports are constantly being expanded and upgraded.

The Seventh Five-year Plan (2006-2010) seeks to increase the trade sector's contribution to the national economy year on year. Statistics already show an annual rise in the volume of Oman's global trade. In 2007 the value of its commodity exports rose to around RO9.505 billion – a 14.5 % increase on the 2006 figure of 8.299 billion. Oil exports rose 7.3 % from RO6.72 billion to 7.211 billion, while non-oil exports were up by 58.9 % from RO812.5 million to RO1.29 billion. The re-export trade saw its value soar from RO766.7 million to RO1.003 billion – a rise of almost 40%.

Non-oil exports included livestock, animal products, metal and mineral products, chemical industry products, stone, gypsum and cement products, ceramics, machinery, electrical equipment and other items. Re-exported goods include machinery, electrical equipment, transport equipment and other items.

Overleaf: One
of many modern
shopping malls





Commodity imports recorded a 46.6% rise, jumping from RO4.19 billion to RO6.144 billion. While the United Arab Emirates, India, Saudi Arabia, Iran, Qatar, China, South Korea, Japan, Germany and the USA are among the Sultanate's main trading partners, Omani goods are exported to more than 100 countries worldwide.

Industry

The industrial sector is an important element of Oman's long-term development strategy (2006-2020). By 2020 it is expected to contribute 15% to the country's GDP.

Under the Seventh Five-year Plan the country aims to maintain an annual added value growth rate of 14% in the manufacturing industry sector. In 2006 the added value from non-oil industrial activities rose by 34.9% compared with its 2005 level; the overall added value from non-oil activities rose by 16.8% over the same period.

Added value from non-oil activities accounted for 14.2 % of GDP, or RO 1.946 billion, in 2006, compared with 12.2 %, or RO1.443 billion, in 2005.

During the first quarter of 2007 the manufacturing industries sector achieved a GDP growth rate of 16.5% compared with the same period in 2006. Government's efforts to assist its performance included soft loans and exemption from customs duties on certain imports, as well as the support provided for the export of goods of Omani origin from the Oman Centre for Investment Promotion and Export Development (OCIPED) and the Export Credit Guarantee Agency (ECGA). The government offers soft loans at rates of 3% for projects with an investment value of over RO250,000, up to a maximum of RO5 million for projects which are Omani public joint stock companies and offer at least 40% of their shares for public subscription. In the case of individual projects - i.e. joint liability companies or limited liability companies - the maximum loan permitted is RO500,000. In neither of these two cases can the size of the loan be more than 150% of the project's paid-up capital in Muscat or 250% of paid-up capital (if the project is outside Muscat or in the wilayat of Quriyat). In 2006 the Oman Development Bank was permitted to issue loans of up to RO1 million for a single project.

The Sultanate's industrial strategy aims to set up industrial mega-projects which depend on natural gas, such as those in Sohar and Sur, and establish further knowledge-based enterprises and privatisation projects.

There are several industrial estates in Oman all of which aim to attract quality industries which depend - as far as possible - on raw material available locally. In addition to Al Rusayl Industrial Estate in Muscat - the first to be set up in the country - there are other estates in Sohar, Sur, Salalah, Nizwa and Buraimi, as well as in Port Sohar, where many of the country's heavy and petrochemicals industries are based.

At the beginning of 2008 it was announced that Al Rusayl Industrial Estate would be expanded to acquire an additional area of 200,000 square metres, to meet the growing demand from investors wanting to locate to that area. Before the expansion Al Rusayl Industrial Estate covered an area of 320 hectares and had 140 factories producing foodstuffs, building materials, chemicals, shoes, fibre optics, cables, furniture and other items.

Sohar Industrial Estate now covers an area of 7 million square metres. Buraimi, with the final stages of its infrastructure completed, covers 4.5 million square metres. The main infrastructure of Nizwa Industrial Estate has been completed but work at the plant continues. The Sultan's Cup competition, first instituted in

1991, is awarded annually to the top five Omani factories. Of the 34 factories that took part in 2007, five were awarded the Sultan's Cup, five others received shields and a further three received awards for their achievements in added value, quality and exports. The event is designed to encourage Omani factories to keep abreast of the latest technology, comply with quality control specifications and increase the number of Omani nationals in their workforce.

Royal Decree No. 19/2007, which established a Directorate-General for Developing Small and Medium-sized Establishments at the Ministry of Commerce and Industry, was issued in 2007 to support the Sultanate's small and medium industries in view of their important contribution to the national economy.

Mineral resources

Oman's minerals sector has expanded steadily over recent years. Surveys and technical studies indicate opportunities exist for several major operations including a salt and soda production project with an investment value of RO13.5 million (approx. \$35 million), as well as a project to produce magnesium from dolomite, expected to attract capital of RO20 million (approx. \$50 million), and a number of limestone, silica and marble-based industries.

In 2007 the Ministry of Commerce and Industry continued to produce geological maps and mineral surveys of the wilayat of Ibra. Technical studies concluded that the project to produce magnesium from dolomite has major possibilities and have established the feasibility of using the magnesium produced in the iron and glass industries. Studies have also shown there are some 28 million tonnes of silica reserves in the Wusta Region, which could be used in the manufacture of glass. Preliminary research reveals there are around 15 million tonnes of copper reserves at concentrations of between 1% and 2%, and around 1 gramme of gold per tonne in the Ghaizeen area.

Mining output has increased significantly in response to the growing demand generated by the region's building boom, with revenues from the mining sector as a whole around 18% higher in 2006 than in the previous year.

The Sultanate's mineral resources include chromium, limestone, marble, ornamental stones, silica, lead, gypsum, iron and dolomite. Oman works closely with various bodies involved in minerals exploration, including the Japanese International Co-operation Agency (JICA), and the advanced methods used in its exploration operations ensure that they are carried out in an environmentally friendly manner.

Oman Chamber of Commerce and Industry (OCCI)

On 15th May 2007 Oman Chamber of Commerce and Industry (OCCI) held its eighth round of elections - since being established in 1973 - to select the 15 members for its 2007-2010 board of directors. This followed an amendment to the OCCI Law promulgated under Royal Decree No. 22/2007, which added a new member to represent the governorate of Buraimi on the board, thereby increasing the total membership of the OCCI's directors to 22. Of these, seven represent Muscat, with a further eight representing the Sultanate's other governorates and regions - one member per governorate or region - and the remaining seven, including the chairman, are appointed by Royal Decree.

At the start of the board's 2007-2010 term a new strategy was approved with the aim of improving the OCCI's role in response to the economic changes taking place at home and abroad, so that Oman could gain greater benefit from its economic openness and international trade agreements. The OCCI's branches



The Oman
Polyethylene factory at
Port Sohar

were given greater powers, enabling them to offer a wider range of services and play a bigger role in the economic development of the governorates and regions.

Under the new strategy specialist committees and working groups set up by the board were given bigger roles to examine and discuss all economically relevant issues, domestically and internationally. Co-ordination and co-operation was increased between the OCCI and government departments – on the one hand – and the business community and private companies and institutions on the other. Modern technology has been implemented to streamline and improve the Chamber's operations and procedures. The new strategy also makes provision for more effective steps to be taken to attract foreign investment in order to boost Oman's sources of income and create new job opportunities for its nationals.

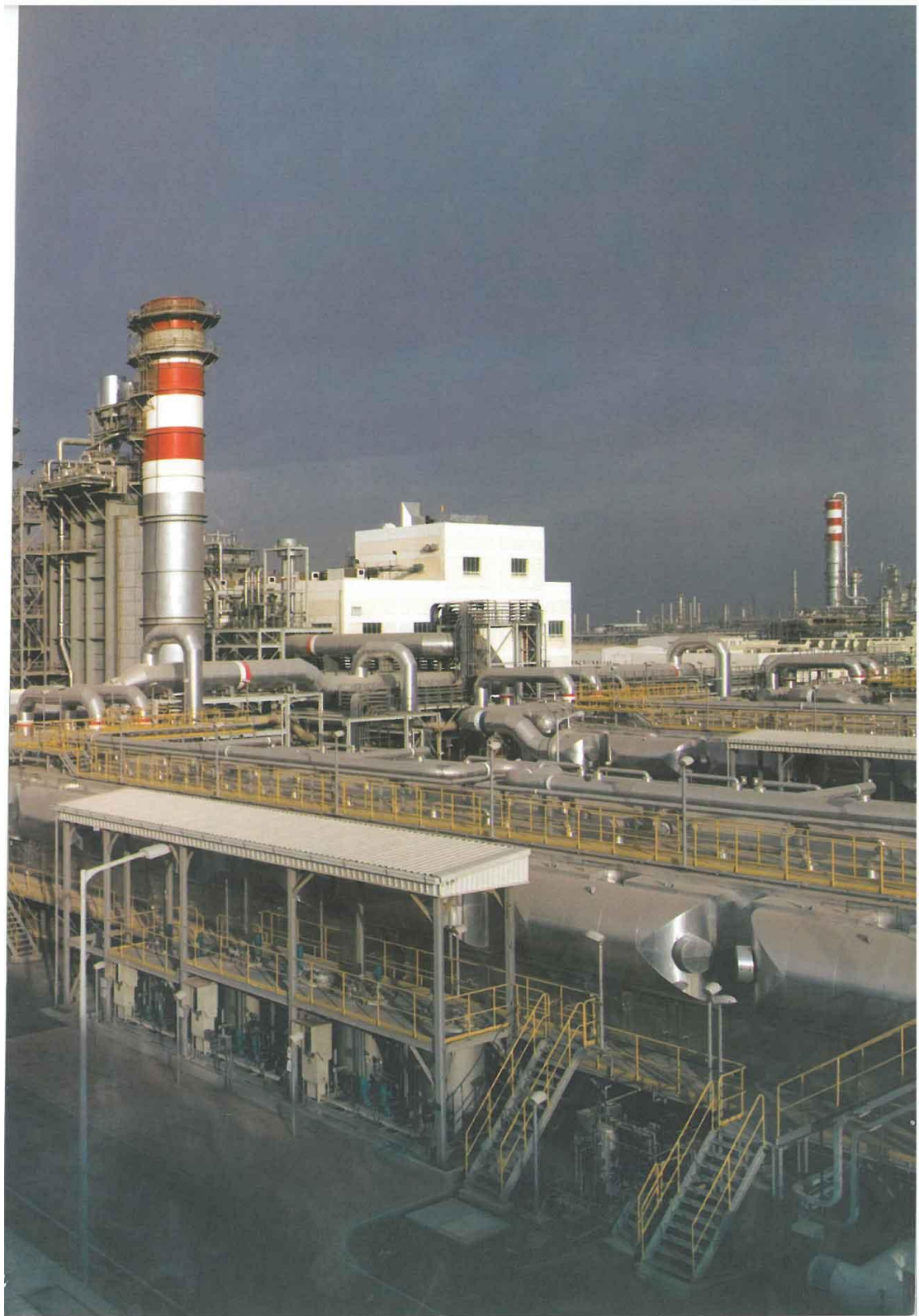
The OCCI supports individual initiatives and seeks to promote the concept of self-employment schemes, especially among Omanis receiving social security benefits. Accordingly, the OCCI's board of directors has decided to grant such projects a five-year exemption from payment of the Chamber's membership subscription charges; it has also renewed the exemption from membership subscription charges for members of the self help, Sanad Programme for a further five years.

The OCCI liaises with government and private sector departments and bodies to find ways to curb the steady rise in prices, particularly the increases in the cost of food. The Chamber is aware it has a social role to play and under its new strategy attempts to fulfil that role in a number of ways. In 2007 it held several meetings with wholesale and retail food merchants and announced agreement on a series of measures, including a price freeze on basic food items till the end of 2007 and the adoption of the idea of an 'economic package' – a carton of basic

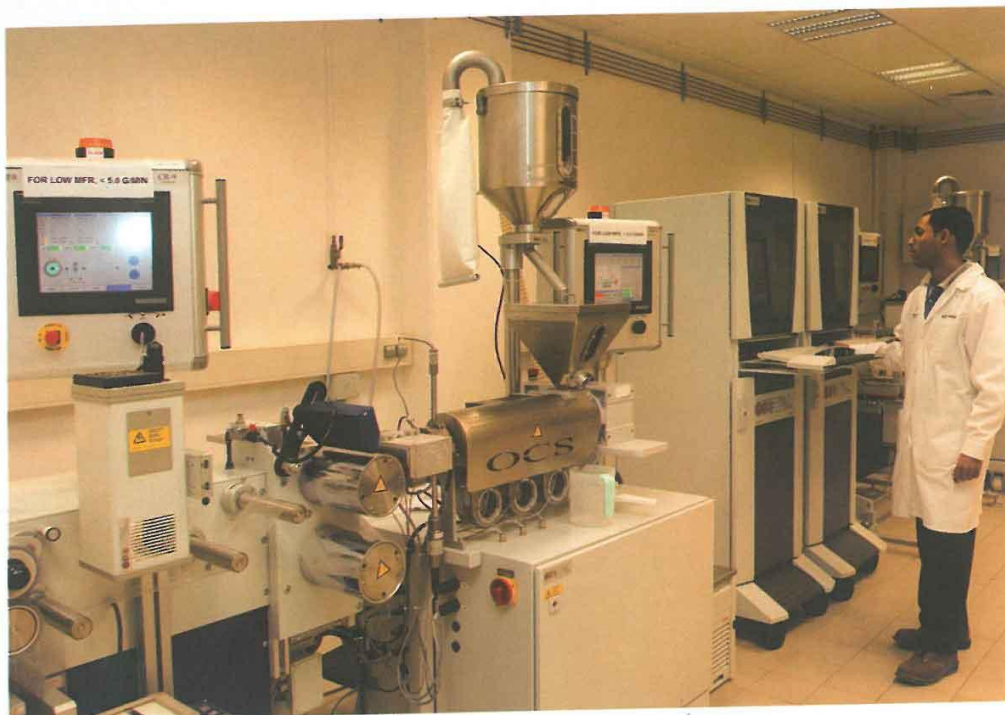
Overleaf: The Sohar
Power station and
Desalination Plant
project has gas turbines
with a capacity of 585
megawatts and a water
desalination plant
capable of producing
33 million gallons of
potable water a day











Keeping a check in the laboratory of the Oman Polypropylene plant in Sohar

food items available at affordable prices -- which would be sold at a number of sales and distribution centres.

In 2007 the OCCI received 30 trade delegations from various countries and organised visits by members of its board and Omani businessmen to a number of Arab and foreign countries. It also signed agreements and memoranda with the chambers of commerce and industry of several Arab and international chambers including Bulgaria, Belarus, Sri Lanka, Croatia and Vietnam. According to OCCI's figures, it had 151,688 members at the end of December 2007.

Information Technology (IT)

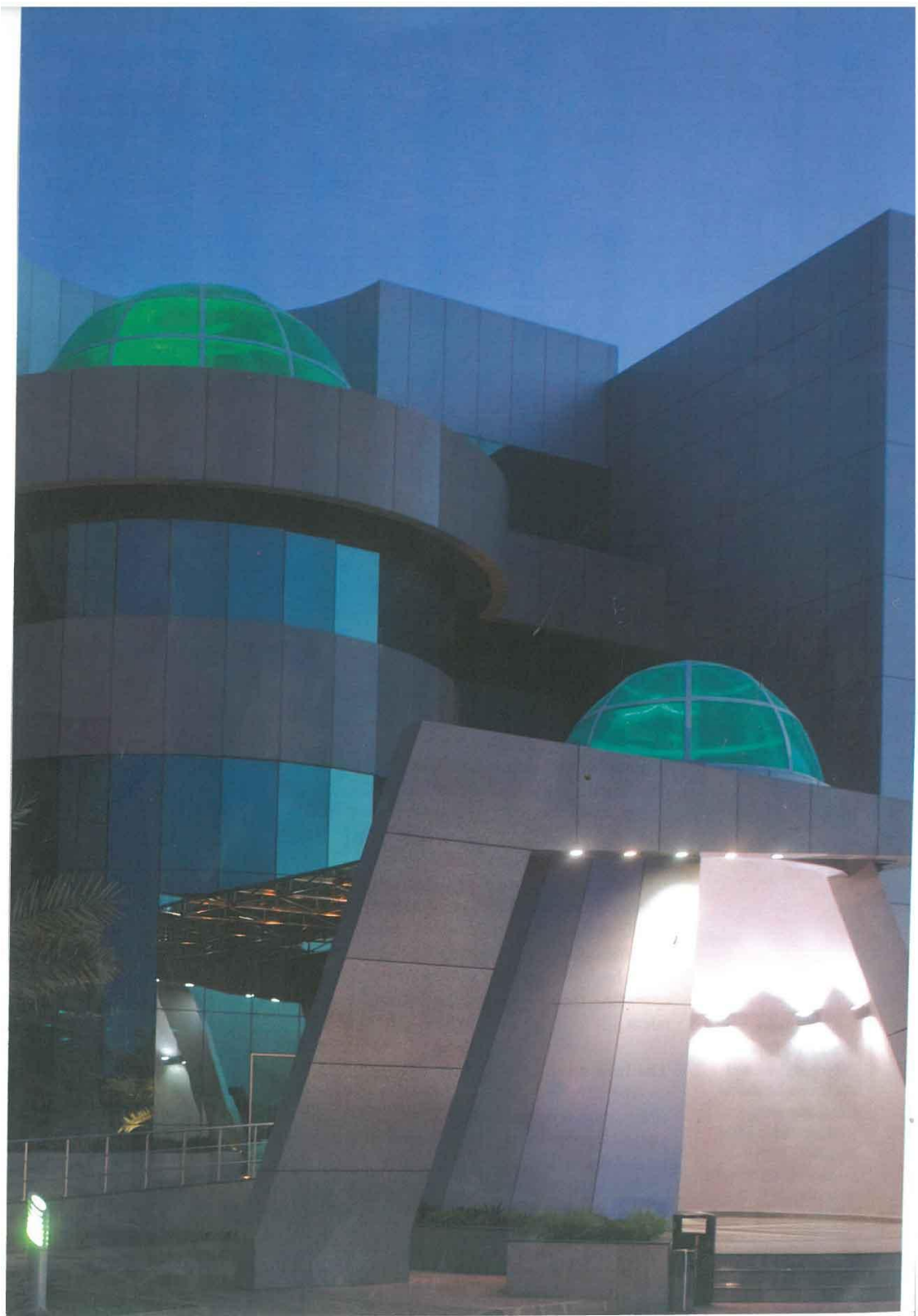
While the Sultanate has focused on setting up gas-based projects, it also attaches great importance to the knowledge economy and has begun establishing an infrastructure for information technology (IT) and telecommunications-based industries. An IT complex – Knowledge Oasis Muscat (KOM) – has been set up and is beginning to attract investment for developing knowledge-based industries, upgrading the technologies of Omani businesses and supporting creative young talent.

The Information Technology Authority (ITA)

The ITA, set up by a Royal Decree on 31st May 2006, is a financially and administratively independent legal entity responsible for implementing the Oman Digital Society strategy. It oversees infrastructure projects and all Digital-Oman-related operations.

Through the Digital-Oman initiative, the ITA seeks to create an integrated infrastructure that will ensure the reliable provision of e-government services

Sohar Refinery, along with Oman Polypropylene and the Oman Methanol Company were inaugurated in 2006 and 2007 with a combined investment cost of over \$1.6 billion





Aiming to provide e-government services for the public, as well as for the business sector

for the public and the Sultanate's business community, create the conditions for knowledge-based industries to thrive, provide new job opportunities for young Omanis, harness IT and tele-communications technology to provide better health care and educational services, attract foreign investment and promote tourism and social development.

The ITA's goal is to develop an integrated infrastructure for IT, knowledge applications and joint government services portals, link all government departments and institutions to a secure data network and provide e-government data and services through a system of multiple outlets, creating an operational framework for e-administration and laying down the criteria and regulations for the country's IT and telecommunications infrastructure, including the data and network security system. Significant events in the sector in 2008 included Royal Decree No. 69/2008, which promulgated the Electronic Transactions Law, the signing of an agreement commissioning the National Data Centre project – a government initiative aimed at establishing a national centre built to international specifications to maintain government systems and data and upgrade the country's IT systems. The Centre will store all the different government departments' basic data and provide back-up in cases of emergency.

Omani Centre for Investment Promotion and Exports Development

The Omani Centre for Investment Promotion and Export Development (OCIPED), was formed by Royal Decree No. 59/96 on 26th June 1996. The Centre aims to increase the contribution of the private sector to projects seeking to promote the export of Omani products to foreign countries with a view to improving the balance of trade of the Sultanate.

Knowledge Oasis Muscat, an IT complex, supports the creative talent of Omani youth

Following the issue of Royal Decree No.97/2008, dated 11th August 2008, which made certain amendments to some provisions of the Articles of Association of OCIPED, the Centre is managed by a Board of Directors, under the chairmanship of the Minister of Commerce and Industry.

Fisheries

Royal Decree No. 91/2007, issued on 9th September 2007, established the new Ministry of Fisheries and the new Ministry of Agriculture from what had been a single entity - the Ministry of Agriculture and Fisheries - as part of a new initiative to diversify Oman's sources of income and improve performance of both departments.

The decree transferred the responsibilities, financial allocations and assets of the entire fisheries division – including personnel – from the former Ministry of Agriculture and Fisheries as part of a strategy to provide increased food security, boost exports, upgrade fish-related industries, improve the incomes of traditional fishermen, and increase annual growth rates and the sector's contribution to GDP.

The Seventh Five-year Plan (2006-2010) targets include reinforcing the fisheries infrastructure, achieving an average annual 3% GDP growth rate, raising the productivity and quality control, developing human resources and increasing the percentage of Omanis working in the industry. An average growth in fish exports of around 5% is predicted if these targets can be met. Fishermen will be given a greater role in managing and developing the sector and the private sector encouraged to play a more effective part in helping develop the industry.

Because of its geographical location on the shores of the Arabian Gulf, the Gulf of Oman, the Arabian Sea and the Indian Ocean, Oman is one of the region's biggest fish producers in terms of both quality and quantity, with the fishing industry at the forefront of the non-oil sectors in terms of its contribution to the national income. Prospects for future growth are also promising, given Oman's exploitable fish stocks of around 278,000 tonnes.

In 2007 the Sultanate landed around 151,000 tonnes of fish with a value of RO87 million – a 3% rise on the 2006 figure of 145,000 tonnes, which was valued at RO70 million. In 2007 the number of traditional fishermen rose to 34,000, working from over 13,800 craft.

In developing the fishing industry, installing more new equipment and facilities, including modern fishing boats, catches are scheduled to receive a boost, along with fishermen's incomes. During the current Plan, the Ministry of Fisheries has established a fish farming centre which encourages private investment through a number of programmes. The centre carries out applied research, operates training schemes for Omani nationals and provides consultative services and technical support. The Ministry of Fisheries anticipates that by 2020 fish farming will be almost as productive – volume for volume – as the catches from natural fishing grounds, landed by the commercial and traditional fishing sectors.

Working in collaboration with private sector fishing companies, local fishermen and transport companies, the Ministry of Fisheries has put in place a range of policies aimed at stabilising prices and ensuring the domestic market is adequately supplied with the stock it needs. The installation of artificial reefs to increase fish stocks is just one of several measures employed to this end.

• Fishing Harbours

Fishing harbours are a major feature of the sector's infrastructure offering

The incomes of traditional fishermen are being improved





modern landing, storage and transport facilities. In recent years the government has invested over RO50 million in the construction of 15 harbours in various parts of the country. Over RO20 million has been earmarked under the current Five-year Plan (2006-2010) for the construction of fishing harbours, including the RO7.89 million-plus Seeb fishing harbour scheme, commissioned at the beginning of 2007; harbour projects at al Suwaiq, Taqah in Dhofar (planned for 2009) and the Port Duqm project in the Wusta Region.

• Abalone

In June 2008, the Ministry of Fisheries banned the fishing and collection of abalone, as well as any kind of trading, transportation or export for three seasons from 2008 to 2010. The decision was made following research that indicated a continuous decline in stocks of abalone from over 56,000 kgs in 2001 to under 32,000kgs in 2007.

Agriculture

The agricultural sector produces most of Oman's food needs, making an effective contribution to the country's food security while also accounting for the greater part of the country's non-oil exports. It provides employment for Omanis and helps promote demographic stability and social development.

The Ministry of Agriculture has adopted a number of plans to promote sustainable development and conserve natural resources. The sector aims to maintain an average annual productivity growth rate of around 2.6% during the years of the current Five-year Plan (2006-2010). Its other aims include: developing, protecting and increasing the productivity of agriculture and livestock resources; improving the living standards of the rural agricultural population by increasing their incomes and boosting employment opportunities for the national workforce.

In 2006, Oman had a total of 151,500 feddans (1 feddan = 0.42 hectares) of land under crop cultivation, producing an estimated 1.011 million tonnes. Over 1.227 million Omanis – around 66% of the population – are engaged in agriculture in one form or another, with more than 170,000 nationals employed on more than 194,000 farms and allotments.

The figures show a significant rise in the Sultanate's level of self-sufficiency in crops such as dates and fruit (93%) and vegetables (64%). Agriculture accounts for some 37% of total non-oil exports. Government support for the agriculture and livestock sectors is aimed at encouraging their general development and productivity. To this end, the government now offers direct support in the form of subsidised soft loans for projects, exemption from customs duties on items required for agricultural production and tax exemption for companies engaged in agriculture.

The Ministry also offers indirect support to help create an investment-friendly climate for the private sector; this includes providing services such as research and advice, immunisation and pest control programmes and the provision of funding for the private sector on easy terms.

To help create the necessary conditions and requirements for membership of the World Trade Organisation (WTO), the government reduced its direct subsidies in favour of indirect support. This has taken two forms. Firstly, around RO8.44 million has been earmarked under the Seventh Five-year Plan (2006-2010) for new projects designed to serve the agricultural sector. These include a range of programmes designed to inform and assist farmers and stock-breeders and encourage them to adopt modern technology and production methods. Around

New fishing harbours offer modern landing, storage and transport facilities

Oman is one of the region's biggest fish producers in terms of quality and quantity



RO5.8 million has been allocated for crop cultivation programmes and RO2.64 million for the livestock sector.

Secondly, the private sector receives funding from a financial support system promulgated under Royal Decree No. 17/97, later amended under Royal Decree No. 18/2006, offering soft loans on terms including subsidised rates of interest, grace periods and long-term repayment conditions. The main purpose is to encourage the private sector to establish companies capable of engaging in productive and marketing operations that will spearhead the process of modernising the commercial agricultural sector. Additional incentives offered by the Ministry of Agriculture include exemption from customs duties on imported equipment, raw materials and other essential items and exemption from income tax during the first five years of a project's existence, extendable for a further five-year period.

The Ministry of Agriculture provides information and assistance on obtaining environmental permits, land, and other services, such as reduced electricity tariffs. It also evaluates feasibility studies for proposed projects and provides various forms of technical assistance should a project hit snags.

Livestock

Livestock is an important and growing sector that employs a large section of the Omani population. In 2006, domestic production totalled around 12,400 tonnes of red meat; 172 million eggs; 46,700 tonnes of milk and 22,200 tonnes of

Recent figures show a significant rise in the Sultanate's level of self-sufficiency in crops such as fruit, dates and vegetables



Farmers and stockbreeders are being encouraged to adopt modern technology and production methods

poultry.

There are 62 government veterinary clinics in the wilayats as well as a number of private clinics, which help to ensure that the country's livestock remains free from endemic or imported diseases. A national immunisation programme has succeeded in preventing the spread of epidemics, leading to increased productivity and progress towards self-sufficiency in meat and animal products, while reducing imports, increasing exports and boosting the national income. In 2006, some 1.6 million head of livestock were immunised and over 609,000 received veterinary treatment.

The Livestock Production Research Centre and its various stations have studied methods of improving local strains of cattle, sheep and goats to make them more productive. There has also been research into ways of producing animal feed from local raw materials with the aim of reducing costs to stock breeders. The results and recommendations of these programmes have been adopted by the private sector, and a number of factories are now manufacturing animal feeds from agricultural waste.

Water - the search for new sources

Situated in the world's arid belt with rainfall averaging only about 100 mm annually, the Sultanate suffers from a chronic water shortage and the problem has been exacerbated by an increase in pumping from its groundwater stocks. Most of Oman's regions have traditionally relied on aflaj (pl. of falaj, i.e. irrigation channels), springs and wells for their water supplies.

The government manages, develops and constantly evaluates the country's water resources. It maintains the aflaj systems and digs auxiliary wells to



feed them, maintains dams, monitors the water situation, operates exploration schemes to search for new sources, implements projects to exploit non-traditional water sources and raises awareness on the importance of conservation. Laws and regulations have played an important role in protecting the country's water resources' from depletion and pollution. The Sultanate is at the cutting edge in matters of water conservation and has drawn up a national plan to protect water resources and rationalise, regulate and manage consumption on the basis of accurate, well-researched data and statistics.

The Ministry of Regional Municipalities and Water Resources carries out studies to assess groundwater stocks and determine how they can best be exploited in the most sustainable manner. In searching for new and alternative sources of water to fill the gap between supply and demand, it has drilled a number of exploratory wells in several areas, particularly where groundwater levels are low, which has led to the discovery of new aquifers in recent years. The Ministry is currently engaged on a hydrographical mapping project that will provide precise and detailed information on all the aquifers in the Sultanate. Recently it has also been studying the possibility of inducing rain by artificial means. This project will be implemented if and when it is shown to be feasible in the Sultanate's climatic conditions.

Expo 2008, Zaragoza

The Ministry of Regional Municipalities and Water Resources participated in the Expo 2008 'Water and Sustainable Development' being held in Zaragoza, Spain from 14th June to 14th September 2008. 602,000 people visited the Sultanate's stand which, among other things, screened a 5-minute video on the methods being

'Expo 2008' in Zaragoza, Spain. The Sultanate's pavilion won the Gold Award



Checking the level and content of aflaaj water

applied to utilise and conserve water in Oman over several centuries. Oman won the Gold Award for the best pavilion.

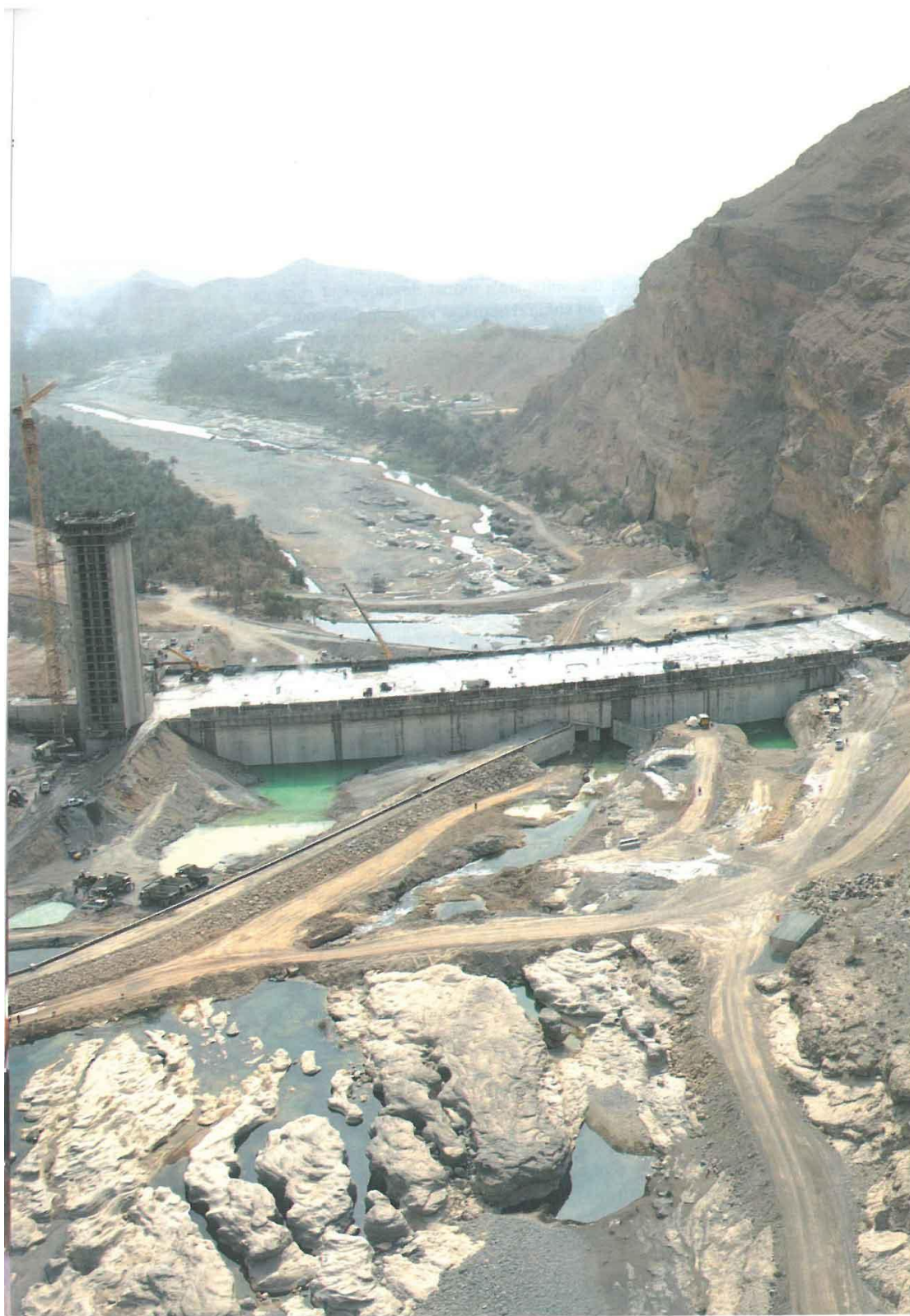
Aflaaj, wells and springs

The system of aflaaj – or traditional irrigation channels – has been used in Oman since ancient times. Water is transported from a main well in a mountain area, down through various subsidiary wells served by a network of underground channels. Upon reaching the surface of the ground, the water – basically groundwater produced by rainfall that has remained trapped in the earth's strata – is captured and utilised by the population.

Aflaaj are important because without rivers, rainfall in Oman is insufficient to meet the growing daily needs of the population, particularly in agriculture. There are different types of aflaaj. The Daudi Falaj – a subject of local myth and legend – consists of an underground tunnel, tens of kms long and reaching depths of tens of metres at the source of the mother well. Some 57% % of the aflaaj in the Sultanate are of this type. Falaj al Malki, in Izki in the Dakhiliyah region - a Daudi Falaj - is one of the largest aflaaj of this type in the country, with 17 tributaries.

The Ghaili Falaj is a seasonal falaj that flows only at certain times of year depending on groundwater stocks and rainfall. It flows from wadis and mountain slopes into the falaj, dug near the base of the mountain, which is its main source of supply. Around 22% of the aflaaj in the Oman are of this type.

The Ayni Falaj is supplied by springs, which flow from the summits of the mountains through open channels. About 9% of the country's aflaaj are of this type, where water comes from geological strata deep below the earth's surface, formed long ago. The water usually contains sulphur and is suitable for the treatment of



certain ailments such as rheumatism. Some of these aflaaj come from thermal springs and produce hot water but these are very limited in number.

The National Falaj Inventory Project, started in 1997, revealed 4,112 aflaaj in Oman, 3,017 of which are operational. The Ministry of Regional Municipalities and Water Resources operate an annual falaaj maintenance programme. In 2007 it carried out maintenance work on 84 aflaaj and completed 11 falaj auxiliary well projects.

A seminar on the sustainable development of Oman's agricultural sector was held at the Royal Camp in 2007. Acting on its recommendations, the Ministry is currently working to record full details of each aflaaj along with their historical significance and the customs and practices associated with them. The scheme will provide a useful and accessible work of reference that will assist in the conservation of this important part of the country's heritage.

In recognition of the Sultanate's maintenance work on its traditional irrigation system and its efforts to safeguard its heritage, in 2006 five Omani aflaaj – Falaj Daris and Falaj al Khatmain in Nizwa, Falaj al Malki in Izki, Falaj al Muyassar in Rustaq and Falaj al Jaylah in Sur – were added to UNESCO's World Heritage List.

Along with the aflaaj, wells are another vital source of water for the population and are found in all Oman's towns and villages.

Springs are another basic source of water in Oman. Some are hot, others are cold; in some the water is potable, while in others it is highly saline, or alkaline though suitable for agriculture when mixed with wadi water. Other types of springs contain varying levels of mineral salts, many with medicinal properties.

The springs are important because of the large volume of water that flows from them. The hot springs produce an average flow of around eight million gallons a day, while water flow from the cold springs averages some 15 million gallons a day.

Dams

Currently there are 31 groundwater recharge dams and 61 surface storage dams in the regions, as well as over 12 flood protection dams. The Wadi Daiqah dam in Muscat is one of the most important dam projects currently under construction. Phase One of this scheme, which will cost an estimated RO43 million and began in August 2006, will be completed in 2009. Phase One includes the construction of a main dam and a subsidiary dam. Phase Two will comprise the installations for the Muscat and Quriyat water supply system and include a pumping station, 138 kms of mains pipes, and ancillary support installations. The latest available research shows Wadi Daiqah's average annual flow – as measured at its flow gauge station – to be around 50.97 million cubic metres.

On completion the project will supply around 35 million cubic metres of water a year, of which some 10 million cubic metres will be utilised by the villages below the proposed site of the dam for agricultural purposes. Around 5.7 million cubic metres will be for domestic use in Quriyat and some 19.3 million cubic metres will be for domestic use in Muscat's other wilayats.

Work is currently in progress on the city of Salalah's flood protection dam. The RO27.033 million project is due for completion within 27 months of the agreement being signed. It will also boost the level of water reserves available for the city and surrounding areas, with its storage capacity of around 77.2 million cubic metres.

Tourism

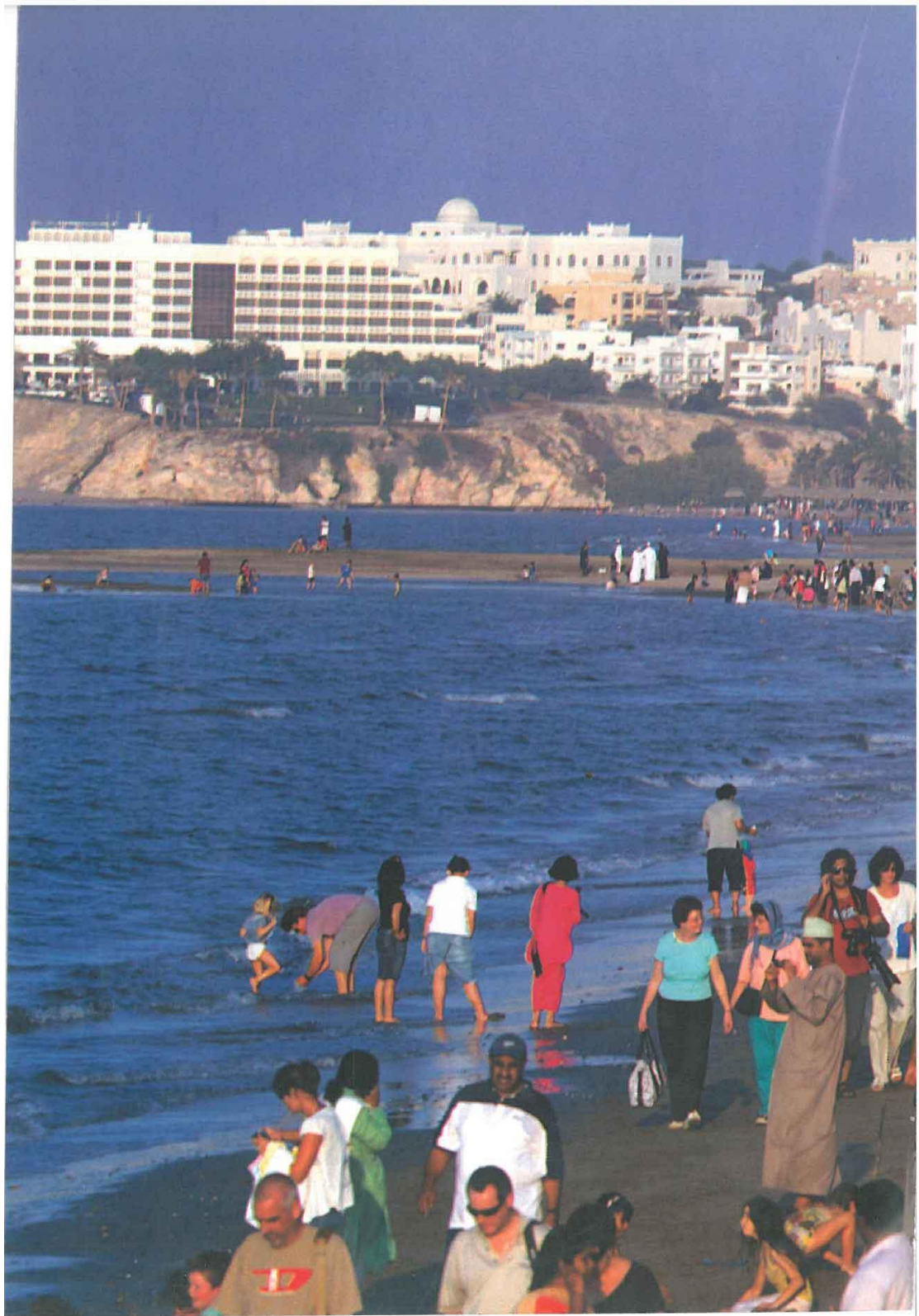
Tourism has undergone a radical transformation in recent years to become one of the most buoyant non-oil sectors. Royal Decree No. 61/2004, issued on 9th June 2004 established the Ministry of Tourism and marked the start of a new era. The

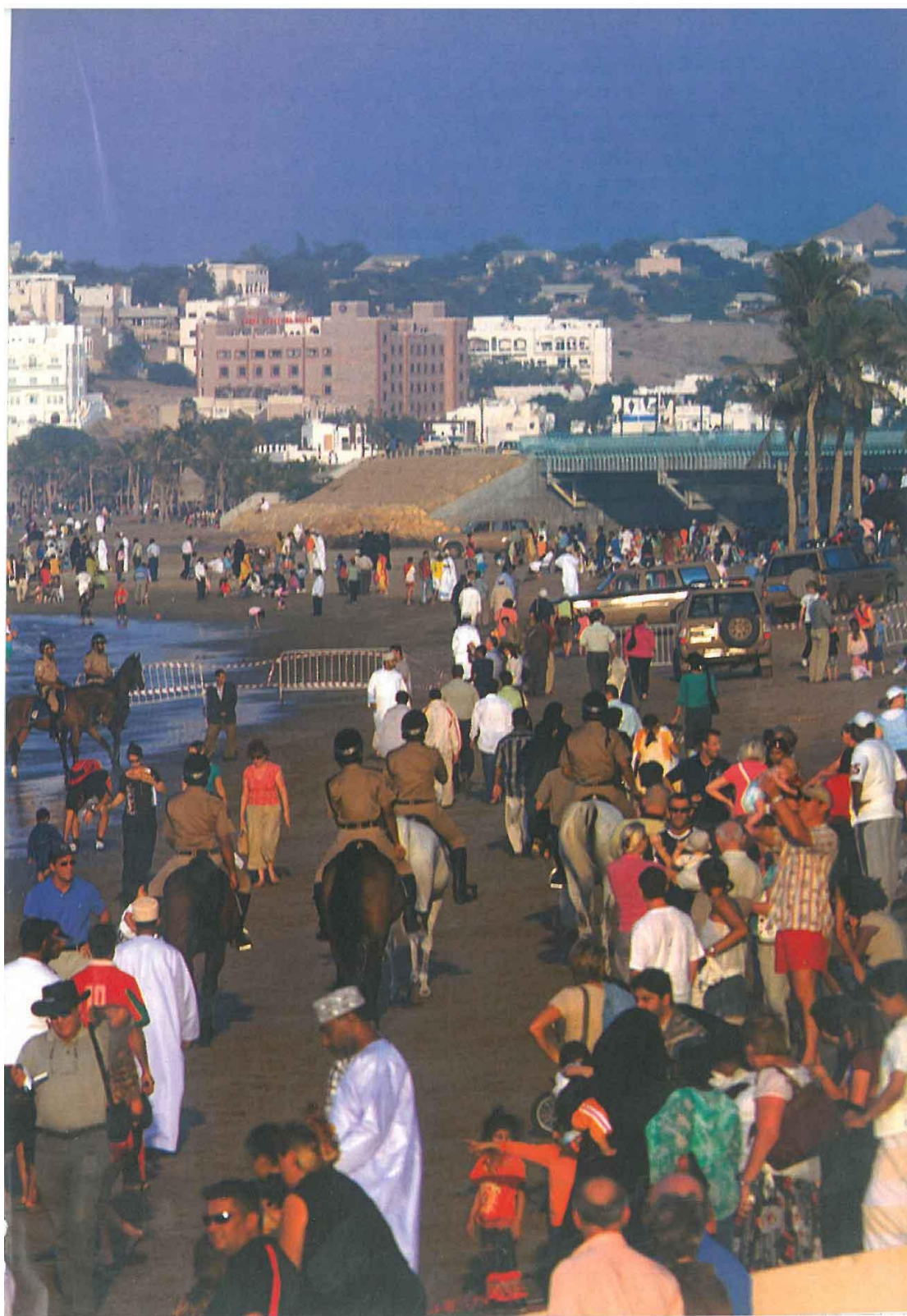
Wadi Daiqah, the most formidable of Oman's wadis is being dammed with the aim of harnessing its huge water potential to supply potable water for Muscat

Oman Sail's objectives are aimed at reviving Oman's maritime heritage



calculating the tourist sector's true contribution to the national economy, based on statistical surveys carried out to determine the spending levels of tourists entering Oman from abroad, as well as the spending on domestic tourism by the country's residents. The number of people employed in tourism rose to 13,035 in 2007 – up from 11,651 in 2006, including a growing percentage of Omani nationals.





Muscat

With its strategic location on the Gulf of Oman and its access to the Arabian Gulf, the Arabian Sea and the Indian Ocean, Muscat, the capital of the Sultanate of Oman, has been a city of great historical importance and a major trading centre from the early days of the Islamic era. It remains an important maritime hub and communications link between Asia, Africa and Europe.

Muscat Municipality has put a number of projects out to tender under its building development plan, including the reconstruction of the old city of Muscat; which will involve the renovation of seven districts of the old city. The Municipality is currently developing the Hayy al Mina district in Mutrah, where Port Sultan Qaboos is located. This project is part of an integrated two-phase scheme designed to improve the appearance of the area's existing buildings, modernise its services, highlight its attractions for tourists, visitors and shoppers and link it to the Sea Road development. The first phase of the scheme will involve the demolition of certain structures and the addition of a number of modern buildings, all of which have been carefully vetted to ensure they do not detract from Muscat's traditional architecture. Under Phase Two the tourist, hotel and service facilities will be developed, particularly in the existing fish market area, after the market is relocated.

Muscat Festival

The first Muscat Festival was in February 1998 and it has since become a significant date on the annual Arab festival calendar. Its extensive programme is designed to appeal to every section of the community.

The 2008 Muscat Festival, held from 21st January to 15th February, attracted over two million visitors to its various venues. It opened in the Qurum Natural Park with a spellbinding six part operetta showcasing the rich history of Oman. Adding to the performance was a display of lasers and fireworks that lit up the night sky. One Festival ground contained a crafts market with participants from countries such as Iran, Malaysia, Turkey, India, the Philippines, Pakistan, China, Egypt and Morocco. Traditional Omani craftspeople were also displaying their skills nightly to Omanis and foreign visitors.

The Festival competitions included Omani, Gulf and Arab singers; theatrical comedy, cultural evenings, exhibitions, workshops, sports, and car and motorcycle stunt displays. In the children's area 50-metre high models of the Eiffel Tower, the Leaning Tower of Pisa and other monuments were a popular new attraction.

Muscat's Road projects

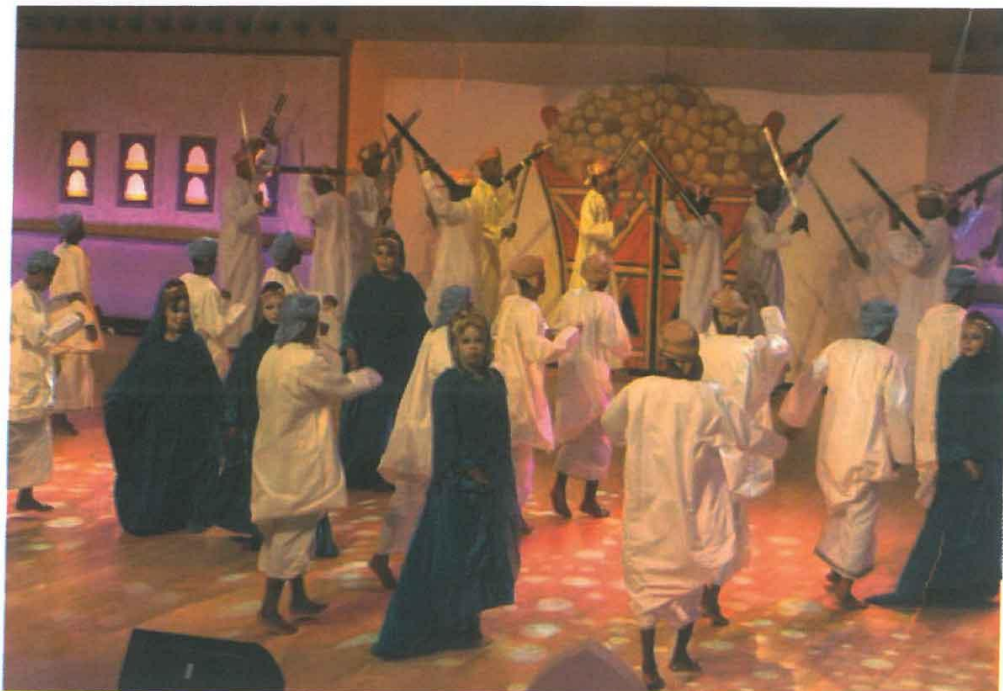
Muscat's road system is constantly being upgraded to cope with the city's economic expansion and the resulting increase in the volume of motor traffic. The Muscat Expressway – the main road project under construction at present – offers an alternative route to Sultan Qaboos Street and links several residential and industrial areas within Muscat, as well as providing a road link between Muscat and the Sultanate's other regions. Other vital links include the al Amerat-Bausher road, which passes through the mountains separating the two wilayats, the Barr al Jissah-Yiti road and the 70 kms al Amerat-Quriyat dual carriageway, which will join the Quriyat-Sur road.

Other projects are in the pipeline with other major roads and flyover schemes under consideration. The Muscat International Airport flyover and intersection, which opened at the end of 2007, has eased traffic congestion around the airport area.

The tourism sector grew by over 8% in 2007. Cruiseship passengers take a trip on a traditional dhow

More than 10 5-star hotels are to be built over the next 4 years. Here the Barr Al Jissah Resort and Spa





Dhofar

With its attractive climate, particularly during the khareef, or monsoon season, the Governorate of Dhofar is an important tourist destination. During the khareef, which lasts from June to September, the land is draped in a mantle of greenery; clouds obscure the sun on most days and a gentle drizzle falls in temperatures that never top 22°C and may drop below 15°C in the mountains.

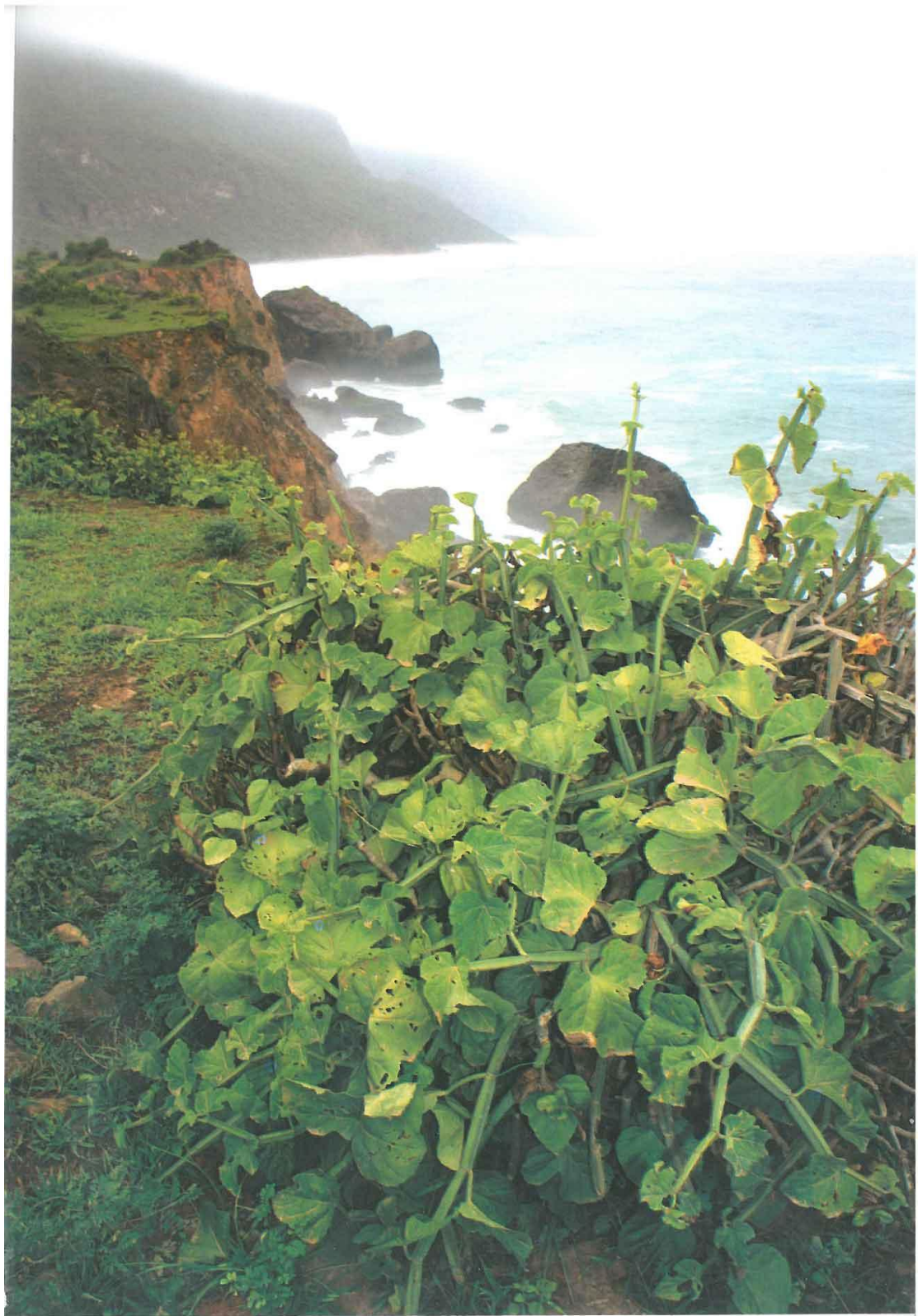
The annual Salalah Tourist Festival, which runs from mid-July till the end of August, is the Sultanate's leading festival and is renowned across the Arab world. With its lively programme of recreational, cultural and artistic events – including activities for children such as competitions and plays – it is highly popular with visitors. The family focussed Festival has won numerous Arab and regional prizes. With some 590 literary, cultural, artistic and social events as well as a full programme of sports and recreational activities, the 2007 Festival was a huge hit with more than 2.5 million visitors.

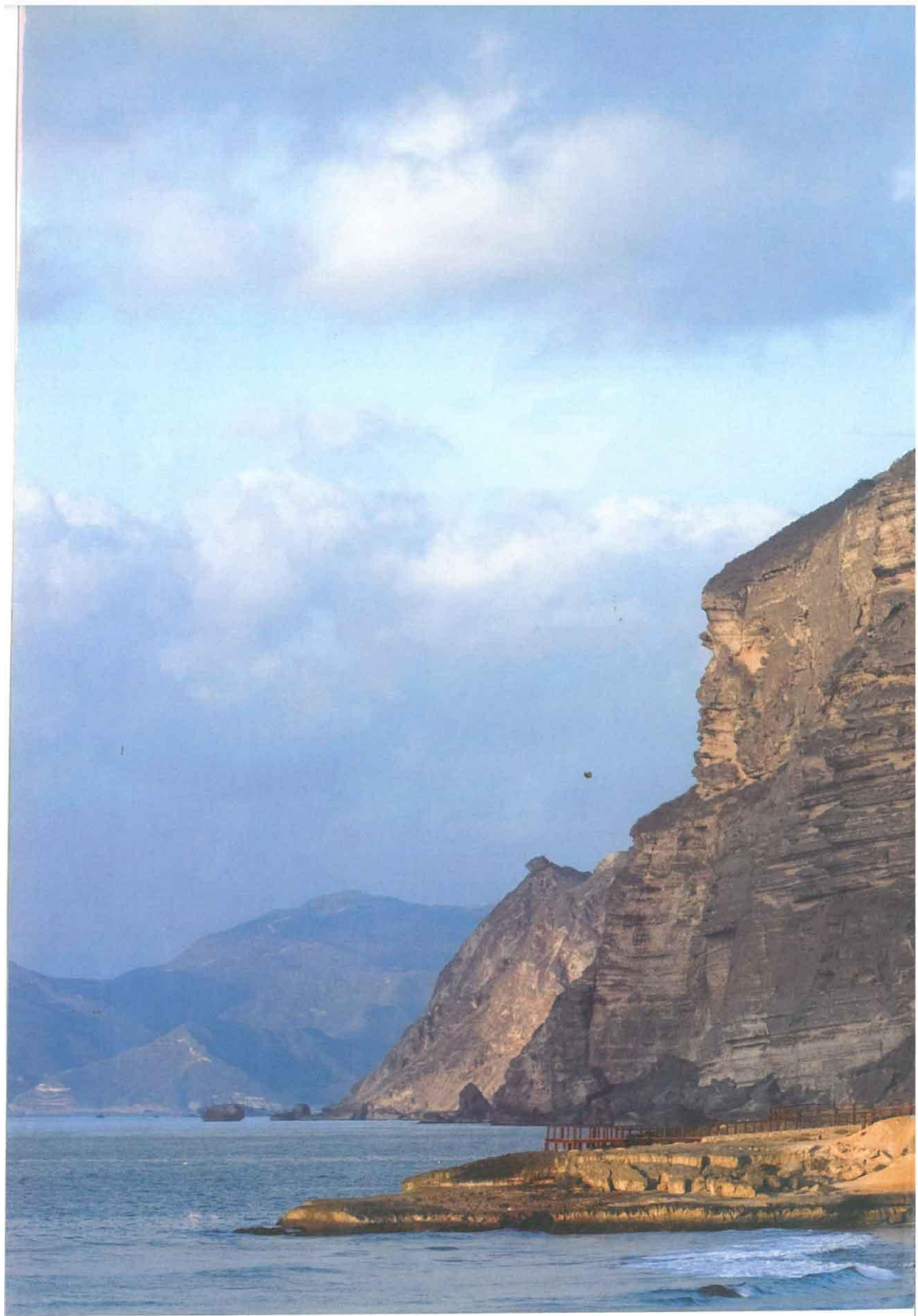
In parallel with the growth of its tourist industry, numerous other development projects are also being implemented in Dhofar, which already boasts natural attractions including water spouts at al Mughsail, about 40kms from Salalah, and natural springs such as Ain Razat, Ain Hamran, Ain Athoum, Ain Sahannawt and Ain Garziz, as well as waterfalls gushing after the rains. Wadi Darbat is a popular green, well-watered natural park.

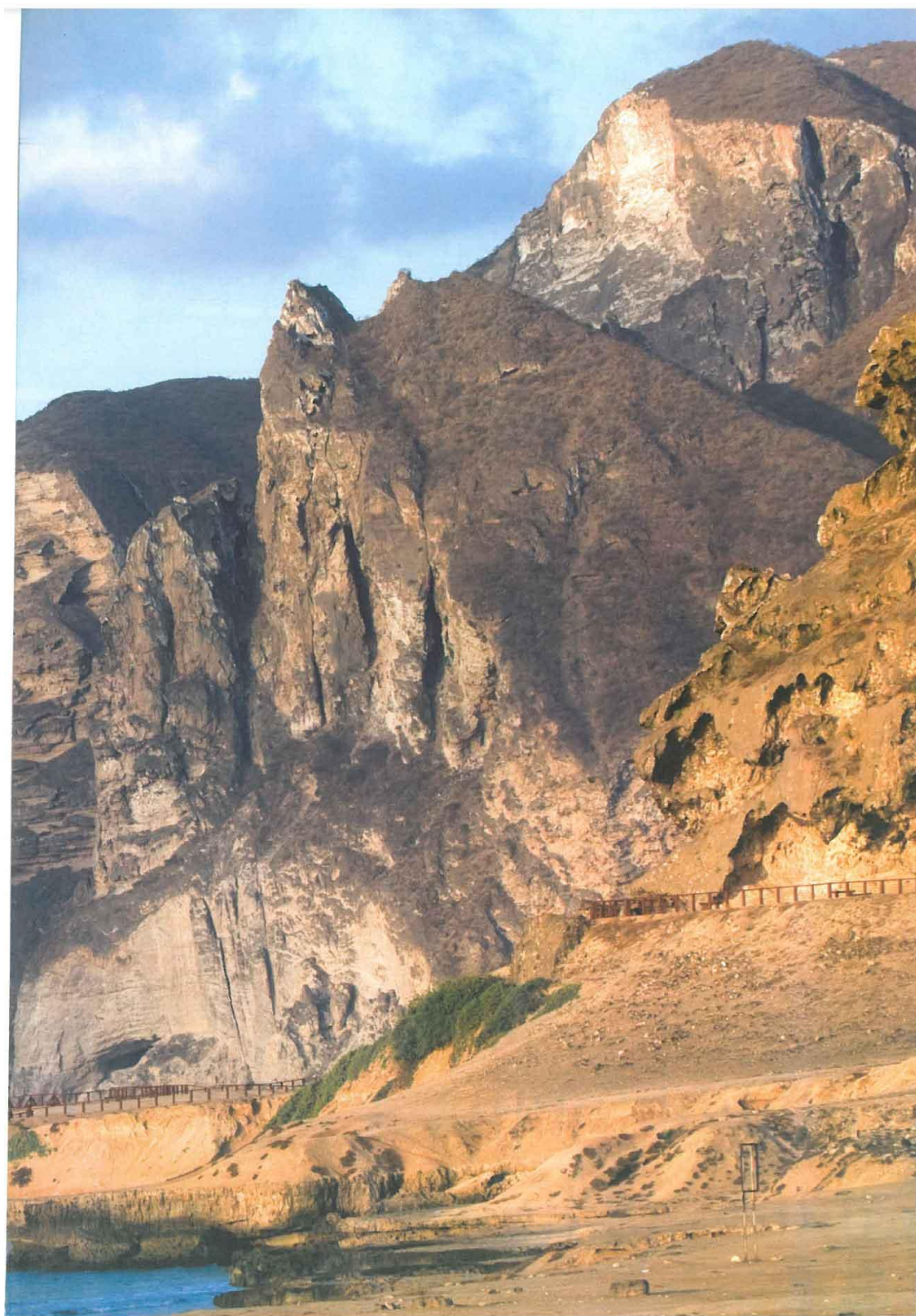
Dhofar is home to several sites of religious and historical importance, including the region of al Ahqaf (the Rolling Sand Dunes) mentioned in the Holy Qur'an, the tombs of the Prophets Hud, Job and Saleh, the ruins of the city of al Baleed, the port of Sumhuram at Khor Rori – which was famous for the export of frankincense – the city of Wubar, ancient remains at al Mughsail, and the citadel of Hamran in the Salalah area.

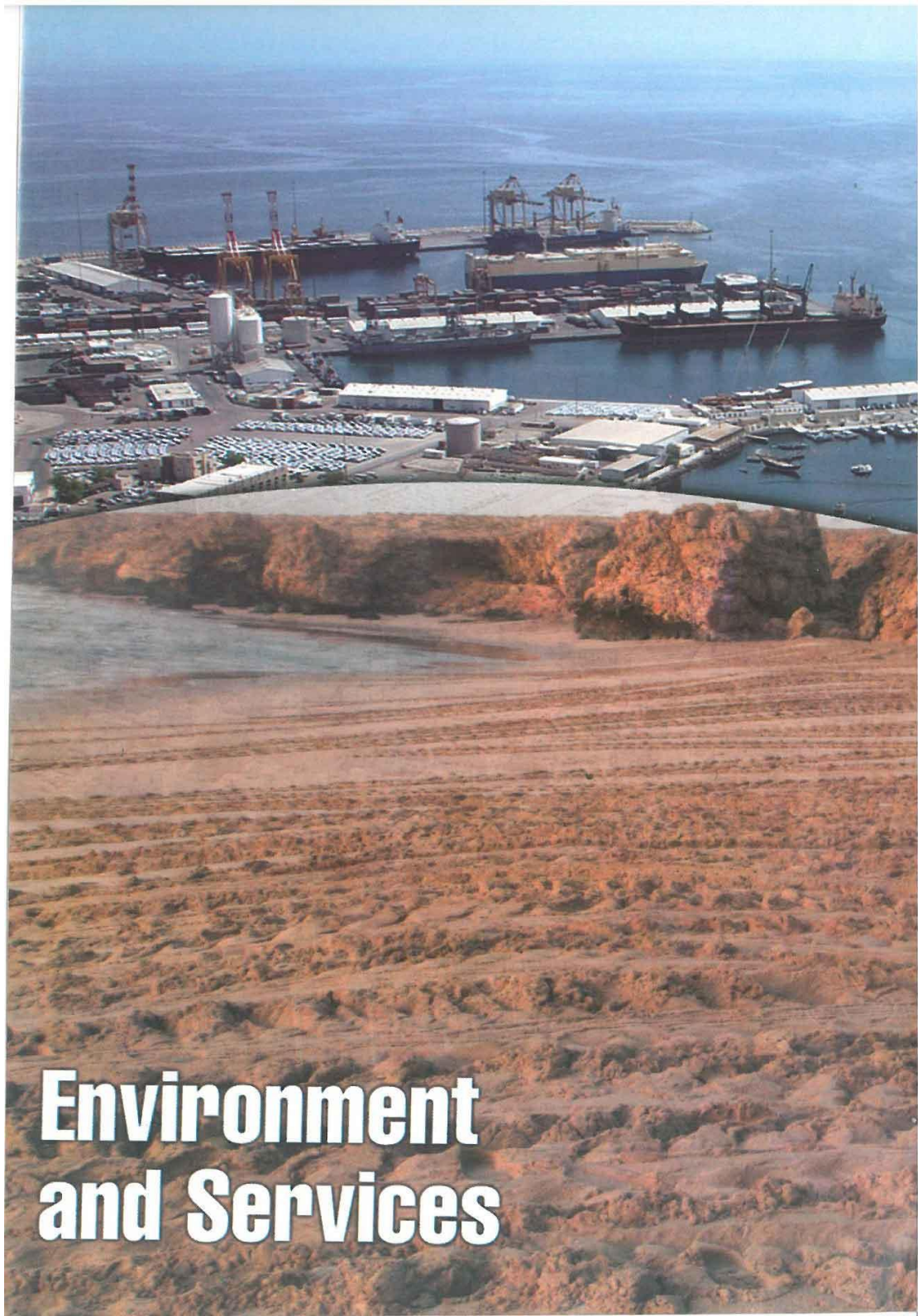
A traditional folkloric troupe opens the annual Salalah Khareef Festival

Mughsayl Beach in the Dhofar region

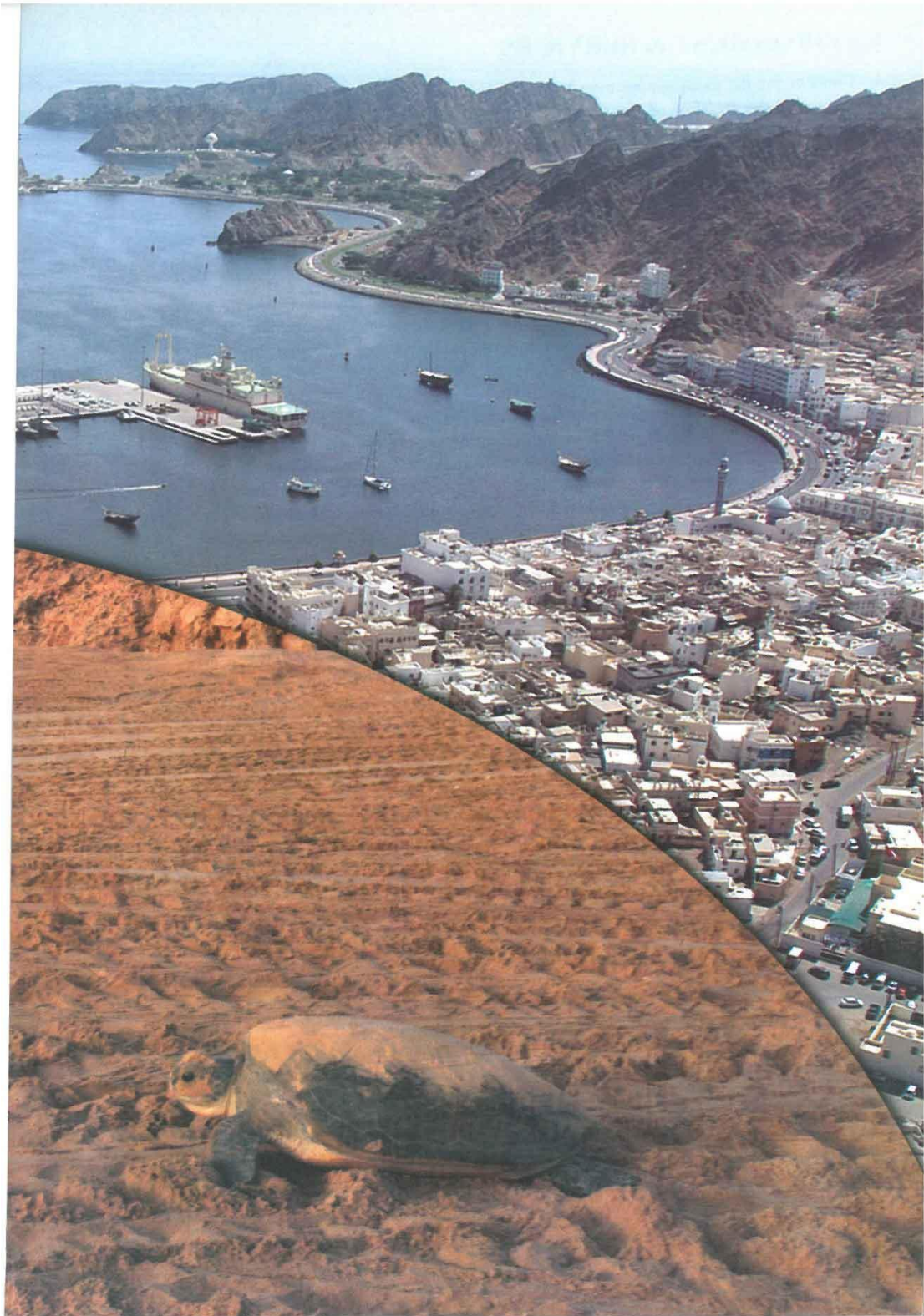








Environment and Services



ENVIRONMENT & SERVICES

Concern for the environment may be a 21st century hot topic, but in Oman, awareness of the fragility of the eco system, along with moves to ensure its protection, have been in place for almost four decades. Maintaining the natural beauty of the Sultanate and the crystal, fertile waters that lap its coastline is regarded as an essential component of economic progress. Sultan Qaboos and his government recognize that sustainable growth can only be efficiently achieved if new development projects take account of environmental factors and every effort is made to ensure the delicate balance of nature is not disturbed by the rush towards development. On 9th September 2007 Royal Decree No. 90/2007 was issued establishing the Ministry of the Environment and Climate Affairs. Oman Environment Day, observed on 8th January every year since its institution by His Majesty in January 1996, demonstrates and reinforces the importance the Sultanate attaches to the environment.

The Sultan Qaboos Prize for Environmental Conservation

The Sultan Qaboos Prize for Environmental Conservation reflects the high esteem in which His Majesty holds experts and others around the world working on behalf of the environment. The prize was instituted on Sultan Qaboos's initiative during a visit to UNESCO's headquarters in 1989. Awarded every two years for the best international contribution to the environment, the winning individual, group, institute or organisation is chosen by the Bureau of the International Co-ordinating Council of UNESCO's Man and the Biosphere (MAB) Programme and honoured at a ceremony at UNESCO headquarters in Paris.

The winners represent a broad cross-section of world experts and institutes involved in research into the environment and natural resources or environmental education and training, as well as those who have made major contributions to UNESCO's bio-environment sanctuaries and world natural heritage sites, such as the Charles Darwin Foundation for the Galapagos Islands (Ecuador) and the Lake Malawi National Park.

In 2007 the prize was shared between Professor Julius Oszlanyi, Director of the Institute of Landscape Ecology at the Slovak Academy of Sciences, and the Institute of Biodiversity Conservation in Addis Ababa, Ethiopia.

Climate Change

The effects of Cyclone Gonu, that hit Oman in the summer of 2007 brought sharply into focus the devastation often wrought by natural disaster. Gonu caused massive damage and some loss of life. Despite the mammoth clearing up work and many millions of Rials paid in compensation, Omani families will be trying to put back together the pieces of their former lives for some time to come. Natural disasters are part of the global fabric but the international community – including the Sultanate – is increasingly aware that other potentially damaging climatic shifts can be tackled head on. Concerns on climate change and its impacts, together with the importance of the role of water resources management on sustainable development in the Middle East-North Africa (MENA) region, will be the focus of deliberations at the First International Conference on Water Resources and Climate Change in the MENA region to be held in Muscat from 2nd to 4th November 2008. The Conference is being organized by the Ministry of Regional Municipalities and Water Resources and the Regional Centre on Urban Water Management-Tehran, in cooperation with the World Meteorological Organisation (WMO) and other worldwide bodies.



An Arabian Leopard roams in one of Dhofar's nature reserves

Wildlife and nature conservation

Oman's 15 nature reserves represent some examples of the country's rich terrestrial and marine biodiversity. They include the Arabian Oryx Sanctuary in central Oman, the Turtle Reserve at Ras al Hadd, the Daymaniyat Islands Reserve and the khors, or lagoons, on the coast of the Dhofar. The government encourages interest in these "national treasures" and has developed facilities for tourists at the Ras al Hadd Turtle Reserve and the Al Saleel National Park in eastern Oman.

The Ministry of the Environment and Climate Affairs, in collaboration with other government departments and international experts, has produced the National Strategy and Action Plan to ensure biological resources are exploited in a sustainable manner. The Law on Nature Reserves and Wildlife Conservation, promulgated under Royal Decree No. 6/2003, establishes the legal framework for the protection and development of these resources on a sustainable scientific basis. Royal Decree No. 117/2007, issued on 19th November 2007, confirmed the Sultanate's membership of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, a global treaty that regulates the international trade in endangered species.

The Ministry of the Environment and Climate Affairs is working with UNESCO to list two Omani nature reserves on the Man and Biosphere (MAB) list, the Jabal Samhan Nature Reserve in Dhofar and the proposed Barr al Hikman Reserve in the Wusta Region.

Gazelle

The gazelle numbering project is a government initiative that will protect wild gazelles from poachers, allowing them to flourish in their natural habitat. The Ministry of Environment and Climate Affairs issued a Ministerial Decision on



13th July 2008 banning unscheduled visitors to the wildlife sites on Masirah Islands between 6pm and 6am, with strict penalties imposed on offenders.

The gazelle numbering project allows gazelles to be released into their natural habitat

Arabian Tahr

The Arabian Tahr (*Hemitragus jayakari*) is one of the rarest mammals in the world. It is found in Oman's northern Hajar mountains. The Wadi A'Sareen Nature Reserve, 45kms south-west of Muscat includes the largest tahr population in the country and is managed by the Office for Conservation of the Environment. Its feasibility as a tourist attraction is under assessment.

Sea Turtles in Oman

Oman has operated an active turtle-tagging programme since the late-1970s. The turtles at Ras al Hadd and on the Daymaniyat Islands are monitored by satellite-tracking devices to aid the study of their nesting, foraging and migratory habits. The project aims to accumulate sufficient data to launch sustainable conservation programmes for the four species of turtle nesting on Omani shores: the Loggerhead (*Caretta caretta*), Green turtle (*Chelonia mydas*), the Hawksbill (*Eretmochelys imbricate*), and the Olive Ridley (*Lepidochelys olivacea*), which nests on the shores of Masirah Island at certain times of year.

A Scientific Centre and Museum has been constructed on two floors at the Ras al Jinz turtle reserve. It consists of a state-of-the art interactive museum, turtle pools and study rooms, as well as a library and restaurant. The project is jointly funded by Oman LNG and the government.

A ranger of the Ras al Hadd Reserve measures the carapace of a Green Turtle



The World's Rarest Whales

Humpback whales are among the most enigmatic of all the great whales, famous for their lively behaviour and a major attraction to whale watching tourists in the Atlantic, Pacific and Indian Oceans. Humpbacks spend the winter months in warm-water breeding grounds and then head to the poles in the spring, summer and autumn months to feed. All, that is, except one population: the Arabian humpbacks that remain resident in Oman.

Their unique habit of remaining year-round in one location has made Oman's whales distinctly different from all others. Research carried out by the Environment Society of Oman's Whale and Dolphin Research Group has revealed that they possess unique genetic characteristics acquired since they diverged from other populations over 58,000 years ago. Hosting a unique population of whales is of significant conservation and tourism value.

Like all humpbacks Oman's whales are threatened by entanglement in fishing gear, collisions with ships, noise pollution and other dangers. In the mid 1960s, illegal Soviet whalers hunted Oman's whales almost to extinction for their meat, oil, bone and other products. This has reduced the population to a fraction of its original size, and forced related animals to interbreed. A genetic bottleneck has resulted, reducing the genetic variability of the population, making it potentially more vulnerable to disease, and reducing the reproductive rate. It is estimated that Oman's humpback population totals less than 100 individuals, making it one of the world's most endangered population of whales. The chances of recovery from such low numbers seem remote and only the dedicated conservation efforts of a concerned government, coupled with increased awareness among fishermen, other seafarers and coastal developers will help to save these unique mammals from extinction.

Mangroves

The 2002 'Restoration, Conservation and Management of Mangroves in the Sultanate of Oman Plan' makes provision for a comprehensive regional environmental development study. Between 2001 and 2007 around 382,655 seedlings were transplanted in an area of 8.2 hectares in selected khors in various coastal regions. Many kinds of environmental issues, for example protection against desertification, enhancement of biodiversity of marine resources (fisheries), regional socio-economic development and supporting tourism development are also being dealt with in the programme, with the support of the Ministry of Fisheries, Muscat Municipality and Sultan Qaboos University. Royal Decree No. 6/2003 on Nature Reserves states that cutting of marine trees without permission is prohibited. An Environmental Information Centre is planned for the Qurm Nature Reserve in cooperation with Japan's International Cooperation Agency (JICA).

Al Jabal al Akhdhar Initiative

In February 2008 a five-day international conference on 'Mountains of the World – Ecology, Conservation and Sustainable Development' was organized by the Centre for Environmental Studies and Research (CESAR) at Sultan Qaboos University, in conjunction with other organizations. In 2004 CESAR was awarded three years funding from His Majesty's Strategic Research Grant to carry out research and investigations into the conservation and sustainable development of the Al Jabal al Akhdhar mountain range. Since then a multi-disciplinary group of scientists has been studying the ancient juniper woodlands and its unique, but threatened, flora and fauna.



The night-flowering and sweetly scented *Barleria samhanensis* is a new species discovered in southern Oman. The Oman Botanic Garden is playing an active role in botanical conservation and research.

Flora and Fauna

Working in collaboration with governmental and private bodies and members of local communities, the Ministry of Environment and Climate has embarked on a campaign to cultivate native Omani plants and shrubs in various areas to offset the recent deterioration in indigenous varieties of ground cover as a result of over-grazing and tree-felling. Continued efforts are being made to eliminate the fast-spreading tree *Prosopis juliflora* which studies have proved is having a negative impact on the environment. Meanwhile, the Sultanate will take part in the UN's Environment Programme to plant 100 million trees worldwide during the three months 15th July to 15th October 2008.

Oman Botanic Garden (OBG)

The Oman Botanic Garden (OBG) was established by Royal Decree in 2006, and is located in al Khod, Muscat. Construction of the state-of-the art plant nurseries on site was recently completed. Covering 4.2 million sq. meters, and including covered 'biomes' (one dedicated to the rich biodiversity of the Dhofari mountains and another housing species drawn from Oman's high northern mountains), a craft village, field studies centre, orientation centre, shops and catering facilities and is expected to welcome visitors from across the world in 2011. In July 2008, some 50,000 plants were moved from temporary facilities to a nursery on the OBG site. Oman's plants have attracted healers, crafts people, explorers and botanists for over 2,000 years. The country is home to over 1,200 species of plants, with 80 of them unique to the Sultanate; research into some of these species forms the basis of a study organized by the Office for Conservation of the Environment, a Diwan of Royal Court project.

In September 2006 a botanical expedition, composed of the OBG and the Botanic Garden of Edinburgh, went to Jabal Samhan in Dhofar and discovered a new species of *Baleria* resulting in it being described early in 2007 in the Edinburgh Journal of Botany as *Barleria samhenensis*. This has drawn attention to the unique flora and environment of the Sultanate and the work OBG is doing in botanical conservation.

The Royal Botanic Gardens, Kew, England have recently published a 'Field Guide to the Wild Plants of Oman' (ISBN 978 184246 177B) by Helen Pickering and Annette Patzelt containing colour photographs throughout its 288 pages.

Birds

Approx 480 species of birds have been observed in Oman, of which only about 85 are resident. In February 2008 the Ministry of Environment and Climate Affairs announced that bird-watching groups from Europe were conducting a survey of migratory birds flocking to the Barr al Hikman area. And in July 2008 it was announced that a British-Omani team had recorded over 156 species of migratory birds nesting and feeding at the nature reserves of Khors Mughsayl, Dahreez, Awqad, Qurm, Sawli, Taqah and at Rawri in Dhofar. Also, during the year under review Oman Television broadcast their film 'Birds of Oman Dhofar' in Arabic and in English.

Corals

In May 2007 it was announced that a coral researcher had discovered two new species of coral. The 16-finger flower *Calathiscus tantillus* and the blue coral *Porites decussata* are now numbered among the 130 species found in Oman's seas, including the reefs flanking the Daymaniyat Islands.

Sooty falcon chicks
– nesting sites are
protected for 6 months
of the year on the
Daymaniyat Islands

SERVICES

Regional municipalities

The year 2007 was a busy one for the municipalities sector, particularly for development and service projects, urban development, public health, sewerage systems, souq construction, improvements to the aesthetic appearance of the towns, cities, public parks and gardens, and the issue of building permits, certificates and boundary markers.

The Ministry of Regional Municipalities and Water Resources and its regional municipalities issued municipal permits and health cards for a range of industrial, professional and service activities with the aim of enforcing compliance with health regulations. Inspections are carried out regularly on foodstuffs, factories and water bottling plants, and restaurants, cafés and food shops are carefully monitored. Work began on the preparation of a guidebook containing full details of the health and environmental regulations for food manufacturing establishments in the Sultanate.

Work is continuing on new sewerage systems. By the end of 2007 some 29 new projects had been completed, raising the total number of sewerage systems and treatment stations in the country to 47. Technical and consultative studies are underway with a view to installing sewerage systems and treatment stations in all the Sultanate's wilayats.

Housing

The Ministry of Housing distributes land for different uses under a series of laws and conditions. Town planning strategies are designed to ensure balanced

A low-income housing
complex in the Al
Jazire area, Wusta
region

OMAN



development in the governorates and regions with digital data becoming increasingly important in town planning and outlining future urban expansion. The Ministry is converting survey maps into digital projections with the aid of a geographical database.

During 2007, the Ministry prepared new layouts that made provision for 47,908 plots of land for different uses, and during the same period 31,759 plots of land in different parts of the Sultanate were allocated. In an initiative aimed at simplifying land application procedures, the Ministry signed an agreement with Oman Post in 2006, enabling citizens to hand in their housing, land and water applications at 74 post offices across the country. During 2007 post offices handled around 50,000 such applications.

Real Estate

Real estate is registered under the Real Estate Register regulations (the regulations are similar to those followed in most countries around the world), for ease of transfer and to protect the citizen's rights. Under Royal Decree No.21/2004 citizens of the Arab Gulf Co-operation Council (AGCC) states may also own land in Oman, while to encourage tourism, under Royal Decree 12/2006 foreigners from outside the AGCC states have the right to own real estate in 'integrated tourist complexes'.

The value of real estate contracts during 2007 amounted to more than RO1.8 billion. The number of real estate property owners from AGCC member states amounted to 2,595 whereas the number of new plots of land registered for the first time totalled 94,304. The number of real estate transactions during 2007 amounted to 242,363. During the first six months of 2008 a remarkable growth in real estate transactions was noted. The value of 155,562 transactions during this period amounted to RO1.97 billion compared to RO927 million during the same period in 2007. The number of title deeds granted during the period January-June 2008 reached 92,004.

The Social Housing programme

The government offers a range of facilities to enable citizens to own land and obtain loans from the Oman Housing Bank. It also provides suitable housing for people on limited incomes and families on social security, through a number of programmes including social housing, housing benefits and housing loans.

The social housing programme aims to ensure that suitable, healthy housing is made available with all essential services, while reinforcing the ties linking the beneficiaries with their own town or village, so that their normal economic and social activities such as traditional crafts, agriculture, fishing and animal husbandry are not disrupted.

In 2007, the Ministry approved 226 social housing unit facilities in response to the Royal Order to construct 1,000 housing units (worth RO15 million), for families on social security during the period 2007 to 2010

Housing Aid Programme

This programme covers those whose monthly income is less than RO129 and those covered by the social security system. Over 385 people received aid worth RO6 million in the year 2007.

Interest free Housing Loans

The housing loans programme was introduced in 1991 as an alternative to the

New plots of land are allocated to the people by the Ministry of Housing



social housing scheme. In 2007 the maximum value of a loan was raised from RO15,000 to RO20,000, depending on the applicant's age and income.

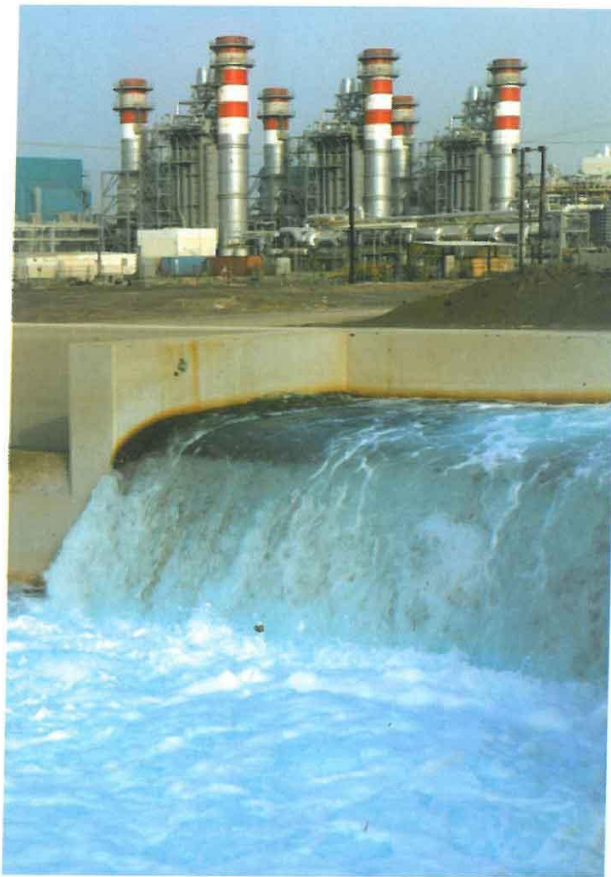
Under the scheme, interest-free loans are granted to citizens on monthly incomes of between RO130 and RO250 at the time of the application and not more than RO400 when the loan is approved. In the case of self-employed applicants monthly income is calculated on the basis of their income over the course of a year. It must, however, be within the set limits when the time comes for their application to be processed.

Loans are used for building, house purchase or expanding an existing dwelling and are repaid in monthly instalments not exceeding 25% of the borrower's income. In 2007 His Majesty issued an Order granting those on limited incomes with monthly salaries not exceeding RO300 full exemption from repayment of outstanding loans of up to RO3,000. Under the Order those with outstanding loans of more than RO3,000 were granted 50% exemption. In 2007 there were over 321 cases benefiting from loans totalling around RO4 million under the programme.

The Electricity Sector

Royal Decree No. 92/2007, issued on 9th September 2007, established the Public Authority for Electricity and Water and appointed its chairman. Among its provisions, the decree stipulated that the powers, allocations and assets of the electricity and water sectors – including personnel – should be transferred from the Ministry of Housing, Electricity and Water to the new Authority.

The privatization of the electricity sector has been a highly successful element of the government's privatization programme. Among the organisational changes introduced by Royal Decree No. 78/2004, responsibility for regulating the power industry was placed in the hands of the Electricity Regulatory Authority and a number of government-owned companies were set up to run the sector. Investment in the state-owned power sector companies between 2005 and 2010 are expected to amount to approximately RO 330 million. The Authority for Electricity Regulatory (AER) is the Authority established by Article 19 of the Law for the regulation and privatization of the electricity and related water sector, promulgated by Royal Decree No. 78/2004 on 1 August 2004. It employs a similar development philosophy to other government sectors in its attempts to develop alternative methods of electricity generation, including solar power and wind power, as well as a range of different fuel sources, and it is endeavouring to introduce systems



Water from desalinated plants is slowly replacing groundwater stocks which will be held as a strategic reserve

for rationalizing power consumption, while directing investment into providing lighting for areas that do not yet enjoy the benefits of electricity.

Demand in the main supply grid (which covers the governorates of Muscat and Buraimi and the Batinah, Dakhiliyah, Sharqiyah and Dhahirah regions) is expected to rise by 10% annually up to 2012, while the Salalah mains supply network demand is expected to rise by 13% annually up to 2014.

Projects due to be implemented to cope with the rise in demand include the Barka Power Station and Desalination Plant (Phase Two), which is expected to be ready to operate on a commercial basis by the middle of 2009. The Salalah Power Station and Desalination Plant project is due for completion in 2010 with a generating capacity of between 370 and 430 megawatts. Other projects on the drawing board include the construction of a feeder station to supply around 55 megawatts to the main grid by 2012, and a station at Port al Duqm in 2014-2015, which will generate around 1,000 megawatts.

Power generation in 2007 totalled 14,443 gigawatts per hour – a 6.3% increase on the 2006 figure of 13,585 gigawatts per hour. Supplies distributed in 2007 were around 13,856 gigawatts per hour, compared with 13,126 gigawatts per hour in 2006.

The Water Sector

The government makes every effort to supply potable water services to the greatest possible number of population centres. Tanker filling stations are gradually being replaced by mains water supplies wherever possible, while water from desalination plants is slowly replacing groundwater stocks, which will be held as a strategic reserve.

The Public Authority for Electricity and Water is engaged in a number of water supply projects across the regions. The total cost of the 53 projects completed in 2007 and in progress so far in 2008 is over RO400 million.

Water production from desalination plants and wells in 2007 rose to 33,236 million gallons, with 32,794 gallons distributed.

Oman's ports

In recent decades the Sultanate has established a string of modern seaports along its coasts. While Port Sultan Qaboos in Muscat is the main gateway for the country's seaborne imports and exports, Port Salalah provides a vital link between several major world ports and Port Sohar houses several heavy industrial enterprises. Work began on the construction of Port Duqm in April 2007, which on completion will have a ship repair dry dock.

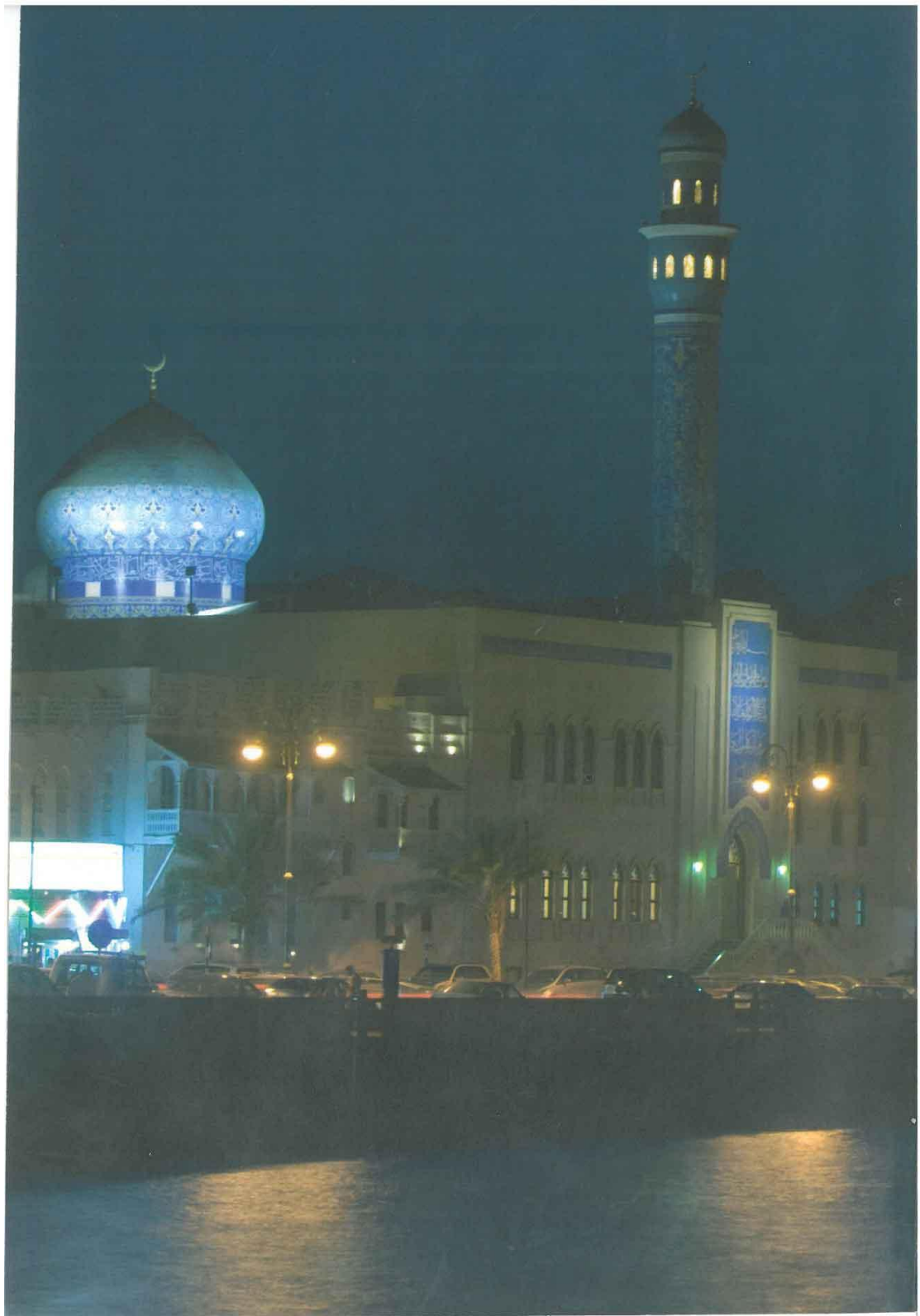
In 2007 the Sultanate imported RO4.039 billion-worth of goods by sea, compared with RO2.681 billion in 2006. This figure accounted for 65.7% of the country's total commodity imports in 2007, which were worth some RO6.144 billion.

Port Sultan Qaboos

Port Sultan Qaboos is the Sultanate's main seaport and the bulk of the country's seaborne imports and exports pass through it. Since opening in 1974 it has been extensively developed and modernized to cope with increasing demand and in 1984 it began handling containers.

In the first six months of 2008 1,105 ships had berthed at the port, as against 919 ships during the same period in 2007. Ministry of National Economy figures show that the overall increase in goods through Port Sultan Qaboos increased by 48.2% to 3,124.9 tonnes at the end of June 2008, as against 2,108.4 tonnes over the first six months of 2007.

Overleaf: The Mutrah
corniche, leading to
Port Sultan Qaboos





In response to the increase in trade, the Port Services Corporation, that manages Port Sultan Qaboos, signed an agreement in 2007 with a national contracting company for the reclamation of 30,000 square metres of land in the mountain area of al Shutaifi, with further reclamation plans in the area are under discussion. The new area will provide additional temporary storage space near the harbour.

The Corporation has invited tenders for an updated technical and economic feasibility study on a project to expand facilities at Port Sultan Qaboos; the original study was carried out by a specialist international consultant in 2003. The new study will take into account the new trends in the marine transport market and the movement of goods in the region and it will consider the feasibility of expanding the Port against the advisability of building a new port in another location.

Port of Salalah

The Port of Salalah consists of two main elements – a general cargo terminal and a container terminal. Under a 30-year franchise agreement which began towards the end of 1998, it is managed by Salalah Port Services Company SAOG.

For the container terminal 2007 was a busy year which saw volumes rise to 2.6 million TEU (Twenty Foot Equivalent Unit), up from 2.4million TEU in 2006. The fifth berth was completed, adding a further 519 metres of length. Six additional Post Panamax Gantry Cranes were installed, along with other terminal handling equipment, raising the container terminal's annual capacity to 3.8 million TEU. Expansion at the port is continuing with the construction of a sixth berth and a new 2.8km breakwater. Work on these projects is expected to be completed in 2008, after which construction of two additional berths will begin.

The combined length of the port's fifth and sixth berths will be 969 metres with a water depth of 18 metres. In 2007 Salalah Port Services Company invested around RO25million in new terminal handling equipment for the fifth berth. It will invest a further RO25million in equipment for the sixth berth in 2008/09. In line with other developments at the terminal, the Company purchased two mobile harbour cranes and signed an agreement with Salalah Methanol Company to handle around a million tons of methanol with effect from 2010. The government also approved the construction of a new 500-metre long liquid bulk loading platform and the addition of a 500-metre long jetty wall to increase the general cargo terminal's capacity.

In 2007 the volume of goods handled at the general cargo terminal rose for the seventh consecutive year to 2.8million tons, representing a rise of 21% compared with 2006. And as at end-June 2008 this figure rose by 40.1% to 1,846.3 tonnes compared with 1,318.3 tonnes during the same period in 2007. In 2008 the Company's board of directors approved a plan to increase Port Salalah's annual capacity to nearly 6 million standard containers from the middle of 2009.

The number of vessels that anchored at Salalah port during the same period rose by 38.8% to 440 ships.

Port Sohar

During the last five years, a world class industrial port has been built and continues to expand rapidly at Sohar. The new venture has attracted massive amounts of local and foreign investments in heavy industries and petrochemicals such as the Sohar Refinery, the Polypropylene, Urea, Methanol, Aromatics and Polyethylene factories, and the iron and aluminium plants. It has also received significant amounts of international investments to set up container and cargo handling terminals, a petroleum and chemical liquid handling and storage terminal, a production plant for industrial gases and a power station.

With current investments, around \$15 billion, the Port of Sohar is one of the world's larger port development projects. Numerous industries will be using the seawater as a media to cool their process. The pumping basin in this facility has four bays with a total capacity of 334,000 cubic meters per hour. It is provided with ten screens (rotating and band screens), each has a flowing capacity of 40,000 cubic meter/hour. It has provision for 48 pumping chambers to facilitate huge pump installations, which will then allow seawater to be pumped to over 13 different industrial plants.

In 2006 Sohar Industrial Port's container terminal began handling its first container vessels. This terminal, which currently has an operating capacity of 800,000 standard 20' containers (TEU's), may be expanded in future.

Projects inaugurated in 2006 and 2007 included the Sohar Refinery and the Oman Polypropylene plant as well as the Oman Methanol Company with a combined investment cost of over \$1.6 billion. Another project – the RO200 million Sohar Power Station and Desalination Plant – will, not only supply Port of Sohar's industrial estate and the wilayats of the North Batinah Region through its water and electricity link to the National Grid, but also the Governorates of Muscat and Buraimi and the wilayats of the South Batinah, Dhahirah, Dakhiliyah and Sharqiyah regions. The project has gas turbines with a capacity of 585 megawatts and a water desalination plant capable of producing 33 million gallons of potable water a day.

One of the larger multi billion industries presently under construction is the Aromatics Oman LLC plant which is expected to become operational in 2009.

In August 2007 an agreement was signed to design blueprints for an asphalt production facility at the Sohar Refinery. This project would be the first of its kind in Oman.

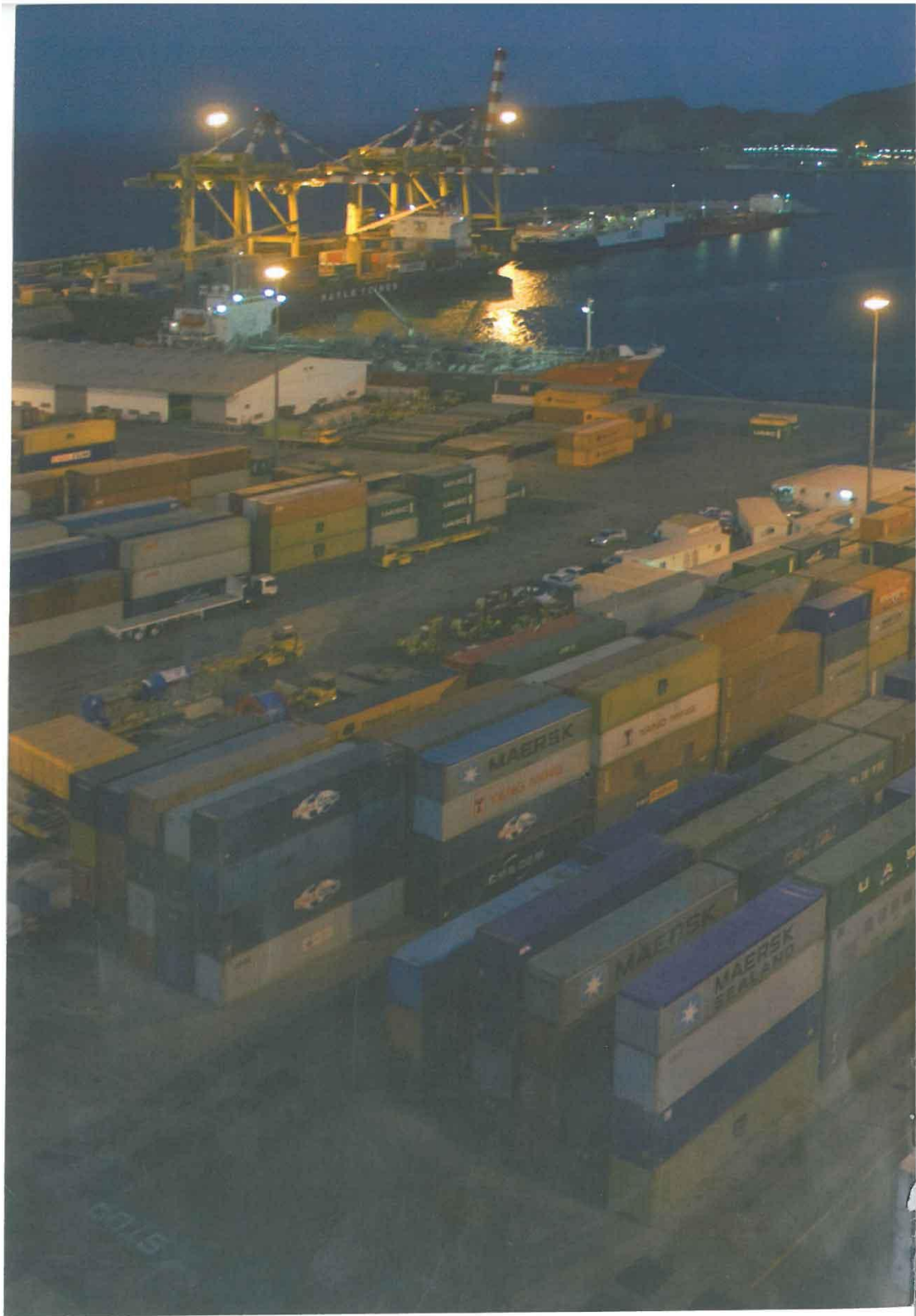
In May 2008 the Sohar Industrial Port Company signed an agreement in Rotterdam, in the Netherlands, with the Brazilian company Vale for the establishment of an iron ore pelletizing plant. Under the agreement, Vale – which is recognized as the largest iron ore company in the world – will transport iron ore from its mines in Brazil to Port of Sohar, where it will be partially converted into iron pellets and exported to markets in the Gulf States, the Middle East and South and East Asia. Port Sohar will also function as one of the main distribution centers for iron ore. This project will require the construction of a dedicated jetty for handling very large bulk carriers with drafts of up to 23 meters. The jetty will be developed by the Sohar Industrial Port Company.

In November 2007, the government approved the transfer of another 4500 hectares of land close to Port Sohar for the development of the Sohar Special Economic Zone (SSEZ). This area is being jointly developed by Sohar International Development Company (a 50:50 joint venture between the state and The Port of Rotterdam). The strategic location - situated outside the Strait of Hormuz with good connectivity to the hinterland and the markets – combined with the established international Port of Sohar offers international and local business an investment opportunity to be located in this rapidly growing region. The Zone offers fiscal incentives, a regulatory framework and a favourable operating environment. Stretched over an area of 4,500 hectares the Phase 1 (approx. 500 hectares) is currently under master planning and development stage.

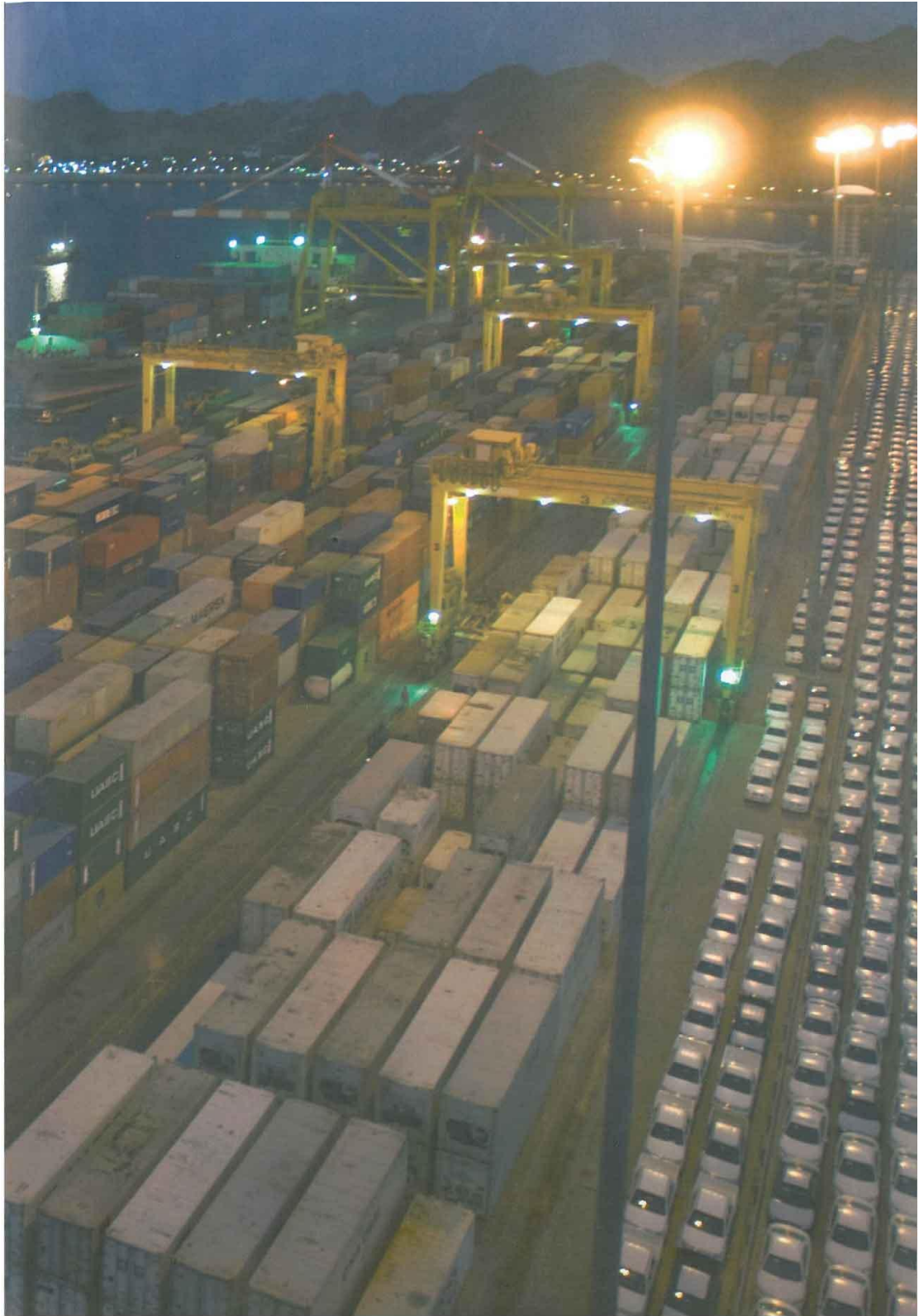
In response to the increase in trade Port Sultan Qaboos is to be expanded

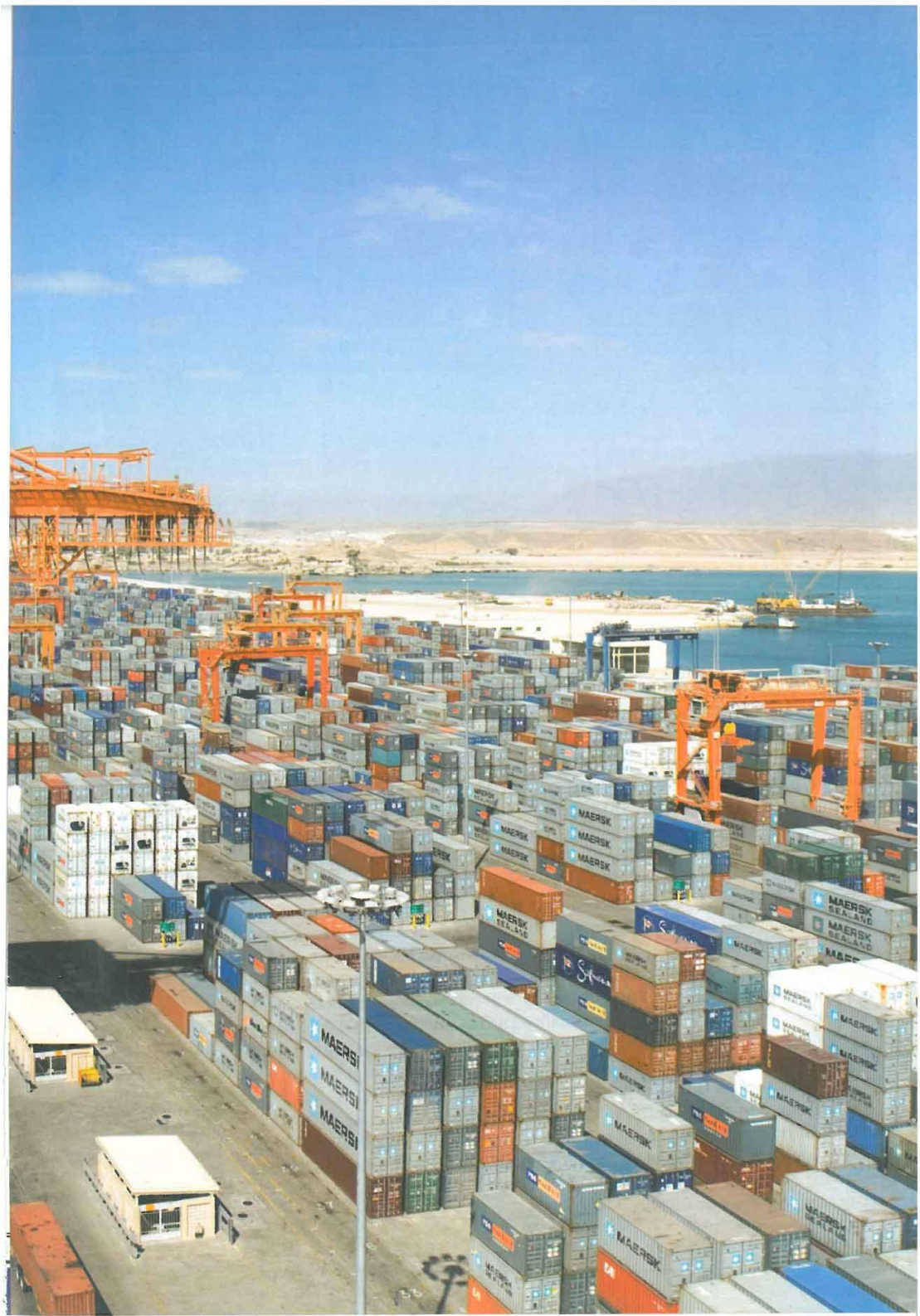
Port Duqm

Work began on the construction of the Duqm port and dry dock project in April 2007, following the signing of a 10-year management and operation agreement between the Omani government and Korea's Daewoo Engineering and Construction.











Under the terms of the deal Daewoo provides managerial and technical support and the transfer of modern technology for the ship repair and maintenance project at the dry dock in al Duqm. Daewoo will produce a plan for marketing the dry dock's services to international shipping companies and provide training for Omani nationals in the skills demanded by the project.

In 2007 a RO254 million (\$660 million) loan agreement was signed with the Japan Bank for International Co-operation (JBIC) to finance part of the RO421 billion (\$1.096 billion) project. Then, in November 2007, a contract worth over RO186 million was signed for the construction of Port Duqm (marine operations). In April 2008 a RO170.168 million agreement was signed for the construction of the dry dock.

Port Duqm occupies a strategic location on the Arabian Sea. When completed it will comprise two breakwaters, both more than 2.5 kms in length. The harbour basin will be dredged to a depth of 16 metres and the entrance channel will be dredged to a depth of 17 metres. It will comprise 700 metre long commercial jetties and 368 metre government jetties. The dry dock facility will comprise two dry docks and a floating dock, equipped to repair and maintain oil and gas tankers of 100,000-tonne-plus capacity. Oman aims to make Port Duqm one of the world's leading and best-equipped harbours. With its prime location and oil storage facilities it will operate as a major channel for Gulf oil exports.

Alongside port development, a new \$20 billion city is envisaged, a 50:50 enterprise between the government and the private sector. The proposed model city will be capable of accommodating 65,000 people. In addition to homes, the design places the emphasis on landscaping and sustainable development. The new 17-sector city, will also contain three 4-star hotels.

Investment in heavy industries and petrochemicals factories in Sohar is ongoing

Previous page: Salalah container port – a further RO25 million will be invested in equipment for the 6th berth in 2008/2009



Port Duqm and dry dock occupies a strategic location on the Arabian Sea in the Sharqiyah region

Port Khasab

Port Khasab, in Musandam, was opened in 1983. Work on a RO13 million expansion and modernization project was completed on 9th February 2007 and the port now handles cargo vessels and cruise ships as well as pleasure craft, yachts and fishing boats. The expansion work involved the construction of two breakwaters and a 300-metre-long commercial jetty with a depth of 10 metres. The harbour basin and entrance channel were dredged to a depth of 10 metres and 10.5 metres respectively. Some 70 hectares of land were reclaimed, a fishing jetty 100 metres long and 5 metres deep was installed and the fishing harbour was dredged to a depth of 5 metres. Seven floating iron jetties were also established. Other features of the project included four storage facilities, a passenger terminal and buildings for operations including port administration, the police coastguard service and immigration and passports.

Other mooring facilities

The Sultanate's other commercial and passenger mooring facilities include Kumzar in Musandam, which is used by the local community and coastguard units and was opened in 2007 at a cost of RO2.8 million. It consists of two breakwaters and a 60-metre-long fixed fishing jetty and a 40-metre-long police jetty with support facilities. The harbour was dredged to a depth of three metres.

A new mooring facility due to be constructed at Shannah will handle the 12 ferries operating between Shannah and Masirah Island on the Sharqiyah coast.

A new mooring facility and road system on the Hallaniyat Islands in Dhofar is at the early planning stage. The preliminary study is now complete, along with the topographical, hydrographic and soil surveys of the proposed sites.



New Ferry Services

In July 2008 the government-owned National Ferries Company (NFC) announced the arrival of *Shinas*, one of two super-fast catamaran ferries with operating speeds of nearly 52 knots (96km/hr) and 56 knots (104km/hr) respectively, which are destined to transport passengers and vehicles on the 5-hour journey from Muscat to Khasab. The sister ship, *Hormuz*, is expected to arrive from Australia in October. This will be the first of three ferry routes, operating a total of five ferries, to be put in place over the next 15 months. The other routes will be from Shannah to Masirah in the Sharqiyah region, and in the south from Hasik to the Hallaniyat Islands.

Five ferries operating over three ferry routes will commence operations over the next 15 months

Roads

Oman's extensive network of modern roads across the country have had a positive impact on investment and tourism in addition to promoting greater social interaction between the inhabitants of the different areas of the country.

By the end of 2007 the Ministry of Transport and Communications had built around 20,161 kilometres of asphalted roads. A large number of road construction agreements were signed in 2008, including the first section of the RO7.3 million Khasab-Lima-Daba al Bay'a road (Khasab-al Khalidiyah -21.6 Kilometres).

The Muscat Expressway is one of the Sultanate's main strategic road projects and links a number of major existing residential and industrial areas, as well as providing a road communications system for future residential developments. Linked to the Dakhiliyah and Batinah highways, it is being built to the highest specifications and runs from the al Qurum Roundabout to the Naseem Park Roundabout.

The Central Road – another vital government project in Muscat – will link Madinat al Sultan Qaboos directly with South al Ghubra, al Khuwair and al Qurum



An extensive network of roads now criss-cross the country. Here the road between Barr al Jissah and Yiti, Muscat

29 as well as the fifth intersection of the Muscat Expressway. It will relieve traffic congestion in the densely populated area of al Khuwair,

In addition to its new road projects, the government is also extending and widening existing roads and streets to keep pace with the rapid rise in the volume of traffic. Several flyovers have been built on the capital city's Sultan Qaboos Street, and 2007 saw the completion of the new airport flyover and intersection complex.

Oman National Transport Company (ONTC)

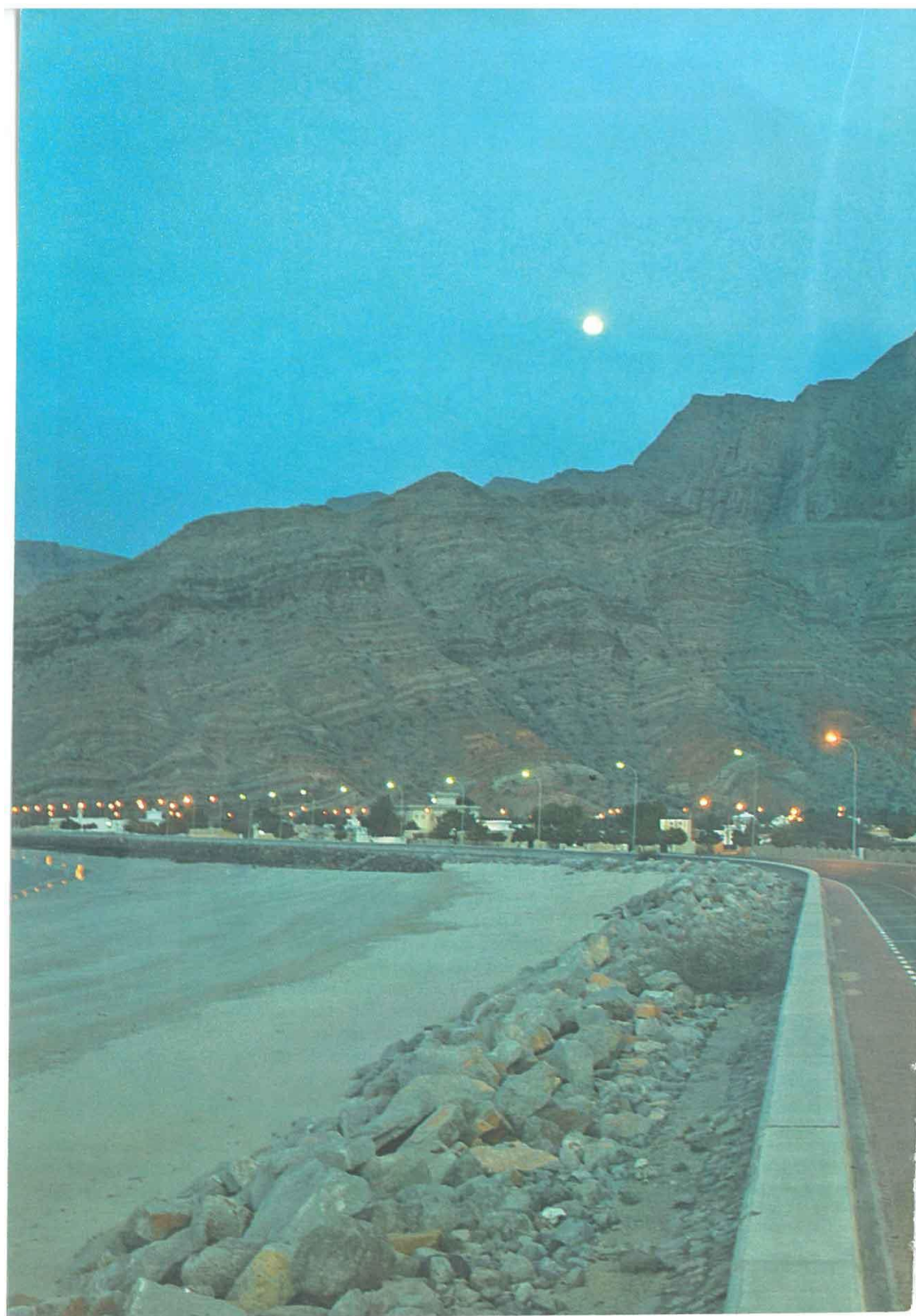
ONTC was established in 1972 with the main purpose of transporting schoolchildren within Muscat Governorate. ONTC was re-established by Royal Decree No. 59/84 on 5th July 1984 and awarded the concession of conducting public transport services across the Sultanate. The government owns 99.98% of ONTC's shares. ONTC has a fleet of approx 100 x 45-seater luxury coaches and medium and small buses which ply short and long-distance return journeys, including Dubai in the UAE and between Muscat and Salalah.

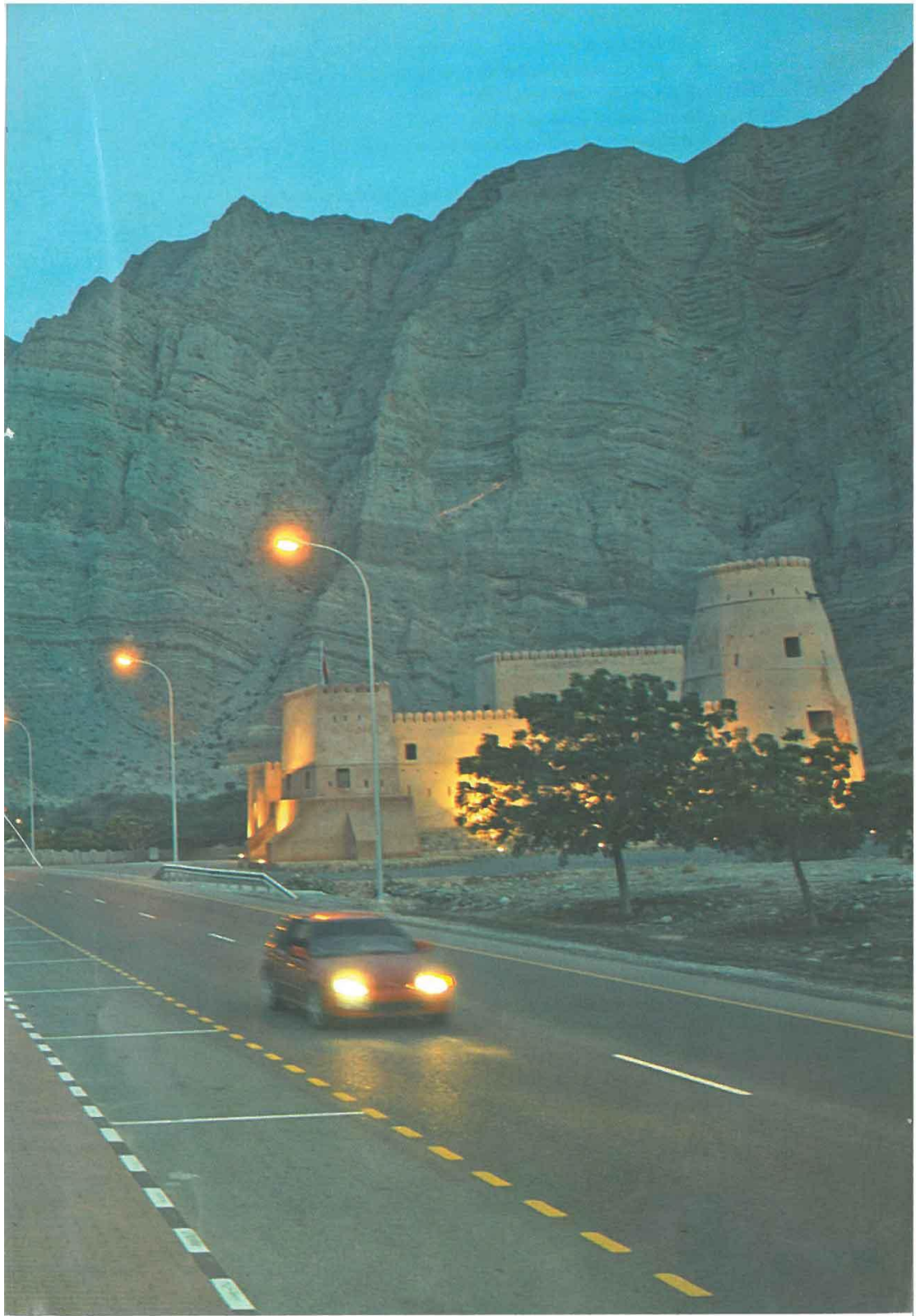
There are also privately-run coach and bus companies operating many of the routes, as well as *baiza* mini-buses. The orange and white taxis are as yet unmetered, but since 2007 a pre-paid taxi service has been available just outside the Arrivals Hall at Muscat International Airport. Several private car hire services are also available.

Air transport

On 1st February 2008 an official name change transformed Seeb International Airport into Muscat International Airport. From that date on all airline companies began using the new name, which has helped to raise the city of Muscat's profile around the world.

Overleaf: Modern roads have had a positive impact on investment and tourism. Here the corniche in the Musandam with Bukha fort on the right





The development of Muscat International Airport is one of the biggest projects in Oman's aviation sector and will be carried out in four phases. Much of the land refill and levelling work is complete and in November 2007 a RO15.512 million agreement was signed for the second stage of refill and leveling operations.

By the end of the first phase of the project Muscat International Airport will be able to handle up to 12 million passengers by 2010.

The project provides for the renovation and rebuilding of most of the airport facilities, including a new passenger terminal, new runway, parking bays and outdoor operations areas to be completed by the end of 2010. A ministerial committee has set a deadline of the end of 2011 for completion of the entire project, including offices, employee facilities and additional shopping centres.

Under Phase Two of the scheme, Muscat International will be capable of handling a capacity of 24 million passengers extending to 48 million passengers by the end of the fourth phase of the airport development project.

In 2007 Muscat International Airport handled 4.219 million passengers and 49,806 civil aircraft arrivals and departures.

The airport in Salalah is being developed to handle international traffic of up to two million passengers a year, with the initial stage of expansion scheduled for completion in November 2011. As part of a longer term strategy to develop Salalah as a tourist destination the airport will eventually be able to handle 10 million passengers a year. The combined cost of upgrading Muscat and Salalah Airports is expected to top \$3 billion.

The government also plans to build three new domestic airports – in Sohar in the Batinah Region, Ras al Hadd in the Sharqiyah region and al Duqm in the Wusta Region. In November 2007 a RO2.686 million agreement was signed for design and supervisory consultancy services for the construction of Ras al Hadd Airport, with the new facility designed to handle some of the largest aircraft in operation today, including the Airbus Superjumbo A380. It is scheduled for completion towards the end of 2010.

Similar consultancy agreements were signed for the construction of Sohar Airport (RO2.302 million) and al Duqm Airport (RO1.285 million).

The niyabat of Ras al Hadd in the Sharqiyah Region is home to many of the thousands of turtles that return to the Sultanate annually to lay their eggs and one of the country's main tourist spots. The new airport there will offer a speedy and convenient transport link for tourist groups as well as opening up the area to tourism in general.

The airport planned for Sohar will provide much-needed passenger and freight transport services for the whole of the Batinah Region. Sohar is one of the most densely populated wilayats in the Batinah Region and, with its massive industrial projects like the Sohar Refinery, the Sohar Aluminium Smelter and its other factories and plants, the most developed economically.

As part of its drive to boost air links between Oman and other countries, the civil aviation sector constantly seeks to extend air transport rights. In this connection, numerous agreements have been signed to enable airlines serving Oman to operate more flights between the Sultanate and other countries and encourage foreign carriers to use Omani airports.

A Memoranda of Understanding exists with several states on regulating air transport services and bolstering co-operation in civil aviation and meteorology.



Oman Air's new colours. The company's fleet is also being expanded

Oman Air

In 2007 the Omani government pulled out of Gulf Air – a move it announced officially in May of that year – so that it could focus its efforts on developing Oman Air, its national carrier, and supplying it with a fleet of jumbo aircraft.

In 2007 Oman Air added several new destinations to its list, bringing the total by the end of the year to 27, including London and Bangkok.

In October 2007 Oman Air signed a Memorandum of Understanding with the Kuwaiti company Alafco to acquire six Boeing 787 Dreamliner airplanes from them, making it the first company in the Gulf region to do a deal for this type of aircraft. Delivery of the Dreamliners is expected in 2012, 2014 and 2015. Then in November 2007 it signed a firm contract with Airbus to purchase five new aircraft from the A330 family.

The Company fleet will consist of 12 Boeing 737-800 aircraft (by end-January 2009), 7 Airbus A330 aircraft with deliveries starting in 2009, and a commitment to buy 6 Boeing 787 Dreamliners.

In January 2008 Oman Air complied with the e-ticketing deadline accomplishing 100% online Electronic ticketing, five months ahead of the IATA target of 31st May 2008. Then in mid-May Oman Air's Call Centre which used to function for a maximum of 17 hours a day extended its operations to function 24 hours a day, 7 days a week and all year round. The Call Centre answers around 55,000 calls a month and can be accessed via email at wycallcentre@omanair.aero or by telephone +968.24531111.

Telecommunications

Telecommunications services in the Sultanate are provided by three companies: Oman Telecommunications Company (Omantel), Oman Mobile Communications Company (Oman Mobile) and the Omani-Qatari Telecommunications Company (Nawras). However, in August 2008 the government announced it would like to select a second fixed telecom services operator before the end of the year. The new licensee will be allocated radio spectrum to provide wireless broadband access, a feature not currently available to Omantel.

Omantel, which became a public joint stock company in 2005, is one of the leading telecommunications companies in the Sultanate and the Arab Gulf Co-operation Council (AGCC) states. In addition to providing fixed line and internet services, it plays a significant role in the development of the telecommunications sector as a whole. The company's upgraded technology and services are making a major contribution to the national project to convert Oman into a digital society where increasingly transactions can be carried out electronically.

In October 2007 a ministerial committee was established to examine ways of further improving Omantel's performance. It implemented a cut in the royalties paid by the company from 10% on fixed line and 12% on mobile revenues to a flat 7% effective on 2007 revenues. The committee agreed that this should also apply to Omantel's competitor, Nawras.

The government also decided to sell off 25% of its stake in Omantel to a strategic investor with long experience in the field who could upgrade the company and bring it further into line with developments in global markets.

The government agreed Omantel's board of directors should be restructured to include government representatives with experience in the telecommunications field who could make an effective contribution to the company's management and development.

The ministerial committee also recommended a merger between the boards of directors of Omantel and Oman Mobile, and suggested that the management be reinforced with a team of technical and financial specialists. Steps should also be taken to improve the company's financial and administrative position. In 2008 Omantel embarked on its first foreign investment venture when it purchased 60% of the Pakistani company World Call in a \$193 million deal. This move will boost the volume of revenues and profits with effect from 2009.

Omantel has joined 15 telecom companies in signing the Europe-India Gateway project for building a broadband cable from the UK to India which will pass through the Sultanate. An agreement was also signed in July 2008 with an Egyptian company for the landing of a submarine fibre optics cable on the Omani coast to enhance telecom traffic between the Sultanate and the world. The \$400 million project is scheduled for completion in the final months of 2009.

Oman Mobile, a subsidiary of Omantel established in 2004, specializes in providing GSM (Global Systems Mobile) services. It has introduced a range of options for its subscribers.

The Omani-Qatari Telecommunications Company (Nawras) is the country's second mobile telephone operator. Since starting operations in early 2005 it has helped bring about major advances in the Sultanate's telecommunications sector alongside Omantel and Oman Mobile, including third generation services.

At the end of March 2008 the number of subscribers to the fixed line telephone service stood at over 267,000, while the internet service had around 115,500 subscribers. On that date, the number of mobile telephone subscribers had risen to 2.73 million, up from 2.5 million at the end of March 2007.

Telecommunications Regulatory Authority (TRA)

The telecommunications sector is overseen by the Telecommunications Regulatory Authority (TRA), established in 2002 under Royal Decree No. 30/2002.

In an August 2008 initiative the TRA announced it was developing regulations for the introduction of Digital Video Broadcasting-Handled (DVB-H) in the Sultanate, and as a first step was seeking written opinions (via its website www.tra.gov.om) from the public and interested parties on the questions raised in the consultation paper on various issues related to mobile television.



The latest technology is available to all and e-governance is the target

The Oman Post Company SAOC

After 36 years of joining the International Postal Union and operating as a state-owned company providing traditional postal services, the company was transformed into a closed joint stock company by Royal Decree No. 48/2005. The Decree stipulated that responsibility for assets and liabilities should be transferred from the Directorate-General of Posts to the new company by 2008.

During the past year, Oman Post has signed a number of agreements worth over RO1 million with major players in the field to provide post offices with modern computer systems and internet facilities. All post offices are being electronically-linked as part of the e-governance initiative. In January 2008 Oman Post celebrated the first anniversary of its new branding changing the colour of its livery from yellow to blue and grey.

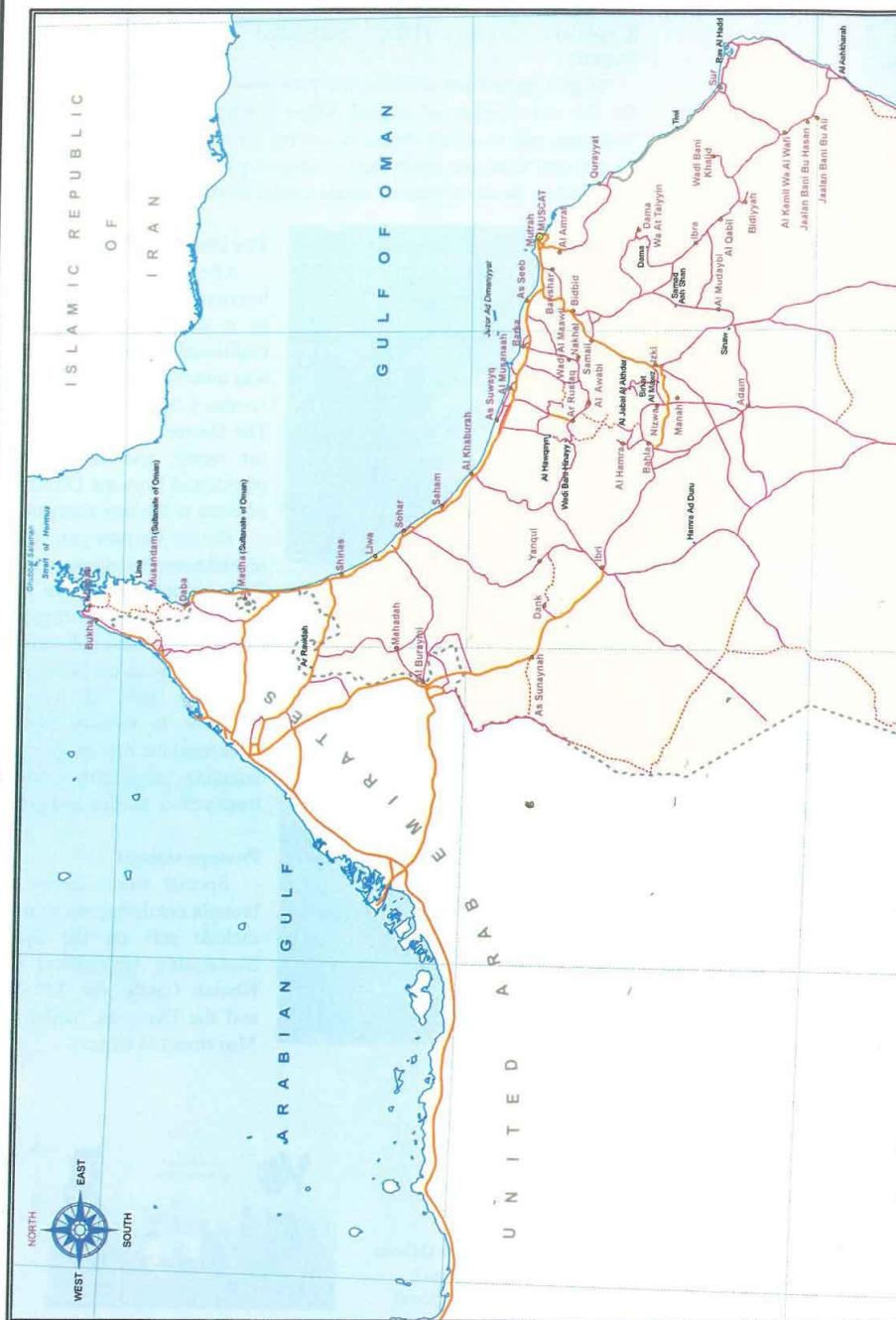
Postage stamps

Special stamp issues, and covers, brought out during the year under review include sets on the Symposium on Sustainable Agricultural Development, Khasab Castle, the 37th National Day and the Diamond Jubilee of the Scout Movement in Oman.

Sultan Qaboos
is Oman's
Chief Scout



SULTANATE OF OMAN





- | | |
|------------------------|-------------------------|
| Capital | Dual Carriageway |
| Wilayah / Town | Main Road |
| Wiyah | Gravel Road |
| International Boundary | Road under Construction |

Meters 0 20 40 60 80 100 120 140 Kilometres



Produced by the National Survey Authority, Sultanate of Oman September 2008.
 Printed by the National Survey Authority, Sultanate of Oman
 This map is not an Authority on International Boundaries

SULTANATE OF OMAN

OMAN IN FACTS AND FIGURES:

Area	309,500 square Kilometres
Capital	Muscat (Population 718,917)
Religion	Islam
Official Language	Arabic (English widely spoken in the economic and education sectors)
Time	GMT + 4
Currency	Omani Rial= US\$2.60 (1000 baizas = RO1.000)
Climate (up to in the from mid- National Day	Temperate (30oC) from October to March, but hot 50oC) and humid from April to September, except Dhofar where it rains during the khareef season June to end-August) 18 th November

ECONOMIC INDICATORS

	Unit	2007
Gross Domestic Product (GDP) at current prices	Mn. RO	15,512.1
Total Government Revenue	Mn. RO	5,806.2
Total Public Expenditure	Mn. RO	5,371.9
Average Daily Oil Production	Barrels	710,000
Average Price of Oil over the Year (US\$/barrel)	US\$	65.15
Total Commodity Exports	Mn. RO	9,493.9
Non-oil Exports of Omani Origin	Mn. RO	1,290.7
Total Commodity Imports	Mn. RO	6,144.2

SOCIAL INDICATORS

	Unit	2007
Total Population	1,000	2,743,499
- Omani	1,000	1,922,697
- Expatriate	1,000	820,802
Crude Birth Rate	per 1,000 population	25
Infant Mortality Rate	per 1,000 live births	10.1
Hospitals	No.	59
Health Centres, Units and Clinics	No.	991
Hospital Beds	No.	5,367
Doctors	No.	4,908
Male and Female Nurses	No.	10,394
Life Expectancy at Birth	Years	72

Schools	No.	1,055
Students	No.	554,289
Students per Class	No.	28
Students per Teacher	No.	13
Civil Service Employees	1,000	133
Omanis Registered with the Public Authority for Social Insurance	1,000	132
Expatriate Employees in the Private Sector	1,000	638
Asphalted Roads	Km.	20,161
Internet Subscribers	1,000	102
Hotels and Accommodation	No.	180
Electricity Production	GW/H	14,443
Electricity Distribution	GW/H	13,856
Water Production	Million Gallons	33,236
Water Distribution	Million Gallons	32,794

(Above figures provided by the 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 net	= www.rop.gov.om & www.ropoman.net
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
Interior	= www.imo.gov.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 and Water Resources	= www.mrmwr.gov.om
Social Development	= www.mosd.gov.om
Sports Affairs gov.om	= www.sportsoman.com / www.mosa.gov.om
Tourism	= www.omantourism.gov.om
Transport and Communications	= www.comm.gov.om
Other organizations:	
Authority for Electricity Regulation, Oman	= www.aer-oman.gov
Birds of Oman	= www.birdsoman.com
Blue City	= www.almadinaazarqa.com
Capital Market Authority	= www.omancma.org
Central Bank of Oman	= www.cbo-oman.org
Civil Status Directorate-General	= www.civilstatus.gov.om
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.ita.gov.om
Knowledge Oasis Muscat (IT Park)	= www.kom.om
Library of Public Knowledge	= www.publiclibrary.gov.om
Meteorological Dept (Muscat Int. Airport)	= www.met.gov.om

Middle East Desalination Research Centre	= www.medrc.org
Muscat International Book Fair	= www.mctbookfair.gov.om
Muscat Municipality	= www.mm.gov.om
Muscat Securities Market	= www.msm.gov.om
National Hospitality Institute	= www.nhioman.com
National Organisation for Scouts and Guides	= www.omanscouts.gov.om
Oman Air	= www.omanair.aero
Oman Botanic Garden	= www.oman-botanic-garden.org
Oman Centre for Invest. Promotion and Exports Dev.	= 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 Development Bank	= www.odboman.net
Oman Gas	= www.oman-gas.com.om
Oman LNG	= www.omanlng.com
Oman National Transport Co	= www.ontcoman.com
Oman News Agency	= www.omannews.gov.om
Oman Oil and Gas Directory	= www.Omanoilandgas.com
Oman Post	= www.comm.gov.om
Oman Radio FM	= www.oman-radio.gov.om
Oman Refineries and Petrochemicals Co llc	= www.orpc.co.om
Oman Sail (Extreme 40 & Trimaran)	= www.omansail.com
Oman Society for Fine Arts	= www.omanartsociety.org
Oman Society for Petroleum Services	= www.opaloman.org
Oman Television	= www.oman-tv.gov.om
Oman Telecommunications Company	= www.omantel.net.om
Oman Tribune newspaper	= www.omantribune.com
Oman Wastewater Services Co SAOC	= www.omanwsc.com
Petroleum Development Oman	= www.pdo.co.om
Port Services Corporation SAOG/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
PEIE (Omani goods)	= www.originoman.om
Qalhat LNG	= www.qalhat-lng.com
Salalah Port Services	= www.salalahport.com
Sharakah Fund for Development of Youth Projects	= www.youthfund.com.om
Sohar Port	= www.portofsohar.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 Wave	= www.thewavemuscat.com
The Week newspaper	= www.apexstuff.com
Whale and Dolphin Research	= www.whalecoastoman.com

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