



Sultanate of Oman
Ministry of Information

OMAN'99

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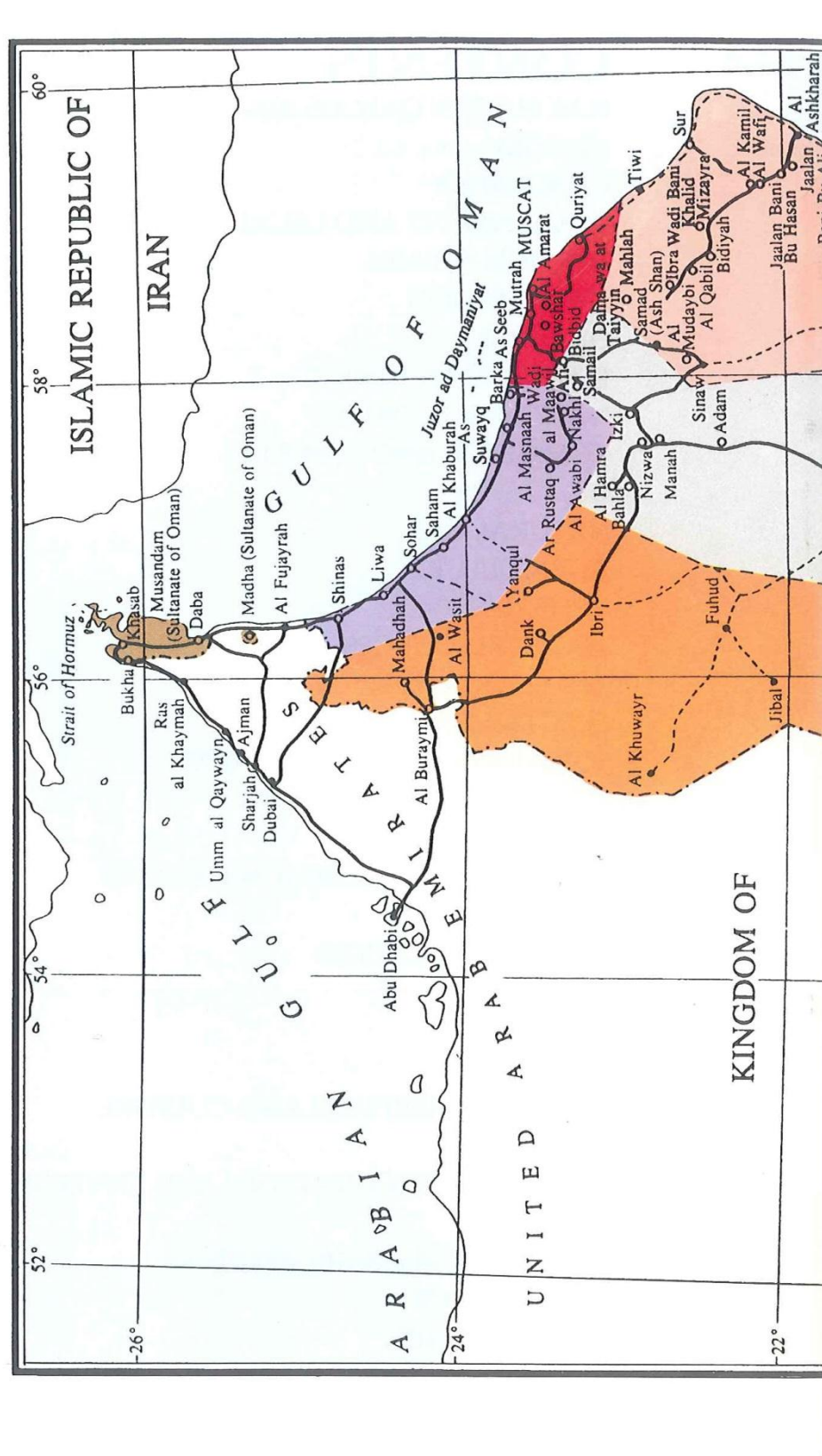


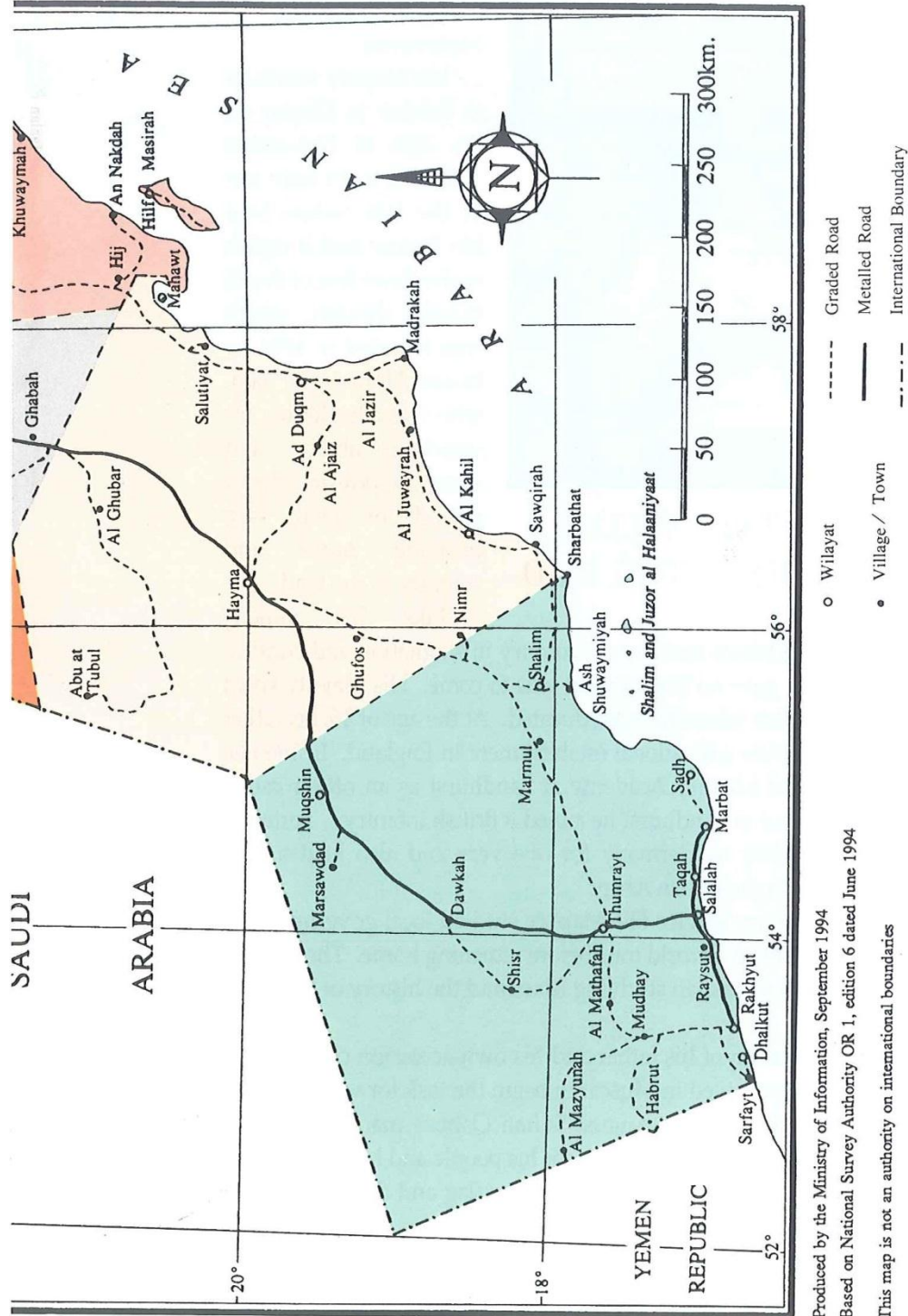
H.M. Sultan Qaboos bin Said Al-Said

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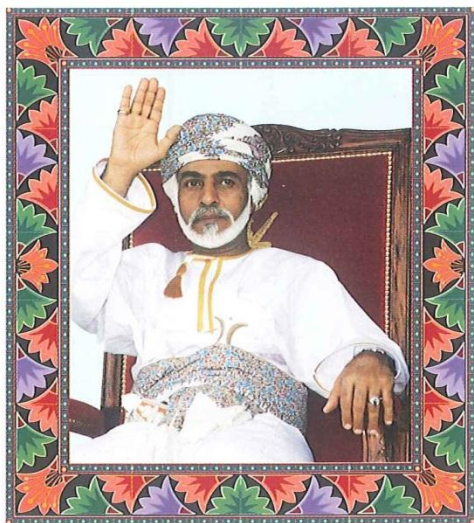
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The map illustrates the Persian Gulf region, highlighting the Islamic Republic of Iran, the United Arab Emirates, and the Sultanate of Oman. Key geographical features include the Persian Gulf, the Strait of Hormuz, and the Arabian Sea. Major cities and towns are marked, such as Musandam, Ras al Khaymah, Sharjah, Ajman, Dubai, Unim al Qaywayn, Abu Dhabi, Al Buraymi, Al Wasit, Mahadiah, Liwa, Shinas, Al Fujaayrah, Madha, Muscat, and many others. The map also shows the borders of the Sultanate of Oman and the Kingdom of Oman. The map is oriented with North at the top.





Produced by the Ministry of Information, September 1994
 Based on National Survey Authority OR 1, edition 6 dated June 1994
 This map is not an authority on international boundaries



**HIS MAJESTY SULTAN
QABOOS BIN SAID AL SAID**

Head of State and Statesman

His Majesty was born in Salalah in Dhofar on the 18th of November 1940. He is the only son of the late Sultan Said bin Taimur and is eighth in the direct line of the Al Busaidi dynasty, which was founded in 1744 by Imam Ahmad bin Said, who was a leader of outstanding ability and came to power after a period of civil war, bringing peace and stability to the land.

Like his famous ancestor Sultan Qaboos took over a country in stagnation and conflict; but his early life gave no hint of what was to come. His Majesty spent his youth in Salalah where he was educated. At the age of 16, his father sent him to a private educational establishment in England. In 1960 he entered the Royal Military Academy at Sandhurst as an officer cadet. Having passed out of Sandhurst he joined a British infantry battalion on operational duty in Germany for one year and also held a staff appointment with the British Army.

After his military service His Majesty studied local government in England and went on a world tour before returning home. The next six years were spent in Salalah studying Islam and the history of his country and people.

On the abdication of his father and his own accession on 23rd July 1970, His Majesty arrived in Muscat to begin the task for which he had been destined. On the 9th August Sultan Qaboos made the first of many speeches setting out his vision for his people and his country. He declared that the country would have a new flag and that it would no longer be called 'Muscat and Oman' but unified as the Sultanate of Oman. Restrictions on freedom of movement were lifted and Omanis

who had left the country were invited to return to take part in the challenge that lay ahead.

Many world leaders and statesmen have since praised the qualities of His Majesty: his dedication to his country and to his people; his commitment and unswerving determination to achieve progress and development; his role on the world stage and his work for peace and human rights.

In a speech made to young officers at a passing-out parade, His Majesty said of his own military training:-

"I know that the values that I absorbed have remained with me forever afterwards. I learned that discipline is not just something one imposes on others: it is something that one has, above all, to apply to oneself if one is to be a worthy leader of men. I learned also the true meaning of service: that it is to give and not to expect to receive: that it is the team and not oneself that matters. I learned that with responsibility comes obligation".

Stability & Development

Due to the complete absence of infrastructure in 1970 the task facing His Majesty was a formidable one. Although Oman had received oil revenues for three years, very little development had been implemented. Not only was the country extremely backward in health, education, housing and communications, but to add to these difficulties a full-scale local war was being fought in Dhofar, in the south of the country, against a communist insurgency, with a small, inadequately equipped army. In the years that followed, supported by his people, His Majesty overcame the wide range of formidable problems that faced him. Thanks to his inspired and dedicated leadership, Oman has become an oasis of prosperity and stability in a troubled world. Today, after nearly thirty years of outstanding achievements, His Majesty is seeking a change of direction for his country in keeping with the economic demands of the 21st century and the aspirations of his people. Another fundamental transformation in Oman's fortunes is taking place with the private sector replacing the public sector as the vehicle for progress and prosperity.

Basic Statute of the State

His Majesty has always been concerned with the basic rights and duties of the Omani citizen. In 1996, the Basic Statute of the State was

promulgated by Royal Decree. It consists of seven chapters and 81 articles, dealing with every aspect of the State apparatus and fundamental human rights. The Basic Statute guarantees the equality of all citizens before the law, freedom of religion, freedom of speech, a free press, the right to a fair trial and the right to form nationally-based associations. It lays down a legal framework for all future legislation and provides for the succession. Article Five states that the system of government is 'Royal' and hereditary in the male descendants of Sayyid Turki bin Said bin Sultan (the great-great-grandfather of His Majesty) and that the successor to the throne shall be a Muslim, of sound mind, and the legitimate son of Omani Muslim parentage. The following article stipulates that the successor will be chosen by the Ruling Family Council within three days of the throne falling vacant. If the Ruling Family Council cannot agree on the choice of successor, the Defence Council shall confirm the appointment of the person designated by the Sultan in his letter to the Ruling Family Council.

International Relations

In 1970, Oman had been isolated from the rest of the world for far too long and it was now vital to open up the country and develop proper international relations, which had been almost non-existent before 1970. His Majesty's foreign policy has always been to extend the hand of friendship to all countries on the basis of non-interference in each other's internal affairs, mutual respect, peaceful co-existence and good neighbourliness.

In recent years, His Majesty has emphasised the importance of developing economic ties with the Indian sub-continent and believes there is a general consensus for the formation of regional economic groupings, like the Indian Ocean Rim Association for Regional Co-operation of which Oman is a founder-member. In a message to the first meeting of this Association, His Majesty declared that *"The Indian Ocean has always been Oman's primary gateway to the world, through voyages to the countries on its shores. As we look with optimism to the future of the Indian Ocean region, we ask Almighty God to grant success to this new association and guide us all to a more prosperous future, as we prepare ourselves for the 21st century."*

Relations have also been strengthened with countries in the Far East, which on the orders of His Majesty have been visited by high level Government delegations. His Majesty has always endeavoured

► His Majesty greets former President Carter during the latter's visit to the Sultanate after His Majesty had received the USA's "International Peace Award".



to forge and maintain strong links with other Arab States and partners in the Arab Gulf Co-operation Council (AGCC).

In December 1998, His Majesty attended the 19th AGCC summit in Abu Dhabi. He has worked tirelessly with his fellow leaders to develop policies for the benefit of all the people in the region.

In October 1998, His Majesty was presented with an International Peace Award by the National Council on US-Arab Relations. Thirty-three organisations, universities and strategic research centres concerned with issues of peace and security around the world had decided to honour His Majesty for his contribution to international peace and understanding as well as for his role in the resolution of conflicts in the region. At the ceremony held in Washington, which was attended by the UN Assistant Secretary-General and other dignitaries, the award was received on His Majesty's behalf by Yousuf bin Alawi bin Abdullah, Minister Responsible for Foreign Affairs. In presenting the award, former president Jimmy Carter expressed his admiration and appreciation of the brave stance taken by His Majesty in the cause of peace. In his speech, Carter said that it was a great privilege for him to present the award to His Majesty. *"For many years, I personally have admired His Majesty's courageous efforts to bring peace to his region of the world."*

► His Majesty acknowledges the greetings of his people on the occasion of Eid al Fitr in Sumail in 1998.

His Majesty and His People

His Majesty attaches great importance to meeting his people and every year he makes a point of travelling to different parts of the country to see for himself what must be done and what the needs of his people are, who thus have direct access to their Sultan and can discuss their problems personally with him. His Majesty has stressed that these field tours are essential to communicate directly to his people current development plans and to hear their reactions. During recent tours, His Majesty has emphasised the importance being placed on education and has called for young people to work harder and not be too selective about doing jobs that were now being performed by expatriates. He also explained the importance of developing industry and commerce for future growth and prosperity. People are keen to hear His Majesty speak about the issues of the day and there is always a massive turnout of people whenever he is due to visit a particular town or area. Omanis of all age groups and walks of life spontaneously celebrate with music

► Staff of The Royal Stables demonstrate their horsemanship during a celebration.



and dance, showing their happiness at his arrival.

In October 1998, His Majesty toured the Batinah, establishing the royal camp at Saih al-Tayibat. Passing through Sohar, Liwa and Shinas, the royal motorcade travelled to the Dhahira region setting up camp at al-Masarat, in the Wilayat of Ibri. In March 1999, His Majesty celebrated the Eid al-Adha in Sumayil and in April set up camp at Seih al-Barakat in the Wilayat of Manah.

Charity at home and abroad

Over the years of his reign, His Majesty has displayed great generosity to his people. He has given financial assistance to worthy causes both outside and within Oman. It was His Majesty who made the first contribution to the Omani Organisation for Charitable Works which was established by Royal Decree in January 1996. He has always shown particular concern for those in society who are disadvantaged. In November 1995, His Majesty ordered the exemption of disabled people of limited income from paying private vehicle registration and renewal fees.

During 1995, His Majesty made a personal donation of RO 1.5 million to 42,047 families on social security, and to coincide with the 25th National Day he donated a kidney stone dispersal machine to the Ministry of Health. In 1996, His Majesty donated \$7 million to help relieve the sufferings of the Palestinian people and also gave \$ 1 million to al-Azhar University in Cairo. On the occasion of the State Visit to India, His Majesty ordered a donation to be made to the Indian Medical Research Council and in 1997 a plaque was unveiled in The Hague, commemorating His Majesty's donation to the Centre for Handicapped Children. In 1987 His Majesty directed that those in the Social Housing Programme would have their monthly repayments reduced from RO 45 to RO 25. Salaries were also raised for certain categories of Government employees.

Besides humanitarian gestures His Majesty has given unstinted support to youth and sports clubs. In 1998, a new financial grant and sports trophy to be known as His Majesty's Cup for Youth was introduced and following the 1997 National Day festivities in Salalah, His Majesty awarded grants to all the clubs and Omani Women's Associations in the Governorate of Dhofar to mark the occasion. Visits by Sultan Qaboos University students to other universities in neigh-

► His Majesty has special care for the young generation.



bouring Arab and Islamic countries have also been funded by His Majesty. In the past His Majesty has established a number of prizes for communities, companies and industries which are competed for annually.

In 1997, it was announced that the Sultan Qaboos Prize for Architecture would be awarded for the best architectural project designed by an Omani firm of consultants. Entries for the award had been submitted by over twenty firms by the closing date for submission of designs on 15th August 1998. A selection committee has been formed to make recommendations for the award of the Prize which will be announced during the 29th National Day Celebrations.

The Fund for Development of Youth Projects SAOC

In early 1998, it was announced that His Majesty had initiated the Fund for Development of Youth Projects. This Fund has been created with the support of the private sector to act as a partner, providing capital for projects to be set up by young Omanis and to provide them with technical assistance and managerial support, which will enable them to obtain grants and loans from other sources, for which they would not otherwise be eligible, in order to set up their own businesses. The scheme is aimed at turning young Omanis with the necessary business flair into entrepreneurs and to create a layer of small companies to complement the larger well-established companies in the private sector. In his 1998 National Day address to the nation, His Majesty spoke about the concept of this Fund. *"The youth of Oman who have the spirit of initiative and the desire to embark upon their own businesses, should make use of the Fund to finance their projects, having assured themselves that their plans are feasible. They should avail themselves not only of the financial assistance offered, but also of the voice of experience extended to them in marketing and business administration. The main aim of this Fund is to encourage the youth of Oman to establish and own small and medium projects that will provide them and other citizens with career opportunities, thus contributing to the creation of a strong industrial sector of small businesses which have become an important factor in the growth of the global economy."*

His Majesty started the Fund with a contribution of RO1 million and since then considerable contributions have been received from companies and individuals.



▲ His Majesty opens the "Oman Exhibition" on the occasion of National Day 1998.

The Fund which was established by Royal Decree in November 1998 as an Omani joint stock company, named the Fund for Development of Youth Projects SAOC was formally launched in April 1999. The decree exempts the Fund from company income tax for a period of ten years which may be extended for a similar period. It also gives exemption from corporate tax and tax on profits for five years to the Fund's industrial and commercial projects. In early 1999, a number of proposals were submitted to the Fund management to examine their financial viability. During the inauguration of the Fund, the first five of these projects were approved.

National Day Celebrations

The 1998 celebrations in honour of His Majesty were held throughout the country during the 28th National Day in November 1998 with all kinds of festivities, illuminations, decorations, programmes and parades too numerous to mention. The major events were staged in Muscat. The military parade and National Day speech to the nation took place in the al-Wattayah stadium, which was also the venue for a spectacular pageant in the evening presided over by His Majesty.

Appropriately the theme for the National Day Pageant was the co-operation between the public and private sectors in attracting investment to Oman. This was presented through a series of nine tableaux representing all areas of the economy with special emphasis on the contribution made by the private sector. The climax of the spectacle was the achievement of Oman's vision for the economy in the year 2020. Later in the celebrations there were fireworks displays in Bausher and Seeb watched by crowds of people.

As part of the celebrations, His Majesty inaugurated the mobile exhibition at the Oman International Exhibition Centre. Over a hundred Omani commercial and industrial companies contributed to this exhibition which has since been on tour in the region.

It has been the custom over the years to select different towns as the focal point for the main celebrations. This provides an opportunity for the municipality concerned to improve and develop its infrastructure as well as contributing to the diversification of the economy away from the Capital area.

The 29th National Day will be held in Ibri for the first time.

His Majesty's Message to his people

Having declared 1998 the Year of the Private Sector in his National Day address to the nation in Salalah during the 27th National Day celebrations, the main theme of His Majesty's speech to his people in November 1998 was the role of the private sector in creating more employment opportunities for Omanis and thereby reducing dependence on expatriates. He said *"The private sector more than at any other time in the past, is required to redouble and accelerate its efforts"*. He went on to say that *"the Year of the Private Sector must be the base of a greater role to be played by this sector in supporting and diversifying the economy"*. Over many years, His Majesty has seen the weakness of an economy based mainly on a single resource and has encouraged alternative ways of creating economic growth. In his speech he said *"oil, as well as being a finite resource, is exposed to the fluctuations and instability of the market. It is not wise, nor is it a good policy, to be dependent on oil as the sole resource to finance our development."* He went on to say *"we are determined that the industrial sector shall become the major source of national income, or at least generate the equivalent of that from oil."* His Majesty stressed the importance of education and vocational training to provide the skills needed for an industrial

economy and urged young people to take advantage of such training programmes and not to be too proud to accept work in this sector.

Speaking about Oman's foreign relations, His Majesty said that he believed in ties of friendship with all countries based on mutual respect and common interests, as well as non-interference in each other's internal affairs. His Majesty concluded his speech by saying *"peace is the strategic goal of the State, which we strive to achieve and maintain for the sake of security, stability, growth and prosperity"*.

Economic & Domestic Policies

For the leader of any developing nation, there is always the problem of combining progress with conservatism. His Majesty maintains a delicate balance between preserving the traditions and culture of his country and introducing the modernisation needed to keep pace with the changes taking place in the rest of the world, in the best interests of his people.

At the beginning of 1996 with the introduction of the current Five-Year Plan, His Majesty reiterated the need for concerted effort by all concerned to plan and implement a new phase in the country's development. During the conference on Oman's economy to the year 2020 in June 1995, His Majesty had urged the private sector to play an active role in the diversification of the economy in order to create new wealth and jobs for the Omani people. He has stressed the need for human and social development with particular reference to the education and training of the young.

In December 1997, His Majesty inaugurated the Council of Oman, which comprises the newly formed Council of State and the existing Majlis al-Shura. In his address to the members, His Majesty expressed his satisfaction at the way the Majlis al-Shura had proved to be such a successful experiment in the consultative process. He said he hoped that the Council of State would be another strong building block in the edifice of Omani society. It was a step forward in the cooperation between Government and the citizen for further prosperity, progress and development. His Majesty expressed his thanks and support to the members of the two Councils saying that he was confident in their abilities to bring a better tomorrow. He reminded them that they had a major accountability to future generations and that they must express their views without fear or favour, be objective in dealing with

the main issues affecting the country and not be distracted by minor matters of little importance in the overall scheme of things.

In advancing the democratic process through the Majlis al-Shura, His Majesty has particularly stressed the role of women, which he has always encouraged, either at work or in public life. Women's voices in the country's affairs were increased at the elections held in 1997 with the franchise being extended to include women candidates and electors from all parts of the country. His Majesty reiterated his call to Omani women's associations and other social organisations to give greater priority to making women more aware of the need to adapt to the world of today.

Peace in the Middle East

His Majesty attaches great importance to international relations and has spoken out strongly against terrorism and fanaticism. He has stressed his belief that international disputes must be settled through negotiation and not conflict. His mediation, when invited to do so, has earned him the respect of the world community. His Majesty was one of only three Arab leaders who supported the late President Anwar Sadat's mission to Israel, which led to the Camp David peace accord, and has consistently urged forward the peace process in the Middle East. His Majesty regards the achievement of a comprehensive and lasting peace in the region as being of the highest priority, and has worked tirelessly to this end, keeping in close touch with other Arab leaders in an effort to find a way forward and bring an end to the current stalemate in the Middle East. He has expressed deep concern for the situation of Palestinians in the West Bank and Gaza and for the plight of the Iraqi people.

State Visits & Visiting Dignitaries

In February 1999 His Majesty flew from Egypt, where he was on a private visit, to Amman for the funeral of the late King Hussein of Jordan and to offer his condolences to the new monarch, King Abdulla bin Hussein. His Majesty paid tribute to King Hussein for the courage and leadership he had displayed over many years of crises in the region. King Hussein had been a frequent visitor to Oman and was in the country less than a year before his death. His Majesty said that he had lost a dear brother and close friend. While in Amman His Majesty met world



▲ His Majesty attends the funeral of King Hussein of Jordan.

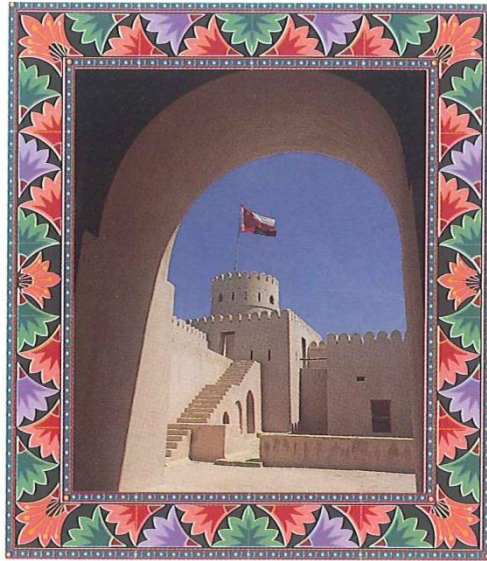
leaders attending the funeral, including the Sultan of Brunei; King Juan Carlos of Spain; Prince Charles of Great Britain, representing Queen Elizabeth II; Yemen President Ali Abdullah Saleh; President Clinton of the USA; the French President Chirac; and the British Prime Minister. His Majesty took the opportunity to invite King Abdullah to visit Oman which he did in April 1999. In March, His Majesty visited Bahrain to give his condolences to His Highness Sheikh Hamad bin Isa Al Khalifa on the death of his father. The new ruler was invited to visit the Sultanate in due course. In May 1999, His Majesty accepted an invitation from President Mohammed Khatami of Iran to visit the Islamic Republic at a date to be decided later in the year.

Since the State visit made by His Majesty to India in 1997 ties between Oman and India, which have existed for centuries, have been strengthened further. In August 1998, Prime Minister Atal Behari Vajpayee was received by His Majesty. Their discussions focused on current and future joint venture projects in both countries. At the AGCC summit in Abu Dhabi besides receiving his fellow heads of state, His Majesty had the opportunity to meet President Nelson Mandela who had been invited to attend and subsequently visited Oman in April 1999.



Other international figures who have had audiences with His Majesty included President Yasser Arafat, US Defence Secretary William Cohen, who made two visits in the fourth quarter of 1998 to discuss the Iraq crisis and who was also received again in March 1999. US Assistant Secretary of State for Middle East Affairs, Martin Indyk and British Foreign Office Minister, the late Derek Fatchett. The British Chief of the Defence Staff, General Sir Charles Guthrie and Sir Richard Johns, Chief of the Air Staff were prominent military visitors seen by His Majesty. Dr John Duke Anthony, Chairman of the Arab-American Relations National Council and several AGCC ministers were among other visitors to Oman granted an audience with His Majesty. During May His Majesty gave Audiences to Mohammed Sadr, Assistant Foreign Secretary for Arab and African Affairs of the Islamic Republic of Iran, Sheikh Sulman bin Hamad bin Isa Al Khalifa, Heir Apparent and Commander in Chief of the Bahrain Defence Forces and Li Rui Huan, Chairman of the National Committee of the Chinese People's Political Consultative Conference.

▲ A happy moment on His Majesty's arrival in Sharm el Sheik when he visited President Hosni Mubarak of Egypt.



HISTORY

Little is known about Oman's pre-Islamic past but it is clear from recent archaeological discoveries and research that early civilisations existed at least 5000 years ago.

Sumerian tablets refer to a country named "Magan" as a source of copper. It seems certain that they referred to Oman. Evidence from excavations near Sohar shows that the copper

mining and smelting industry was well developed by the year 2000 BC.

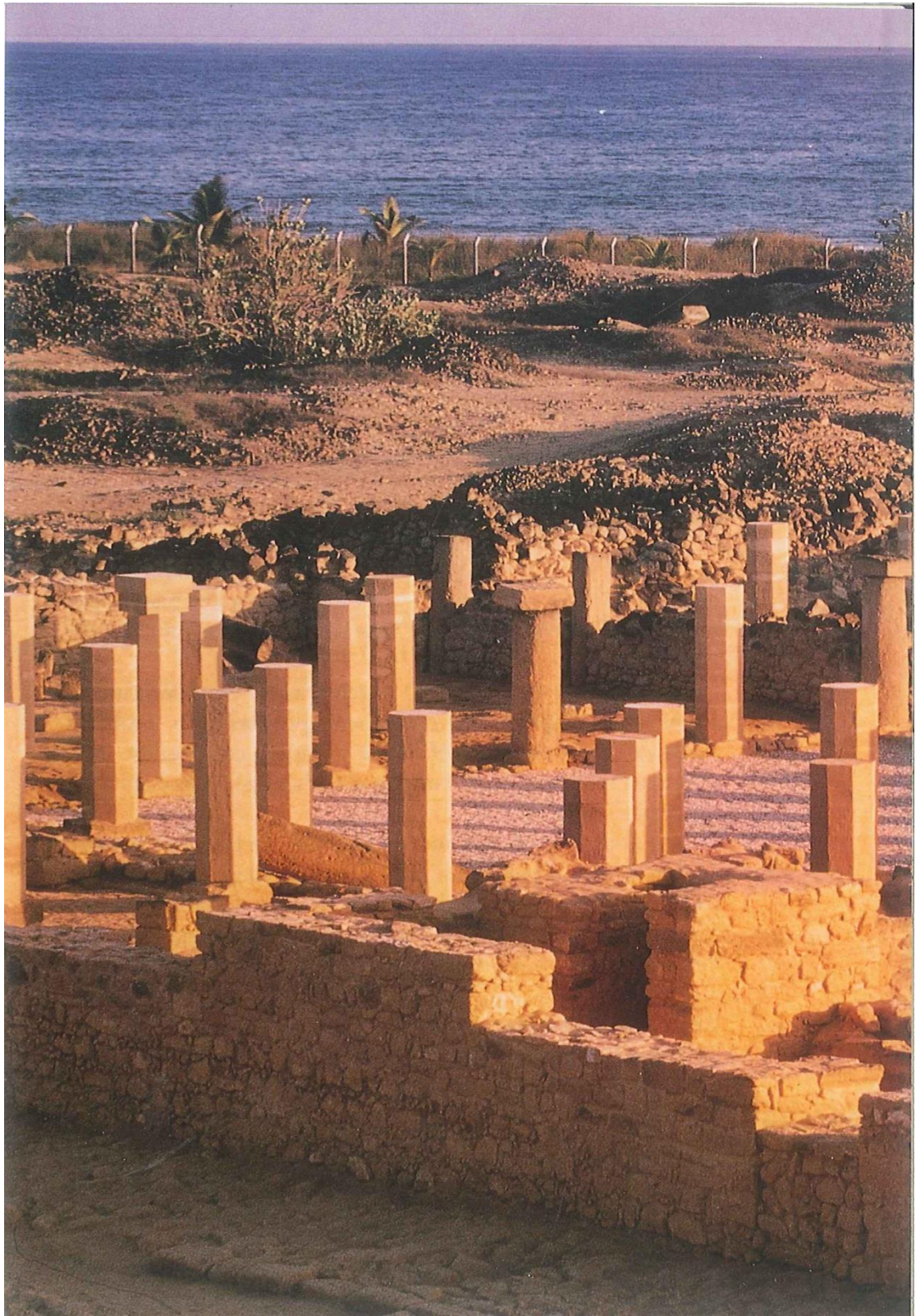
Frankincense from Dhofar, which was so important in the social and religious life of ancient peoples also provides evidence of the existence of an early trading community. It is also clear that there were farming and fishing settlements from the earliest times.

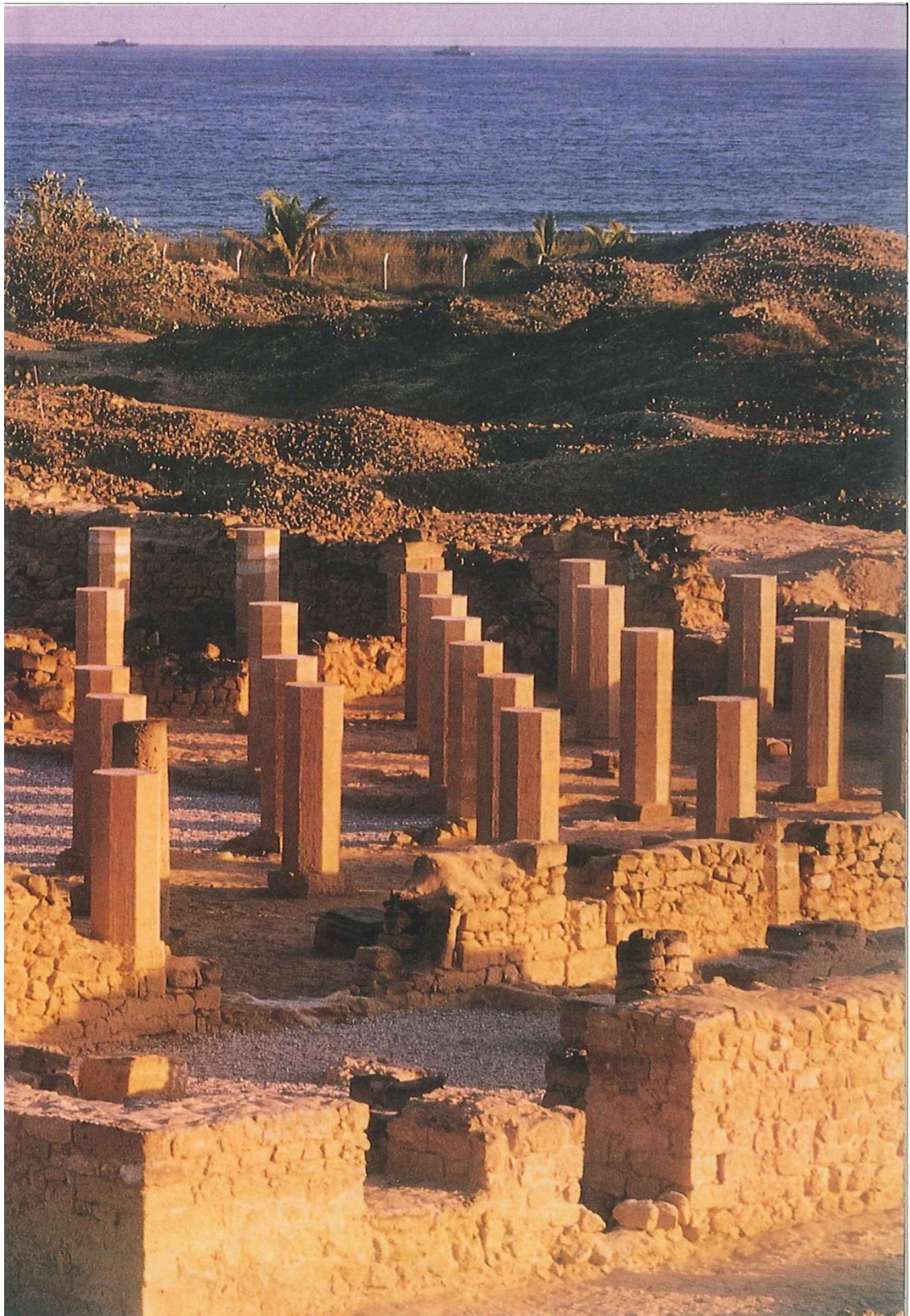
The ancestors of present day Omanis are believed to have arrived in two waves of migration over a number of years, the first from the Yemen and the second from northern Arabia at a time when various parts of the country were occupied by the Persians.

The Coming of Islam and the Early Imamate

The call of the Prophet Mohammed to the Omanis to become Muslims altered the course of their history. It was in about 630 AD that Amr Ibn al-As arrived in Oman bearing a letter from the Prophet to Abd and Jaifar, the two sons of al-Julanda, who ruled Oman jointly. Having embraced Islam, they were instrumental in defeating the Persians.

►► The Great Mosque at the al-Baleed archaeological site in Salalah.





The early Imamate in Oman arose out of a vision to create the true and ideal Muslim state. The first Ibadhi Imam, Julanda bin Mas'ud, was elected in 751 AD but he died in battle and it was not until 801 AD after a period of turmoil that Warith bin Kaab was elected. There then followed a period of peace, stability and prosperity lasting more than three hundred years

Maritime trade flourished and Sohar became the greatest sea port in the Islamic world. As they travelled and traded, the Omanis spread the message of Islam, as well as Arab culture and language, reaching as far east as China.

Portuguese Occupation

In the early 16th century after the Portuguese under Vasco de Gama had discovered the sea route round the Cape of Good Hope to India, they occupied Muscat for a century and a half in order to dominate the trade which had until then been an Arab monopoly. The Portuguese were expelled from Muscat in 1650 by Sultan bin Saif al-Yarubi.

The Ya'aruba Dynasty

Since the expulsion of the Portuguese no other foreign power has ever occupied Oman, apart from a brief period when the Persians made a partial occupation. The Ya'aruba Imams introduced a period of renaissance in Omani fortunes both at home and abroad, uniting the country and bringing prosperity. It was under the Ya'aruba dynasty that many of the imposing castles and beautiful buildings that have been restored recently, such as the fort at Nizwa and the Palace at Jabrin, were built.

Civil War

Unfortunately, on the death in 1718 of the Imam, Sultan bin Saif II, civil war broke out over the election of his successor. Persian troops occupied Muttrah and Muscat but failed to take Sohar which was defended by Ahmad bin Said, who continued to fight the Persians and drive them from Oman after the civil war had ended.

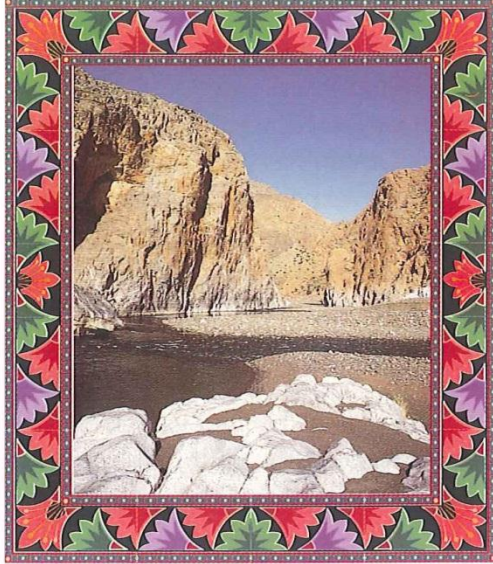
The Al bu Said Dynasty

In 1744 Ahmad bin Said, who was a man of outstanding personality and courage, was elected Imam. He faced a number of difficulties in reconciling the rival factions after the civil war, but he managed to build up the Omani navy into a power to be reckoned with, personally leading expeditions against pirates and driving the Persians out of Basra. When he died in 1783, his son Said was elected Imam but he was not popular, being replaced by his son Hamad, who had been de facto ruler in Muscat while his father remained in Rostaq. Hamad died suddenly in 1792 and his uncle, Sayyid Sultan bin Ahmed, assumed power until his death in 1804. He had exercised such tight control over Oman and trade in the Gulf that European powers dealt with him as the effective ruler of the country.

Sayyid Said bin Sultan

Sayyid Sultan was succeeded by his son, Sayyid Said bin Sultan, who consolidated his father's achievements at home and abroad during his reign from 1804-1856. It was in this period that Oman reached its zenith as a regional power with possessions on both sides of the Gulf and in East Africa. Sayyid Said concentrated on developing his country's economy and commerce. He made Zanzibar his second capital and concluded agreements with the European powers, as well as sending a special envoy to the United States, making Oman the first Arab state to establish diplomatic relations with that country.

Thereafter, however, there followed a period of decline and, at the time of the First World War, Oman's share of international commercial activities was very limited. Indeed, Oman remained largely isolated from the rest of the world until, in 1970, His Majesty Sultan Qaboos came to power. His Majesty's reign was the beginning of a bright new era that renewed Oman's historic glories and opened a new chapter of development, prosperity and social and economic progress.



GEOGRAPHY

The Sultanate of Oman occupies the South-Eastern corner of the Arabian Peninsula and is located between latitudes 16 40' and 26 20' north and longitudes 51 50' and 59 40' East. The coastline extends 1,700 kilometres from the Strait of Hormuz in the north to the borders of the Republic of Yemen and overlooks three seas - the Arabian Gulf, Gulf of Oman and the Arabian Sea.

The Sultanate of Oman borders Saudi Arabia and the United Arab Emirates in the West; the Republic of Yemen in the South; the Strait of Hormuz in the North and the Arabian Sea in the East.

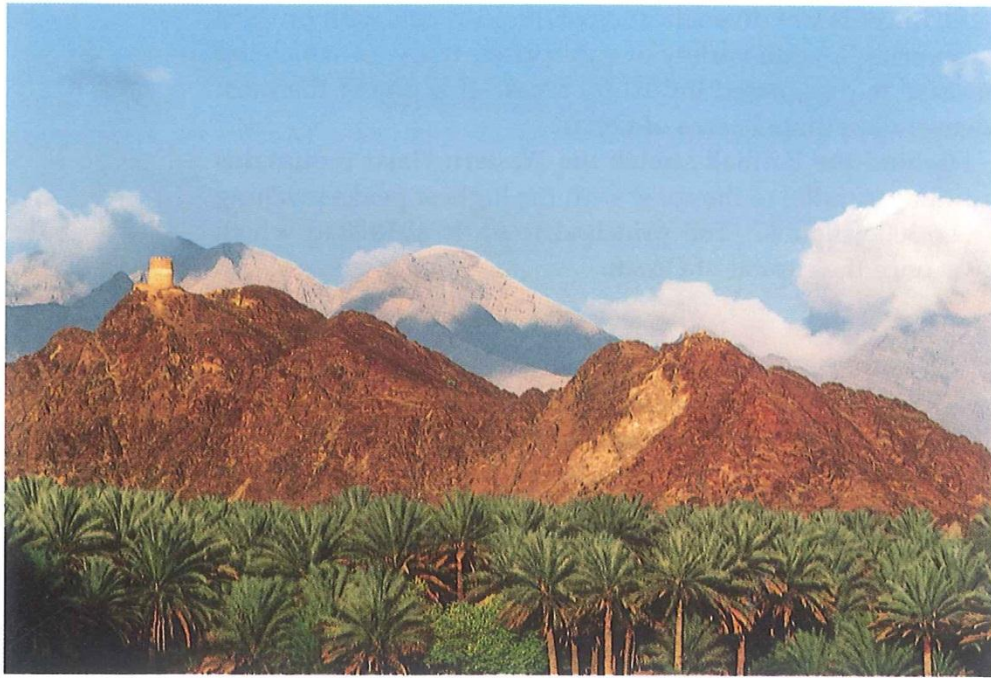
The total land area is approximately 309,500 sq. kms. and it is the third largest country in the Arabian Peninsula.

Topography

The Sultanate of Oman has a variety of topographical features consisting of plains, wadis and mountains. The most important area is the coastal plain which represents about 3% of the total land area. The mountain ranges occupy about 15%. The Hajar range runs from Musandam in the North to Ras al-Hadd, the extreme limit of the Arabian Peninsula. In the South, the Qara range attracts the monsoon, which brings unique weather conditions and creates a special environment in Dhofar. The remaining area which occupies 82% of the country is mainly sand and gravel desert and includes part of the Empty Quarter.

Climate

The climate differs from one area to another. It is hot and humid in the coastal areas in summer; while it is hot and dry in



▲ High among the clouds - a fort guards the mountains near Nizwa.

the Interior with the exception of the higher mountains which enjoy a moderate climate throughout the year. Rainfall is generally light and irregular; although heavy rains and thunderstorms can cause severe flooding. In the South the Dhofar region has a moderate climate and the pattern of rainfall is more predictable with heavy monsoon rains occurring regularly between May and September.

Muscat

The Capital area now extends from the town of Seeb in the North to the fishing port of Quriyat in the South. With its commercial centres, industrial areas, Government offices, foreign embassies and hotels, the Governorate of Muscat is the most densely populated and developed part of Oman.

Al-Batinah

The Batinah is the area between the sea and the mountains running some 270 kilometres from the border with the UAE to Muscat. Traditionally it was a fishing and farming region, but is now becoming more commercial and industrialised, in line

with the policy of diversification of the economy, with projects embracing a wide variety of enterprises, many of which are located in designated industrial areas. It is one of the most densely populated areas of Oman.

Behind the Batinah stretch the Western Hajar mountains running parallel to the coast with the highest peaks reaching over 3000 metres. The principal town is al-Rustaq which was once the capital of Oman.

Al-Jauf

The al-Jauf central plateau that stretches from the foot of the Jebel al-Akhdar south to the desert is the heartland of Oman and contains the historic towns of Nizwa, Bahla, Manah, Adam and Izki.

Sumail Gap

The Wadi Sumail forms a natural break between the Eastern and western Hajar mountain range and thus forms the main artery of communication from the coast to the interior. The oil and gas pipelines run through the Gap, in which there are many small settlements as well as the major centres at Sumail, Bidbid and Fanjah.

Al-Dhahirah

The Dhahirah, meaning the 'back' as opposed to the Batinah or 'belly' of the mountain is a semi-desert plain sloping down from the Western Hajar towards the Empty Quarter. In the North it meets the UAE at the border town of al-Buraimi. The other main towns are Ibri, Dhank and Yanqul.

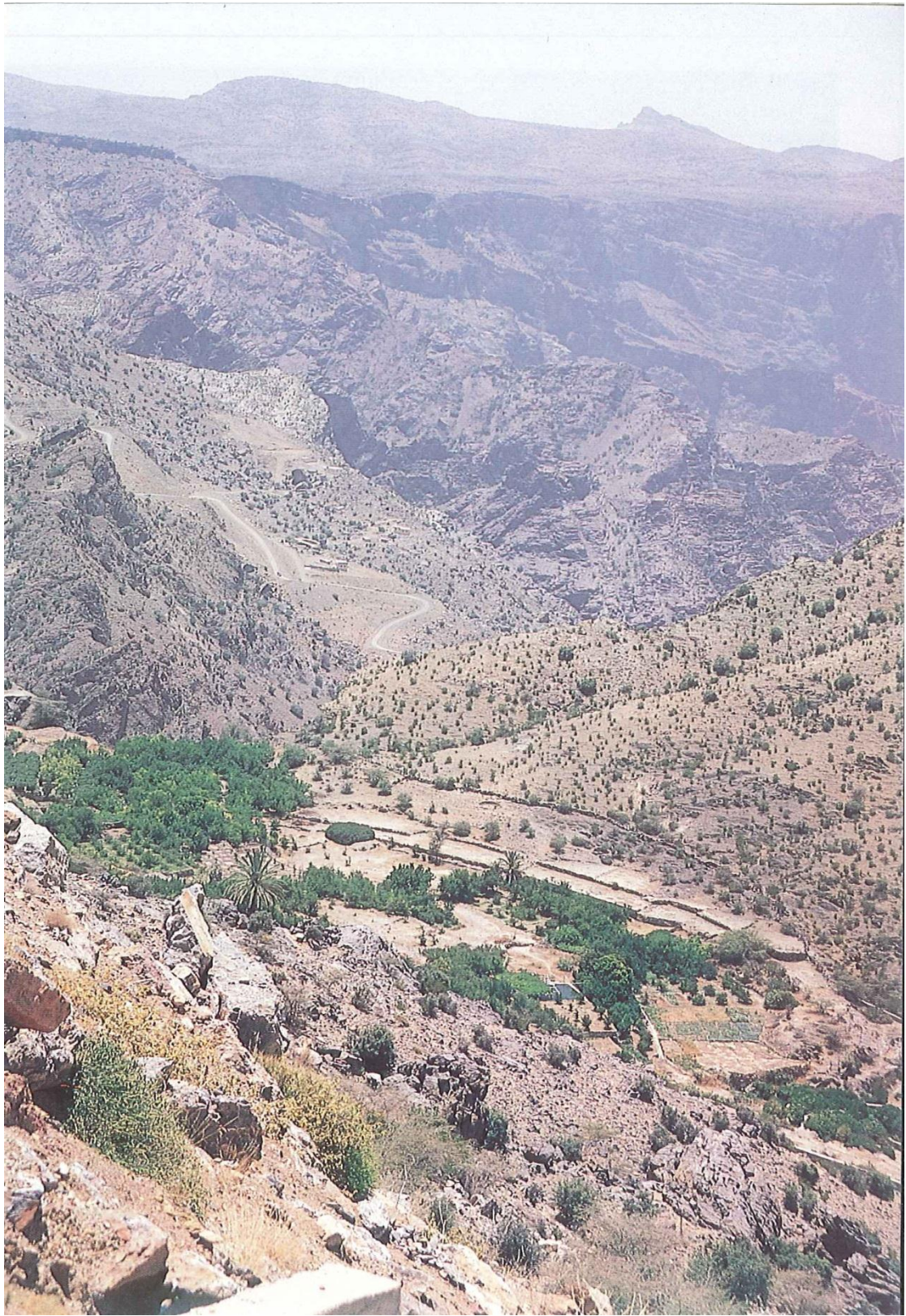
Al-Sharqiya

The Sharqiya is an area of sandy plains and wadis lying on the inland side of the Eastern Hajar mountain range. The main centres of population are Ibra and Sur. To the South lies the Wahiba sand sea and along the coast small fishing communities and the islands of Masirah and Mahawt.

Al-Wusta

The central region is a gravel desert with escarpments running down to the coast, where the main occupation is fishing. Inland lie Oman's oil and gas and mineral deposits. It

► An impressive view of the Jebel Akhdar.





also contains the Arabian Oryx sanctuary. The main settlements are at Haima and al-Duqm.

▲ A tranquil scene of the Musandam

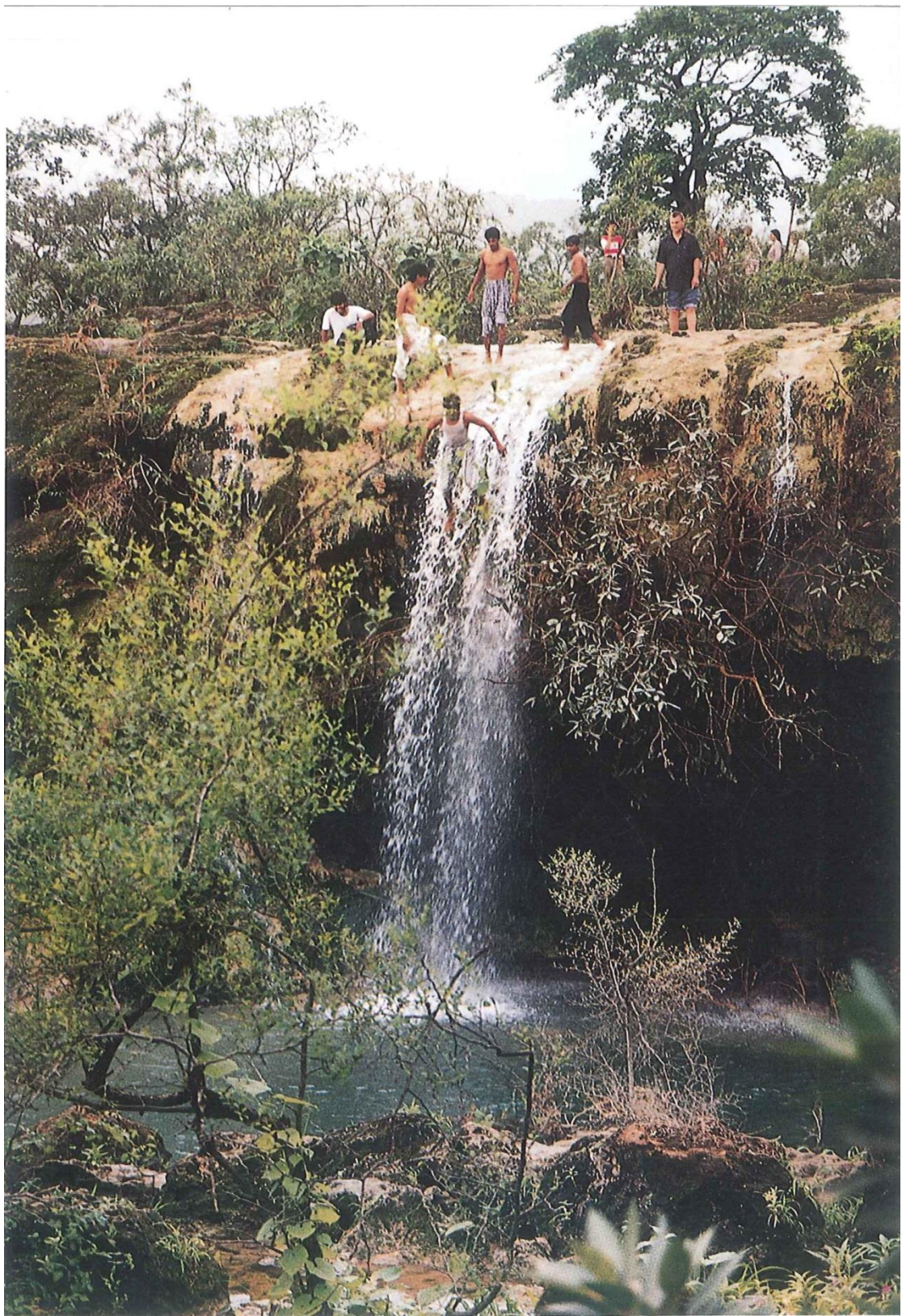
Dhofar

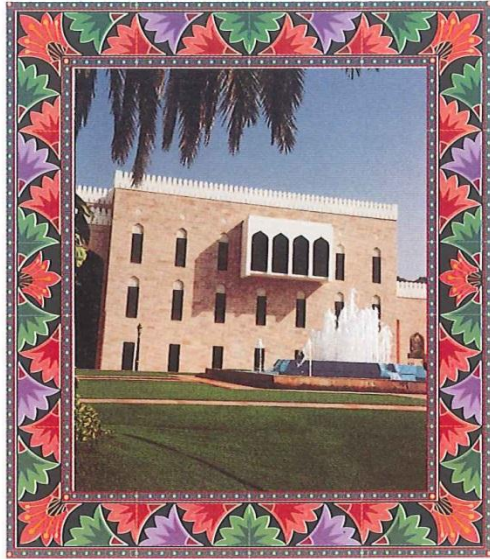
Dhofar occupies the southern part of Oman. The main town is Salalah which lies on the fertile coastal plain and the principal occupations of the inhabitants are fishing and agriculture. Raysut, to the West of Salalah, is Oman's second port and is also the location for a new industrial area. The Dhofar mountains with their unique climate provide valuable pasture for cattle, camels and goats. Offshore, the Halaniyat Islands support a small fishing community.

Musandam

Musandam is a spectacular feature with mountains rising up to 1,800 metres and falling precipitately into the sea. Once forming an almost impenetrable barrier it is now linked with the rest of Oman by a modern road network. The main centres are Khasab and Bukha and the major commercial activity is fishing.

► A tourist paradise - the beauty of Salalah during the monsoon season.





GOVERNMENT AND LEGAL AFFAIRS

The administrative system of the State under His Majesty Sultan Qaboos bin Said Al Said consists of the Diwan of Royal Court, the Ministry of the Palace Office, the Cabinet of Ministers and Secretariat of the Cabinet, the Specialised Councils, the Governorate of Muscat, the Governorate of Dhofar and the Council of Oman (Majlis Oman).

The Cabinet of Ministers is the highest executive authority, deriving its power from His Majesty the Sultan, to whom it is collectively responsible. Laws and decrees are authorised by His Majesty. International treaties, agreements and charters signed or approved by His Majesty become law from the date of their publication in the Official Gazette

The Cabinet consists of the following Ministers:-

In December 1997, His Majesty ordered certain changes to ministerial portfolios and responsibilities of ministries with the promulgation of Royal Decrees 84 & 85/97:-

His Highness Sayyid Thuwainy bin Shihab Al Said

-Personal Representative of His Majesty the Sultan

His Highness Sayyid Fahad bin Mahmoud Al Said

-Deputy Prime Minister for the Council of Ministers

His Highness Sayyid Faisal bin Ali Al Said

-Minister of National Heritage and Culture

His Excellency Sayyid Saif bin Hamad bin Saud

-Minister of the Diwan of the Royal Court
His Excellency General Ali bin Majid al-Ma'amari
*-Minister of the Palace Office and Head of the Office of the
Supreme Commander of the Armed Forces*
His Excellency Sayyid Badr bin Saud bin Hareb
-Minister Responsible for Defence Affairs
His Excellency Sayyid Ali bin Hamoud al-Busaidi
-Minister of the Interior
His Excellency Yousuf bin Alawi bin Abdullah
-Minister Responsible for Foreign Affairs
His Excellency Shaikh Mohammed bin Abdullah bin
Zaher al-Hinai
-Minister of Justice
His Excellency Ahmed bin Abdalnabi Macki
*-Minister of National Economy and Deputy Chairman
of the Financial Affairs & Energy Resources Council*
His Excellency Yahya bin Mahfudh al-Mantheri
-Minister of Higher Education
His Excellency Abdul Aziz bin Mohammed al-Rowas
-Minister of Information
His Excellency Sayyid al-Mutasim bin Hamoud al-Busaidi
-Minister of State and Governor of Muscat
His Excellency Salim bin Abdullah al-Ghazali
-Minister of Communications
His Excellency Ahmed bin Suwaidan al-Balushi
-Minister of Posts, Telegraphs and Telephones
His Excellency Sheikh Mohammed bin Ali al-Qatabi
-Minister of Electricity and Water
His Excellency Sayyid Musallam bin Ali al-Busaidi
-Minister of State and Governor of Dhofar
His Excellency Malik bin Suleiman al-Ma'amari
-Minister of Housing
His Excellency Dr Ali bin Mohammed bin Moosa
-Minister of Health
His Excellency Sheikh Amer bin Shuwain al-Hosni
-Minister of Social Affairs, Labour & Vocational Training
His Excellency Hamed bin Said al-Aufi
-Minister of Water Resources



▲ His Majesty
presides at a
Cabinet
meeting.

His Excellency Maqbool bin Ali bin Sultan

-Minister of Commerce and Industry

His Excellency Mohammed bin Ali bin Nasir al-Alawi

-Minister of Legal Affairs

His Excellency Sayyid Saud bin Ibrahim al-Busaidi

-Minister of Education

His Excellency Sheikh Abdulaziz bin Matar bin
Salim al- Azizi

-Minister of the Civil Service

His Excellency Shaikh Abdullah bin Mohammed al-Salimi

-Minister of Awqaf & Religious Affairs

His Excellency Dr Ahmed bin Khalfan bin Mohammed al
Rowahi

-Minister of Agriculture & Fisheries

His Excellency Dr Mohammed bin Hamad bin Saif al-
Romhi

-Minister of Oil & Gas

His Excellency Dr Khamis bin Mubarak bin Isa al-Alawi

-Minister of Regional Municipalities & Environment



His Excellency Sayyid Hamoud bin Faisal bin Said is the Secretary General of the Cabinet.

At the same time under Royal Decree 92/97, new Under - Secretaries were appointed including two women with doctorates, bringing the number of women holding high office in Government to three.

Financial Affairs & Energy Resources Council

In 1996, the Financial Affairs and Natural Gas Councils were amalgamated by Royal Decree to form the Financial Affairs and Energy Resources Council, which meets on a regular basis, under the chairmanship of its Deputy Chairman, the Minister of National Economy, to review all matters relating to the financial health and development of the economy.

Administrative Regions & Wilayats

The Sultanate of Oman is divided into eight administrative regions, which are further sub-divided into fifty-nine districts or wilayats. Each wilayat is governed by a wali who is responsible to the Ministry of the Interior.

Legal Affairs

In 1975 the Diwan of Legislation was formed to review all laws and to draft Royal decrees, international agreements and government contracts. In 1994 the Ministry of Legal Affairs was established to match the legal framework of the State with the development and progress seen throughout the Sultanate. The Ministry is responsible for the preparation of Royal decrees and for reviewing all draft laws, regulations and Ministerial Decisions before they are promulgated and published in the Official Gazette. In March 1999, The Ministry published the 27th Legislative Volume which includes all Royal Decrees, Ministerial Decisions and Government circulars issued during 1998.

The Ministry issues the Official Gazette and gives legal opinion and advice to the Government on the interpretation of Royal Decrees and Laws and any other matter referred to it by His Majesty the Sultan. Another important responsibility is the scrutiny of any contract committing the Government to expenditure of over RO 500,000.

Basic Statute of the State

This most important piece of legislation was enacted in 1996. The purpose of the Basic Statute of the State is to provide a force for political and social stability, while at the same time guaranteeing the rights and freedoms of the individual. Besides laying down a procedure for the succession to the throne, the Statute provided for the formation of a State Council which, with the Majlis al-Shura, now forms the Council of Oman. It is a comprehensive document defining the role of Government and the judiciary, as well as laying down the policy of the State towards the economy, security, education and social development of the nation.

The Council of Oman

On the 27th December 1997, His Majesty presided over the opening of the Council of Oman, which had been established by Royal Decree 86/97 in accordance with the Basic Statute of the State. The Council of Oman consists of two chambers:-

The Council of State (Majlis al-Dawla)

On the 4th January 1998, the Council of State held its first plenary meeting after being inaugurated by His Majesty. The meeting was opened by the President. The members appointed by His Majesty were then sworn in and a vice-president elected. The Office of the Council of State will meet fortnightly and committees have been formed to examine legal, social and economic issues. Plenary sessions of the Council are to be held four times this year. The Council will offer seasoned advice to His Majesty and work closely in co-ordination with the Majlis al-Shura, thus strengthening Oman's consultative process and widening participation in the public life of the Sultanate.

The Consultative Council (Majlis al-Shura)

In November 1990, His Majesty Sultan Qaboos announced that a new consultative council (majlis al-shura) would replace the State Consultative Council (majlis al-Istishari lil-dawla) which had been formed in 1981. In December 1991, the first Consultative Council was inaugurated with 59 members representing each of the Wilayats.

The State Consultative Council had been a nominated body, but in accordance with the steps being taken towards further political liberalisation each member of the present Consultative Council has been elected with the exception of the President who is appointed by Royal Decree. The two vice-presidents are elected by the membership of the Council in a secret ballot.

The term of membership is three years which may be extended. Candidates must be not less than thirty years of age, have a good reputation and be reasonably well educated. Once a candidate is selected for membership he or she must give up any other official post.

Elections to the Council were held in October 1997.

The third term of the Council runs from 1st December 1997 to 30th November 2000. The previous elections in July 1994 resulted in the appointment of two women for the first time. Although more women put themselves forward as candidates in the 1997 elections under the extension of the franchise for women,

only two were successful in a popular vote. In 1994, the number of members in the Council was increased to 80 based on the results of the first National Census held in December 1993.

Because of population increases, the number of members has now been increased to 82. Wilayats with a population of more than 30,000 people elected four candidates from whom two were selected to serve as members of the Council. Wilayats with smaller populations continue to put forward two candidates, one of whom is selected. In the 1997 elections, there were 736 candidates including 27 women.

The franchise of the Council is also expected to be widened at the next elections at the turn of the century. The Council will continue to evolve along democratic lines in accordance with the traditions and principles of Islam. These are enshrined in the verses of the Holy Qur'an, which contains a chapter entitled Surat al-Shura.

The Council has been instrumental in helping to make studies and recommendations for Oman's economic and financial policies being implemented in the current Five-Year Plan.

The Council convened four plenary sessions with some thirteen meetings lasting about 58 hours in 1998, while the various committees held 83 meetings. The Council received 21 petitions from citizens requesting development and improvement of their areas.

One of the principal duties of the Council is to review all social and economic draft laws prepared by the Ministries before their enactment. The most important piece of legislation considered by the Council in 1998 was the draft of the Civil Transaction Law which contains 1,348 articles. In 1999 this legislation was passed to the Majlis al-Dawla for study and discussion. It was the turn of the Council also has a duty to participate in efforts towards the conservation of the environment. Much of the Council's work is done in committee. There are now seven permanent committees - legal, economic, health & social affairs, education & culture, services & development of local communities, environment & human resources and

follow up & implementation.

Meetings of the committees are held in camera and members are not at liberty to divulge any of the proceedings of the Council which are kept confidential. However under the constitution of the Council, public service ministers are expected to submit reports and answer questions on their ministries' performance, plans and achievements. These are made known to the public through the media.

Foreign delegations are invited to see the work of the Council and discuss its procedures. In 1998 several visited Oman, among them one from the parliament (Bundestag) of the Federal Republic of Germany which was received by the Council. The Council also sends delegations to neighbouring countries thus strengthening the links between parliamentary organisations.

The television appearances of Ministers to answer searching questions before the plenary sessions of the Council have been very well received by the public. In 1998 it was the turn of the Ministers of Health and Social Security, Labour & Vocational Training to appear before the Council to deliver comprehensive statements on the plans and projects of their ministries. Other Ministers who have addressed the Council in recent times were the Minister of Education, the Minister of Higher Education, the Minister of National Economy, the former Minister of Social Affairs & Labour and the Minister of the Civil Service.

In its new term which coincided with the launch of the Year of the Private Sector, the Council gave the highest priority to manpower development and training, considering human resources development to be the prerequisite for national development and a healthy economy.

Tender Board

The Tender Board was established by Royal Decree in 1973 to ensure the fair and equitable allocation of contracts. The Board is assisted by an Executive Secretariat which forms the active link between the Board and the various Government authorities that issue tenders via the Board.

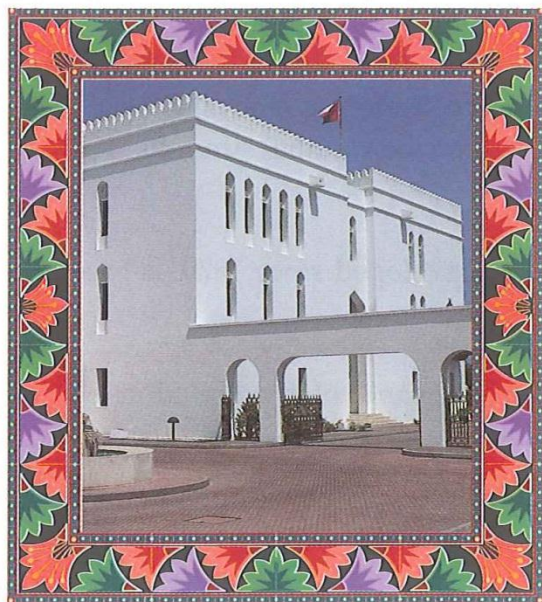
The Board, which usually meets fortnightly, is responsible for all Government tenders with the exception of contracts and projects related to Defence and Security. Tenders may involve assignments, materials purchase or project implementation. In 1998 the Board met 23 times and accepted 135 tenders with a total value of over RO 231 million, compared with 119 tenders worth RO 245 million in 1997. The number of companies tendering was 266, compared with 396 in 1997.

In 1998, a total of 418 commercial companies, consulting firms and contractors in several different categories were registered with the Board. In April 1999, the Board introduced a new procedure at its meetings, whereby representatives of the companies submitting tenders were invited to be present to witness the opening of the envelopes containing the bids.

National Flag of Oman

The National Flag was raised for the first time on 17th December 1970. The flag carries the Sultanate's emblem of two crossed swords with a khanjar and belt superimposed. The white portion of the flag signifies the belief of the Omani people in peace and prosperity. Red, which is the dominant colour, has been adopted from the old Omani flag (which was red in its entirety) and this symbolises the battles fought by the Omanis for the eviction of foreign invaders from their country. While green, besides being the colour of Islam, represents the fertility and greenery of the land.

Before the 25th National Day in November 1995 new regulations were introduced for the proportions of the three colours, the dimensions of the flag and the height of the poles on which it may be flown, according to the building and purpose.



FOREIGN AFFAIRS

The Sultanate has a long history of contacts and relations with countries both within and outside the Arab world. Over many centuries trade has flourished with the Indian sub-continent and Far East, and in more recent times with East Africa. The Sultanate was the first Arab country to establish diplomatic contact with the United States of America in the first

half of the nineteenth century, by which time it already had a treaty relationship with Great Britain and relations with France.

In 1970 the Sultanate of Oman faced the formidable challenge of winning diplomatic recognition in international circles after years of isolation. In 1971 Oman joined the Arab League and the United Nations later in the same year. In 1972 the Sultanate became a member of the Islamic Conference Organisation and in 1973 a member of the Non-Aligned Group of Nations. Since then Oman has joined many international organisations and was a founder member of the Arab Gulf Cooperation Council (AGCC) in May 1981. In December 1995 Oman hosted the 16th Summit of the six Gulf States in Muscat.

His Majesty attended the 19th Summit in Abu Dhabi in December 1998. At the close of the meeting the Supreme Council announced that it had been decided to extend the period of oil production cuts by the AGCC States until the end of 1999 and that unleaded fuel should be made available by the year 2002. Other important strategies agreed at the summit included the upgrading of the Peninsula Shield Force and its military capability with particular reference to secure defence

communications and early warning radar systems.

The 20th Summit in December 1999 will be hosted by Saudi Arabia. It was agreed that the leaders would also hold half-yearly consultative meetings between annual summits.

Foreign Policy

Oman's foreign policy, as developed since 1970, is based on four basic principles:

- : the development and maintenance of good relations with Oman's neighbours.
- : an outward looking and internationalist outlook, as befits long standing maritime traditions.
- : a pragmatic approach to bilateral relations, emphasising underlying geostrategic realities rather than temporary ideological positions.
- : the search for security through cooperation and peace, rather than conflict.

These principles have been consistently applied, and, in the new post 1989 international context, have proved both valuable and durable. Oman's adherence to these principles has allowed foreign policy to be flexible and to meet the challenges of the new international environment with confidence. In the application of these principles, considerations of economic interest are playing an increasingly important role.

The Middle East Peace Process

Oman has been fully committed to the Middle East Peace Process since its inception in 1991. The Sultanate joins the international community in calling for the achievement of a lasting, just and comprehensive peace which will bring stability and prosperity to the whole region, as well as security and peace for all its peoples. Oman continues to affirm its complete support for the legitimate rights of the Palestinian people to determine their own future in their own land, including the establishment



▲ His Majesty
welcomes
President
Yasser Arafat
of Palestine.

of an independent state. Oman has participated actively in the multilateral talks phase of the peace process, and has steadfastly opposed the use of violence and terrorism.

Gulf Crisis

Oman is committed to its policy of supporting United Nations Resolutions and has advised Iraq through diplomatic channels that UN weapons inspection teams must be allowed to return. Oman has always urged a peaceful solution, reached through diplomacy, to such crises in order to avoid a repetition of the conflict in 1991. At the same time Oman has expressed deep concern for the sufferings of the Iraqi people. Concern was also voiced by the Sultanate over the renewed confrontation resulting in American and British air strikes on Iraq in December 1998. All sides were urged to return to a peaceful framework in accordance with the Security Council resolutions.

The Middle East Desalination Research Centre

This Centre was established within the context of the Middle



East Peace Process, as a result of an Omani initiative within the Working Group on Water Resources. The Centre is dedicated to conducting and facilitating basic and applied research in desalination and related fields, training and the transfer of technology. It was established in Muscat at the end of 1996, with founder members Oman, the USA, Japan, Israel and the Republic of Korea contributing over US\$12 million to its initial funding. In addition the European Union have pledged 3million Ecus and intends to join the Centre as a founding member.

▲ His Majesty leads the Sultanate's delegation at the AGCC Heads of State Summit in Abu Dhabi in 1998.

Foreign Policy and Economic Development

Oman's foreign policy is guided by the need for the Sultanate to take an active role in the global economy. Free market principles are established by the Basic Statute of the State as the basis for the development of the Omani economy and the Sultanate is therefore fully committed to the principles which underpin the World Trade Organisation (WTO). Oman's accession to the WTO was initiated in 1996.

The General Council of the WTO established a working party

► His Majesty conveys his greetings to King Abdullah bin Hussain of Jordan on a visit to the Sultanate.





to examine the Sultanate's application for membership. During 1997, two meetings were held with the working party in Geneva to discuss Oman's foreign trade position, based on a memorandum submitted by the Government. Proposals have been made for transitional periods in implementing some of the WTO agreements. The third meeting of the working party with Omani delegates was held in June 1998.

In March 1998, Oman held bilateral negotiations on access to markets with the USA, the EU, Canada, Japan, Australia, New Zealand and Switzerland.

In the AGCC, Oman supports moves towards the harmonisation of the member economies as well as the enhancement of the AGCC's trade and economic cooperation relations with the European Union and other leading industrial countries and groups.

At the Abu Dhabi Summit in December 1998, the Supreme Council approved the timetable for establishing the AGCC States customs union, which will come into effect from March 2001. The single customs tariff is to be completed by December 1999.

▲ His Majesty visits Bahrain to convey his condolences to the Emir of Bahrain, Sheikh Hamad bin Isa Al Khalifa following the death of his father.



▲ His Majesty shows former President Nelson Mandela of South Africa a model of the Sultan Qaboos Grand Mosque which is under construction.

In February 1997 AGCC officials and their EU counterparts met in Doha to review progress in the economic relations between the Gulf States and the European Union. Similar negotiations with the EU to improve trade were held in Brussels during 1996, with Oman leading the AGCC team and Italy the European side.

The European Union is the largest trading partner of the AGCC countries. With the declining trend in oil prices the trade balance has tilted towards the EU, which in addition has levied tariffs on oil imports and petrochemicals from the Gulf. Oman and her neighbours want to encourage more inward investment from Europe and to see an end to trade barriers which they consider go against the spirit of the initial accord signed in Luxembourg in 1988. It is hoped that a free trade agreement will be finalised shortly, which would match exactly the requirements of the World Trade Organisation agreement.

Indian Ocean Rim Association

In 1997 Oman was among the fourteen founder members of

the Indian Ocean Rim Association for Regional Cooperation, a new association which aims to improve trade links and inward investment through the Indian Ocean region, from Australia, through South East Asia, India, Africa and the Arabian peninsula.

Oman, with India, Mauritius, South Africa, Australia, Singapore and Kenya had been working towards this association for at least two years. Sri Lanka, Malaysia, Indonesia, Yemen, Tanzania, Mozambique and Madagascar have since joined the movement which aims to improve trade links and inward investment.

In April 1999, it was announced that Egypt and the United Arab Emirates had been admitted to the organisation bringing the number of member countries to sixteen. The Sultanate will host the next ministerial meeting of the IORARC in the year 2001.

Oman enjoys strong ties with economic partners and friends in Asia, where exchanges of high-level visits have grown over the years.

The importance of close relations with India was underscored by His Majesty's state visit in April 1997. This was followed in August 1998 by the visit to Oman of Indian Prime Minister Atal Behari Vajpayee, who followed in the footsteps of former Prime Minister Narasimha Rao and President Shankar Dayal Sharma in 1996. In early 1997, an official high level delegation was sent to Sri Lanka and another to Japan and Brunei to strengthen existing ties and trade relations. In July 1997, a delegation visited Beijing for talks with senior Chinese officials.

Participation in Regional and International conferences

The Sultanate has participated in many regional and international conferences in recent years.

Border Demarcation

In November 1992, a ceremony was held in Riyadh to sign the final border maps between Oman and Saudi Arabia. The demarcation agreement had been signed between the two countries in March 1990. Copies of the maps showing the inter-



▲ His Majesty and H.H. Sheikh Zayed bin Sultan Al Nahayan of the UAE sign the Border Agreement between their two countries.

national boundaries between Oman and Saudi Arabia were deposited with the Arab League in Cairo in November 1995.

In June 1995, Oman and Yemen completed the demarcation of their borders in accordance with an agreement signed in 1992. In 1997, construction began on the 243 km highway linking Oman with the Yemen. Later in November, a ceremony was held in Cairo when Oman and Yemen deposited their international boundary maps with the Arab League. Annexes to the border agreement between the Sultanate and the United Arab Emirates were signed in Sohar in May 1999 during the visit of His Highness Sheikh Zayed bin Sultan Al Nahayan. The annexes regulate the border controls and define the authority of each country along their frontiers.

Oman has now demarcated all her land and sea boundaries with the exception of one maritime boundary with Pakistan. Oman and Qatar have strengthened diplomatic ties as a result of which their nationals can now travel to the others' country on an identity card instead of a passport. This easing of border controls



came into force in September 1995. Oman and the UAE have had a similar agreement since 1992.

Diplomatic Relations

Since 1970, the Sultanate of Oman has gradually established links all over the world and has never broken off diplomatic relations with any country. Diplomatic relations have been established with 135 countries:-

Albania, Republic of
 Algeria, Democratic and Popular Republic of
 Argentine Republic
 Armenia, Republic of
 Australia, Commonwealth of
 Austria, Republic of
 Azerbaijani Republic
 Bahrain, State of
 Bangladesh, People's Republic of
 Belarus, Republic of

▲ Khadija bint Hassan al-Lawati, Oman's first lady Ambassador, swears an oath of allegiance before His Majesty, on her appointment to the Netherlands.

Belgium, Kingdom of
Bolivia, Republic of
Bosnia and Herzegovina, Republic of
Brazil
Brunei Darussalam, State of
Bulgaria, Republic of
Burkina Faso
Burundi, Republic of
Cameroon, Republic of
Canada
Chad, Republic of
Chile, Republic of
China, People's Republic of
Colombia, Republic of
Comoros, Federal Islamic Republic of the
Congo, (formerly Zaire) Democratic Republic of the
Côte d'Ivoire, Republic of Ivory Coast
Croatia, Republic of
Cuba, Republic of
Cyprus, Republic of
Czech Republic
Denmark, Kingdom of
Djibouti, Republic of
Ecuador, Republic of
Egypt, Arab Republic of
Eritrea, State of
Estonia, Republic of
Ethiopia, Federal Democratic Republic of
Finland, Republic of
France
Gabonese Republic
Gambia, Republic of the
Germany, Federal Republic of
Ghana, Republic of
Greece, Hellenic Republic of
Guatemala, Republic of
Guinea, Republic of
Guinea-Bissau, Republic of
Guyana, Co-operative Republic of

Honduras, Republic of
Hungary, Republic of
Iceland, Republic of
India, Republic of
Indonesia, Republic of
Iran, Islamic Republic of
Iraq, Republic of
Ireland
Italy
Jamaica
Japan
Jordan, Hashemite Kingdom of
Kazakhstan, Republic of
Kenya, Republic of
Korea, Democratic People's Republic of
Korea, Republic of
Kuwait, State of
Kyrgyzstan, Republic of
Latvia, Republic of
Lebanon, Republic of
Lithuania, Republic of
Luxembourg, Grand Duchy of
Macedonia, Republic of
Malaysia
Maldives, Republic of
Mali, Republic of
Malta, Republic of
Mauritania, Islamic Republic of
Mauritius, Republic of
Mexico, United Mexican States
Moldova, Republic of
Mongolia
Morocco, Kingdom of
Mozambique, Republic of
Nepal, Kingdom of
Netherlands, Kingdom of the
New Zealand
Nicaragua, Republic of
Niger, Republic of

Nigeria, Federal Republic of
Norway, Kingdom of
Pakistan, Islamic Republic of
Palestine
Panama, Republic of
Peru, Republic of
Philippines, Republic of the
Poland, Republic of
Portugal, Republic of
Qatar, State of
Romania
Russian Federation
Rwanda, Republic of
Saint Lucia
São Tomé and Príncipe, Democratic Republic of
Saudi Arabia, Kingdom of
Senegal, Republic of
Seychelles, Republic of
Sierra Leone, Republic of
Singapore, Republic of
Slovak Republic
Slovenia, Republic of
Somalia
South Africa, Republic of
Spain, Kingdom of
Sri Lanka, Democratic Socialist Republic of
Sudan, Republic of the
Sweden, Kingdom of
Switzerland
Syrian Arab Republic
Tanzania, United Republic of
Thailand, Kingdom of
Tunisia, Republic of
Turkey, Republic of
Turkmenistan, Republic of
Uganda, Republic of
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland

United States of America
 Uruguay, Oriental Republic of
 Uzbekistan, Republic of
 Venezuela, Republic of
 Vietnam, Socialist Republic of
 Yemen, Republic of
 Zambia, Republic of
 Zimbabwe, Republic of

**Membership of the Sultanate in Gulf, Arab,
 Islamic and International Organisations**

Gulf Organisations	Date joined
Arab Gulf Cooperation Council	25.5.81
Arab Centre for Educational Research	1.12.73
Higher Education Council	1.12.73
Arab Education Office for the Gulf States	1.12.79
Arab Gulf States' Joint Programme Production Organisations	25.3.82
Arab Gulf University	16.8.80
Co-operation Council States Specifications and Standards Board	9.11.82
Gulf International Bank	1.2.86
Gulf Organisation for Industrial Investment	20.10.76
Gulf News Agency	13.6.82
Gulf States Labour & Social Affairs Minister's Follow-up Office	6.2.78
Gulf Television Board	10.4.80
Technical Office for Communications (Gulf States Co-operation Council)	1983
Arab Organisations	
League of Arab States	29.9.71
Arab Academy for Maritime Transport	31.8.75
Arab Administrative Development Organisation	4.75
Arab Bank for Economic Development in Africa	1.2.75
Arab Centre for the Study of Arid Zones and Dry Lands	30.4.75
Arab States Civil Aviation Council	15.10.73
Arab Fund for Economic & Social Development	30.4.75

Arab Girl Guides Office	1976
Arab Health Ministers' Council	4.9.75
Arab Housing Ministers' Council	23.9.82
Arab Industrial Development Organisation	12.1.80
Arab Interior Ministers' Council	23.9.82
Arab Justice Ministers' Council	23.9.82
Arab Labour Organisation	9.2.73
Arab League Educational, Cultural and Scientific Organisation	14.6.73
Arab Monetary Fund	5.2.77
Arab Organisation for Agricultural Development	18.2.74
Arab Organisation for Classification of Vessels	9.12.98
Arab Organisation for Specifications & Standards	6.7.74
Arab Planning Institute	7.12.80
Arab Postal Union	1.7.71
Arab Scouts' Office	1976
Arab Social Affairs Ministers' Council	26.3.80
Arab Social Defence Organisation Against Crime	26.3.73
Arab States Broadcasting Union	14.6.72
Arab Telecommunications Union	30.11.83
Arab Tourism Organisation	27.8.84
Arab Transport Ministers' Council	28.3.85
Arab World Institute in Paris	30.11.87
Arab Youth & Sports Ministers' Council	1.4.78
Arabsat	10.7.76
Inter-Arab Investment Guarantee Corporation	5.5.77
Organisation of Arab Cities	24.9.71
Agreement for Simplification Developing Trade Exchange among the Arab States	29.10.97
Arab Agreement for Prevention of Terrorism and Fundamentalism	22.4.98

Islamic Organisations

Islamic Conference Organisation (ICO)	29.2.72
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al-Quds Fund (Jerusalem)	1976
International Committee for the Preservation of Islamic Heritage	1978
Islamic Capitals Organisation	1982
Islamic Centre for Commercial Development	1979
Islamic Centre for Technical and Vocational Training and Research	4.78
Islamic Development Bank	12.8.74
Islamic Education, Scientific and Cultural Organisation (ISESCO)	1980
Islamic Fiqh Council	1982
Islamic History & Cultural Research Centre	1976
Islamic International News Agency	1970
Islamic States Broadcasting Organisation	1975
Islamic States Centre for Statistical, Economic and Social Research Training	1977
Islamic Solidarity Fund	1974

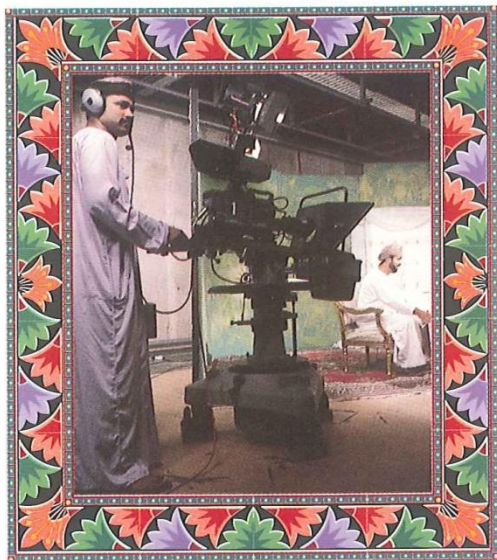
International Organisations

United Nations Organisation (UN)	7.10.71
International Bank for Reconstruction and Development	23.12.71
International Civil Aviation Organisation	23.1.73
International Epizootic Office	1977
International Fund for Agricultural Development	1983
International Labour Organisation (ILO)	31.1.94
International Maritime Organisation (IMO)	31.1.74
International Maritime Communications Organisation	30.12.80
International Monetary Fund (IMF)	23.12.71
International Telecommunications Union	28.2.72
UNESCO	10.2.72
FAO	11.71
UN Industrial Development Organisation (UNIDO)	6.85
Universal Postal Union	17.8.71
World Health Organisation (WHO)	28.5.71
World Meteorological Organisation	2.2.75

World Trade Organisation (WTO)(observer status)	1996
Inter-Governmental Bureau for Informatics	6.9.86
Interpol	16.9.72
International Association of Lighthouse Authorities	25.6.87
Internal Association of Schools and Institutes of Administration	1986
International Civil Defence Organisation (ICDO)	1985
International Hydrographic Organisation	25.6.87
International Institute of Administrative Science	1985
International Organisation for Legal Meteorology	1989
International Organisation for Training and Welfare of the Disabled	—
International Satellite Organisation (INTELSAT)	3.1.75
International Organisation for Specifications and Standards	1989
International Union Against Tuberculosis	1985
International Union for Conservation of Nature	4.6.75
International Union of Child Welfare	1980
International Whaling Commission (IWC)	1980
Non - Aligned Movement	5.9.73
World Scout Bureau (WSB)	1979
World Association of Girl Guides (WAGGS)	1987
World Council for Welfare of the Blind	1979
World Organisation for Intellectual Property	19.11.96
International Union of Radio Amateurs	1987
World Food Programme	1987
Indian Ocean Rim Association	3.97

Other Regional Organisations

Afro-Asian Insurance Union	1981
Afro-Asian Legal Consultation Committee	1986
Afro-Asian Organisation for Rural Development	1979
Arab Gulf Organisation for Support of Development Activities for the United Nations (AGFUND)	
Regional Organisation for Protection of the Maritime Environment.	



INFORMATION

Information plays a vital role in the political, social and economic future of a modern state. It brings many benefits to the people and gives an added dimension to the quality of life and well-being of a nation. It is therefore hardly surprising that as much attention has been paid to advancing the media in Oman as any other aspect of the country's rapid and successful development.

Sultanate of Oman Radio

In 1970, only one week after His Majesty the Sultan came to power, a small broadcasting station was established at Bait al-Falaj. It was only a one kW transmitter but it enabled people to hear the voice of their leader for the first time. In the following year transmissions began from Salalah and in 1972 a new medium wave 10 kW station was inaugurated, broadcasting regularly 14 hours a day and 18 hours on holidays. In 1975 the Ministry installed 100 kW medium wave transmitters in Muscat and Salalah and in 1979 linked the two broadcasting stations by satellite. VHF FM transmitters were installed and further improvements were made to the medium and short wave broadcasts so that the 'Voice of Oman' can now be heard in all parts of the country as well as in the Gulf and East Africa.

Broadcasts are now made in Arabic on 1242 kHz from Muscat (738 kHz from Salalah). A new transmitter in Haima opened in 1995, which covers the central area of the country on 576kHz. Transmissions are also made on FM giving a total of 24 hours of broadcasting daily. There are also broadcasts in English on 90.4 kHz from Muscat (94.3 kHz from Salalah). There are three main



▲ A Sultanate of Oman Radio announcer reads the news.

news bulletins every day in English and the service broadcasts mainly classical music in the mornings, with light entertainment and popular music in the afternoon and evenings.

The material broadcast is 80% locally produced, thanks to contributions from all parts of Oman as well as from correspondents in thirteen cities round the world. Programmes are transmitted through the satellite TV channel allocated to Sultanate of Oman Television by ARABSAT and NILESAT. Since November 1997, the Internet has also been used for transmissions.

Sultanate of Oman Television

Television transmissions from Muscat commenced in November 1974, while the Salalah television station started transmitting to the Dhofar Governorate in November 1975. In 1979 the two stations were linked by satellite to form a single Oman TV channel. Oman thus became one of the first Arab countries to use a satellite for domestic transmission. In the last few years, the Ministry has set up an extensive network of main and relay booster stations. The 28 main stations, which use a



satellite reception and retransmission system, cover the whole of the Sultanate from Musandam in the Gulf to Sarfait on the border with the Republic of Yemen. The total number of booster stations, including the 89 relay stations, is 117, of which more than 60 are solar powered. In spite of the mountainous nature of much of the terrain, television transmissions are received in most of the populated areas.

In 1998, the Ministry signed an agreement with the Egyptian Company, NILESAT, to be allocated a channel on the system which covers most of the Arab world. As part of the agreement four audio channels have also been leased for use by Oman Radio and the Oman News Agency. In December 1998, Oman TV started transmissions to European countries via Hot Bird 4 Satellite, 13 East, Channel 97, frequency 27,500 on a polar horizontal linear direction. The Ministry is currently discussing the possibility of leasing channels and cable lines in Europe and America for the benefit of Arab audiences in those countries.

Oman TV has achieved a major breakthrough with 24 hour broadcasts since November 1998 with two thirds of its

▲ Some of the awards won by Oman Television.



▲ An interested visitor to an Exhibition on Oman in Tunisia.

programmes locally produced. There are now seven telecasts daily as part of the news bulletins.

National Day Film

The 1998 National Day film *'The Omanis - A Nation on the Move'* continued the theme of business opportunities in Oman and the attractions of the country for foreign investors seen through the eyes of a new generation of successful Omani entrepreneurs. It has been distributed to foreign TV stations and to Oman's embassies on video cassette. The Ministry in association with other Government bodies has continued to place emphasis on national development issues with live telecasts once a week as part of the morning coffee programme (Qahwah Al-Sabah). This programme has particular relevance as part of the support for the 'Second Year of the Private Sector' and will help a wider public understand the importance of the private sector contribution to the economy. A number of other popular live programmes continue to be transmitted, such as, Umsiyat (Evenings) and liqa' al-Khamis (Thursday phone-in). Particular attention is paid to



programmes shown during Ramadhan. Quiz shows have become extremely popular with viewers being able to phone in the answers in the hope of winning a prize. There are also studio audiences and teams competing for the prizes.

The Ministry attaches great importance to staff development and training. Television staff have been sent on numerous courses and study programmes. Omanisation of the radio and television services has always been an important objective for the Ministry since the services began. Now over 95% of the staff are Omani which is quite an achievement given the technical competence and skills demanded of them over such a short space of time.

Oman Centre for Traditional Music

The Centre is responsible for the collection and documentation of the traditional folk music of Oman. It has an impressive collection of video tapes, sound recordings and colour photographs of the songs and dances which have been handed down from generation to generation. The collection is now indexed on

▲ A training course is held in the Press Club.

computer in Arabic and English. Since its establishment the Centre has produced a number of publications. In 1997 two books were produced. One, in Arabic only with an accompanying tape, was entitled 'Traditional Omani Music and the Science of Music' in two volumes; the other was published in Arabic, English and German with the title 'The Role of Women in Omani Musical Life'. In 1998 two more collections were published, one in Arabic and the other in English accompanied by a CD. The Centre has prepared several programmes for Oman TV which have been transmitted on separate occasions. There is currently a 14-episode weekly TV programme being shown called 'Omani Traditional Music - a Scientific Overview', with Omani music and dancing.

In October 1997 the International Association of Sound and Audiovisual Archives (IASA) held its annual conference at the Press Club in Oman, which was attended by representatives from 22 countries. The Oman Centre for Traditional Music, which joined the Association in 1989, gave a display of song and dance at the opening of the conference. Oman was the first Arab country to join the Association. In 1998 the Centre participated in the Second Cultural Festival held in Qatar and the Sohar dance troupe performed at the Cairo Music Festival.

Oman News Agency

The Oman News Agency (ONA), which was established in 1986 by Royal Decree has become a valuable link in the mass media both at home and abroad. At home it is the distribution channel for all official press releases concerning foreign affairs, the economy and development, as well as for social and cultural activities. The agency follows the international news through its correspondents in foreign capitals and through up-to-date technology using the Internet and satellite. The ONA receives news and pictures from Arab and foreign countries and transmits to them.

The Omani Press

The Oman Establishment for Press, News Publication and Advertising was established by Royal Decree in June 1997. The Oman News Agency comes under the umbrella of this organisation.



Oman currently has more than 25 publications available to the public, of which five are daily newspapers (three in Arabic, two in English) and four weekly magazines. The remaining publications are of a specialist nature and are published by the Government or other institutions like the Oman Chamber of Commerce Industry and Central Bank of Oman. The most important Government publication is the Official Gazette which contains the complete text of all Royal Decrees and Ministerial Decisions. The promulgation of any new legislation is always carried by the daily press and announced on radio and television.

In 1998, the Ministry ran a training course for editors with the help of UNESCO. As well as catering for Ministry staff, the training programme was attended by Omani and AGCC journalists.

Muscat International Book Fair

The fourth Muscat International Book Fair was held at the Oman Exhibition Centre in February 1999. Some 300 publishers

▲ The Omani Establishment for Press, News, Publication and Advertising at Qurm.

from 17 countries participated. The main Omani exhibitors and organisers were the Ministry of Information, the Ministry of National Heritage & Culture, Sultan Qaboos University, the Omani Centre for Traditional Music and the Oman Chamber of Commerce & Industry.

The Internet

The Ministry has no responsibility for the Internet service which was introduced to Oman in 1996. No steps are being taken to control incoming or outgoing data. The Ministry has established its own website in both English and Arabic. It is updated frequently with important events relating to Oman, and includes some sections from this booklet. The previous edition of this booklet 'Oman 98/99' was published by the Ministry in Arabic and English on an audio-visual CD-Rom to mark the country's National Day. Requests for information are received daily by e-mail, omanet@omantel.net.om, from all over the world and replies are sent promptly.

Other Ministries are making use of the Internet, which is run by OMANTEL to promote Oman on the World Wide Web. The connection to the Internet is seen as one of the best ways of promoting Oman's economy by providing instant information to investors on the political, economic and social climate of the country.

The negative aspects of the Internet can be reduced and undesirable material blocked off before it reaches Oman through technical procedures initiated by OMANTEL. Individual subscribers can still access the Internet via providers in other countries but this is very much more expensive than going through the OMANTEL system.

Web site addresses:

Ministry of Information: www.omanet.com

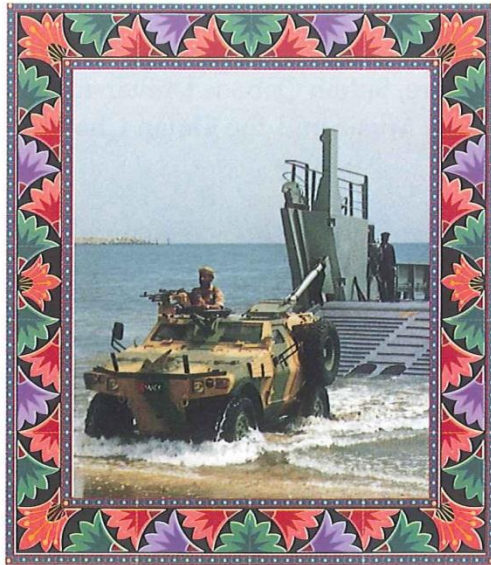
Oman News Agency: www.omannews.com

Radio Sultanate of Oman: www.oman-radio.gov.om

Oman TV: www.oman-tv.gov.om

Oman Daily Observer: www.omanobserver.com

Times of Oman: www.omantimes.com



DEFENCE

the Commanders of the three Services and the Royal Guard and the Head of Internal Security. According to the Basic Statute, Article 6, the Council has the duty of deciding the succession to the throne, should the Ruling Family Council not be able to reach an agreement.

Defence Council

In December 1996, following the promulgation of the Basic Statute of the State, the Defence Council was established by Royal Decree. The Council is chaired by His Majesty the Sultan and its members are the Minister of the Palace Office, who also heads the office of the Supreme Commander, the Inspector General of Police and Customs,

The Sultan's Armed Forces (SAF)

The Sultan's Armed Forces, with their high standard of training and modern equipment, have become a formidable defensive shield for the peace, security and stability of the Sultanate. Under the inspiration of His Majesty the Supreme Commander of the Armed Forces, their professionalism and dedication to the task of defending their country has gained for them the respect and confidence of the Omani people and their brother States of the AGCC.

Armed Forces Day

In December each year SAF celebrates Armed Forces Day which commemorates their success in bringing the conflict in the south to an end in 1975 after a long and arduous struggle against externally supported dissident elements. On Armed Forces Daysports



▲ The infantry attack.

competitions, which form an integral part of military training, and other displays are held in all units. There is no compulsory military service in Oman and there is stiff competition to join the Armed Services. The training and skills offered to the serviceman stand him in good stead for civilian life later on. Both in uniform and in retirement, he and his family are well cared for and are proud of the service they have rendered to their country. Veterans' Day is another annual event attended by about 300 former servicemen and their guests. The history and development of the Armed Forces is vividly presented in the SAF Museum at Bait al-Falaj. The building was once the permanent Headquarters of SAF but in 1978 the Ministry of Defence was established in a new camp at Muaskar al-Murtafa'a near Seeb Airport and work began on the concept of creating a Museum in the old building. The Museum was inaugurated by His Majesty in 1988.

The Royal Army of Oman (RAO)

The Royal Army of Oman consists of the three 'teeth arms' - infantry, armour and artillery with supporting services. The

infantry arm consists of the Muscat Regiment, the Northern Frontier Regiment, the Desert Regiment, the Mountain Regiment, the Oman Coastal regiment, the South Oman Regiment and the Western Frontier Regiment. It also has a Parachute Regiment, equipped with reconnaissance vehicles, the Special Forces and the Firqat Forces which were originally formed as irregulars during the war in the south. Since 1975 the Firqat Forces have been integrated into the RAO as reconnaissance and rural security units. The artillery and armoured regiments are equipped with the latest heavy and medium field guns, tracked vehicles, radar and an advanced air defence capability. Both arms have their own training establishments.

In November 1997 an agreement was signed for the supply of 20 Challenger-2 main battle tanks with ancillary equipment and facilities.

Giving close support are the Engineers, who are trained to clear minefields and other obstacles from the battlefield. They are equipped with mechanical troop transporters, armoured engineer reconnaissance vehicles, the latest detection and warning equipment for weapons of mass destruction and poison gases, decontamination and chemical warfare equipment. The Engineers have also contributed to the development of the country by building roads in remote areas and helping rural communities with construction projects. The Signals units and the Electrical and Mechanical Engineers play a vital role in modern warfare, providing the communications and technical back-up without which a modern army cannot function. The Royal Army of Oman also has its own medical services which make a valuable contribution to the health of the nation. In 1993 the military hospital at al-Khoudh was acclaimed by UNICEF as one of the leading hospitals in the world offering special care to children. Officer cadets are trained at the Sultan Qaboos Military Academy before being commissioned into their regiments. In December 1998 His Majesty the Sultan took the salute at the passing out parade of Commissioning Course No.38. Courses run concurrently and are of two years' duration. Senior officers attend the Sultan's Armed Forces Command and Staff College. The 12th training course started in September 1998 and included officers from all branches of the services, as well as officers from the AGCC armed

► A heavy piece of artillery in action.

► The Army and Navy cooperate in amphibious exercises.



OMAN'99



forces and for the first time participants from the Yemeni armed forces. Senior Omani officers from all three services also attend overseas defence colleges as part of their advanced training.

High priority is given to training and cooperation with other friendly forces. The annual AGCC Exercise Peninsula Shield was held in March 1999 in the United Arab Emirates. Other important training exercises included live firing demonstrations and tactical manoeuvres, including a Saqr-2, carried out by the Parachute Regiment with support from other units.

In September 1998, the band of the Royal Army of Oman took part in the International NATO Military parade held in Australia.

The Royal Air Force of Oman (RAFO)

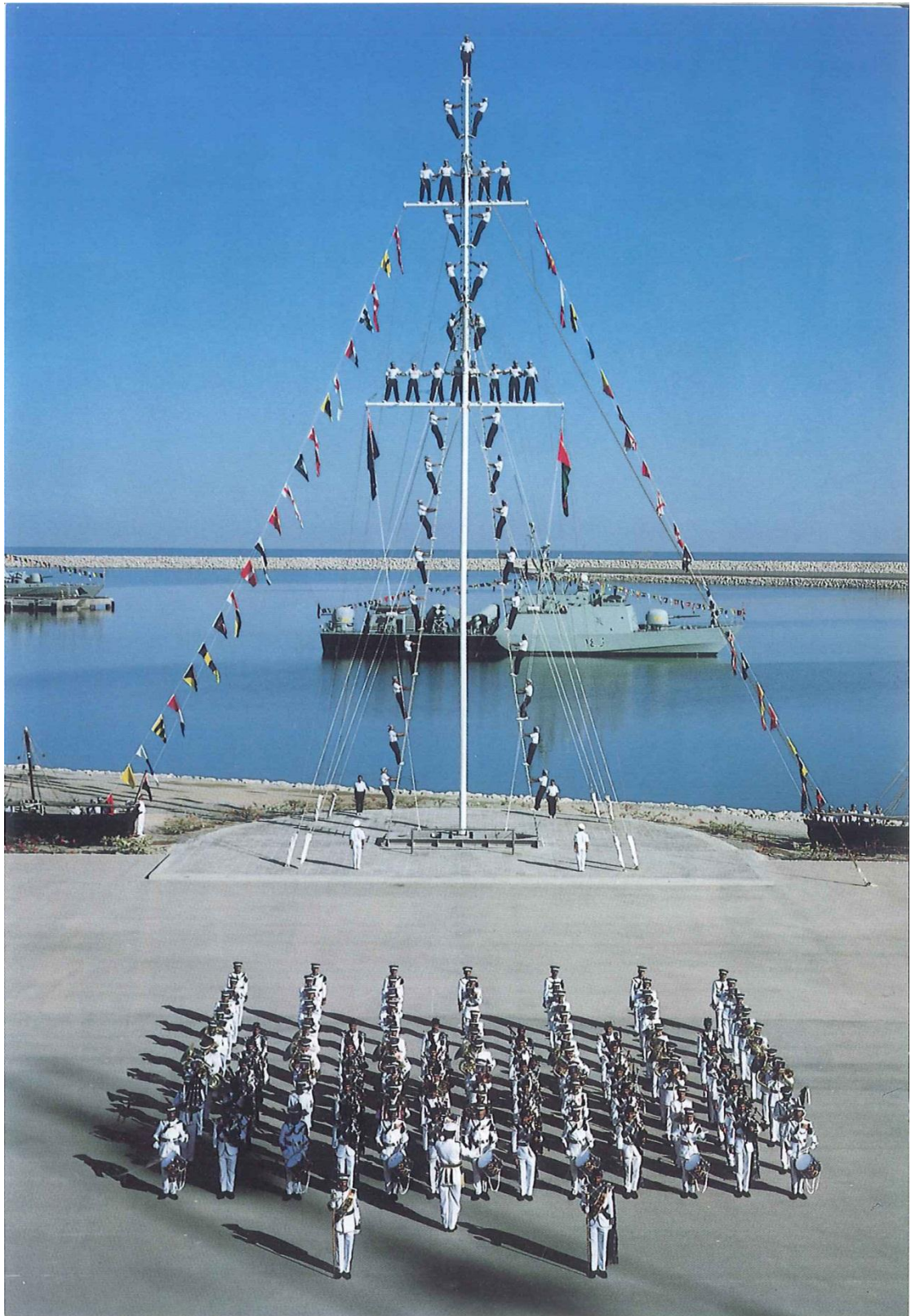
The Royal Air Force of Oman is equipped with Hawk (100 and 200 series) and Jaguar fighters and Strikemaster ground attack aircraft, as well as helicopters and C130 transport aircraft.

In September 1997 an agreement was signed to upgrade the Jaguar fighter aircraft to the Jaguar 97 standard and to extend their operational lives.

▲ Jaguar aircraft of the Royal Air Force of Oman.

► His Majesty decorates an officer on the occasion of the RAFO's 30th anniversary celebrations.





The RAFO has the Rapier missile system for air defence and operates an early warning and control system over the whole of Oman's air space. Joint fighter and helicopter exercises are carried out with AGCC air forces and RAFO has also taken part in other air exercises with Arab and other friendly countries. In 1986 The Sultan Qaboos Air Academy on Masirah Island was inaugurated under the auspices of His Majesty the Sultan for the training of officers and aircrew. There is also a Technical Air College which trains the technicians in the skills needed to maintain sophisticated radar and aircraft equipment, as well as numerous specialised schools. Apart from its defensive role the RAFO helps communities in remote areas with delivery of food and vital supplies and operates a flying doctor service. In conjunction with the ROP, RAO and RNO the RAFO plays an important role in land and air-sea rescue. It also patrols over the sea to assist the Ministry of Regional Municipalities and the Environment to combat the threat of marine pollution. Support is also given to the Ministry of Agriculture and Fisheries in locust control operations and monitoring of fishing vessels from the air. Internationally, the RAFO has participated at Air Tattoos and has flown urgent relief supplies for earthquake victims in Baluchistan and Iran. In June 1999 the first consignment of humanitarian aid was loaded aboard a RAFO C130 and dispatched to Kosovo refugees. The consignment included food and medicines to be distributed by UN relief agencies. The relief effort was been arranged through several ministries, the Oman Charitable Organisation and other private contributions.

The Royal Navy of Oman (RNO)

The naval base in Muscat harbour, which was established in the early seventies, had no room to expand. The decision was therefore taken to construct the Said bin Sultan naval base at Wudam on the Batinah coast to accommodate an expanding fleet and provide the necessary administration, technical, accommodation, training and fleet support facilities. In October 1995 two new fast gunboats, RNOV al-Bushra and RNOV al-Mansour arrived in Oman to join the fleet as replacements for older vessels. In early 1996 the fast patrol boat RNOV al-Najah was launched in France to join the fleet in June, replacing RNOV Fulk, one of the original fast patrol boats which had been in service for 19 years. In

◀ **The Royal Navy of Oman parade on Armed Forces Day.**



September 1996, the first corvette to join the RNO, RNOV Qaher al-Amwaj built in Southampton was commissioned as part of the programme to upgrade Oman's naval capability. A second corvette, RNOV al-Muazzar, joined the fleet in April 1997. The RNO also operates a Landing Craft Mechanised Squadron. The four ships - RNOVs Al-Neemran, Saba al-Bahr, al-Dhogas and al-Temsah - provide support for SAF amphibious exercises and are tasked for a variety of logistic operations.

▲ Some of the RNO's modern ships.

The annual naval exercise Assad al-Bahr was carried out in May 1999 in Oman's territorial waters.

An important task carried out by the RNO is hydrographic survey work, which is essential for the safe passage of ships through the Strait of Hormuz and Oman's international waters. The National Hydrographic Office (NHO) has published seven of a planned series of 50 charts to cover the entire coast of Oman. The annual edition 1999 of the National Tide Tables produced by the Hydrographic Office has also been very well received.

The RNO has been called on to assist vessels in distress, like the Ukrainian yacht adrift off the coast of Dhofar during the monsoon

in 1998. The RNOV al-Bushra on routine patrol towed the yacht with a crew of eight on board into the safety of Port Salalah.

The RNOV Shabab Oman is not only a sail training ship, but also a roving ambassador for the Sultanate and a reminder of Oman's maritime heritage. She has visited many countries, including the United States, Great Britain and France. In 1997 the RNOV Shabab Oman set sail for Japan on her eighth international voyage to take part in the centenary celebrations of the port of Osaka in April, where she was awarded the Cutty Sark Trophy for the second time, in addition to a silver shield. No other nation has won the trophy for a second time since the inception of the International Sail Training Association. In May 1999 RNOV Shabab Oman came to the rescue of the crew of a commercial vessel in distress close to al-Halaniyat islands.

The RNO, like the ROA and RAFO, has its own band of musicians and other services associated with a modern navy. The band performs at national and RNO celebrations and other religious and public festivities.

The Royal Guard of Oman (RGO)

The Royal Guard Regiment was formed in 1973 to protect and escort His Majesty Sultan Qaboos, as well to guard Royal property and visiting personages. It is a corps d'elite which is trained as both a combat and ceremonial unit. Exercises are held on a regular basis and the RGO competes with other units of the armed forces in sporting and military events.

In 1981 the RGO was expanded from a regiment to brigade strength and in 1985 received its Royal Standard from His Majesty. On 1st November 1987 the title was changed to the Royal Guard of Oman. This date is celebrated annually as RGO Day. The Royal Guard has four line regiments and a support regiment, as well as mounted troops, a motorcycle display team, a free-fall parachute display team and three military bands, one of which is mounted. The bands have earned a high reputation for their performances not only in Oman, but also at events overseas like the Edinburgh Military Tattoo and Sydney International Tattoo.

In November 1976 the Royal Guard was given the task by His Majesty of establishing a school to give technical education to sons



▲ The Royal Guard of Oman on parade.

of its serving members. The school has over 200 students and follows a curriculum with the emphasis on engineering and technology. There is an entry examination in Arabic subjects, but English is taught as part of the technical syllabus. There is intense competition for the thirty places each year due to the excellent results achieved, which lead to good career prospects in technical fields.

Royal Oman Symphony Orchestra (ROSO)

The Royal Oman Symphony Orchestra was established by the gracious orders of His Majesty Sultan Qaboos bin Said in 1985 and formed under the aegis of the Royal Guard of Oman.

The project was unique from the outset, because unlike every other venture where western classical music was introduced for the first time to a country without it, only Omani nationals are employed as players. There has been no strengthening by experienced expatriate performers except in a teaching capacity. Moreover it was wisely decided that the training process should take place in Oman itself, rather than in a foreign country with an

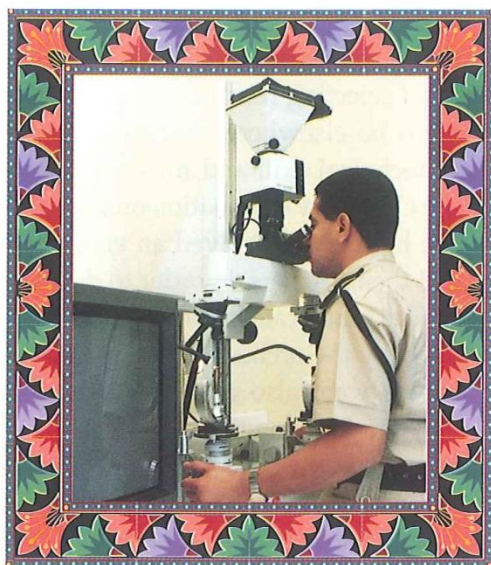
existing scheme, in order that the young Omanis selected for study would remain within familiar surroundings.

Furthermore, in the process of selecting recruits, it could never be taken for granted as it might be elsewhere, that they would already possess high levels of technical skill and musical understanding. Players could only be chosen by elimination on the basis of potential. Realising this to a high level involved an enormous effort on the part of student and their teachers, in order to develop the necessary integrated technical, musical, theoretical, creative and inter-personal skills required by the orchestral performer. At the same time the young players were also required to master English, which is the day-to-day working language.

The Royal Oman Symphony Orchestra gave its inaugural concert on 1st July 1987, only one year after the beginning of music training. The first public concert followed on 5th July 1988 and both concerts were attended by His Majesty the Sultan in the then recently built Oman Auditorium in Muscat. The success of these early stages of development has provided great self-confidence for the future.

Initially all players were boys, but in November 1988 girls joined for the first time. During the following years the standard of achievement has risen steadily and the demand for the Royal Oman Symphony Orchestra has grown considerably. As well as performing an important personal service for His Majesty the Sultan, Oman is one of the only countries in the world where distinguished visitors are greeted by live performances of classical music, the Royal Oman Symphony Orchestra has a lively series of public concerts each year. This fulfills an important missionary role in bringing to Oman classical masterpieces, often for the first time, as well as distinguished international soloists and conductors. It also contributes to many cultural, commercial and diplomatic events.

In its latest development the Royal Oman Symphony Orchestra is beginning a new role as musical ambassadors for Oman in its visits abroad.



ROYAL OMAN POLICE

impressive developments seen in Oman. The Royal Oman Police adopts a high media profile and aims to create a climate of public awareness of the work done by the Force. Emphasis is placed on the prevention of crime, traffic accidents and the hazards of natural disasters, such as fire and flood.

In 1991, the Royal Oman Police established an Omanisation plan and by the end of 1998 the ROP had achieved over 98% Omanisation. Expatriates provide certain specialist skills, but as part of the plan are training Omanis to take over from them in the medical services, aviation engineering, computer programming, police dog handling, forensic medicine, laboratory analysis, fire prevention and fingerprinting.

Organisation

The Headquarters of the Royal Oman Police (ROP) are in Qurum with eight Regional Headquarters, which control police divisions within the Governorates and Wilayats. There are also Directorates-General with special responsibilities. In 1998, a new headquarters building was opened in the Sharqiyah. New police stations have been constructed in Birka and Sinaw, as well as a new vehicle inspection and licensing complex in Ibra. In 1998, the

Oman is a notably law abiding country and there is no organised crime. This is due to the strong influence of Islamic principles, close family ties and Omani customs and traditions.

Since 1974 when His Majesty conferred the title Royal Oman Police on the newly formed force, its expansion and achievements throughout the country have been one of the most

final stage of the new office complex for the Dhofar Governorate Police Command was completed and in 1999 new border posts at Tiban and Sarfait became operational.

Directorate-General of Operations

It is responsible for maintaining general law and order, the security of public buildings and vulnerable installations as well as policing special events and ceremonies.

Directorate-General of Criminal Investigation

Equipped with modern techniques for detecting crime, the Directorate has branches attached to police headquarters. The law prescribes the death penalty for pre-meditated murder, but this is seldom carried out and executions when they do occur are not a public spectacle. In April 1999, a new narcotics law issued by Royal Decree 17/99 prescribed a variety of penalties for drugs offences. In extreme cases, such as those involving minors in the commission of drugs offences, the death sentence may be imposed. Serious crime, whether committed by Omanis or expatriates, is always reported in the local press. In fact in 1998, there was only a 1% increase in reported crime with 6,609 cases compared to 5,852 in 1997.

In March 1997, the Penal Code was amended by Royal Decree stipulating severer penalties for adultery, gambling and alcohol abuse. In June 1996, measures were announced to clamp down on the illegal possession of firearms which can only be licensed to Omanis aged 25 years or over. Although the law covers such serious offences, the most common cases investigated by the ROP are financial and property offences such as cheque fraud and petty theft.

Directorate-General of Immigration & Passports

In 1997 a new type of passport for Omanis began to be issued. An important feature of the new passport is that it can be read electronically and contains a number of security precautions against forgery. At the same time the Omani Passport Law was promulgated by Royal Decree providing, amongst other regulations, for stringent penalties to be imposed on anyone obtaining a passport by fraudulent means.

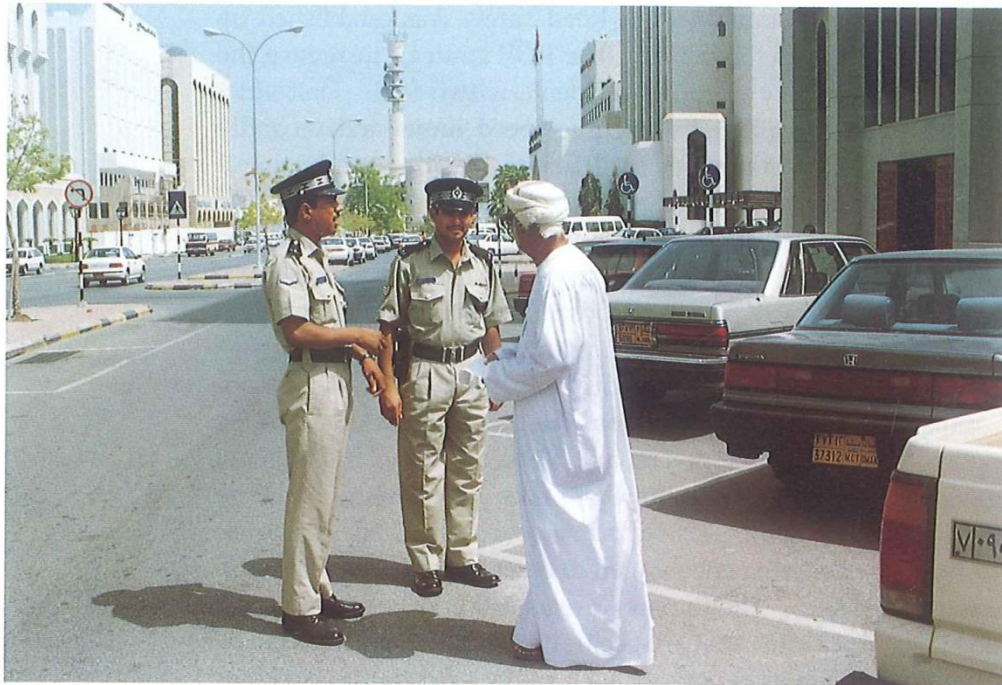
Immigration cards no longer have to be completed by travellers arriving in or leaving the Sultanate. The ROP is continually examining ways of speeding up formalities without loss of security. From January 1998 simpler entry procedures made it easier for tourists and businessmen resident in any of the AGCC countries to enter the Sultanate. They are now able to obtain a two week visitor's visa at Seeb Airport or the al-Wajajah border post. With the importance attached to the development of the private sector it is hoped that this measure will encourage tourism and business. In 1998 reciprocal agreement was reached with the eight European states, which are signatories to the Schengen Agreement, for a one-year multi entry visa. Omani businessmen can also obtain a two-year multi entry to the UK and USA under a similar reciprocal agreement. In January 1999 the transit visa period at Seeb International Airport was extended from 24 to 72 hours to encourage international travellers to break their journey and familiarise themselves with the facilities offered by the Sultanate. In May 1999, more flexible arrangements were introduced for ships' crews and airline crews to enter Omani territory for short visits. In a further relaxation of the visa rules designed to facilitate business and commercial travel, a new 72-hour express visa was introduced in July 1999 and, unlike other visas, requires no sponsors. It is only available at a special counter at Seeb International Airport for a fee of RO25 per visa payable in any major international currency.

Already agreement has been reached with other AGCC countries, namely the UAE, Qatar and Kuwait to allow citizens to travel on identity cards between each other's countries. It is hoped that similar agreement will soon be reached with Saudi Arabia and Bahrain.

High level meetings are held between the ROP and their opposite numbers in neighbouring countries to discuss mutual concerns over borders and immigration. In April 1997, a new border post at al-Mazyounah on the frontier with Yemen was opened. This police post will play an increasingly important role as trade develops with the Yemen

Directorate-General of Traffic

New registrations of vehicles increased to 46,495 in 1998 com-



▲ A citizen asks advice from two members of the ROP.

pared with 40,945 in 1997. The number of new driving licences issued went up from 26,877 to 28,166. At the end of 1998, there was a total of 467,370 licence holders. The huge increase in traffic in recent years has posed a serious problem for the Royal Oman Police and a great deal of police time is spent on dealing with traffic accidents. ROP statistics released for 1998 show that the total number of accidents went down, but that fatalities rose. There were 8,049 accidents in 1998 compared with 8,444 in the previous year. Although there has been a downward trend in the number of accidents in recent years deaths still average more than one a day. There were 614 deaths in 1998 compared with 549 in 1997. Statistics for the last two years show that most fatal accidents tend to occur at the weekend. About eighty per cent of fatalities are male, mainly in the 20-50 age group. Total injuries increased slightly in 1998 from 7,278 to 7,913. Speeding and careless driving are the main causes of accidents. The ROP have recently announced that only 'handfree' use of mobile phones will be permitted in vehicles to prevent drivers from losing concentration and driving without due care and attention.

The National Committee for Road Safety was established by Royal Decree in October 1997. The ROP strategy to reduce the high cost to society of traffic accidents is two-fold. First strict enforcement of regulations, such as speed limits and secondly raising public awareness of road safety. Besides conducting a high profile continuous campaign in the media, the ROP participates annually in the AGCC Traffic Week. Quite apart from the human cost of accidents, the material costs are giving cause for concern. The ROP has proposed measures for simplifying procedures in accidents where no human loss or major damage has been caused by settling disputes through the insurance companies concerned and without the involvement of the traffic police. With effect from January 1999, drivers of non-Omani registered vehicles were required to take out insurance cover at border crossing points, if they had no cover for Oman. Insurance companies have been encouraged to open offices at the border to issue cover notes. The import or registration of vehicles, which do not comply with AGCC specifications, was banned from 1st June 1999. Temporary entry of such vehicles for tourist purposes is limited to a 90 day visit.

In November 1997, His Majesty the Sultan ordered the exemption of disabled people of limited income from private vehicle registration and renewal fees.

Directorate-General of Customs

Import and export of goods are rigorously controlled by customs officers, who also remain vigilant in the fight against drugs and other forbidden items. In fact Oman does not have a serious drug problem, but is not complacent when facing an international issue of such magnitude. The ROP work closely with their UAE counterparts and have been successful in breaking up international drug rings.

Directorate-General of Civil Defence

On 1st March each year International Civil Defence Day is observed by the Sultanate of Oman and other AGCC states. The ROP operates a fire and rescue service for dealing with emergencies, either man-made or natural disasters. The ROP believe that



▲ The ROP displays its state-of-the-art fire-fighting equipment.

prevention is better than cure. Therefore much of the civil defence time and effort is spent on public awareness campaigns, as well as visits and inspections to sites in order to explain the hazards and dangers to which citizens may be exposed either at work or in the home. Shop owners have been urged to comply with safety regulations after a serious fire swept through a Ruwi shopping complex in 1997. A committee was formed to investigate causes of fires and recommend safety measures to be taken. In fact there have been very few fires in Oman in recent years. In 1998 there were 1,251 fires, of which only five were serious and these occurred on industrial premises.

Directorate-General of Public Prosecutions

The Directorate-General has offices in each of the Regional Headquarters and brings cases before the criminal courts as appropriate. There are two prisons in Oman where those convicted of serious crimes are sent; in Salalah and at al-Manoumah on the Batinah Coast. Given the low crime rate one prison would suffice, but consideration is given to the families

who would have to travel long distances to visit their relatives in prison if there was only one such establishment for the whole country. A new prisons law was issued by Royal Decree in 1998, which stipulates rules for the treatment and discipline of prisoners. Education and vocational training are to be given and wages paid to prisoners who are capable of work. Prisoners who have served four years or more of their sentence are given rehabilitation training to reintegrate them into society.

ROP Academy Nizwa (ROPAN)

The Police Academy was inaugurated by His Majesty, the Sultan on 5th January 1980, which is celebrated annually as Royal Oman Police Day. This annual event is an opportunity for the ROP to open their facilities to the public and to give lectures and seminars at sports clubs, colleges and other institutions. There is no shortage of young Omanis wanting to join the Police. They are trained to a high standard at ROPAN, which has helped to achieve a remarkably high level of Omanisation with 190 courses held between 1995 and 1998. In April 1999 a computer institute was opened at the Academy to increase the skills level of recruits.

Women are increasingly recruited to take on specialist tasks as well as policing of a general nature.

Supporting Divisions

The Royal Oman Police is a self-contained organisation with several supporting divisions such as its own Medical Services, the Air Wing, the Coastguard, the Oil Installation Division, the Special Task force for the protection of diplomatic missions, the Mounted Division, the Dog Unit and the Musicians who have displayed their talents on many ceremonial occasions, like the Royal Oman Police Tattoo.

A Tribute to the Royal Oman Police

Over the years the ROP has established an excellent reputation within the community for its social responsibility and rescue services. Many people have been rescued by helicopter or by the coastguard. At the end of 1995, a party of 14 German tourists were stranded in the Wadi Dhayqah by flash floods following heavy rains which submerged their vehicles and trapped them for

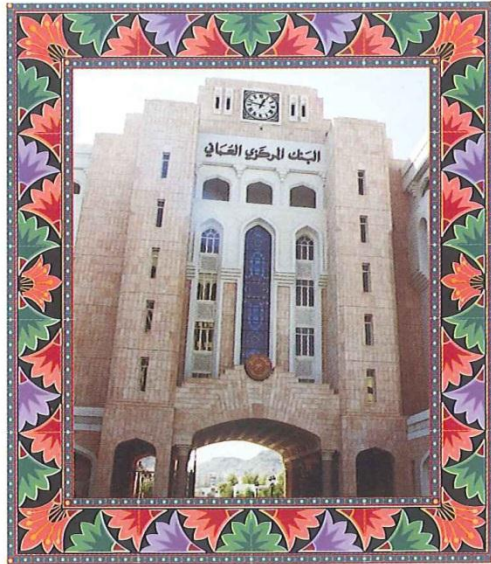


▲ A high-speed patrol vessel of the ROP.

nearly 24 hours before they could be found and rescued by helicopter. The coastguard has been called upon to rescue injured seamen at sea and also to cope with accidents to private fishing boats and incidents related to the increasing use of the sea for water sports and leisure activities. From time to time campers stranded with broken-down vehicles in remote desert locations have had to be rescued. A grateful visitor recently wrote: "The Royal Oman Police is an organisation of which the Sultanate should be justly proud."

The Royal Oman Police introduced a new design of headgear on the occasion of the 27th National Day, featuring a black headband embroidered with a silver geometric pattern based on a traditional Omani motif in place of the chequered band worn with the first police uniforms.

A new Omani passport was introduced in December 1997. It has 48 pages and measures 8.5 x 12.5 cms with special security features to prevent forgeries. It is described as a 'smart' passport because it can be read electronically.



NATIONAL ECONOMY

mechanism for prosperity and growth. 1998 was designated 'Year of the Private Sector' by His Majesty but as early as 1974 a salient feature of Oman's development strategy was to establish a free competitive economy with equal opportunities for all.

A Vision for the future

Although Oman has achieved remarkable progress, both socially and economically with the implementation of successive Five-Year Development Plans, there are new challenges confronting the Government due mainly to uncertain oil revenues. The price of oil fell dramatically in 1998 and at one point in early 1999 fell to less than \$10 a barrel. Recognising the finite nature of oil reserves - even though latest estimates are that these reserves are guaranteed for 50 more years at least - and the vagaries of an oil market outside its control, the Government is placing greater emphasis on the diversification of the country's economic base, led by the private sector. This has meant a detailed review of existing laws and regulations, in addition to introducing a new Foreign Investment Law. Major revisions have also been made in the Commercial Law, the Agency Law and the Corporate Income Tax Law. All these measures are designed to encourage foreign

The Sultanate of Oman enjoys a stable political, economic and social system. The excellent relations fostered with neighbouring countries have enabled Oman to play an active role in promoting regional political and economic cooperation. His Majesty the Sultan has always encouraged market-oriented policies and private sector development as the

investment in Oman and active domestic participation. Most important of all has been the introduction of the Basic Statute of the State, which inter alia states in Article 11 that 'The National Economy is based on justice and the principles of a free economy.'

The Vision Conference: Oman 2020

In June 1995 the Vision Conference: Oman 2020 was held in Muscat with the aim of moving the economy into a new phase of development leading to higher growth and prosperity. The main aims have been:-

- a) Economic and financial stability.
- b) Reshaping the role of Government in the economy, and broader private sector participation.
- c) Diversification of the economic base and sources of national income.
- d) Globalisation of the Omani economy.
- e) Human resource development and upgrading the skills of the Omani workforce.

By the year 2020, it is expected that the economy will no longer rely on oil, but will be diversified with higher levels of savings and investment and that other sources of national income from the non-oil sector will assume the primary role:-

- * The **crude oil sector's** share of GDP is estimated to drop to around 9% in 2020, compared with about 41% in 1996.
- * The **gas sector** is expected to contribute around 10% to GDP in 2020 compared with less than 1% in 1996.
- * The **Industrial sector** is where the major change is envisaged with the non-oil sector's contribution rising from 7.5% in 1996 to 29% in 2020.

1999 Budget

His Majesty approved the State Budget with the promulgation of Royal Decree 1/99. Public expenditure is set at RO2,156 million, of which RO1,738 million is allocated to current expenditure, RO393 million for investments and RO25 million in support of the private sector. Total public expenditure is

budgeted to be less than in 1998 - RO2.307 billion, but the 7 % reduction in current expenditure from RO1,796 million in 1998 to RO1,738 million in 1999 reflects the resolve of the Government to control spending and to ensure a balanced economy and continued growth. Nevertheless education, health, social security and public services have not been cut back.

Total State revenues for 1999 are estimated at RO1,525 million, compared with RO2,012 million projected in the 1998 budget. In spite of a better outlook for oil prices, the projected estimate for oil revenues in 1999 is only RO 902 million. The oil price figure for planning purposes has been set at US\$9 a barrel, instead of the US\$15 used in the 1998 budget. Dependence on oil revenue has been reduced from 75 to 60%.

It was the intention of Government to achieve a balanced budget by the beginning of the year 2000, the final year of the current Five-Year Plan. Due to the low oil price this will not be possible, however the Government has taken what measures it can to reduce expenditure and increase non-oil revenues so that the budget deficit is substantially reduced during the course of the next Five-Year Plan (2001-2005). The predicted deficit for 1999 is RO631 million, which although high allows for the completion of essential projects and the ongoing development of human resources to be implemented within the planning period. If oil prices do not improve the deficit will be financed from the State General Reserve Fund (SGRF) into which any surplus above the estimated oil price is paid. RO291 million was transferred from SGRF in 1998 to finance the deficit, but in 1997 the amount transferred was only RO60 million.

Customs duties

In order to make up for the weak oil price and reduce the deficit as far as possible, the Government has introduced a number of measures to produce additional revenue. It was announced in the budget that customs duties would be raised on luxury items from 5 to 15%. Customs duties on cars were also raised from 5 to 10% for small engines and from 5 to 15% for larger engines. Corporate tax was increased from 7.5 to 12%. The tax on tobacco was increased from 75 to 100% on 7th March

1999. In imposing the duties the Government has been careful to ensure that those in society who are not so well off are not affected by the increases.

Exports

In 1998 the value of Oman's exports fell to RO2,117.5 million compared to RO2,934.1 million in 1997, representing a drop of 27.8%. This was mainly due to the low oil price resulting in a 35.9% fall in revenue. Oil exports in 1998 amounted to RO1,424.9 million compared to RO2,223.9 million in the previous year.

Loan Agreements

Four new loan agreements were signed in 1998 totalling around US\$185.66 million. Two of the loans amounting to US\$98 million were used to finance the development of Port Salalah. A third loan of US\$ 28.96 was for the purchase of two electricity units in the Wadi al-Jizzi. The fourth loan of US\$ 58.7 million was for road construction in the al-Wusta region between Mahout and Duqm, which will contribute to the development of the fishing industry.

In February 1999, the Government signed a US\$350 million loan agreement with local and international banks to finance ongoing and future development projects.

The Development Record

Until oil production in 1967, Oman's exports were largely composed of dates, limes, fish, tobacco, fruit, vegetables, hides and henna. The country was dependent on imports of durable and non-durable goods such as rice, tea, fabrics, pipes, furniture, machinery and cement to name only a few of the essential items needed to build a modern economy. In the mid-seventies, the oil sector became the mainstay of the economy and its main source of income. Since then not only has the economy gradually reduced its dependence on the oil sector, but has achieved an impressive record of social and infrastructural development. The magnitude of the changes that have taken place are summarised in the following reports:

According to the World Bank Development Report 1994, Oman achieved an impressive average annual per capita growth rate of 4.1% without inflationary pressures during the period 1980-1992.

- * The UNICEF Progress of Nations Report 1994 commended the remarkable achievements of Oman in reducing the infant mortality rate to around 10% in the 1980s. This is just one example of the standard achieved by the health services, which hardly existed in 1970. Also, at that time there were only three schools, whereas today there are some 1000 schools and colleges all over the Sultanate with a university internationally acknowledged to be of the highest standard. For any visitor to Oman the developments that have taken place are striking.

- * These achievements have not occurred without overcoming problems caused by external and internal unfavourable factors, such as oil price fluctuations which have had significant adverse effects on the Government's ability to implement the Five-Year Plans.

- * However the efforts made to diversify the economy and the encouragement given to the private sector have achieved positive results with a structural shift towards the private non-oil sector:-

- * The non-oil sector's contribution to GDP has been increasing steadily and was estimated at about RO3,932.4 million towards the end of 1998. This sector now accounts for 72% of GDP compared with only 43% during the first Five-Year Plan (1976-1980).

- * The share of non-oil revenues in 1998 amounted to over RO506.2 million, compared to RO418.3 million in 1995. As a share of total State revenues, this sector's revenues have been steadily increasing. In 1998, its share was equivalent to government revenue of 30.8% compared to an average of 20% during the previous Five-Year Plan.

- * In 1998, total GDP amounted to RO5,457 million at current prices. The GDP declined by 10.2% in 1998, but the non-oil sector registered an increase of 4.6%.

- * The Consumer Price Index (CPI) declined by 0.5 % in 1998. Inflation is expected to remain at a low level for the foreseeable future.

Development Planning

Under the Chairmanship of His Majesty the Development Council was formed in 1975 to launch Oman's **First Five-Year Development Plan (1976-1980)** which coincided with the oil sector boom. (The Development Council was cancelled by Royal Decree 6/96 issued on 19 Shaaban 1416H/10.1.96 when all powers were transferred to the Council of Ministers). The Plan aimed at establishing essential infrastructure, such as Government buildings, power stations and communication centres. It also aimed at increasing the absorptive capacity of the economy and laying the foundation for a competitive private sector-led economy.

The **Second Five-Year Plan (1981-1985)** aimed at the completion of the infrastructure needed to modernise the economy and raise living standards. The scope of the Plan was broadened to include water resources projects and regional development. The implementation of this plan was helped by the increasing demand for energy on world markets, which boosted the oil price.

The **Third Five-Year Plan (1986-90)** was intended to augment the achievements of previous Plans, but the steep decline in the oil price posed a serious challenge to Government which was compelled to tighten its fiscal policy at the expense of some investment and development projects.

The **Fourth Five-Year Plan (1991-1995)** concentrated primarily on broadening and diversifying the production base of the economy and private sector development. Special attention was paid to regional development with 60% of funds allocated to projects outside the Capital area, compared with 34% in the previous Plan. The Plan also aimed at developing human resources. By the end of 1995 Omanis represented 36% of the total labour force. This figure is expected to rise to 42% by the end of the current Plan in the year 2000. In June 1995 a major conference, "Oman 2020", was held in Muscat to prepare for the current Five-Year Plan and to chart the course of the economy for the following 25 years.

First National Census

A major step in Oman's development was the undertaking of Oman's first General Census of population, housing and

establishments. The results of the Census form the basis for all future economic planning.

The scope of the first Census was more than a simple population survey. Preparations were made at the end of 1993 and the final results were known at the beginning of 1995. In January 1996, "The Full Results of the General Census" were published in a Ministry booklet.

At the end of 1993, the total population of Oman was 2,018,074, of which 1,483,226 were Omanis (73.5%) and 534,848 were expatriates. The majority of expatriates are concentrated in the Capital area, where they represent 46% of the population. In most other areas of the Sultanate Omanis make up 75% or more of the total population. The Census revealed that 52% of the population is aged 15 or under, while those over the age of 64 represent only 3% of the population. This indicates a high birth rate of around 3.5% as well as a marked improvement in health standards. The current estimate of the total population figure is 2.324 million.

Education has also achieved remarkable progress. The statistics showed that illiteracy among Omanis of the older generation was about 41% , while in the younger generation it had fallen to 4.5% for males and 21% for females. The Census showed that 86% of male and female children aged 6-11 were attending elementary school, which compares most favourably with statistics from other developing countries.

The next national census will not be held before 2003 but the Government continues to update and publish its statistics annually. In October 1998, the 'Statistical Year Book for 1997' was published and is available in the Ministry's Information and Publication Centre.

The Fifth Five-Year Plan

The current Five-Year Plan (1996-2000) is regarded as the beginning of a new era of development planning in the Sultanate. This Plan differs from the previous Plans since it calls for wider public and private sector participation, the use of sophisticated computerised macro-economic modelling techniques and planning Oman's development within a regional

► Some of the 14th and 18th Century coins exhibited at the Currency Museum which was opened at the Central Bank of Oman in May 1999.



and global context. The Plan prepares for the next century and puts in place measures to maintain a prudent fiscal policy such as: strict adherence to the framework of the Plan in the preparation of the annual State budget, limiting public debt and striving towards a balanced budget by the year 2000.

Diversification

Diversification is a fundamental factor in Oman's economic strategy which goes hand in hand with private sector development. New economic enterprises are being introduced for sustainable development in the future. The main parameters of this strategy are:-

- * Technology transfer to produce high-value-added products.
- * Export-oriented policies
- * Private sector development and
- * Promotion of greater integration with the world economy.

Human Resources

Human resource development has long been and still is a high priority in Oman's development planning. This is reflected in the allocation of RO207 million for this purpose during the current Plan. Funds will be used to cover the development of basic education, as well as increasing the number of health and nursing institutes and the provision of additional technical and vocational training. It is expected that about 30,000 students will be trained during the Plan. The Government is intensifying its efforts to provide Omanis with sound basic education and the appropriate level of skills through technical and vocational training.

The number of Omani workers in the private sector registered with the Public Authority for Social Insurance went up during 1998 by 35.8%. At the end of the year there were 46,171 Omani workers compared to 34,004 at the end of 1997. At the same time the number of expatriate workers fell by 2.29% from 483,847 to 482,527. The number of expatriate workers decreased mainly in the wholesale and retail trade as well as in vehicle workshops. There are currently 119,849 expatriate workers in construction, 56,748 in agriculture and fisheries and 52,189 in domestic service.

Global outlook

Oman has a history of international trading which is reflected in the current application to become a member of the World Trade Organisation (WTO) and in being a founder nation in the recently-established Indian Ocean Rim Association. Foreign capital and technology have played an important role in the country's economic development. The Sultanate has a high financial standing in world money markets, which is reflected by the credit ratings of international agencies. Oman enjoys political and economic stability with a relatively low debt obligation. It is therefore no surprise that Oman has become the first Arab Gulf State to tap investment resources from international money markets with a US\$225 million five-year Eurobond issue, which will raise the country's profile among international investors and help promote private sector development.

Private Sector Development & Privatisation

Privatisation, which is being given added impetus this year, has always been seen as the catalyst for growth. The Government has adopted two parallel lines of approach: first, through the sale of Government holdings and secondly by letting the private sector provide the public with services formerly in the domain of the public sector. The Government sees itself as a promoter of the private sector and not a competitor with it. Its policy is to limit the role of the public sector to the activities that the private sector is unable to undertake.

A number of privatisation projects have already been completed in areas such as banking, insurance, tourism and electricity. The LNG project and the Salalah container port have also been completed, while other major projects such as gas pipelines, an aluminium smelter, fertiliser plant and a petrochemical complex are being implemented. Various other areas of infrastructure are being considered for realisation at a later date. All these ambitious private sector plans will require a capital injection of over RO1,000 million.

Investment incentives

Steps have already been taken to attract local and foreign investment for this ambitious programme. The Commercial Companies Law and the Foreign Capital Investment Law have been amended to allow foreigners to own up to 49% in trust accounts, which will be treated as fully-owned Omani companies, attracting the same tax rates as companies with the right to invest in any sector of the economy. Foreign investors are allowed to own up to 65% of stock in public infrastructure projects, which the Government has entrusted to the private sector to undertake. The Development Council can increase this figure to 100% in certain circumstances. Companies with foreign participation are treated on a par with wholly owned Omani companies and may be exempted from corporate tax during the first five years after establishment. They are also free to repatriate profit and capital at will. Oman's laws have been changed to bring them into line with the rules of the World Trade Organisation and to meet the new circumstances of a global marketplace.

Apart from the advantages of Oman's strategic location, political stability, infrastructure, economic resources and market-oriented policies, there are also a number of incentives offered to investors:-

- * Determined policy of privatisation.
- * Price stability - with a rate of inflation not more than 1% since 1992.
- * Stable currency with full convertibility
- * No personal income tax and no foreign exchange controls.
- * Tax and import duty exemptions
- * Interest free long-term loans to partly foreign owned industrial and tourism projects.
- * Loans from the Oman Development Bank at reduced rates.
- * Duty free access of products from Oman to AGCC countries.
- * One stop shop to expedite investment proposals



Applicants for educational loans make their requests at a bank in Muscat.

- * Export credit insurance through an Export Guarantee Unit.
- * Long-term use of land at favourable rates.
- * Protection of investment guaranteed by law.

BANKING IN THE SULTANATE

The banking system in Oman consists of the Central Bank of Oman and 16 commercial banks of which seven are locally incorporated. There are also four specialized banks :-

The Oman Housing Bank, The Oman Development Bank, The Alliance Housing Bank which commenced business on 6th January 1998 and The Industrial Bank of Oman was formally inaugurated in December 1998. In June 1998 the Commercial Bank of Oman and the Bank of Oman, Bahrain & Kuwait merged to form the Commercial Bank of Oman (SAOG) with a capital of RO55,391,000. The assets of Habib Bank A.G. Zurich were acquired by a new local bank, Majan International Bank (SAOC) on November 1, 1998. At the end of 1998 there were 337 operating bank branches in a network covering the entire country, of which 25 are specialized bank branches. In addition

there are 11 money exchange institutions licensed by the Central Bank to issue drafts and deal in foreign exchange, as well as 58 money changers for personal and individual transactions

From 1st April 1999, the capital of the Central Bank of Oman was raised from RO200 million to RO250 million by a Royal Decree. The formal opening of the new Central Bank extension in April 1999 marks the 25th anniversary of its foundation in 1974 and the subsequent transfer of its assets from the dissolved Oman Currency Board on April 1, 1975. The original building was opened in 1978. One of the features of the new extension is a currency museum which was opened in April 1999 and which contains 564 coins and 108 currency notes.

In January 1999, the Central Bank launched a monthly statistical bulletin to provide up-to-date information and monetary data for the financial community.

Currency issues

For the 25th Anniversary of National Day and to mark the Silver Jubilee, the Central Bank issued new legal tender in currency notes of the following denominations : - RO50, 20, 10, 5, 1 and 0.500, 0.200 and 0.100 baisa. The new currency went into circulation on November 1, 1995 alongside the old which will be withdrawn gradually but will remain as legal tender until further notice. By the end of 1998 the new notes made up nearly all the currency in circulation, to the value of nearly RO280 million. In November 1995, the Central Bank also issued commemorative gold and silver coins depicting the new building of the Central Bank of Oman, forts and castles and other selected Omani landmarks. Two commemorative coins, each with a face value of RO1, one gold and the other silver depicting "The Year of the Private Sector" logo were issued in November 1998 to mark the 28th National Day celebrations. In September 1998, the Central Bank issued two silver commemorative coins, one depicting a leopard and the other a gazelle, to commemorate wildlife in Oman.

Training & Omanisation

In order to meet the training and Omanisation requirements of the banking sector, the Oman Institute of Bankers was established in 1983 and has since played a leading role in increasing the number of Omanis working in the sector. The Central Bank monitors the progress made by the commercial banks with Omanisation and in July 1995 issued a circular stipulating that by the end of the year 2000, at least 75% of senior and middle management positions should be held by Omanis. In the clerical grades 95% of staff should be Omanised and 100% in all other grades. At the end of 1998, 88.3% of all positions were held by Omanis which is a considerable achievement for the banking sector in general. Women made up 31.1% of the total. During 1998 the percentage of Omanis employed at senior and middle management levels went up from 72.9% to 76.7%.

Oman Development Bank

In 1997 the Oman Development Bank was established by a Royal Decree as a public joint stock company (SAOG) with capital of RO20 million, fully subscribed by the Government. All the obligations of the previous Oman Development and Agriculture and Fisheries Banks were transferred to the new Oman Development Bank.

The former Oman Development Bank was established in 1978 and began operations in the following year. During the period 1979-1996, it played an important role in the development of the country by providing medium to long term loans to Omani companies, thus encouraging greater private participation in the industrial, service, agricultural and fishing sectors of the economy.

A total of 666 loans worth RO134.5 million were advanced for projects with investments of about RO540 million during this period.

Besides advancing loans to Omani companies, the Oman Development Bank is an institution specializing in lending to the individual small investors, by advancing loans not exceeding RO165,000 for projects with an investment cost of not more than RO250,000. The rate of interest charged by the bank is 9%, of

which 6% is borne by the Government and only 3% by the borrower. Under certain conditions the ODB grants interest free loans not exceeding RO5,000 to small investors and craftsmen. In 1997 a total of RO92,000 was approved for 38 tailoring projects. In 1998 the loans for tailoring projects, sponsored by the Ministry of Social Affairs, Labour and Vocational Training increased to over a hundred, which is evidence of the Bank's contribution, not only to the drive for Omanisation, but also to the success of the 'Year of the Private Sector'.

During 1998, in its first full year of operation, the ODB sanctioned finance for 644 projects amounting to over RO6.1 million. This figure represented 50.7% of the total investment in these projects which were worth RO12.1 million.

The loans were spread over the length and breadth of the Sultanate with Dhofar accounting for RO1.6 million, representing 27.5% of the total finance distributed over 130 projects. The highest number of projects was in the Sharqiyah region with 182 loans worth RO761,000. The number of projects in the Batinah region and value of loans received were similar but the Capital area, Al Dakhilia, Al Wusta and Al Dhahira received much less while Musandam was only granted four loans worth RO53,000.

In 1991, the ODB established an export Guarantee and Finance Unit (EGFU), which was renamed the Export Credit Guarantee Agency (ECGA) in 1999. The Agency arranges insurance of exports on behalf of the Government. During 1998 it insured over 89 exporters sending goods worth over RO86 million to 1,757 overseas buyers in 70 countries.

Commercial Banking

The commercial banks reported total net profits of RO71 million for the year ending December 31, 1998, compared with RO68.25 million in 1997. This was due mainly to higher net interest income and increased lending to corporate and personal customers, the expansion of financial services throughout the Sultanate and effective containment of operating costs. All local banks performed above expectations. The commercial banks are all actively seeking investment opportunities locally and abroad as well as strategic alliances. The AGCC countries have agreed

a common licensing policy which will enable local banks to open branches within the region.

In January 1999 the commercial banks began trading in the euro which simplifies transactions with the EU for the business community. On introduction, the Euro was equivalent to US\$ 1.17 making it worth RO0.450 (RO1.000 = 2.2 Euros), but it has since fluctuated in value against the Rial Omani which is pegged to the US\$.

Electronic Banking

Electronic banking is widely available to the public. All banks provide a variety of services to customers through their ATM networks. Currently there is one independent system and two integrated networks, which will all be merged into a single network serving the whole country. There are plans to further integrate this network with the systems used by banks in the Gulf States. In addition to cash withdrawals, the local banks are introducing new ATM services such as settlement of accounts, which can also be done through telephone banking, making it easier for customers to make payments for services like water, electricity and telephones. E-mail can also be used for the transfer of funds.

Debit cards are widely used in Oman and most of the international credit card networks are linked to the local banks. The frequently used credit cards are the VISA, Master, AMEX and Diner Club cards.

Development Bonds

In August 1998 the Central Bank launched the 19th issue of Government Development Bonds. The five-year bonds carry a coupon rate of 7.75% and interest is paid half yearly. The 20th issue of RO20 million, launched in February 1999, is a three-year bond and has an interest rate of 8% payable half yearly. The Central Bank followed up this Bond with issue 20A of RO50 million, which has the same terms and matures on 1st March 2002. The success of 20A issue was enhanced by the fact that their launch coincided with the maturity of the 15th and 10th issue. From the 19th issue of bonds the auction method of sale

was introduced. The Central Bank also raised the limit of investment by the commercial banks from 20% to 30% of their net worth.

The Central Bank introduced its first issue of development bonds in 1991 and since then they have proved to be a most attractive investment.

Regulation

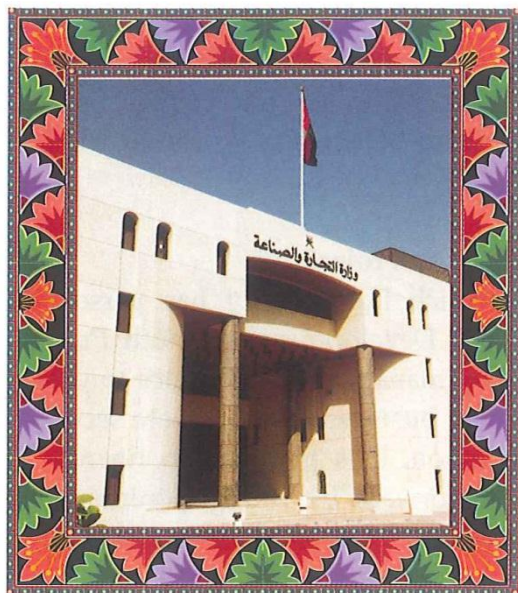
The Central Bank of Oman has enacted a number of rules and regulations in order to keep tight control of banking practices. Periodically, cautionary notices are issued warning the public of the risks of dealing with unlicensed investment salesmen.

The share purchases from the Muscat Securities Market by the commercial banks are closely monitored by the Central Bank. This is done to ensure the safety and soundness of the banking system.

In 1998 the Central Bank released details of the security features incorporated into the new banknotes to discourage attempts at counterfeiting them and to raise public awareness in general. The notes contain all the latest security devices such as watermarks, changes in colour tone and transparent security thread with micro-lettering.

Following the collapse of BCCI in 1991, the Central Bank arranged for the takeover of the assets and liabilities of BCCI (Oman) by another commercial bank, thus making Oman the first country anywhere in the world to settle the BCCI claims.

The Deposit Insurance Law which came into effect in April 1995, is aimed to provide comprehensive cover facility in respect of depositors' funds with banks, augment and sustain public confidence in banks and minimize systemic risks associated with the working of the banking system. According to the Law, the net amount due to any depositor by a member institution shall be limited to 75% of the Net Deposit to a maximum of RO20,000.



COMMERCE & INDUSTRY

the help of Government incentives and some financial assistance where necessary in order to stimulate rapid growth, particularly in areas of production and commerce hitherto unknown in Oman. Special emphasis was placed on the private sector in 1998 and 1999, having been designated as 'The Years of the Private Sector' by His Majesty the Sultan.

Incentives

One of the incentives is the annual award of His Majesty the Sultan's Cup for Industry. In 1998 the five winners were the Oman Cement Company, Raysut Cement Company, Oman Flour Mills Company- all for the second year in succession - Voltamp Transformers Oman Company and Dhahir al-Fawaris Enterprises. Certificates of appreciation were awarded to Jotun Paints, Amiantit Oman Company, Raha Poly Products, the Oman Textile Company and the National Detergent Company. In 1998, the criteria for awarding His Majesty the Sultan's Cup were changed to take account of a company's Omanisation plan. Companies should not fall below the 35% target set for the industrial sector. Five companies from the Rusayl Industrial Estate were

Government policy is to create a national economy based on private enterprise in a competitive environment devoid of monopolistic practices. A stage has now been reached where the basic physical infrastructure of the country is in place and in order to further the socio-economic development of Oman, it is essential to build up a strong, efficient and competitive private sector with

commended in 1997 for exceeding the Omanisation target. They were the Omani Saudi Canning Factory (86%), Technical Engineering Services (71%), National Tea (65%), Muscat Industries (61%) and the Reem Batteries & Power Appliances Company with 48%.

Fund for Development of Youth Projects

Another incentive, to which His Majesty has personally contributed, is the Fund for Development of Youth Projects which provides financial and management assistance to young people wishing to embark on business in the private sector. In 1999, its first year of operation, it is planning to finance 15 projects from proposals put forward by young entrepreneurs, keen to become part of the driving force of the private sector. Besides the grant of RO1 million given by His Majesty the Fund has already accumulated RO5.36 million as equity capital from private companies. In May 1999, the Fund announced the first five projects to be established. They range from an animal fodder project in Salalah, a water supply project in al-Sawdi, a LPG filling unit in al-Wusta to a private school and computer system design unit in Muscat. The Fund's financial involvement is limited to half the capital in each project, which must not exceed RO50,000. The Fund ascertains the economic viability of the project and provides consultants from banks and corporations, who give technical and administrative advice voluntarily to get the project started.

Intilaaqah

Intilaaqah or 'Getting Started' is a private sector initiative, which is similar in concept to the Youth Fund, but does not finance projects. It was launched on the country's 25th National Day and has been funded by a number of companies which sponsor the trainees. The training is designed to stimulate young Omanis to start their own businesses. Advisers take the trainee through the steps needed to start a business and give them enterprise skills. At the end of their training a business plan is produced. The young Omani can then go with his plan

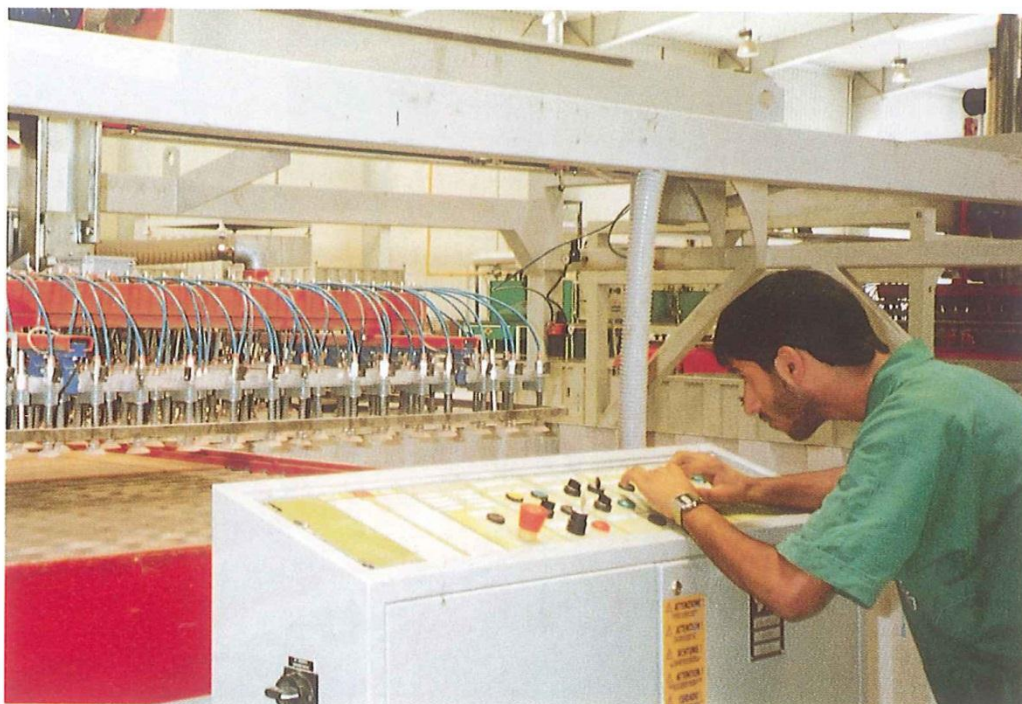


▲ His Majesty inspects Oman's modern products displayed at the "Oman Exhibition".

to banks or other funding bodies for the finance needed. In May 1999 certificates were presented to 27 trainees in the fifth batch to complete the programme. In December 1998 prizes donated by several companies were awarded for the best business plans. First prize went to a marine workshop in Sur, second prize to a marketing development consultancy and third prize for a guest-house project at Ras al-Hadd. The Intilaaqah Enterprise award for the most promising trainee in 1997 went to the owner of a fleet of water tankers in the Ghala area.

Manufacturing

Manufacturing is one of the main sectors of the economy for diversification. It is envisaged that the manufacturing sector, which contributed 4% to GDP in 1997, will be strengthened and expanded to increase the sector's share of GDP to 6.5% by the year 2000. The annual compound growth rate in the Fifth Five-Year Plan has been revised to 12.2% in order to make this a reality. Since the domestic market is small, the growth in manufacturing will be export led and the following kinds of industry will be encouraged:-



▲ A technician adjusts equipment at a tile-making factory.

- * Industries using local raw materials
- * Export-oriented industries
- * Industries using gas as the main source of energy or feedstock
- * Capital, technology and knowledge-intensive projects
- * Projects that employ Omanis on as wide a scale as possible
- * Downstream petrochemicals
- * Industries that process raw materials or semi-processed goods for re-export
- * Precision engineering industries, machine tools, machinery etc
- * Production centres for multinationals

According to the industrial survey undertaken in September 1996, there were 1,355 industrial establishments in Oman in 1995 employing a labour force of over 26,000. Since then another 200 industrial units have been established, bringing the number of employees to over 29,000 in this sector of

the economy. A statistical survey of industry was carried out in 1998 but the results are still being analysed. The first survey showed that over half the units produced cement, cement products and metals. Two-thirds of the total investment was in these products as well as in foodstuffs and drinks, but the ready-made garment industry was the most labour intensive which, with the cement and cement products, employed almost half the industrial workforce. Much of industry is still concentrated in or near the Capital area, but the Government has plans which will bring manufacturing as well as commercial opportunities to other parts of the country.

Major Projects

Plans for three major projects which will require a total capital investment of well over RO1,000 million are well advanced.

Sur

In addition to the Oman LNG project a fertiliser plant is to be built at Qalhat near Sur with a capacity to produce 1.4 million tonnes of urea and 330,000 tonnes of excess ammonia per annum from natural gas for export. During the State Visit of His Majesty the Sultan to India in April 1997, an agreement was signed between the Oman Oil company and Rashtriya Chemicals & Fertilisers (RCF) and Krishak Bharati Corporation (Kribhco) for the formation of a joint venture company with the name Oman-India Fertiliser Company (OMIFCO). The preliminary work on the project arrangements has been completed and the major activity is to secure the finance needed through lenders and export credit agencies to supplement the equity capital of the three partners in the project. The Oman Oil Company will hold 50%, with the other 50% of the equity shared equally between the other two partners. A total of about RO420 million will be invested in the project. Gas required for the project is estimated at 0.95 trillion cubic feet over a 20-year period. The plant will employ some 450 staff of whom about half will be Omanis.

Sohar

The two other projects which will be established at Sohar are an aluminium smelter and a petrochemical plant. The total cost of the two projects will be in the order of US\$4.37 billion. The feasibility study for the smelter has been completed and the detailed design and business plan are now being finalised. The project, which is set to have an annual capacity of 480,000 tonnes, will be allocated two trillion cubic feet of gas over a 25 year period. The company will be known as the Sohar Aluminium Smelter Company (SASCO) and 60% will be owned by the founders, a consortium of Omani and foreign investors. The remaining 40% of the equity will be offered for public subscription. The smelter will have its own power station with an initial capacity of 1200MW, increasing to 1800 MW and a desalination plant producing 12 million gallons a day, which will increase to 30 million gallons a day.

A company is being formed to build and operate a second gas pipeline to Sohar and the Government has appointed a consultant to prepare a gas master plan to evaluate different proposed gas-based industries. The construction of Oman's third seaport is going ahead and plans are also being made for an airport, additional power generation, and the country's second oil refinery.

Salalah

The most important development in 1998 was the modernisation and expansion of Mina Raysut (now known as Port Salalah) as a container terminal, which will provide many opportunities for the private sector to set up commercial and manufacturing ventures. Studies are under way for an industrial export free zone to be established close to the new container terminal. The terminal, one of the largest in the world, is capable of taking the biggest container ships and will be an important facility before Singapore and Colombo, hitherto the two nearest ports for such ships after Europe. The infrastructure is being developed to provide facilities, like accommodation, warehousing, electricity and water to be ready for a new wave of private sector investment and construction.



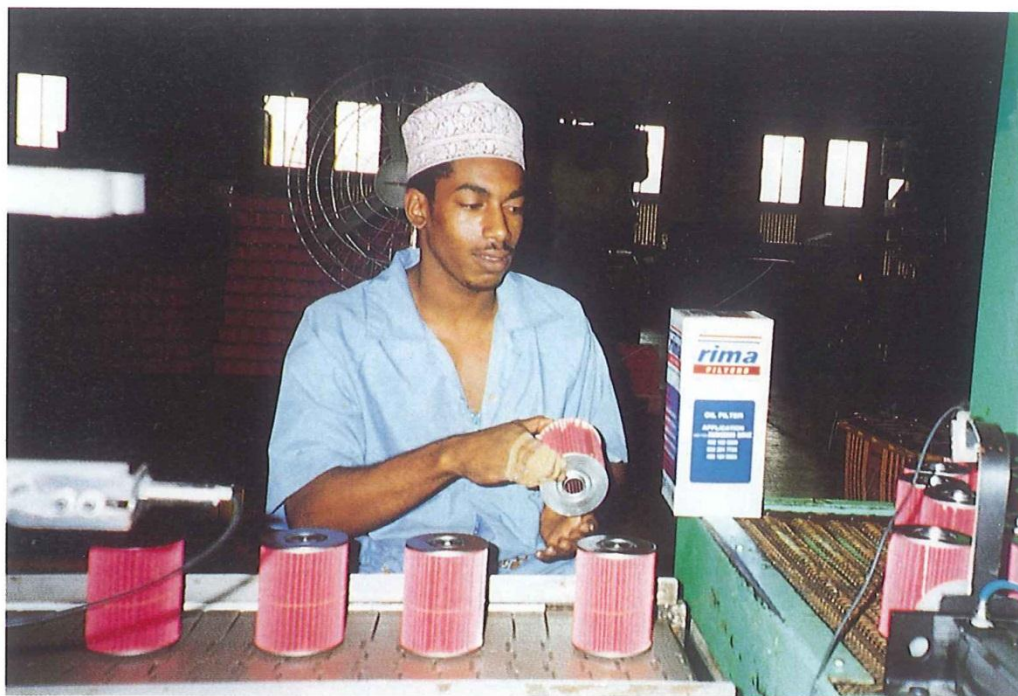
▲ A recently-opened shopping centre.

Proposals are being considered for a special chemicals zone to be established and for natural gas to be supplied by pipeline for power generation.

Heavy industry

The cement industry is one of the most successful existing projects in Oman. The Oman Cement Company (OCC) has increased its clinker production capacity to 1.2 millions and its cement capacity to 1.26 million tonnes by investing in advanced automation. The cement produced by OCC is nearly all sold on the local market where demand is increasing. Total sales during 1998 amounted to 892,315 tonnes, of which only 7,510 tonnes were exported. The Government owns 63% of the company with the remaining 37% of the shares issued to the public. OCC employs 174 Omanis.

The Raysut Cement Company has also increased production capacity from 250,000 tonnes per year to 750,000 tonnes per year.



Industrial Bank of Oman (IBO)

The IBO, which was formally inaugurated in December 1998, has become the first private sector industrial bank to be established in the Middle East. Besides advancing loans for medium and large scale projects, the new bank offers advisory services and may consider equity participation in industrial projects. The IBO is a joint stock company with authorised capital of RO40 million and issued share capital of RO25 million.

▲ One of many factories producing products for export.

Industrial Estates In Oman

Overview

Industry in Oman received a boost with the establishment of the Public Establishment for Industrial Estates (PEIE) in 1993 under a Royal Decree to replace the limited mandate of the Rusayl Industrial Estate Authority. The objectives of PEIE, as defined by the Royal Decree, are to develop and administer industrial estates and to encourage the private sector to contribute to the industrialisation drive in Oman.

So far, there are four industrial estates operating under P.E.I.E

all over the country namely, Rusayl, Sohar, Raysut and Nizwa. More estates in other towns like Sur, Khasab and Buraimi are being planned.

Powers and Duties of PEIE

- * Set up industrial estates as decided in the development plans.
- * Set up and develop services and public utilities like electricity, water, sewage and roads required by the estates and as determined by the competent authorities.
- * Determine and distribute land plots for the industries set up at the estates while observing the technical conditions as set out by the competent authorities.
- * Issue building licenses to the industrial installations set up at the estates while observing the technical conditions as set out by the competent authorities.
- * Contribute in promoting products of the estates through exhibitions, advertisements and media campaigns.
- * Hold training courses and seminars for spreading industrial awareness among investors and get them implemented with the help of the concerned authorities.

Industrial Estates

Rusayl Industrial Estate

Established in 1983 the Rusayl Industrial Estate became fully operational in 1985, making it the oldest of all the planned and serviced industrial estates in Oman.

Site and Size

The Rusayl Industrial Estate is situated 45km from the Capital city of Muscat and the main sea port of Mina Sultan Qaboos. The Seeb international airport, the largest in the country, is just 6km off the estate. Tarmac roads link the estate with Muscat, other parts of Oman and the outside world. The Rusayl industrial Estate lies on a stretch of land of 340 hectares out of which 170 hectares have been fully developed and subdivided into plots of varied sizes.

Industries at Rusayl

There are 107 industries in operation at Rusayl Estate. There are a further five industrial units under construction and over 40 projects currently under evaluation. Factories in operation produce chemicals, electric and building materials, paints, textiles and garments, computer stationery, aluminium products, car batteries, steel structures and poly products, to name a few.

Housing Complex

An imposing residential complex for male workers employed by Estate tenants was constructed in 1989. Situated 3 km away from the Estate, the residential complex has a housing capacity of over 1,000 persons. A ladies dormitory was recently constructed within the estate to accommodate female workers of the tenants.

Amenities and recreational facilities

The housing complex of Rusayl Estate is provided with a variety of services such as shops, a mosque, a leisure centre, a cinema theatre and grassed soccer play ground.

Sohar Industrial Estate

Site and Size

Sohar Industrial Estate is situated about 220 km away from the Capital city of Muscat and 180 km from Dubai in the United Arab Emirates (UAE). It is linked to Muscat and UAE through the international highway. The rural town of Sohar - the garden city of Oman - is just 22km to the south of the industrial estate. Majan township, the Oman Mining Company's residential quarters, is about 3km Southwest of the Estate. Majees jetty, on the Gulf of Oman coast, is only 4km northwest. Thanks to its strategic location, Sohar Estate is the focus of attention of prospective investors.

Industries at Sohar

There are 28 industries under production at Sohar, 18 units under construction and 44 projects expected to come up in the near future, thus making Sohar a very rapidly growing estate. Industries in Sohar Estate produce a wide range of products like

► Financial incentives are given to those setting-up factories in the Sultanate.

food stuffs, biscuits, wafers and tomato ketchup, detergents, sulpho - chemicals, leather footwear, furniture, toothpaste, ice cream, resins, glass, steel bars and engine oil. The anticipated products from the factories likely to come up soon include jewellery, roof and cladding sheets, baby food, galvanized pipes, electrical fittings, sports shoes, ear buds, sweets, polythene bags, chlorine etc.



Raysut Industrial Estate

Inaugurated in 1992, Raysut Industrial Estate is a significant industrial park in Oman.

Site and Size

The Raysut Industrial Estate is located in Oman's southern province of Dhofar. The provincial main city of Salalah lies 15km away from the estate. The estate is just 2 km's off the Arabian sea coast and 6 km's off the Salalah Port which is being extended to make it one of the most important container ports in the whole Middle East. Oman's international borders with the Arab Republic of Yemen are 200 km away from the estate. Raysut derives its significance from the fact that it lies on the intersection between East Africa, Yemen and the Far East. The total surface area of Raysut Industrial Estate is 103 hectares of which 30 hectares have been fully developed, serviced and subdivided into industrial plots with sizes ranging from 1350sq.m. to 6300 sq.m.

Industries at Raysut

Industries existent at Raysut estate are zoned in such a way that highly polluting industries are kept far away from other clean and foodstuff factories. There are five industries currently operational manufacturing school stationery, ice and fish, shoes, garments and box files. Four more industries are being constructed which are expected to produce flour, frozen chickens PVC pipes and steel fabrication.

Nizwa Industrial Estate

The Nizwa Industrial Estate is a nascent industrial park which was inaugurated towards the end of 1994.

Site and Size

The Nizwa Industrial Estate lies about 15km from the regional city of Nizwa, the main town of Oman's interior region. Nizwa town itself is 180km away from Muscat. The total area of Nizwa Industrial Estate is 200 hectares. Only one phase of the area ie 26 hectares, has been developed so far. The developed area contains 80 land plots provided with all infrastructure services.

Industries at Nizwa

Being a newly-developed Estate, five pre-built industrial sheds have so far been constructed and among the projects in operation are the manufacture of ceramic tiles, paper products and foodstuffs. A further nine industrial projects have applied for location on the Nizwa Estate and these are under the process of technical evaluation. Other planned projects are the manufacture of leather suitcases, novelties, military badges, medical drugs, medical gloves, chemicals and disinfectants.

New Industrial Estates

As part of its drive to build industrial estates in various regions of Oman, PEIE has commissioned a consultant for preparing the feasibility studies of proposed parks in the regional towns of Sur, Buraimi and Khasab.

Minerals

In December 1997 a Royal Decree transferred the Directorate

General of Minerals to the Ministry of Commerce and Industry from the Ministry of Petroleum and Minerals (now renamed Ministry of Oil and Gas).

Minerals played an important part in Oman's ancient economy. Copper was mined from several sites about 5000 years ago. During the Iron Age in 1000 B.C, copper was extracted from a mine at Lasail in the Wadi Jizzi near to Sohar. The deposit was reworked in 1983 by the Oman Mining Company. Cumulative production and reserves from Lasail and two other mines in the same area amounted to 19.2 million tonnes until all three mines were depleted in 1994. As part of the copper project, the Oman Mining Company had built a smelter adjacent to the mining sites which has produced over 142,946 metric tonnes of copper cathodes since it went into production in 1983 until September 1994. Since the mines were closed due to depletion of the copper ore, from October 1994 till today, imported copper concentrate is being treated, refined and re-exported from Mina Qaboos.

After continuous exploration activity, significant reserves of copper were discovered along the Batinah coast in 1997. Copper ore deposits have also been found at Rakkah and Hayl as Safil the Wilayat of Yanqul some 275 km from the smelter. According to a pre-feasibility study, there are reserves of 18.66 million tonnes at 0.35% cut off grade. The ore which has not yet been mined will be converted into concentrate on site and transported to Sohar for refining and export. During 1999, the exploration of the Batinah coastal area continues.

The Oman Mining Company was established originally as a joint venture with the private sector but is now entirely State owned. With the prospect of further deposits to be developed, a consultant was appointed in 1996 to evaluate the company for privatisation. Phase one of the report has been accepted by the privatisation committee and as soon as phase two has been approved, it is expected that privatisation will go ahead, but the decision will depend on the state of the international commodity market and the world price of metals like gold and copper. Prices are currently depressed but are expected to improve in the year 2000.

In 1994 a processing plant to extract gold and silver from the

copper oxide deposits near Yanqul was built and production started later in the year. In 1998 the gold produced was 18,309 troy oz. The life of the project is unlikely to extend much beyond the millenium. The company which was originally established in 1978 has achieved 74% Omanisation.

The Oman Chromite Company was formed in 1991 and currently exports chromite ore to Japan and China. Chromite reserves are put at two million tonnes and annual production increased from 17,985 tonnes in 1997 to 29,756 tonnes in 1998.

Coal deposits with reserves of 122 million tonnes have been discovered in the Wadi Muswa and the Wadi Fisaw areas of the Sharqiya near Sur. Private investors are being encouraged to develop the deposits, while additional studies are being made with UN technical assistance.

Oman has large resources of industrial rocks and minerals, some of which are already being exploited. They include silica sand, dolomite, limestone, gypsum, various types of clay, sands and aggregate. Production of sand and aggregate was 13,518,010 tonnes in 1998. Laterite production was 37,640 tonnes and salt production was 13,778 tonnes in 1998.

The Majan Glass Company is likely to extract the silica sand deposits in central and north Oman. There are four separate companies extracting marble. Production of marble in 1998 amounted to 166,085 tonnes. It is hoped to launch new export projects this year exploiting the gypsum found at Shuwaymiyah and the limestone deposits at Quriyat , Musandam , Sur and Salalah. Production of limestone in 1998 was 1,901,713 tonnes and gypsum 165,000 tonnes. Gabbro is expected to be mined at Jabal Al-Sheick and Khatmat Milahah for export to various Gulf countries.

OCIPED (Omani Centre for Promotion of Investment and Exports)

The Omani Centre for Investment Promotion and Export Development (OCIPED) was established by Royal Decree in 1996 and commenced its activities on 1st January 1997.

The establishment of the Centre is a further indication of the Omani government's outward looking approach and its commitment to promoting private sector development and

encouraging foreign investment in the economy of the Sultanate. OCIPED is an independent authority governed by a Board of Directors chaired by the Minister of Commerce and Industry. The board is composed of representatives from both public and private sectors. Its Executive President who sits on the board as Deputy Chairman heads the staff of the Centre.

OCIPED has four key objectives:-

- * To act as a One Stop Shop for foreign investors.
- * To encourage Private Sector investment in the Sultanate.
- * To encourage investment in export-orientated manufacturing industry.
- * To promote the exports of Omani products.

The Centre has made considerable progress since its establishment with a significant portfolio of investment projects and project opportunities within the Sultanate representing over RO1.9 billion of potential private sector investment to the Sultanate. OCIPED also has an active programme of international exhibitions and trade missions to promote Omani products, which has already generated substantial export sales orders from participating Omani companies.

OCIPED's activities during 1998 built on the solid foundations provided by the work undertaken by the organisation during 1997. The focus of activity in that year was to introduce and promote OCIPED and its services to the indigenous Omani business community. The key priority in 1998 has been to develop market entry approaches internationally in key geographical and sectional markets. This strategy is reflected in the range and type of activities undertaken by OCIPED during 1998. Of particular priority has been:

The establishment of the OCIPED Agency network of private sector agents including the Sultanate's Honorary Consuls in certain countries. These agents operate under contract to OCIPED and carry out a wide range of investment promotion and export development activities on OCIPED's behalf.

The development of an international branding and marketing campaign for the Sultanate under the theme 'Oman is Different' to distinguish and position the Sultanate and its products from

competitor locations.

The organization of a series of Investment roadshows in key market areas of Europe, the United States and the Far East to selected audiences of international investors and multi national companies.

The establishment of a programme of outbound trade missions and exhibitions to provide an opportunity for Omani companies to identify new business.

The hosting of a series of inbound trade and investment missions with companies from the Far East and Europe.

OCIPED plans to develop and build on these programs during 1999 through the development and expansion of its inter national network of offices and targeted marketing approaches to key international markets. Of particular priority is the attraction of downstream activities and industries utilizing the platform provided by the establishment of strategic industrial and infrastructure projects in the Sultanate. Key investment and project opportunities exist in a number of areas within the Sultanate and a key objective of the Centre is to attract international investment to these areas. In particular the strategic industrial area of Sohar offers world class investment opportunities in the areas of petrochemicals, plastics and the manufacture of aluminum products whilst the Salalah area has the potential to become a major trading and visitor centre based on existing and planned port and airport infrastructure.

Given the Sultanate's strategic geographical location, low manufacturing costs and access to markets with over 1.3 billion consumers, OCIPED is also targeting manufacturers seeking to extend their market penetration through establishing a market base in the Indian Ocean Rim.

Commercial Legislation

The Sultanate of Oman's tax and foreign investment laws have been constantly revised to encourage foreign participation in the private sector and to simplify the tax regime. In 1996 the overall level of taxation for companies was reduced from 35% to 25% and under this new legislation an Omani registered company with up to 90% foreign ownership will be taxed at this rate. In

joint stock companies where Omani participation is at least 51% and where 40% of the share capital is offered for public subscription, the maximum tax rate is 7.5%. In April 1997 a Royal Decree for financial subsidies was promulgated, which provided for soft loans to be made to the private sector for new or existing projects, as well as for the purchase of new equipment and improvement of services.

Since the Government attaches great importance to attracting direct foreign investment, particularly in the industrial sector, important changes have been made. It is now possible, depending on the merits of the manufacturing project, to have 100% foreign investment. In order to increase the attraction of investing in Oman, several steps have been taken to make the legal framework and regulations more investor friendly.

A new Foreign Capital Investment Law was promulgated in 1994. Foreign investment is permitted in Omani companies with capital of less than RO150,000 as long as the foreign share does not exceed 49% of this capital. However foreign investment of up to 65% may be permitted by the Minister of Commerce and Industry on the recommendation of the Committee for Foreign Capital Investment. This may be further increased up to 100% of the company's capital for projects which contribute to the development of the national economy upon the approval of the Cabinet following a recommendation from the Ministry, provided that the project's capital is not less than RO500,000. Preference will be given to projects supporting the tourism sector.

Foreign (non-Omani) investors are allowed to hold up to 49% of the shares in public joint-stock companies, and in closely-held joint stock compines, and yet at the same time they are treated as 100% Omani Joint Stock companies from a taxation point of view and for government subsidies.

The potential investor is protected by the law which stipulates that projects having foreign investment shall neither be confiscated nor expropriated, except in the public interest and on payment of compensation. Furthermore any disputes that may arise can be settled either by local or international arbitration with the mutual agreement of the parties concerned. Land for projects will be provided either by a grant of rights or long term lease agreement.

Commercial Agencies

A Royal Decree, which came into effect in November 1996, abolished the sole distributor agency system in line with the requirements of WTO membership. Under the revised legislation, traders licensed by the Ministry of Commerce & Industry, can import and distribute goods without permission of agents and without any obligation to pay commission. There are some 9,500 commercial agencies in the Sultanate.

Copyright Law

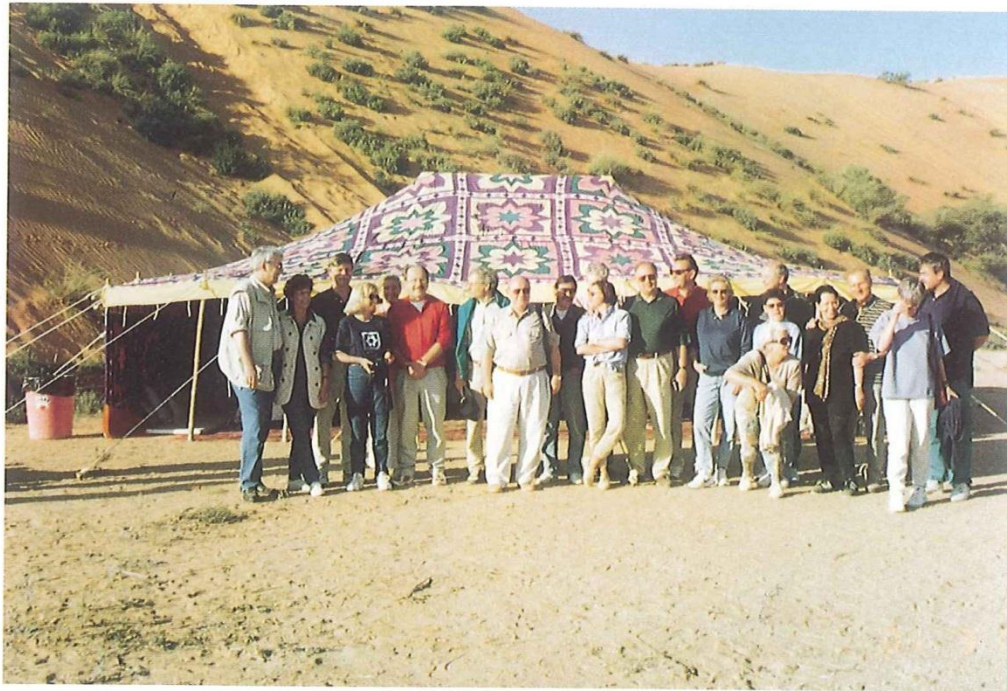
In June 1996 a copyright law under Royal Decree 47/96 was introduced. It is based on internationally accepted practices and is designed to provide copyright protection to all those involved in the creative field. Musicians, singers, writers, and producers of audio and video programmes are among those protected by this law, which supplements the existing Omani Trademark Law and will help to maintain ethical and international standards in the Sultanate in preparation for membership of the WTO, which gives top priority to the preservation of intellectual property rights and patents. In 1998 and 1999 after repeated warnings to audio cassette and video shops, a campaign was launched to confiscate around 80,000 pirated tapes. In February 1999 a regional forum on Intellectual Property Rights was held in Muscat by the Ministry with the World Intellectual Property Rights Organisation. In 1999 the Ministry announced arrangements for the registration of patents by Omani companies through the AGCC Patent Office in Riyadh.

National Insignia

The use and application of the National Emblem on commercial products is regulated by the Ministry to prevent its abuse and to discourage its becoming an undignified advertising symbol. Imports or manufacture of goods with the insignia incorrectly displayed are prohibited and any contravention of the ban may lead to confiscation of the goods, as well as prosecution and a fine.

TOURISM

Tourism is being actively encouraged by the Government in



▲ Overnight camp trips in the desert are popular.

order to earn foreign exchange, diversify the economy and create employment opportunities for Omanis in the years to come. Oman is being promoted as a distinctive tourist location where the natural beauty and unspoilt environment of the Sultanate would attract a growing demand for exclusive holidays.

The emphasis is on 'quality' with a selective strategy aimed at attracting the more affluent tourists from Europe and Asia, thus avoiding the negative aspects of mass tourism. Oman has much to offer this kind of tourist during the winter months but, in spite of some impressive hotel developments, still more hotel accommodation is required for the high season between October and April. In 1998 the average occupancy rate throughout the year was 44%. The majority of tourists came from Germany, Switzerland, Austria and Great Britain. In 1997 the total number of tourists, mainly from these countries, who visited Oman was just over 56,000, which increased in 1998 to nearly 88,000.

Recently the Directorate-General of Tourism has increased its efforts to promote and market the tourist industry in Oman through seminars, conferences and exhibitions. In April 1999



the Ministry invited some 350 travel agents, tour operators and journalists representing more than twenty countries to see for themselves the tourist attractions of the Sultanate. In collaboration with the leading hotels and Gulf Air, the Directorate-General of Tourism arranged a four-day programme to promote all aspects of Oman's fast developing tourism sector. Oman was represented at both the Berlin tourism fair the Hong Kong Tourism Exhibition and the Geneva tourism fair in 1999. A tourist information office was opened at Seeb International Airport in 1998 and the Ministry has plans to open similar centres at places of historic interest and border-crossing points. Many publications, tourist guides and maps are being distributed in Arabic, English, French, German and Japanese, while there has been a steady increase in the number of publications about Oman on sale in the local bookshops.

Revenue from tourism has increased in recent years. In 1997 the tourism sector contribution to the economy of RO50.8 million was less than 1% of GDP, but it is hoped to increase it to 3% by the year 2020. The private sector, having been encouraged

▲ Apartments, as well as hotels, cater for the businessman and tourist alike.

to take the initiative in developing this sector of the economy, is now convinced that tourism is both viable and profitable. The Government arranges for soft loans, participates in the promotion of tourism and assists in leasing the land for strategic tourism projects. To this end all hotels will eventually be in private hands apart from the al-Bustan Palace hotel which also serves as a guest palace for meetings like the 16th AGCC summit. Since 1992, the al-Bustan has won a number of tourism and travel industry awards and in 1997 received the Arab Travel Award for the sixth time as the top hotel in the Middle East. In 1998, it was given similar recognition by the International Airlines Passengers Association (IAPA).

Omani companies and investors will be invited to bid for one or more of the hotels offered for privatisation. Preference will be given to joint stock companies, so that there will be more opportunity for the general public to benefit. In May 1999, it was announced that the Khasab Hotel in Musandam would be privatised. A new system of hotel classification is being implemented by the Ministry.

Newly-opened hotels

A number of new hotels and other projects have been completed or are still under construction. By the end of 1998, some 80 hotels with a total of over 4,000 rooms had been opened. The Grand Hyatt Muscat at al-Qurum, which has 280 rooms, opened on the 1st January 1998 and was officially inaugurated in May. Next to the Muscat Intercontinental Hotel, the Sheraton Oman Hotel took over and reopened the former Qurum Beach Tourism Resort in March 1997. The al-Qurum Hotel was opened in 1997 and at the end of 1998, the Safeer Hotel Suites in Ruwi, the Bausher Hotel and the Haffa House Hotel were officially opened. In early 1999 the Laith Howard Johnson hotel opened near Qurum beach and a Marriott hotel will be built close by, between the Hyatt and the Muscat Intercontinental hotels. In al-Khuwair the new Radison SAS hotel is due to open by the end of 1999. Elsewhere in Oman, the Sur Mercure Hotel opened in 1998 and hotels will be open in Ibri and on the Jebel Akdhar in 1999. With the opening of accommodation on the Jebel, there are



five resthouses in the interior of Oman, situated near historic towns and sites frequented by tourists. The Sawadi Crown Plaza, Beach Resort was opened in 1996 and forms part of a major integrated tourism project which is planned to have 8 hotels, two golf courses, a marina, public parks, villas and commercial facilities. In 1999, a feasibility study was undertaken and work is expected to begin on some of these developments in 2001. The first marina to be built in Oman was Bandar al-Rawdha at Sidab opened in 1996. The Sohar Beach hotel, opened in 1992 and run by the Taj Group of international hotels is planning to double its capacity to meet demand for business visitors to the new industrial projects. The Taj Group is also planning to construct a five-star hotel in association with Omani partners. Other hotel projects along the northern coast at Yitti and Bandar Khairan are planned. Further down the coast a major summer beach resort will be built near the fishing centre of al-Ashkarah which can now be reached easily from Muscat on a good hard-top road. Besides the luxury accommodation and facilities offered by international groups, a number of more modest hotels

▲ Dhow cruises are an ideal way to see Oman's beautiful coastline.

have been developed to cater for the middle of the market.

It is also planned to set up youth centres, the first two will be in the Sharqiya and in Dhofar.

Khareef Festival

In April 1999, a road show designed to promote the Khareef Festival in Salalah began a tour of the Gulf States, at the same time promoting Oman in general as a unique destination for tourists in the region. Since the Festival was first organised in 1996, there has been a steady increase in the number of tourists from neighbouring countries visiting Dhofar during the monsoon season. The third Khareef Festival in August 1997 attracted 56,000 visitors. In 1998 there were 87,000 local and foreign visitors coming mainly from the GCC countries. In 1999, the private sector was given a major role in the organisation and sponsorship of the Festival.

After Muscat, the development of tourism in Dhofar is seen as a priority but with care being taken to conserve its unique environment. Two new hotels, the Hilton Salalah will open in October 1999 and the Raysut Hotel will be opened in 2000, and a tourist village is being planned for Mirbat. It will have 500 chalets, a golf course, motel and camp site.

Entry Visas

The Government has made it easier for tourists to obtain visas. Tourist visas are now valid for 21 days. AGCC citizens from Qatar and the United Arab Emirates only require an ID card to enter Oman, but expatriates resident in the GCC countries can now obtain entry visas at the border or the airport. The Royal Oman Police issue two types of visa. Sponsored visas are issued to groups via tourist agencies. Scheduled international airlines can obtain 72 hour tourist visas subject to certain conditions. Non-sponsored visas can be issued to individuals through Oman's embassies within 72 hours. The current cost of a tourist visa is RO10 (RO20 for British citizens).

At the present time tourists arriving by sea at Mina Sultan Qaboos and Port Salalah still have to have visas, but efforts are being made to make it easier for passengers to go ashore.

Oman's ports have become a regular stopover for luxury cruise liners carrying 600 or more tourists, who are received by local tour operators and taken on sightseeing excursions. Since the international cruise market is growing, plans are being made to cater for even larger groups of tourists from cruise ships.

Training & Omanisation

The Ministry has issued a decision regulating tourist guides, who in future will be required to have a licence. This Ministerial Decision aims at encouraging professionalism in the industry as well as providing career opportunities for Omanis who will be encouraged to learn foreign languages so as to replace foreign tour guides. In January 1996 a major step forward in the training of Omanis in the hotel industry came with the opening of the National Hospitality Institute. The Institute is a public company quoted on the Omani Stock Exchange. In February 1997 the first batch of 55 male and female trainees, sponsored by the Vocational Training Authority, were awarded their first level certificates and were given on-the-job training in several hotels. In May 1999 the fourth batch of 95 trainees obtained their NVQs, bringing the number of Omanis trained by the Institute to around 450. Omanis now make up 35% of the 34,549 employees in the hotel and catering business, which meets the Omanisation target set by the Government.

Leisure activities

In many areas of Oman the local municipalities, often in conjunction with the private sector have been establishing parks, gardens and beach facilities, such as Quram Nature Park to offer leisure facilities to Omanis and their families.

For the more adventurous spirits encouragement is being given to activities such as fishing trips, scuba diving, rock climbing, ballooning and 'wadi bashing'.

Shopping Festival

With the improvement in communications in recent years, as well as the long-standing political, economic and social links

between Oman and the UAE, the commercial interests of both countries are converging. Represented by the Ministry, Oman participated in the one month shopping festival held in Dubai in 1998. Oman Aviation Services and tourism companies were supported by the Royal Oman Symphony Orchestra, demonstrations of traditional arts & crafts and displays of folklore, music and dance in a bid to attract investment and visitors to the Sultanate.

Tourism Promotional Activities

The Ministry of Commerce and Industry, represented by the Directorate General of Tourism, is promoting the Sultanate of Oman as a tourist destination and is aiming to achieve their goals in many ways. Familiarisation trips for tour operators and journalists from around the world are being organised as well as road shows, seminars and Omani weeks in different parts of the world.

The Oman Chamber of Commerce & Industry (OCCI)

The Oman Chamber of Commerce & Industry was set up in 1973 to promote and protect the economic interests of the country as well as to encourage industrial and commercial development in the Sultanate through the private sector. In April 1999, a ceremony was held to celebrate 25 years of operation and to honour past and present personalities who had made the OCCI the success it is today. The head office of the OCCI is in Ruwi with branches in Ibra, Ibri, Khasab, Nizwa, Salalah, Sur, Sohar and al-Buraimi. A new branch office building has been completed in Nizwa and in April 1999, an agreement was signed for the construction of a new building for the Ibri branch of the OCCI at a cost of RO327,000. The OCCI opened Oman Trade Offices in Taipei in 1991 and Johannesburg in 1994. In April 1998, the OCCI announced that it would open external offices in India, China and the United States.

A working committee for the Year of the Private Sector has been established to encourage a number of activities and heighten awareness in the business community. The OCCI has become part of the worldwide web on the Internet. Its web page features

a comprehensive description of services offered by the OCCI and general information about Oman. It can be accessed on www.omanchamber.org. At the end of 1998, the Chamber's membership stood at around 83,000. With the recent emphasis on private sector involvement in the economy there has been an increase in business activity in the Sultanate. This is reflected in the growing membership, which only totalled 77,000 in 1996. The OCCI is financed from subscriptions and the services that it provides, which include documentation of commodities, legalisation of papers, and international certificates of origin (except for goods exported to AGCC countries which are handled by the Ministry) as well as economic research, export marketing and general business information. The OCCI also tackles commercial disputes between companies and is electronically linked to the Industrial & Technological Information Bank (INTIB) of the United Nations Industrial Development Organisation (UNIDO).

Much of the work of the Chamber is carried out in thirteen committees comprising over 150 members in total, which deal with a variety of issues affecting the private sector. During 1998, ten delegations from the Chamber visited various countries. The Chamber in its turn received twenty-eight trade delegations from abroad. A major seminar on import, export and re-export was held in March 1998 in association with the Arab-British Chamber of Commerce. In October 1998, the Chamber participated in the Baghdad Trade Fair with UAE companies and a delegation from Saudi Arabia and in December set up a joint businessman's council through the UAE Chamber of Commerce. Also in October 1998, the Chamber participated in the 'Oman Week' in India under the auspices of the Indian Ocean Rim Association. In May 1999, the Oman Chamber participated in the Kazakhstan AGCC Exhibition '99 with other Chambers from the Gulf States.

Travelling Exhibition

His Majesty Sultan Qaboos inaugurated an exhibition of Omani products in November 1998 at the Oman International Exhibition Centre in Seeb. One of the exhibits was a replica of an Omani household, fully furnished and supplied with items all

made in Oman. The aim was to create an awareness of Omani products among consumers. Over a hundred Omani companies and factories participated in the exhibition which travelled throughout the Sultanate visiting Sur, Nizwa, al-Buraimi, Salalah, Sohar and Khasab as well as Muscat. In early 1999 the exhibition toured the Gulf States. In Oman the exhibition was coupled with a consumer survey which indicated that 78% of the respondents showed interest in using Omani products, 56% rated Omani products to be superior in quality, while 35% indicated that local products were equal in quality to imported brands, 61% perceived price parity with imported products and 80% found the packaging of Omani products to be attractive.

Shopping Centres

Muscat now has nine shopping centres with the opening of the largest in May 1999. The Sultan Centre occupies 13,000 square metres and was built at a cost of RO6 million by a well known Kuwaiti establishment. It is a prime example of the foreign investment attracted to Oman. There are plans for another even larger out-of-town shopping complex to be constructed at al-Mawaleh, near Seeb. It will cost in the order of RO8 million and cover an area of over 16,000 square metres.

Training & Omanisation

The Chamber has an important training role and organises a variety of seminars, courses and programmes, all of which help to upgrade business skills and give experience to the private sector. In 1994 there were 526,000 expatriate employees in Oman. By January 1999 it is estimated that the figure had risen to over 600,000. Looking to the future of Oman's economic performance, much emphasis is placed on Omanisation and the drive to train the increasing number of young Omanis graduating from secondary school. At the end of 1995 a total of 62,000 Omani students had graduated from higher education. This figure is expected to increase to 82,000 by the year 2000. Omanisation has progressed well in the public sector and some other organisations like the banks and PDO and to a significant degree in much of the rest of the private sector. However there

still remains considerable scope for the process to continue to expand, and this is being given high priority by the Government which has set a target of 35% for Omanisation levels in industry.

Business Management College

At the end of 1995 the Chamber opened a private sector venture, the Administrative Sciences College in Darsait. The College currently has 145 male and female students. Among the subjects taught are English, accountancy, business administration, marketing and data systems. The College plans to expand its capacity to 1000 students by the end of the year 2000.

Quality Management

The Chamber is also putting great emphasis on quality and standards. It is well appreciated that local industries will only be able to survive and hold their own in an increasingly competitive international environment by developing high-quality products which conform to international standards of excellence, giving meaning to the label "Made in Oman". Oman currently has observer status in the World Trade Organisation; but the private sector has a major challenge ahead of it to compete in the international market place, if and when Oman achieves full membership in the near future. Significant progress has been made by a working party in Geneva and negotiations over access for goods and services have taken place with a number of WTO members. The Ministry is hopeful that Oman will achieve full membership before the end of the year 2000. The Chamber of Commerce has held seminars to raise awareness of the importance of ISO certification for Omani companies. So far 70 companies in the Sultanate have achieved ISO 9000 certification.

Muscat Securities Market (MSM)

The Muscat Securities Market (MSM) was established by Royal Decree 53/88. First share trading commenced in May 1989.

Initially the MSM was established as one body comprising both the exchange and the regulatory authority. The MSM Board of Directors added to the structure:

► A happy prize-winner displays his awards on completion of a Business Planning and Ownership course which is part of the Intilaaqaah programme.

i. a Depository and Transfer Department to carry out registration and transfer of ownership of securities and effect mortgages, liens and payment of dividends (April 1992) and,

ii. a Committee for Clearing and Settlement which oversees comparison of details of transactions and transfer of ownership and netting of payment (January 1996).

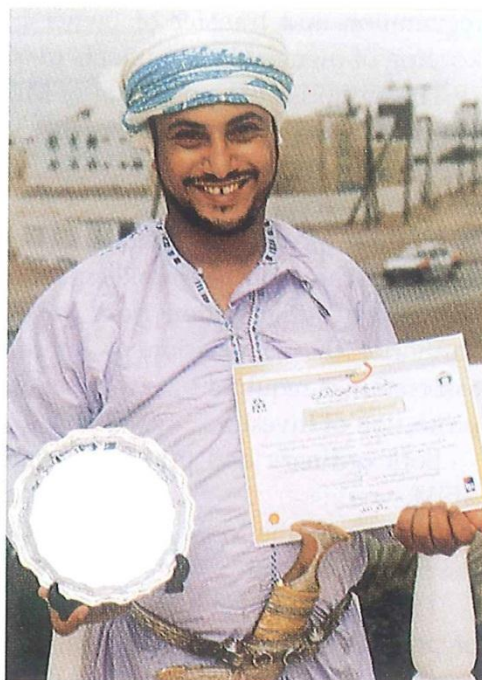
The MSM has been restructured by the issue of two Royal Decrees 80/98 and 82/98.

Royal Decree 80/98 dated November 9th, 1998, issuing the new Capital Market Law provided for the establishment of two separate entities:

i) a regulator, to be named the Capital Market Authority (CMA), which will be a governmental authority responsible for organising and overseeing the issue and trading of securities in the Sultanate.

ii) an exchange, to be named the Muscat Securities Market (MSM) where all listed securities shall be traded. The exchange shall also be a governmental entity, financially and administratively independent from the authority but subject to its supervision. The board of directors shall be elected from among members of the public (governmental commercially oriented) corporations, listed companies, intermediaries, and the Central Bank of Oman.

Royal Decree 82/98 dated November 25th, 1998, establishing the Muscat Depository and Securities Registration Company (MDRS), provided for the establishment of a closed joint stock company as the sole provider, in the Sultanate, of the services of



registration and transfer of ownership of securities and safe keeping of ownership documents (depository).

The authorised share capital of MDRS is RO2 million out of which RO1 million shall be issued. The MDRS falls under the supervision of the CMA.

Royal Decree 80/98 provides for the establishment of an association for the intermediaries licensed by the Authority to operate in the securities market in the Sultanate. The association may, upon authorisation from the Authority, share with the Authority the supervision of intermediaries' activities. The association is required by law to set up a guarantee fund for the protection of investors.

Both ordinary and preference shares may be listed on the MSM.

Trading on the MSM takes place on the regular market and the parallel market.

The regular market is for established companies with a history of profitability and liquidity. The parallel market is for new companies or for companies that do not meet the requirements for listing on the regular market.

There is also a third market that is comparatively small and is used for transfer of ownership to heirs and between and among relatives.

Electronic trading was introduced in August 1998. The system will support remote orders, fairness and transparency and on-line cross-listing with other exchanges. The trading screen can now be viewed from anywhere in the world, either through Reuters, or through the MSM web site, www.msm-oman.com

The market has a computerised network running the Depository and Registration System, the trading floor has an electronic trading board where share prices are displayed following each transaction.

The fully automated electronic system integrating trading, settlement and depository functions ensure that the organisations meet G30 and IOSCO standards.

The MSM is open from Saturday to Wednesday. The regular market trades from 10 a.m. to 11 a.m. and the parallel market from 11.30 a.m. to 12.30 p.m.

Normal transactions are charged brokerage commission at 0.75% of the first RO100,000 of the value of the transaction plus 0.5% on amounts in excess of RO100,000. The fee is payable by each of the buyer and seller to the broker acting on his behalf.

Foreign individuals or organisations wishing to set up a business in Oman require a licence, but no permission is required for foreigners who wish to invest in the shares of listed companies or investment funds (provided this is permitted by that company's/fund's articles of association). As of 31st December 1998 out of 137 domestic publicly listed companies 35 allow only GCC investment and 83 are open to foreigners.

Capital gains and Dividends are not taxed in Oman.

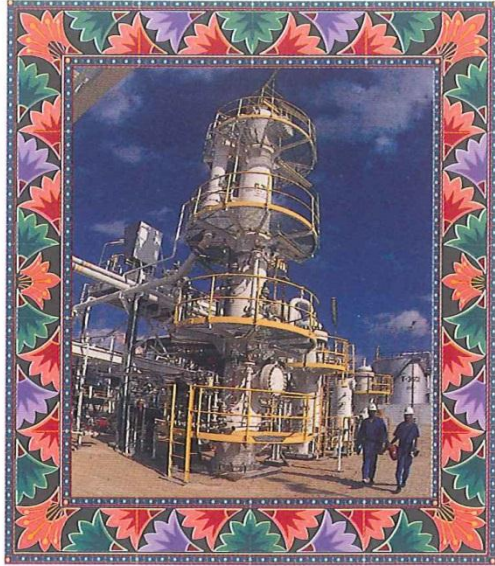
Business profit taxes are very low: Nil on the first RO30,000, 12% thereafter. Public shareholding companies that offer not less than 40% of their share capital for public subscription are eligible for soft loans of up to RO5 million.

There are no exchange controls imposed by the Omani government.

The Oman International Economic Forum

At the end of 1997 the first Oman International Economic Forum was organised by the Muscat Securities Market in conjunction with OCIPED and Dow Jones with the aim of addressing a wide range of current global and regional economic development issues with special emphasis on the future of the world economy and the challenge of diversification away from an oil-based economy.

The two day forum was addressed by senior members of the Government and international guest speakers. In December 1998, the second Oman International Economic Forum was held in Muscat. The guest speakers included the deputy managing director of the IMF, Shigemitsu Sugisaki, former US commerce secretary, Mickey Kantor and former British Foreign Secretary, Douglas Hurd. The aim of the Forum is to promote Oman as a viable partner for foreign investment in its financial and commercial sector.



OIL

in the venture apart from Shell and Partex pulled out in 1960. In 1962 oil was discovered at Yibal and at Natih in 1963. When oil was found at Fahud in the following year it was decided to develop the fields and commercial exports began in August 1967.

Exploration

Since 1970 many other fields have been found and developed by Petroleum Development Oman (PDO). At the end of 1998 production had risen to an average of nearly 900,000 barrels a day from over a hundred fields, compared with 332,000 barrels a day in 1970 from only four fields. In 1974 the Government acquired 60% of PDO under the terms of the Participation Agreement. Since then PDO has relinquished acreage, for which other companies have been invited to enter into exploration and production sharing agreements with the Government. During 1996 four new exploration and production agreements, worth a total of \$120 million in exploration expenditure, were signed with international oil companies - Japex Montasar (Block 35), Arco Oman Inc.(Block 32), Philips Petroleum Oman Ltd (Block 36) and Triton Oman Inc.(Block 22). In January 1997 the Saudi Arabian Nimr Petroleum Company signed an agreement with the Government to invest \$50.5 million over a period of eight years to

The first oil concession in Oman was granted in 1925 to the D'Arcy Exploration Company, but after disappointing results the licence was allowed to lapse. In 1937 a new concession was awarded to the Iraq Petroleum Company, but it was not until after the second world war that exploration began in earnest. Again the results were unsatisfactory and all the partners



▲ A 3D seismic survey in progress.

explore for oil and gas in the north-east of the Sultanate (Block 3). In July 1997 a Canadian company, Gulf Stream Resources Ltd, signed an agreement to explore in Northern Oman (Block 30) and in September Occidental Oman Inc signed an agreement to explore in the same area (Block 31). During 1998 three new agreements were signed with international companies for exploration in the offshore waters of Musandam and for areas of northern Oman - Occidental (Block 27), Triton (Block 40) and Amoco (Blocks 15 & 44). In March 1999 the Government signed an agreement with Shell Deep Water Oman to assess the oil and gas potential of an area of 18,267 square kilometres in the Gulf of Oman (Block 18). An onshore production sharing agreement was signed with Phillips Petroleum Oman Ltd. (Block 38) and a third agreement is expected to be signed by the end of the year. In June 1999 it was confirmed that PDO had discovered a new oil field in southern Oman after drilling and testing three wells which have demonstrated the commercial viability of the reservoir. Further evaluation of the structure is needed but this is the most significant new find in the last five years.



Production

In 1980 Elf became the second company to produce oil, being followed later by Occidental Oman Inc., Japex Oman Ltd and Novus. The oil from these companies which accounts for about 6 % of Oman's total oil production, is transported and exported via the PDO facilities. In 1998 Elf relinquished its acreage and installations which were taken over by MB Petroleum.

Oman's oil production in 1998 from over one hundred fields increased to around 900,000 barrels a day and was only marginally higher than production in 1997. With effect from the beginning of May 1998 the decision was taken by the Government to cut PDO oil production by 30,000 barrels a day from this level in the interests of the oil producing states and to help stabilise the oil price on world markets a further 20,000 barrel a day reduction was made in July, bringing the daily average down to 810,000 barrels a day.

Production 1998

Company	Annual (million barrels)	Average Daily (barrels)
PDO (Block 6)	304.9	835,474
Occidental (Block 9)	18.2	49,811
Japex (Block 5)	3.1	8,562
Elf (Block 7)	0.9	2,496
Novus (Block 8)	1.1	3,089
Total	328.2	899,432

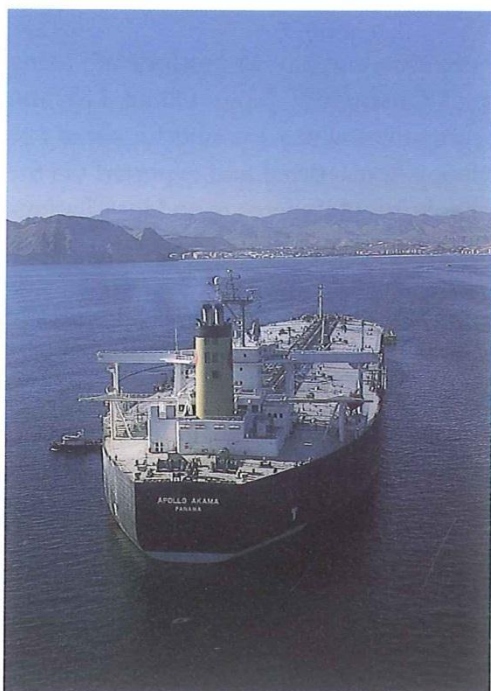
In February 1998, Novus Oman (Block 8) became Oman's fifth oil producing company with its operations in the Bukha concession off the Musandam peninsula.

Reserves

At the beginning of 1999 total recoverable oil reserves stood at 5.5 million barrels. Additional reserves could be recovered but at a higher cost. Several discoveries have been made in recent years by PDO and the Oman Occidental Company. PDO is developing the al-Mukhaizna field to come on stream in the year 2000 with production of 15,000 barrels a day.

It is the policy of the Ministry of Petroleum and Minerals to

◀ Oil production facilities at Birba oilfield.



restrict production to a level that does not exceed 6.5% of remaining reserves per annum.

Crude Oil Exports

Total exports for 1998 were 300 million barrels compared to 303.2 million barrels in 1997.

All of Oman's crude oil is exported from the oil terminal at Mina al-Fahal. Most of it goes to the Far East with Japan, Thailand, China and Korea being the major importers during 1998.

◀ Loading of Oman crude at Mina al-Fahal.

The average price of

Omani crude oil in 1998 was \$11.92 per barrel compared to \$18.67 per barrel in 1997. However the price of the Oman blend fell from \$23 per barrel at the beginning of 1997 to as low as \$10 per barrel in the first quarter of 1998 but rallied in early 1999 as a result of the production cuts by the oil producing states.

Retail market

All refined products used to be imported into Oman until 1982 when the Oman Refinery at Mina al-Fahal came on stream with a capacity of 50,000 barrels a day. This capacity was increased in 1987 to 80,000 barrels a day to meet the needs of the local market. In August 1996 an agreement was signed with BP to provide technical services to the refinery, which will be upgraded, but no large expansion is planned in the Mina al-Fahal industrial area. Plans for a second refinery in Sohar are being actively considered. It will be a catalytic cracker unit with a 75,000 barrels a day capacity. The project is expected to be completed by the year 2003. During 1998 24 million barrels of crude oil were supplied to the refinery, which had to import just over 1 million barrels of refined

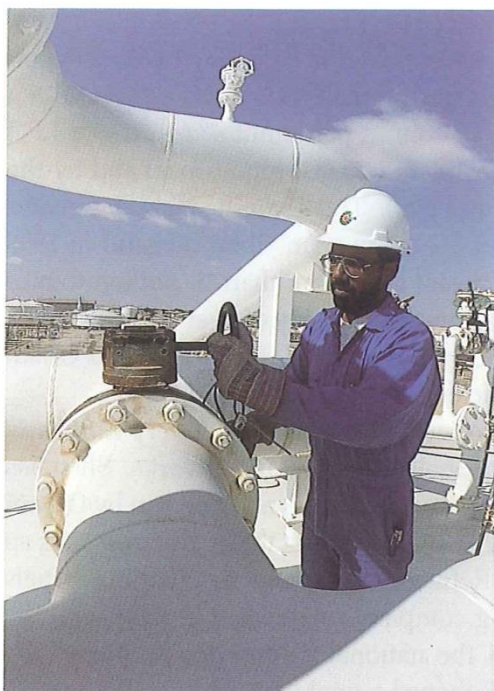
product to meet demand.

Oman's third LPG processing plant at Saih Rawl will come on stream at the end of 1999 as part of the Oman LNG project with a production capacity of 40,000 tonnes per annum. At present LPG is produced at the Yibal Gas plant (25,000 tonnes p.a.) and by the Oman Refinery (40,000 tonnes p.a.). The domestic market demand has been growing by about 5% every year. Total demand in 1998 was 79,141 tonnes, which meant that more than 10 million tonnes had to be imported. With an annual capacity of over 100,000 tonnes in the year 2000 there will be no more need for imports and Oman will be more than self-sufficient in domestic cooking gas.

Until recently all the products of the Oman Refinery Company were marketed through the Shell and BP retail networks. Shell has 115 service stations and BP 75, which are owned and run by Omani dealers. Neither company is allowed to establish any new sites so as to allow the Oman Refinery Company to distribute fuels through its own marketing company established in 1994 with the brand name al-Maha and the national colours for its livery. By January 1999 al-Maha had opened a total of 36 service stations. In July 1997 Shell Oman Marketing Company (SAOG) divested 51% of its capital in shares to local investors. 40% of the shares were floated on the Muscat Securities Market, while the remaining 11% was reserved for existing Omani shareholders and service station dealers. BP Oman followed a similar strategy with a share offer to the public in August 1998.

Towards the end of 1996 fuel cards were first introduced into Oman. Since then credit cards have been widely accepted throughout the service station network, replacing cash for fuel purchases. Following the European pattern, 'Select' convenience stores and fast food outlets are part of the service provided by the dealers.

Some lubricants are still imported into Oman, but the lubricants blending plant at Mina al-Fahal, which is operated by Shell Marketing Oman (SAOG) has been able to supply most of the needs of the Sultanate as well as exporting to neighbouring countries. In 1996 it was awarded His Majesty the Sultan's Cup for Industry and since then has won the Cup for a second time, as well as being the first company in Oman to achieve ISO 9002 certification.



The Oman Oil Company

The Government established the wholly state-owned Oman Oil Company in the late eighties with the intention of entering into foreign joint ventures and oil trading operations. Since then a number of projects have been considered. An ambitious plan to lay a deep sea gas pipeline to India has been shelved, but the Company is actively involved in other projects,

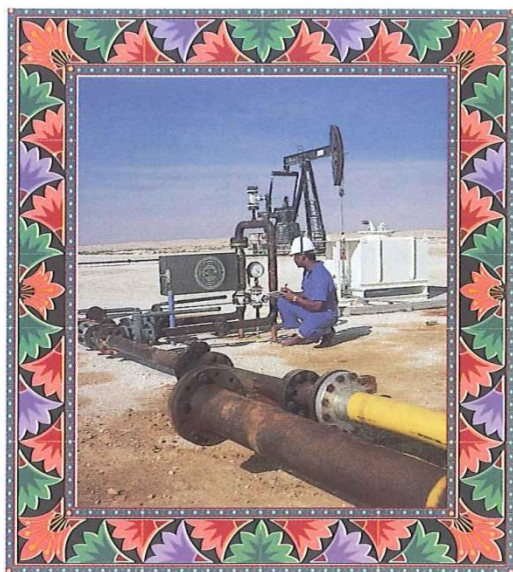
◀An Omani technician working in Marmul.

notably the Caspian pipeline consortium in Kazakhstan in which it has a 7% shareholding and the Oman fertilizer project, in addition to a joint venture refinery project in India.

In November 1998 OOC signed a participation agreement with Arco and Exxon to explore for oil and gas in two offshore blocks in the Kazakhstan sector of the Caspian Sea, subject to the approval of the Government of Kazakhstan.

Training & Omanisation

The oil industry is a capital rather than labour intensive industry, but human resources are of the utmost importance. PDO has a long record of training Omanis and has made good progress with Omanisation. In early 1999 over three quarters of its 4,400 employees were Omanis (77%). This figure excludes 580 Omanis on full time training courses at home and abroad. The target set for the year 2000 is 86% with complete Omanisation by the year 2007. In 1998, there were 1,028 Omanis in supervisory and management positions and about \$27m was spent on training, of which half goes on full time sponsorship of students on degree courses.



NATURAL GAS

The Oman LNG Project

Oman's LNG project forms an integral part of the Sultanate's strategic and economic vision of the future. It is not only the biggest single construction project ever undertaken in Oman, but it is also one of the largest in the world and one of the fastest to come on stream - less than nine years from the major discovery of gas. The first customer export shipment is

expected to be made in April 2000.

The company, Oman LNG LLC, was set up by Royal Decree to handle the downstream operations of this gas export project, namely the liquefaction, transportation and sales of LNG. The shareholders are the Government 51%, Shell 30%, Total 5.54%, KOLNG 5%, Partex 2%, Mitsubishi 2.77%, Mitsui 2.77%, Itochu 0.92%. The upstream part of the project is wholly owned by the Government, but is operated by Petroleum Development Oman which has responsibility for field appraisal and development, gas processing and transport by pipeline to the liquefaction plant at Qalhat near Sur.

Project Development

The gas fields in Central Oman, discovered between 1989 - 1991, are being developed by PDO for the Government at a cost of \$1.4 billion. Current expectations of Oman's total reserves of gas stand at 29 trillion cubic feet, of which 25 Tcf are non-associated reserves, but the Government is optimistic that larger quantities of gas remain to be discovered. Total proven gas reserves at the beginning of 1999 stood at 20 tcf, of which 19 tcf was non-associated gas. These figures indicate that there are ample reserves to supply not only the LNG project, but also to provide gas for the polyolefin and aluminium projects at Sohar. Moreover the gas going to Sur will in addition supply the

planned fertiliser project and provide a source of energy for domestic power generation and other small industries.

The gas will be transported from three fields in Central Oman to Sur via a 360 km 48-inch diameter pipeline which, with the processing plant at Saih Rawl and associated facilities, is expected to be completed in mid 1999.

The LNG plant in Qalhat is designed to produce a nominal 6.6 million tonnes of LNG per year from two LNG process trains. Following an international tender Chiyoda/Foster Wheeler was awarded the US\$1.2 billion Engineering, Procurement and Construction (EPC) contract in November 1996. To handle the construction of the Qalhat LNG Complex, an Omani joint venture has been formed between the main contractor and two Omani companies - Zubair Enterprises and the Suhail Bahwan Establishment. Civil construction work on the site of the plant and marine facilities, which is situated on the coast 15 kilometres north of Sur, began in November 1996 when the foundation stone was laid by His Majesty the Sultan. Construction of the plant is now well advanced and should be completed by mid 2000. The site is to be known as Qalhat after the nearby ancient seaport of that name.

The project will in part be funded through a \$2 billion financing arrangement signed in November 1996 with a large group of international and Omani banks, supported by export credit agencies. ECGD of the UK, US-Exim of the USA, NCM of the Netherlands and SACE of Italy. Oman LNG has achieved 80% financing, a percentage of project financing which is unprecedented for a development of this nature in the Middle East. The rest of the finance is being provided by the shareholders in the project.

Human Resources

One of Oman LNG's key objectives is to facilitate and implement the development of a skilled Omani workforce. The natural gas processing industry is relatively new in Oman and a qualified workforce is not readily available in the required proportions. To achieve higher levels of Omanisation, the company has undertaken the sponsorship and development of several training programmes, either directly or indirectly through its contractors. Up to 500 young Omanis have undergone skills development programmes. Some of these young people have become qualified to work in the construction industry,



▲ The first export shipment of gas is expected to be made in mid-2000.

while trainees under Oman LNG technical and skills training programmes are intended to work and develop their skills up to senior staff positions in Oman LNG's plant organisation. Currently 88 operator/trainees are undergoing training at Oman Refinery.

Marketing

In October 1996, the Sale and Purchase Agreement (SPA) for two thirds of the plant output (4.1 million tonnes per annum) was concluded with the Korea Gas Corporation (KOGAS) for a period of 25 years, commencing in the year 2000. This is the largest-ever single gas contract between two companies. KOGAS has five LNG tankers under construction and is committed to build a sixth to transport the gas from Oman to Korea.

The agreement with Osaka Gas of Japan to buy 0.7 million tonnes per year for 25 years was successfully completed, when a full SPA was signed in October 1998. Deliveries will commence in November 2000. In December 1998, Oman LNG signed a SPA to sell 1.6 million tonnes per year of LNG to Dabhol Power Company in India for a period of 20 years with the first cargo delivery expected towards the end of 2001.

A Sale and Purchase Agreement with Total to sell more than 130,000 tonnes of natural gas liquids (NGL) was also signed in June 1999. Total is expected to lift the first cargo of NGLs between April and May 2000.

Oman LNG's contribution to Omani society

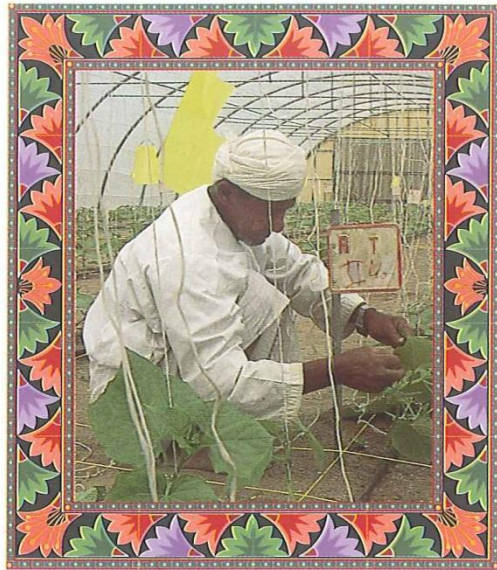
The Company will provide a new source of national income in addition to oil revenues, as well as lessening dependency on oil exports. Indeed, this overall project is expected to increase oil and gas revenues by 18%, with the LNG plant contributing to almost 10% of today's Gross National Product.

Apart from Oman LNG's own training programmes, the Company also plays a key role in helping Omanis learn the skills needed to set up and run their own businesses. It is also assisting Omani companies and businessmen develop the competencies needed to help them win contracts at the LNG plant for the materials and services it will need when it becomes operational and beyond.

The company is contributing funds to the Intilaaqah programme - an on-going scheme designed to train young Omanis in establishing their own businesses. In 1997, Oman LNG paid for the training of 39 students, and this year the company is funding 40 more students on the programme. The total value of Oman LNG's funds to the Intilaaqah programme to date, is around half a million dollars (RO 194,000). In addition to funding the Intilaaqah programme, the Company has set up a scholarship scheme for Omani students to go overseas for higher education.

The company is running a campaign to encourage Omani businessmen and companies to bid for contracts that will be available once the plant becomes operational. Information is available which lists all the contracts for goods and services required by the plant during its 25 year operational life, enabling Omani companies and businesses to take full advantage of opportunities available the plant will bring.

The company has been involved in a number of other projects benefiting Omani society. Oman LNG is funding a \$40 million (RO 15.5 million) 240-bed hospital in Sur which will be operational in the year 2000. The company has also paid over \$1.5 million (RO 600,000) for construction of a new section of the Sur Corniche Road and RO 100,000 for building the Bir Bwera Road in Sur.



AGRICULTURE

agricultural census carried out in 1992/93, about 102,659 people work in agriculture of whom nearly a third are women. This represents almost 12% of Oman's working population. In the current country-wide drive for Omanisation, regulations have been issued by the Ministry of Social Affairs, Labour and Vocational Training prohibiting expatriates from handling agricultural machinery.

A large percentage of the population live in rural areas and many others own land and property in the countryside even though they live and work in the towns. It is a major challenge for the Government to prevent a rural exodus by setting up programmes of rural education and to ensure that communities make the best use of limited water resources for maximum productivity. The protection of agricultural land is a major concern of the Ministry. In 1995 a single flood protection barrier in the Wilayat of Ibri cost RO 646,000. This kind of barrier, which is 1.6 kilometres in length and three and a half metres high, is essential to prevent erosion and loss of valuable agricultural land. During 1998 there were insufficient funds to erect any flood protection barriers, however the Ministry has surveyed 74 locations for possible projects from 536 applications for barriers. A team has been set up to find methods of improving their construction and ways of sharing the cost with the local community that will benefit from their erection.

Although many employment opportunities are being created with the diversification and development in other sectors of the economy, well over half the population is still dependent on the agriculture and fisheries sectors of the economy when related activities, such as wholesale, retail, transport and other services are taken into account.

According to the last



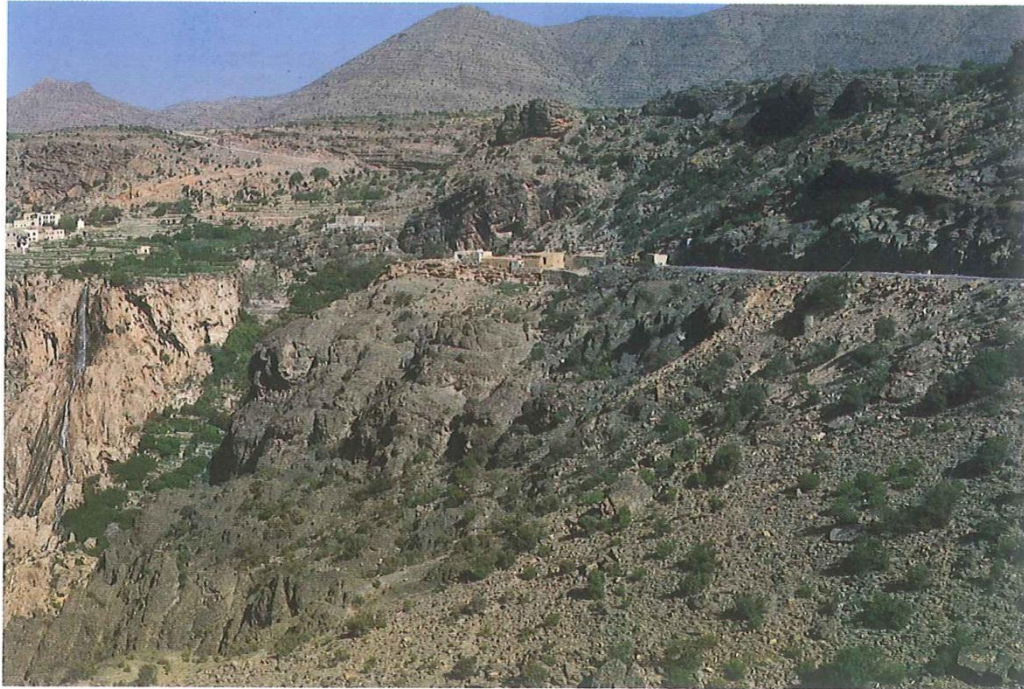
Self-sufficiency in food production

In view of the restraints imposed by water resources, one of the main objectives in managing the agricultural sector is to maximise economic returns without adversely affecting the delicate water balance. The policy is to create sustainable agricultural methods and crops which will provide continuous employment opportunities for Omanis and reduce the deficit in the food trade balance. However, Oman with its growing population and rapidly changing society will remain a net food importing country.

The current self-sufficiency rates are encouraging. The latest estimates indicate that Oman is 64% self sufficient in vegetables, 53% in milk, 46% in beef, 44% in eggs and 23% in mutton. Sufficient quantities of dates and some other fruits are produced so that they can be exported as well as meeting local demand. The production of tomatoes, potatoes and alfalfa has doubled in recent years.

Agriculture and fisheries are Oman's main non-oil exports. This sector accounts for nearly 25% of the non-oil exports and in 1997 contributed RO153.4 million to the GNP, an increase of 4.4% over the previous year when its contribution was RO147.2 million.

▲ The Jebel Akdhar provides some of Oman's agricultural produce.

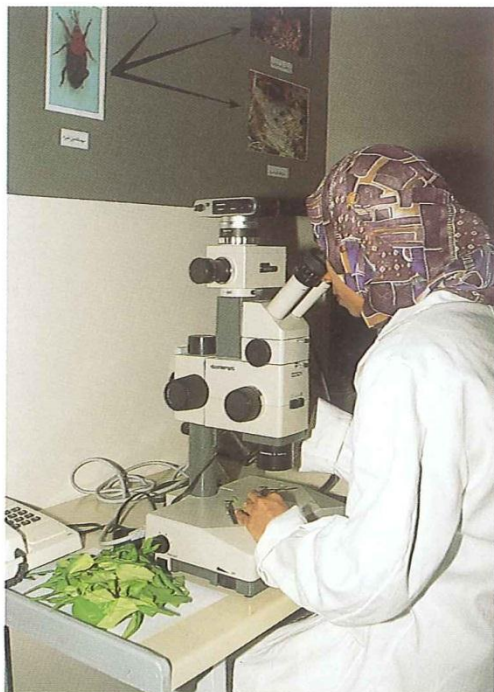


Provisional figures for 1998 indicate a further increase. If the industries and services that depend on agriculture for raw materials, jobs and commercial enterprise are taken into account, the total contribution to the GNP is very much higher.

Livestock

Oman is a leading livestock producer in the Arabian peninsula with around 240,260 sheep, 854,060 goats, 213,120 cattle and 98,550 camels. Over 70% of the cattle and camels are reared in Dhofar where nearly two thirds of the population depend on animal husbandry for their livelihood. However, Dhofar only holds 26% of the total livestock in Oman. Grazing lands are coming under increasing pressure in Dhofar and the government is working through extension programmes to ensure that livestock is only raised on sound economic and environmental grounds. An integrated management programme is being introduced to minimise the adverse effects of camel over grazing in the Dhofar mountains.

Immunisation and welfare of livestock are an important element of the Ministry's livestock programme. A nationwide campaign



costing over RO4 million was begun in 1992, the aim of which is to immunise all live-stock against common animal diseases. In March 1996, the Government stated that there had been no cases of BSE in Oman.

In conjunction with the Ministry of Regional Municipalities and the Environment strict adherence to the regulations imposed by CITES (Convention for International Trade on Endangered Species) is

◀ A technician at work at the Agricultural Research Centre at Al Rumais.

implemented by the Ministry on the import of certain animals and birds.

Local production of 2,757 tonnes of beef and 3,086 tonnes of mutton does not yet meet local needs, but there are plans to increase not only meat production but also egg and poultry production by establishing a number of large to medium size projects in conjunction with the private sector using government guaranteed soft loans. The Ministry aims to increase milk production and management of dairy herds by giving farmers assistance and equipment as well as introducing modern techniques of artificial insemination. During the Fifth Five-Year Plan exports of fish and agricultural produce have been increasing substantially as these and a number of other projects are completed, such as the new fishing harbours currently under construction.

In 1997 a fully-integrated poultry project was launched in Dhofar at a cost of RO12.8 million. One of the largest projects of its kind in the Gulf and the first to be established in Oman, it has a capacity for 94,000 hens to produce 15 million eggs annually. The plant includes storage for 11,000 tonnes of frozen poultry. About half the production from this project is intended for export. It is

expected that this and other similar projects will halve Oman's current annual imports of frozen chicken.

Water resources

Water resources are critical to the future of agricultural development in Oman which lies in an arid part of the world. Although much of the country is desert or semi-desert, the mountains attract rainfall which is retained in the limestone formations in the north; while in the south the Dhofar range and coastal plain catch the regular light monsoon rains from June to September. The Ministry works closely with the Ministry of Water Resources to ensure that the best use is made of available water resources.

The Ministry encourages modern methods of irrigation to save water and has introduced modern irrigation systems through a cost sharing programme to 2,314 farms that are served by groundwater wells. At Nizwa a pilot project was established to show farmers how to make better use of the traditional falaj system of irrigation. The fruit and vegetables to be planted are chosen carefully for their qualities and amount of water needed. The Ministry gives advice and provides seeds, insecticides, fertilisers and other agricultural assistance in order to raise productivity. It encourages the use of drought resistant fodder crops and the local production of animal fodder concentrate from fish and plant waste.

HM the Sultan's Award

In order to encourage farmers, His Majesty the Sultan has instituted the annual award of a Cup to the Wilayat showing the best overall agricultural performance. This is coupled with a cash prize and a number of other awards for special categories. In January 1999 the Cup was presented to the Wilayat of Shinas. The runners up were the Wilayat of al-Khabourah followed by the Wilayat of Mahdhah. The Wilayat of al-Mudhaibi came top in the agricultural production section and received a Ministry award. The Wilayat of Nizwa won a prize for livestock production and the Wilayat of Khasab a prize for fisheries production.

Government subsidies

Government subsidies are used to provide technology to the

farmer and train him in modern methods as well as to give him guidance and advice. The amount of subsidy allocated during the Fourth Five-Year plan was RO 6.4 million for agricultural machinery in addition to seeds, fertiliser and other necessities. Subsidies for livestock amounted to RO 4.3 million and included assistance to small goat and poultry farms. Subsidies were also approved for modern irrigation projects making the total spent on agriculture during the plan RO 17.7 million. The Ministry is altering its policy on subsidies in the current Five-Year Plan to finance larger and more technologically-oriented projects. The basic subsidies given to farmers over the last twenty years are being removed since they now have the experience to manage their farms without Government assistance and can take out loans where necessary. The Ministry is therefore adopting a new approach. Innovations and technology are being introduced and instead of subsidies support is given to farmers with training and demonstrations of new agriculture equipment, irrigation systems and improved crop varieties.

Wheat, which was a traditional Omani crop in parts of the Sultanate is grown less these days and does not take up more than 315 hectares of cultivable land. The annual production of grain is 1,400 tonnes. It is only grown when there is ample water and is then used as part of the crop rotation system to assist in managing soil fertility and to conserve local varieties of seed grain. Prices of imported wheat are a great deal less than the locally grown produce and there is therefore no intention for Oman to become self-sufficient in cereals. The emphasis is on cultivating crops that give a good return. However, because wheat is a strategically important crop, the Ministry conducts a research programme so that it could be grown in future if the need arises.

Date cultivation

Renewed interest is being paid to dates which were Oman's largest export in the 19th century. Nearly 10 million date palms thrive along the Batinah coastal strip and in the gardens of the interior. They occupy about 60% of the cultivable land and produce high yields of good quality fruit. Annual production of dates is estimated to be between 150,000 and 175,000 tonnes. The season lasts

from May to October with different varieties fruiting throughout this period. The Ministry has a department of date research which is actively involved in cloning seedlings to further improve quality and productivity. Between RO150,000 - RO 200,000 is spent annually on controlling the destructive dubas bug by aerial spraying with specially equipped helicopters. Fortunately Oman is so far free of the red palm weevil *Rhynchophorus ferrugineus*, which was imported into the Arabian peninsula from Pakistan. Oman has never had a policy of importing date palms and is now keeping a close watch on the palms in areas near the border to prevent the infestation of this destructive parasite. The Ministry has introduced an integrated pest management programme to include use of special pesticides, removal of infected palms, research and extension work to heighten public awareness and equip farmers with the knowledge to protect their palms.

Coconut palms

In the climate of Dhofar, coconuts take up 396 hectares of cultivable land with an annual production of 6,847 tonnes, of which 1,700 tonnes are exported. The rest are consumed locally. The crop is not sufficient to set up a manufacturing industry, but the Ministry has studied the possibility of a processing plant to produce long-life pasteurised coconut milk, as well as the manufacture of charcoal and manure but this would require 320 hectares of land, producing 3 million coconuts to be viable. There is currently great demand in the market for fresh coconuts and therefore there is no surplus to be processed. Since 1993 the coconut palms have been affected by a mite that attacks the fruit at the formative stage, however it is hoped to combat the pest with a newly discovered nematode *Steinernema Salalah* which it is thought can be used to replace chemical pesticides.

Bee-keeping

Bee-keeping is a traditional Omani rural craft which is being encouraged by the Ministry and kept alive through training courses. The honey produced is a high-value product.

Frankincense

Another traditional product is frankincense which is collected from around 8,000 trees growing wild in Dhofar. The Ministry has plans to plant an additional 40,000 trees in various parts of the Governorate covering a total area of 65 hectares.

Research

The Ministry carries out many research projects including ways of improving the environment by planting suitable trees which provide shade from the sun and shelter from wind and sand. In early 1996 the Agricultural Research Station at Nizwa planted 1000 trees over an area of 95 acres. Laboratory tests showed that the trees planted are drought-resistant and can rely on seasonal rainfall to survive. The Ministry has earmarked other areas for similar afforestation in order to improve air quality and increase planted areas of Oman. As a result of successful research, fodder beet is being introduced at field level for the first time in Oman. New varieties of mango, grapes and other fruits shown to produce higher yields are being introduced, as well as new strains of common vegetables. The Ministry has been successful in increasing garlic production using very little water in Jebel Shams, and in the Najd of Dhofar several types of fruit are being grown for the first time in a desert environment.

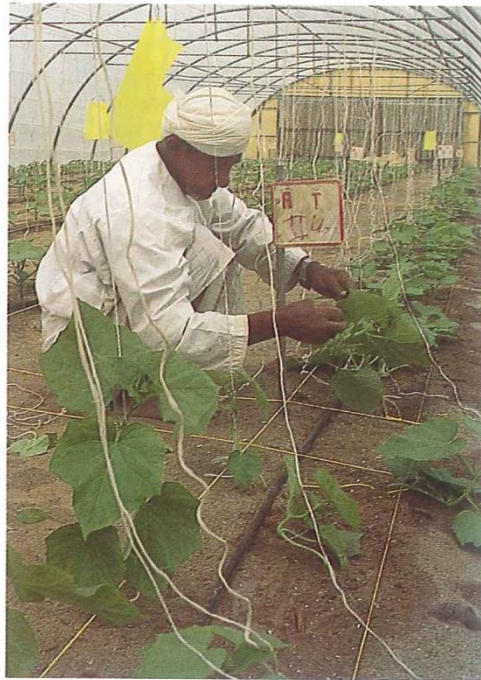
Greenhouse farming

There is only one hydroponic farm in the Sultanate, but there are 42 hectares of 'greenhouses', which are set to increase in the next few years. This modern technique for protecting plants and conserving scarce water resources is being researched and actively encouraged by the Ministry. It is however difficult in view of the climate to extend the growing season by more than a few weeks at the beginning and end of the summer months.

Oman Development Bank SAOG

In 1997 the Oman Agriculture and Fisheries Bank was absorbed by Royal Decree into the new Oman Development Bank SAOG, which is described in the Banking section of the chapter on the National Economy. During 1998, the Agriculture and Fisheries sec-

tors accounted for two thirds of the total ODB loans. Investment in Fisheries amounted to RO1.4 million with 268 loans with a value of RO763,000, animal husbandry investment was RO1.3 million with 20 loans of RO667,000 and agriculture RO1.1 million with 121 loans amountin to RO612,000.



► Plants are propagated at a farm on the Batinah coast.

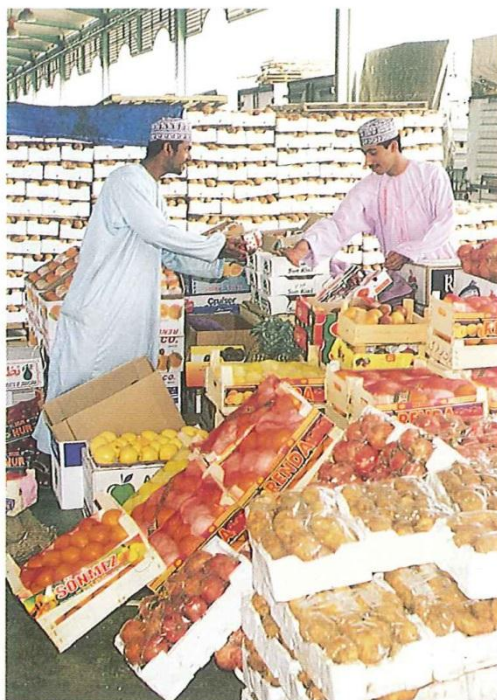
PAMAP

The Public Authority for Marketing Agricultural Produce (PAMAP) was established in 1981 with

the aim of encouraging farmers to increase productivity by creating a market for their produce, by making fruit and vegetables available in local markets at reasonable prices, acceptable to both producer and consumer, and by raising the standard of produce in terms of quality and quantity. The trade name and logo for Omani produce is 'Green Oman'.

PAMAP set up a marketing network consisting of six distribution centres and 14 collection centres with its head office at Ghala in the Capital area. All the centres were equipped with cold storage facilities and their fruit and vegetables were transported in refrigerated vehicles. At the end of 1985 PAMAP began commercial operations and was subsequently able to open additional outlets to sell produce to consumers throughout Oman. The volume of produce purchased from farmers rose from 7390 tonnes with a market value of RO 989,929 in 1986 to 19,638 tonnes worth over RO 3.3 million in 1996. In 1986 sales amounted to just over RO 1 million compared to RO 3.9 million in 1996.

In 1997 it was the Government's intention to privatise PAMAP. Since then there have been no new investments, no replacement of



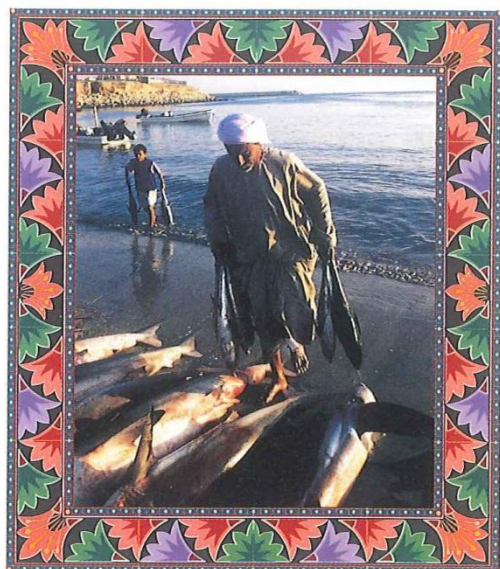
◀ One of many markets selling fresh fruit and vegetables.

transport, 150 staff have been made redundant and six centres have been closed. Total production in 1998 was reduced to 16,000 tonnes, half of which were bananas.

With the establishment of wholesale markets at al-Mawalih, Sohar and Salalah, there is no longer a requirement for PAMAP to carry out its former role; moreover it cannot compete with imports from Iran, Turkey, Syria, Jordan and other

neighbouring countries. Imports of fruit and vegetables are also coming from the developed world and even bananas from the Caribbean are now found in the market place. In August 1998 a new fruit and vegetable market was opened by the Ibri Municipality on the highway leading to al-Buraimi. Like the al-Mawalih market, this project has attracted cross border traffic from the UAE.

It is therefore likely that after privatisation, PAMAP will eventually emerge as a lean and efficient wholesale company able to compete with other local as well as international importers. The farmers will in all probability form co-operatives to market their produce, which is now being exported as well as being distributed to the local market through the three wholesale centres run by the municipalities concerned. Both the producer and consumer are benefiting from these new arrangements in an increasingly competitive environment



FISHERIES

Oman has a coastline extending 1,700 kilometres from the Musandam Peninsula in the north to the border with the Yemen in the south. For centuries there have been small and often isolated fishing communities along the length of this coastline. In recent years much has been done to expand and modernise this traditional industry. Dried fish used to be carried

on camels to the interior of the country but now with the development of roads and the introduction of ice factories, fresh fish can be found in nearly every town in Oman and is even exported to Saudi Arabia from remote fishing villages.

More than 150 species of fish and crustaceans have been identified in Omani waters, ranging from sardines to tuna. A wide variety of fish are eaten locally- kingfish and hamour (grouper) being very popular - while shoals of tiny sardines are netted for use as fertiliser and animal fodder. Sharks' fins are exported and lobsters, which used to be avoided by fishermen, are now caught for the lucrative hotel and restaurant trade. The quantity of the total catch landed rose rapidly during the 1980s, reaching a peak in 1988 when there was then a decline. Research carried out by the Marine and Science Fisheries Centre, set up in 1986 at Sidab with the help of FAO and UNESCO, has indicated that over-fishing has played a part in this decline. It is also suspected that marine pollution has been partly responsible.

According to a joint survey carried out by the Ministry in conjunction with the FAO during 1989/1990 total fish stocks were estimated at 4.69 million tonnes:

Small pelagic	659,000 (Tonnes)
Demersal	126,000
Mesopelagic	4,500,000
Total	4,685,000

These stocks include between 15,000 and 27,000 tonnes of kingfish, 50,000 tonnes of tuna and 2,000 tonnes of shellfish. In 1997, the catch amounted to 118,993 tonnes to which the traditional fishermen contributed 84,444 tonnes and commercial fisheries 34,549 tonnes. Fourteen percent of the traditional catch came from Dhofar, including 40 tonnes of abalone and 305 tonnes of lobster.

The Ministry has taken a number of steps to conserve fish stocks while at the same time developing commercial fishing and preserving the livelihood of traditional fishermen. These include restricting the fishing for lobsters and abalone to two months during the winter season, regulating the size of nets and equipment used for fishing, as well as defining the areas, depths, quantities and kinds of fish that may be caught commercially. These regulations are designed to protect the traditional fishing industry. Inspectors, assisted by the Royal Air Force of Oman and Royal Oman Police coastal patrols, monitor commercial fishing vessels. Commercial fishing is limited to 15% of the total catch, and within Oman's territorial waters foreign vessels may not fish without a licence to do so.

A Fisheries Department was first established in 1972, became a Directorate-General in 1974 and was later absorbed into the Ministry of Agriculture and Fisheries. In 1980, the Oman National Fisheries Company was established with Government assistance to purchase, distribute and export the catches of local fishermen. It also handled fish caught by concessionaires. In 1987 this company was merged with the newly formed Oman Fisheries Company (SAOG), a joint stock company in which the Government has a 24% interest.

In 1998 the fishing industry employed 26,940 registered fishermen operating 12,248 small craft. During the Fourth Five-Year Plan an industrial fishing fleet was created, while eight large ports and 16 smaller ones were built and equipped with cold-storage plants and processing facilities. The re-birth of Oman's



▲ Fresh fish is sold in hygienic conditions.

local fishing industry really began in 1978 with the introduction of the Fishermen's Incentive Fund. By providing financial assistance for the purchase of small fibre-glass boats and outboard engines, the Fund enabled fishing communities that were in danger of disappearing to revive their fortunes. In the Governorate of Musandam where the community is almost entirely dependent on fishing this kind of assistance has been particularly welcomed and now much of the catch can be exported to the UAE and other AGCC states.

During the Fourth Five-Year Plan the Fishermen's Incentive Fund approved 2,583 applications for boats, depth-finders, fish detection systems, communications and miscellaneous equipment. 6,700 lobster pots were distributed free of charge and the Ministry's marine workshops along the coast continue to provide technical support, such as maintenance of fishing gear and servicing of outboard engines.

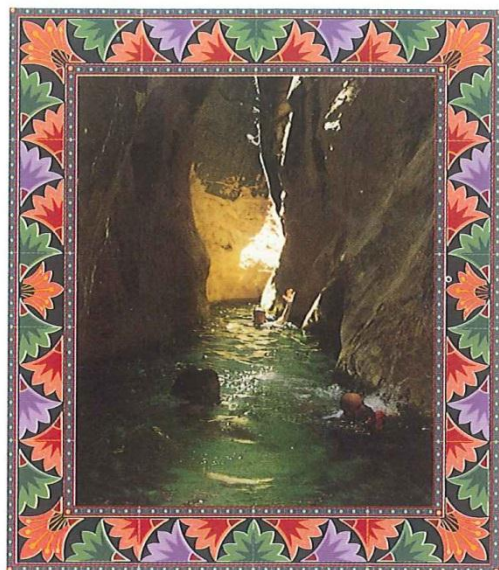
Over the next five years the master plan for the development of the fishing industry will continue. The Economic Vision 2020 has set a growth rate of 5.6% for fisheries. New fishing harbours will

be constructed in Dhalkut, Mahout and Ras Madraka and small fishing communities will benefit from better facilities and communications. Several fishing harbours have been opened in recent years. In March 1996, a new fishing harbour was opened at Bukha in Musandam with capacity for 200 small boats. In December 1996, new fishing harbours were opened at Quriyat and Shinas. Each harbour is able to berth between 300 - 400 boats. In December 1997, the fishing harbour at al-Lakhbi in the Wilayat of al-Jazer was inaugurated and a harbour in the Wilayat of al-Khabourah is due for completion in 1999. In December 1998 the new harbour at Sur, which can berth about 500 fishing boats, was opened and Muttrah harbour has been improved the islands of al-Masirah and Halaniyat also have fishing harbours and an area of Port Salalah has been set aside for fishermen. A new fisheries research laboratory was opened at Port Salalah in 1998. A private sector joint venture involving two Spanish companies has established a modern factory with an investment of US\$ 34 million on the Rusayl Industrial Estate. It has the daily capacity to process and can 40 tonnes of tuna and 25 tonnes of sardines, as well as producing 18,557 tonnes of fish meal concentrate and 702 tonnes of fish oil a year. The company will provide its own fleet of modern trawlers, but will also provide some 450 jobs for local fisherman and 150 other Omanis. It is the first project of its kind in the Middle East.

Whales

In May 1998, the International Whaling Commission held its 50th conference in Muscat which was attended by 300 delegates from 40 nations. The Sultanate of Oman joined the Commission in 1980 and is the only Gulf state to have membership.

The Gulf of Oman is home to hump-back and sperm whales. Oman has played a leading role in establishing the Southern Ocean sanctuary for whales and has a voluntary organisation, the Oman Whale and Dolphin Rescue Team. In recent years whales washed up occasionally along the coast have provided useful scientific information about these mammals which are regarded very much as part of Oman's maritime heritage.



WATER RESOURCES

water table. Heavy rains from July 1995 onwards significantly replenished aquifers and renewed previously dry aflaj.

In accordance with the recommendations of the Vision 2020 Conference, the Ministry is currently engaged in preparing a master plan for the conservation and development of the country's water resources. The plan which is being formulated by international consultants will include estimates of present and future needs of water in line with Oman's economic and social development over the next twenty years.

Water Discoveries

The Ministry has evaluated a number of newly-discovered water resources through surveys, geological studies and exploratory wells. The aquifers which have already been explored include al-Massarar, Najd, Wadi Rawnab, Rimal al-Sharqiyah and the southern Batinah.

The contract for the development of the al-Massarar aquifer, which will supply water to Ibri, Yanqul and Dhank, was awarded to an international company in March 1999. The Rimal al-Sharqiyah is being developed by another international contractor to supply water to al-Kamil and al-Wafi, Jaalan Bani bu Hassan,

Water Situation

The Sultanate of Oman lies in an arid to semi-arid climatic zone. Annual rainfall records show that this is an area of water scarcity. For at least four years up to 1995 Oman had suffered drought, markedly in the Dhahirah and Dakhiliyah regions, which had caused many wells and aflaj to dry up as well as generally lowering the



Jaalan Bani bu Ali and al-Ashkharah. Both projects will be completed by the year 2000.

▲ Conservation of water resources is vital for Oman; scouts and schoolchildren on an educational visit to an Exhibition.

Dams

The Ministry has an on-going programme of dam maintenance as well as the continuation of feasibility studies for the construction of new dams. Construction of four new surface storage dams on Jebel Shams which began in January 1999 is expected to be completed by the end of that year.

Following a number of feasibility studies, suitable sites for recharge dams have been identified in the Wadi Muaydin and in the Wadi Bani Kharus. Two dams are planned for each of the Wadis Sahtan and Mustil.

Thirty other locations have been selected for the construction of recharge dams in villages on the Jebel al-Akdhar and Jebel Shams, while in the Musandam peninsula sites for the construction of six recharge dams, thirteen retention dams and ten water harvesting ponds have been identified.

In January and February 1999, levels of water collected in



▲ Solar panels are used for raising water from underground aquifers.

many of the dams rose by several metres and several overflowed. It was estimated that in the Wilayats of Rostaq, Saham and Nizwa the total volume of water stored by the dams was about 5.5 million cubic metres.

Aflaj

The maintenance of the traditional falaj system is given high priority by the Ministry. Falajs or flaj collapse from time to time due to the effect of rain, wind erosion and flooding. During 1998, the Ministry issued 74 maintenance notices. By the end of the year 54 aflaj had been repaired and the maintenance work on the others is on-going. The wells supplying the aflaj are also maintained and during 1998, the Ministry dug four open wells, drilled four boreholes, extended the electricity supply to six wells, serviced pumps on five wells and extended the pipeline to two previously drilled wells. Maintenance was also carried out on the al-Buraimi Falaj and improvements made to the Falaj A'Bisyani in the Wilayat of Bahla.

The Ministry has compiled a falaj inventory to record

accurate information of the yield and flow on a database. Preliminary results show that there are 4,159 aflaj in Oman, of which 3,095 are in a healthy state, while 1,064 have dried out or been reduced to a trickle.

Modern-day pollution of this traditional system is a threat to the water supply. In the village of Saiq on the Jebel al-Akhdar, the Falaj al-Azizi was polluted by a fuel leakage. The Ministry took action and after investigation of the problem installed an oil-water separation system in 1997. The Ministry has also introduced well-field protection zones in some areas to protect groundwater from any possible pollution or over-extraction.

Central Database

All the projects undertaken and information collected during the latest Five Year Plan are being collated and stored on a central database, which will also include population and agricultural data, as well as the water resource details, such as the well and falaj inventories.

Solar Energy Desalination Project

In October 1995 the Ministry commissioned an experiment at Hailat al-Rakah to use solar power for desalination by reverse osmosis. In December 1996 a wind turbine generator was added to operate a submersible pump. Preliminary results from the trial have been encouraging and the experiment continues. A Solar energy power pump was first introduced to a farm at al-Khaburah in 1984 and was maintained for the farmer by the Ministry in 1998. Trials of wind and solar energy for developing water resources are continuing with the co-operation of the Middle East Desalination Research Centre recently established in Oman.

Water Legislation

The Ministry has responsibility for introducing legislation for the use of natural water resources. In February 1995, revised well permit regulations were issued. These covered procedures for drilling and digging new wells, the deepening of existing wells and the general maintenance of wells and aflaj. In 1997,

further regulations governed the use of desalination units on wells. The inventory of groundwater wells shows that nearly 128,000 wells have been identified. Well registration and inventory certificates are being issued to all well owners.

Youth Work Camps

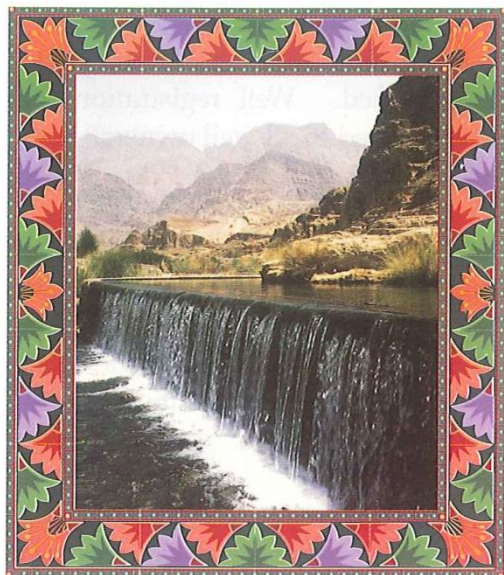
In July 1998 the Ministry organised its third Youth Work Camp in collaboration with the General Organisation for Sports, Youth and Cultural Activities. The camp in the al-Batinah region aimed to raise awareness among young people of the need to conserve precious water resources. Some four hundred young men, representing nine local clubs, carried out minor maintenance work on thirty aflaj. They also removed silt and debris from four recharge dams and erected fences around 13 monitoring wells. In 1999 a similar youth work camp is to be held in the al-Dhahirah region. On 22nd March 1999, International Water Day, the Ministry helped the National Organisation of Scouts and Guides to organise a camp in which some 600 scouts participated in cleaning up aflaj and other activities.

Permanent Exhibition of Water Resources

In 1998 the Ministry established a permanent exhibition at its head offices in Ruwi. Through a succession of displays superbly illustrated with diagrams and photographs, the visitor can see how water resources were formed, as well as how they are discovered and extracted. The work of the Ministry is graphically displayed and shows how much has been achieved since its formation.

Training & Omanisation

Between 1992 and 1998 the Ministry arranged 3,701 training courses for staff both at home and abroad. As a result 1,003 staff at the Ministry are Omani, representing 97.3% of the total.



DOMESTIC WATER

The demand for domestic supplies has increased sharply in recent years with the construction of housing and commercial premises to accommodate and serve a rising population with higher living standards than ever before. In 1997 water consumption in Muscat amounted to 12,305,937,980 gallons - a rise of 3% over the previous year. In 1998 industrial and domestic

consumption was 13,349,333,950 gallons an increase of 8.5%. Agriculture takes over 90% of the water available.

One of the first water supply projects was the building of a 12-inch line from al-Khodh, where three wells were sunk, to a water tower in Muttrah, a distance of 35 kilometres. Water towers were also constructed in Muscat and Bait al-Falaj; however few buildings were connected to a distribution system from which the public had to collect their water supplies or have them delivered by tanker.

Desalination plants

The first major water project to be undertaken was the construction of a desalination plant at al-Ghubra, which went into production in 1976 with a capacity of 5 million gallons a day. In 1978 natural gas was brought by pipeline from the Yibal oilfield to become the main source of energy for the power station and desalination plant. The capacity was again increased to 11 million gallons a day in 1982, with the addition of a new desalination unit. In 1986-87, three more desalination units were completed at al-Ghubra bringing total production capacity to

► A modern water tower provides domestic supplies.

23.5 million gallons a day. In 1997, the capacity of al-Ghubra was increased to 35 million gallons a day with the commissioning of a sixth unit. A seventh unit with a capacity of 7 million gallons a day has been tendered and commissioning is expected in the year 2001.

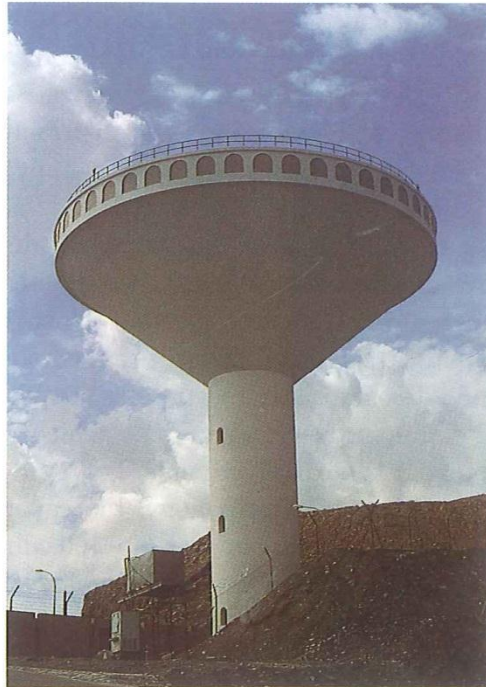
As well as the production of fresh water from the desalination plant, groundwater is pumped from boreholes in the Wadi

Dhayqah and the al-Khodh area and mixed with the desalinated water before being distributed for domestic use.

There are twenty other desalination plants in different parts of the Sultanate which produce a total of around one million gallons a day. In 1998 a new desalination plant at Suqrah al-Wusta came on stream with a capacity of 22,000 gallons a day. Six additional plants are planned for outlying coastal villages to be on stream in the year 2001. The plant on Masirah island is to be extended by another unit producing 132,000 gallons a day.

Master plan

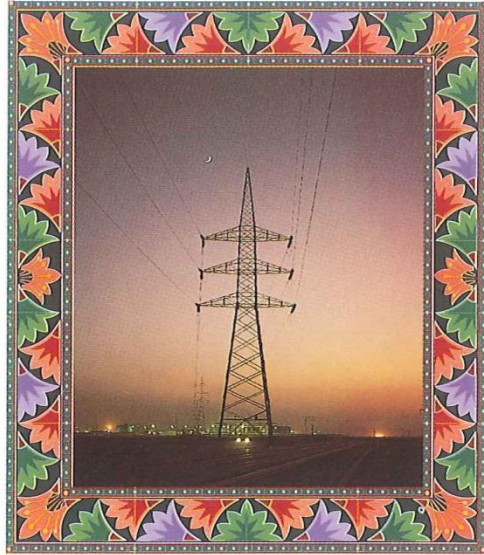
The Ministry has completed a master plan for the supply of water to the Capital area up to the year 2010. The plan includes extension of distribution pipelines as well as commercial, industrial and house connections which have reached a total of more than 70,000 connections to the mains supply. In 1998 two new additional reservoirs were constructed in the Capital area at a cost of over RO 1 million. Considerable progress has been



made not only in the supply of water to the Capital area and other major urban developments but also to smaller communities throughout the country. Nizwa, Sohar, al-Buraimi, Mahdah and Sur all have major water distribution networks. Sur has its own desalination plant with a daily capacity of one million gallons. Sohar will also have a desalination plant to be constructed as part of the proposed aluminium smelter project. Water surplus to the plant's requirements will be made available to the public supply system. Most of the desalination plants operated by the Ministry use a method of desalination known as reverse osmosis. In this process brackish water is forced through a semi-permeable membrane which allows the water to pass, but not the dissolved salts; however until ways are found of improving this technology, the capacity of these plants will remain limited to between 50 - 100 cubic metres a day. The new reverse osmosis plants are being assembled by a local company which has its factory on the Rusayl Industrial Estate. At the end of 1997 the Adam desalination plant, which cost RO 1 million, was the latest to come on stream with a capacity of 220,000 gallons a day.

Water for remote rural areas will continue to be supplied by road tankers and by traditional methods until local piped water resources can be made available. Although Khasab, the principal town of the Musandam peninsula, has a water distribution system with house to house connection, the actual supply has to be brought in by sea tanker. The Ministry is currently studying plans for the supply of water to the Musandam peninsula, most of which is covered by piped water, apart from some remote communities on the eastern coast .





ELECTRICITY

Electricity now reaches all populated areas of the Sultanate except for some remote mountain villages, which means that about 88% of the country is fully supplied. More than 150 villages were connected during 1998. It is hoped to extend this coverage to 90% of the total populated areas by the end of the current Five-Year Plan. There are also plans to have a nation-

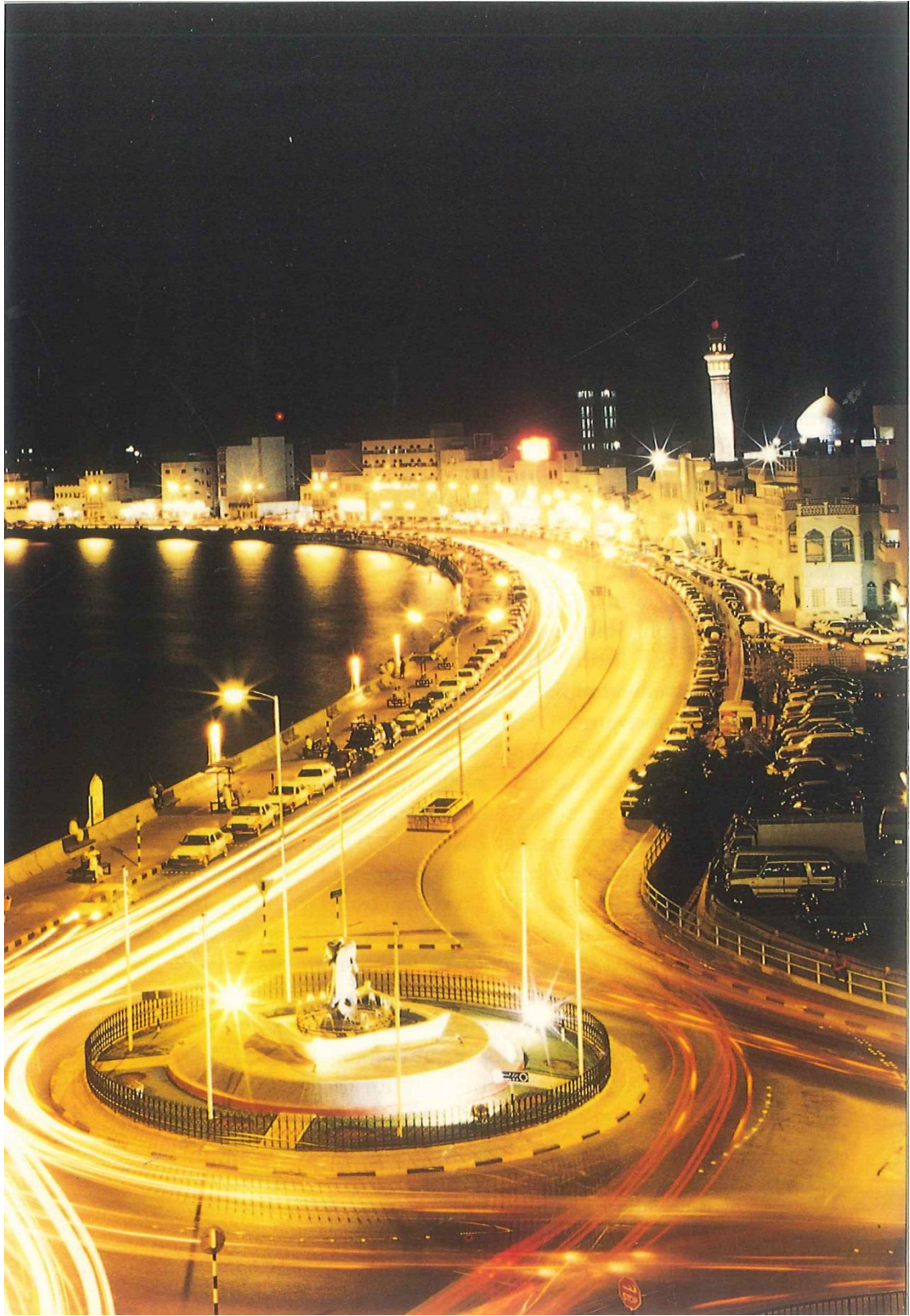
al grid in place by 2002 and eventually to be part of an international grid with the neighbouring Gulf States.

During 1997 there was increased demand and generation of electricity rose by over 4%. His Majesty therefore ordered the allocation of an additional RO 145 million within the framework of the Five-Year Plan to increase spending on water and electricity projects. This has enabled the Ministry to proceed with plans to install new gas turbines in power stations at Rusayl, Wadi al-Jizzi, Sur and Salalah. In accordance with instructions from His Majesty there have been no increases in electricity and water charges in recent years. In July 1999 consumers were able to pay their bills for electricity, water and phone lines at bill payment machines for the first time. The machines, operated by a contracting company, have been installed in the Capital area and will eventually be found all over the country. The machines are open 24hrs a day, seven days a week.

The first large project to provide electricity in any quantity was the construction of the al-Ghubra power station and desalination plant in 1976, with an initial capacity of 25.5mw. The first major extension to the power plant was completed in 1983 raising the capacity to 287mw. The latest expansion with the

►► The
Mutrah cor-
niche lit at
night.





addition of two gas units of 190mw capacity has raised production to over 500mw.

Increasing demand

By 1978 the growing nationwide demand for electricity and water was such that a Ministry of Electricity and Water was established. At the same time the gas pipeline to the coast was extended to Sohar where a power station was constructed close to the copper mining and smelting project. Along the gas pipeline provision was made for spur lines to meet industrial and domestic demand for electric power. One of the most important connections was at Rusayl, the site of Oman's first industrial complex, where a power station was constructed in 1984 with a capacity of 250mw. This capacity has now been doubled to 500mw.

Manah Power Project

The Manah Power Project, commissioned in 1996 ahead of schedule, is not only the first independent power project in the Sultanate, but also in the other Gulf States. It was the most important achievement of the Government's privatisation policy at the start of the current Five-Year Plan and was entirely constructed with private capital at a cost of around RO 83 million. The power station has three 30 mw gas turbine units, transformer stations and power lines. It has been established on the build, own, operate, transfer basis (BOOT) principle. This means that the facilities are built and owned by the Company and after an agreed period of time are transferred to the Government. In the case of the Manah power station it was agreed that the United Power Company will operate the power station, while the Ministry will be responsible for operating the transmission facilities for twenty years. During this period the Government pays the Company for the utilisation of the facilities and purchases power from the Company for distribution and resale to consumers at a regulated price. In early 1999, the United Power Company received Government approval to expand production capacity at Manah by 180 mw, bringing total capacity of the station to 270 mw by the year 2000. The new

plant replaced the old diesel-fired power stations at Nizwa, Bahla and Izki. The power units from these three stations will be used to increase capacity elsewhere.

The United Power Company is a consortium of local and foreign companies, in which 40% of the shares are held by the public and traded on the Muscat Securities Market.

Salalah

In the southern region the first power station was started in 1971 to serve Salalah. Subsequently two power stations have been in operation, one in Salalah and the other in Raysut with a combined capacity of 12,400kw. The capacity was later up-graded to 20,000kw. The Government is currently seeking to privatise the power system for not only Salalah, but for the rest of the Governorate of Dhofar as well. A new 200 MW gas-fired power station will be built to replace the two existing diesel-fired power stations. A private sector company will be formed to build and operate the power system under a thirty year concession agreement. The founding shareholders of the new company will be selected from qualified investors after an open competition. The tender proposals for this project are currently under evaluation. The general public will also have the opportunity to invest, when in due course at least 40% of the company's share capital will be available for public subscription.

Regional development

Apart from the Capital area, Salalah and oil industry locations, there were no generating stations elsewhere in Oman before 1978; but in the following year no less than 22 were added to cover the different regions with a total overall capacity of 27mw. At first all these stations had to be run on diesel, but where possible the Ministry has a policy of converting them to gas-fired stations. A new power station was opened in Adam in January 1998 to replace the existing facility. At the end of 1998 a tender for consultancy services was issued for the Barka power and desalination plant which is planned to have an eventual capacity of 1900mw in 2003. Like Manah it is intended that it will be a BOOT project over a 25-year concession period.

There are currently 31 power stations with a total installed capacity of 1,794 mw and using the following sources of energy:-

Steam turbines	136mw
Gas turbines	1280mw
Diesel generators	378mw

The electricity grid system has some 220 main sub-stations and about 11000 distribution transformers.

Future Plans

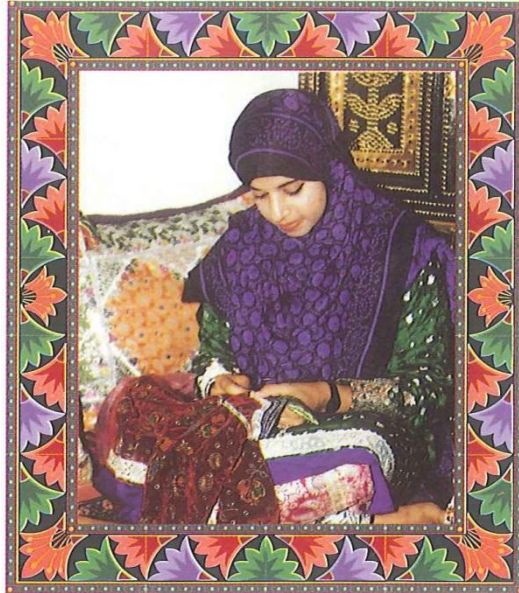
The Ministry of Electricity and Water has always encouraged the involvement of the private sector, since its establishment as the Government body responsible for planning and supervising the development of these utilities. During the last five years the Ministry has concentrated on inviting consultants to study ways of achieving privatisation in order to reduce Government expenditure and bring benefit to the consumer.

Renewable Energy

The Ministry is interested in renewable energy projects provided that they are technically feasible and commercially viable. A wind energy trial is currently being conducted in Thumrait and scientists at Sultan Qaboos University are examining other options for natural power. So far solar energy applications are limited to domestic water heating, cathodic protection of pipelines, some water pumps, street lighting, traffic lights and telephones in remote areas.

Training & Omanisation

The Ministry has had considerable success in training and preparing Omanis for technical and managerial positions and is meeting its Omanisation target of 90% by the year 2000. By the end of 1998 the Ministry had reached 86% Omanisation.



SOCIAL AFFAIRS, LABOUR & VOCATIONAL TRAINING

The Sultanate of Oman has created a social welfare system that is second to none in a remarkably short period of time. The aim of this Ministry is to promote stability and security for families in a rapidly changing social environment.

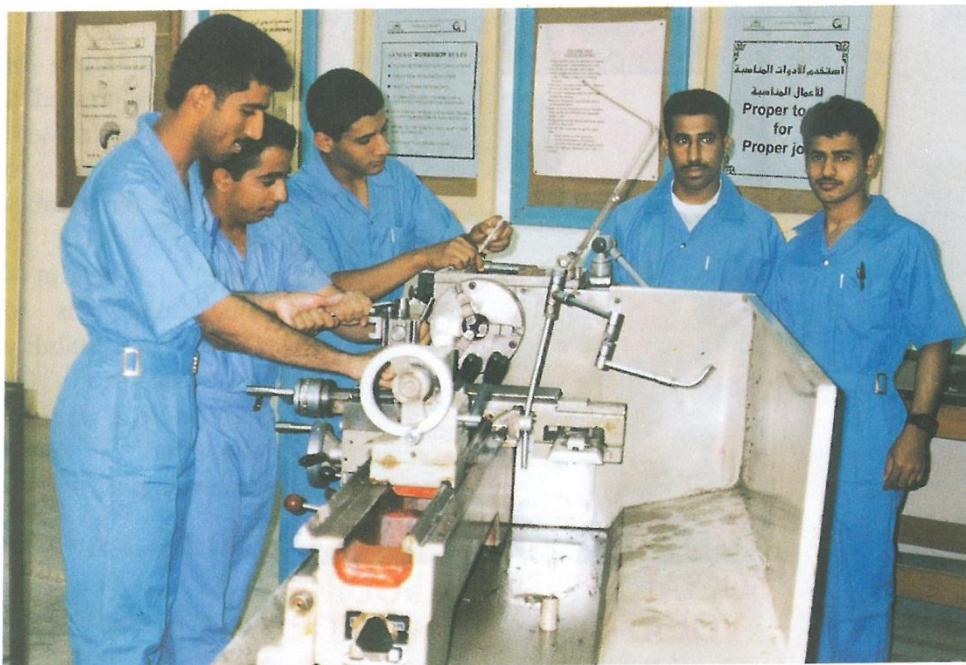
Social Security

In 1998 the Ministry spent nearly RO23 million on social security cases, including over RO1.8 million paid to needy families for the Eid al-Fitr and Eid al-Adha. Funds are also set aside for emergency assistance, where families or individuals have been the victims of natural disasters or accidents such as floods or domestic fires. Other cases of relief in 1998 included RO32,649 to some families needing assistance with the connection of water and electricity supplies. In 1998 a total of RO68,141 was paid out in emergencies. In addition RO99,904 was spent on specific cases of kidney failure. Total hardship payments of RO200,744 were disbursed during the year.

Royal Decree 97/60 made some important amendments to the existing Social Security Law in accordance with Article 12 of the Basic Statute of the State, which guarantees assistance for the citizen and his family in the event of emergency, sickness, disability and old age. Benefits to families in cases of death or disability of the breadwinner are some of the new provisions of the law.

Special Needs of the Disabled

Special attention is given to the needs of the disabled,



particularly young people for whom the Ministry provides a specially equipped training centre at al-Khoudh, opened in 1987, where skills such as typing, sewing, domestic science and carpentry are taught. The centre also cares for severely disabled children between 3-14 years of age. The Ministry helps to find suitable employment for the newly-qualified disabled and provides wheelchairs and any other special equipment that may assist the disabled to lead as normal a life as possible. In 1998 there were 428 requests for equipment of various kinds, compared to 203 similar requests in the previous year. New legislation is being prepared to ensure that facilities, such as access to public buildings and transport, will be provided for all those with special needs.

Since 1993 eleven centres have been opened in different parts of the Sultanate for the care and rehabilitation of disabled children. These centres are funded by the Ministry and run by around 161 female voluntary staff who care for some 500 disabled children.

Since 1990 the work of the Ministry has been supplement-

▲ Vocational Training Centre students learn the intricacies of modern industrial equipment.

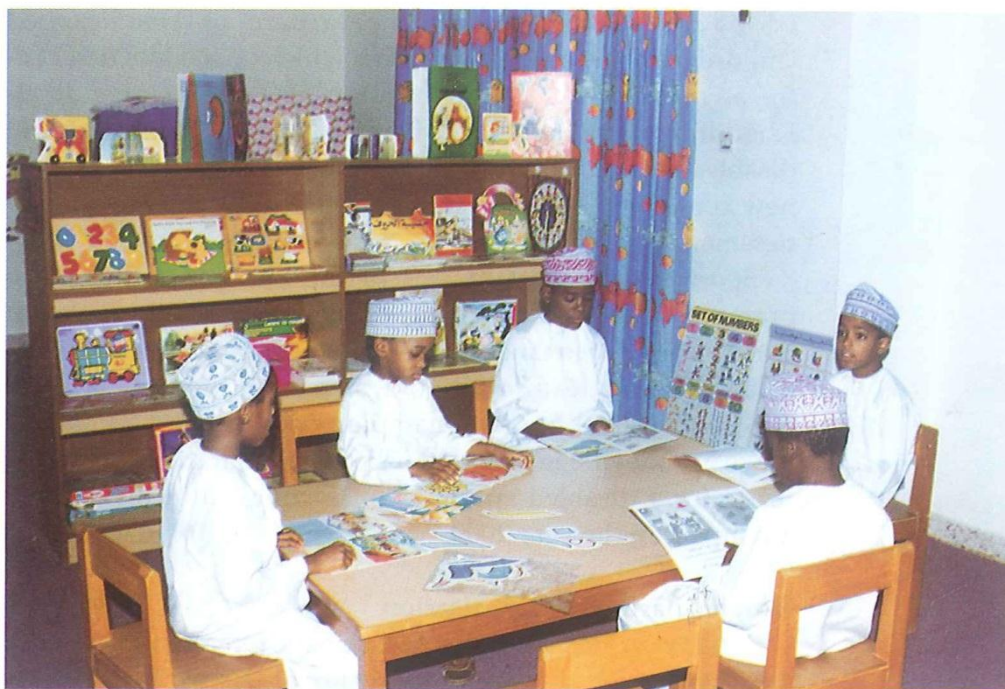
ed by the Association for the Welfare of Handicapped Children, a charitable organisation which opened its first centre at al-Qurum. The Association also has centres at al-Khouth, Quriyat and Bilad Banu Bu Hassan, caring for 240 disabled children. In 1998 the foundation stone was laid for a new centre at al-Azaiba on land donated by an Omani businessman.

Sport is an important part of the disabled welfare programme. The Ministry ensures that Oman is represented at Gulf, Arab, Asian and International sporting events. The disabled sports team won gold, silver and bronze medals at the International Sports Championship for the Disabled at Stoke Mandeville in England in 1994. Preparations are being made for a disabled sports team to compete in the Sydney Olympiad in the year 2000.

Oman Charitable Organisation

In January 1996, the Oman Charitable Organisation, a non-governmental body was set up by Royal Decree. His Majesty the Sultan made the first donation and an anonymous businessman gave RO366,000. One local company has allocated some of its shares to the Organisation. Companies and individuals can donate funds through banks or via the office of the Minister of State for Legal Affairs, who chairs the Board of the Oman Charitable Organisation.

In 1998 His Majesty ordered that some commercial and residential plots of land should be set aside for the organisation, which has so far taken possession of two plots, one in the Capital area and the other in Sohar. The accumulated funds of the OCO now stand at over RO3 million. The OCO was able to hand over RO100,000 to be distributed to deserving families during Ramadhan in early 1999. All donations are channelled through the Ministry to ensure that the money is properly and evenly distributed. The OCO has built 45 shelters at a cost of RO58,500 for the bedu living in remote areas of the country and assisted with programmes for the disabled. Besides these projects the OCO has given assistance in cash and kind amounting to RO287,000 it tries to provide help where it is



needed in all areas of the Sultanate. The OCO also makes an annual contribution to the Ministry of Health to house medical students from poor families.

It is hoped that the revenues in 1999 will show an increase over the 1998 figure of RO619,000 and that eventually a trust fund can be established to ensure a regular income for future distribution.

Women & Children

Woman and children form one of the most important responsibilities of the Ministry of Social Affairs, Labour & Vocational Training. Women who wish to work are encouraged to do so.

According to the 1993 population census, the mean age of marriage for women was 20.7 years, compared with 24.7 years for men, but recent indications show that a social transformation is under way with women tending to marry later and have smaller families, thanks to educational and health training programmes.

▲ Orphan boys happily learn while at play.

The Ministry has established seven women's training centres in different parts of the Sultanate, while other centres have been set up with voluntary contributions. The centres train women in needlework, embroidery and home economics, as well as in traditional local crafts, which they are helped to sell through marketing facilities provided by the Ministry. Women are encouraged to open tailoring shops in rural areas after attending a training course. In 1998 288 men and women completed their tailoring courses and there are currently 550 trainees on these courses.

The voluntary centres also organise a variety of activities, including lectures and literacy classes. In conjunction with the Ministry of Health women are given courses in hygiene, birth spacing and other health matters. The centres have play-group corners where mothers can leave their children while they carry on with their activities.

There are now 36 day-nurseries established for small children in various parts of the Sultanate. These are run privately, but are carefully supervised by the Ministry which lays down regulations for their activities. One of the important events in 1995 was the opening of the Children's Care Building in Muscat, which aims to ensure adequate living standards for children, such as proper nutrition, suitable clothing and equipment, health care and hygienic surroundings.

In March 1999, a symposium was held in Muscat on the International Agreement for Children's Rights, which was signed by the Sultanate in 1996.

Women's Associations

Women's Associations play an important role in the voluntary sector. In 1999 there were 23 Associations, with a membership of 3,744 women, who co-operate with Ministry staff in carrying out social work within the local community. There is an annual competition between the Associations for which prizes are awarded by the Ministry.

Community Development

Community development programmes have now reached



▲ Petrol pump attendants are being Omanised.

all areas of the Sultanate. An important aspect of these projects has been the dissemination of information through the distribution of newspapers, magazines and educational materials.

With the co-operation of the other ministries concerned, programmes have included the maintenance of falajs, the building of walls to protect agricultural land, adult literacy classes, Koran schools, drinking water projects and repair of mosques.

Labour

The Ministry is responsible for the national workforce employed in the private sector, as well as for foreign labour employed by private companies. In 1998 the total number of employees, both Omani and expatriate, was 541,256 compared with 532,009 in the previous year. In 1998 a 2.6 % reduction was seen in the expatriate workforce from 493,847 in 1997 to 482,527, reflecting a significant increase in the number of Omanis in employment.

Since the issue of the Social Insurance law in 1992, the

Public Authority for Social Insurance (PASI) has registered nearly 4,000 companies and establishments in the private sector with a total of some 63,000 workers who, with their families are provided for in cases of sickness, injury, disability and death. On retirement a worker receives a pension from the authority.

His Majesty the Sultan has directed that no Omani should remain unemployed for want of a job, as long as he or she is capable of working. Therefore one important aspect of the Ministry's labour policy is to bring Omani women into the work place wherever suitable employment can be found.

Over the last two years the highest priority has been given to Omanisation and Omanis are encouraged to take jobs currently performed by expatriates. His Majesty has urged Omanis to do work that was previously considered to be socially and traditionally unacceptable. In 1998 the Ministry set itself a target of providing 20,000 jobs for Omanis and by the end of the year 19,720 had found work in the private sector, representing 60% of those on the manpower register. The target for 1999 is 25,000. There are currently over 32,000 Omanis registered for work with the Ministry. In order to expedite recruitment of these job seekers, the Ministry has excluded expatriates from performing a number of jobs, which are now being carried out by Omanis, such as driving school buses, private sector employee transport and agricultural tractors. All taxis are owned and driven by Omanis. Other jobs are now only open to Omanis such as the delivery and sale of domestic gas cylinders. Gradually most other 'blue collar' jobs will be Omanised once the appropriate training programmes are in place. The Ministry has involved the Vocational Training Centres in training Omanis as heavy goods vehicle drivers and plant operators.

Training programmes have also been established for Omanis to work as petrol station attendants. The Ministry set a target of 50% Omanisation by the end of 1998, which was met by the majority of employers. It is expected that all service stations will have met the target by the end of 1999.

The Ministry co-operates with the Ministry of Commerce



& Industry and the Royal Oman Police to ensure that companies are complying with the Labour Law and that foreign workers have labour permits. The Ministry has taken measures to ensure that the number of illegal workers is reduced and that expatriates may not stay in the country without permission.

A total of 66,118 expatriates left the country in the course of 1998 after several warnings and deadlines set by the Ministry. Besides identifying illegal workers, labour inspectors also carry out occupational health and safety inspections.

In April 1999 the Ministry introduced a new computerised system of issuing labour cards for expatriates which will reduce the time and cost involved in the procedure as well as making it easier for employers to apply. Recently expatriates have been required to show their labour card at the airport on departure. Travel is denied to those whose labour cards have expired and an applicant for a residence permit must first have a valid labour card. The new cards are more secure than the earlier cards and carry a digital photograph of the employee that cannot be removed or defaced.

▲ Young people are trained in up-to-date office technology which equips them for the labour market.

Omanisation

The Ministry has stipulated a fixed Omanisation ratio in six areas of the private sector. Transport, storage and communications are to have 60% Omanisation; finance, insurance and real estate 45%; industry 35%; hotels and restaurants 30%; wholesale or retail trading 20% and contracting 15%.

The Ministry set an extended deadline at the end of 1998 for employers to meet their Omanisation targets. By December 1998 a total of 6,800 companies had registered their Omanisation plans, which they had been required to submit during 1996 and 1997. In April 1998 the Ministry introduced a 'green card' for companies that had met their Omanisation targets and complied with the eligibility criteria for labour relations. The names of these companies are published in the local press and are given preferential treatment in their dealings with the Ministry.

In spite of all the measures taken to provide employment for Omanis, the overall number of expatriates is likely to remain at current levels in the short term due to major construction and development projects being implemented by the private sector.

In 1998 the Ministry stipulated a monthly minimum wage of RO100 for Omani employees in the private sector. The employer also has to provide accommodation and transport, if required by the employee. Alternatively an allowance of RO20 can be paid to cover these expenses.

Vocational Training

The Vocational Training Authority was established in 1991, but in early 1998 responsibility for Vocational Training was transferred to the Ministry by Royal Decree and the Authority was abolished. In the academic year 1998/99, RO9 million was allocated as the operating budget for technical colleges and vocational training centres. In addition the Government set aside around RO6 million to train Omanis in private sector institutes.

In April 1997 the Ministry decided that employers' contributions to vocational training should be increased. For every

expatriate employee earning up to RO85 a month, there is an annual levy of RO60, provided that the amount paid does not exceed 7% of basic salary. A sum equal to 6% of basic salary is payable for expatriates earning between RO85 and RO100 and for those earning over RO100 per month, 7% of basic salary is payable.

National Vocational Qualifications

Within the strategy of manpower development put forward at the 1995 "Vision Conference: Oman 2020", an important decision was made to introduce National Vocational Qualifications (NVQs) and General National Vocational Qualifications (GNVQs) to provide well trained Omanis to strengthen the private sector role in the economy. The certificates are awarded by the British Royal Society of Arts (RSA) and certified by the British National Council for Vocational Qualifications (NCVQs).

The new syllabus was first introduced at the Muscat Technical and Industrial College (TIC) and the first batch of 99 male and female students to obtain their GNVQs graduated in 1997. Of this number, 36 had qualified in information technology, 12 in business studies, eight in science, 33 in engineering and 10 in construction. This year it is expected that similar numbers of students will also graduate with the GNVQ from the Nizwa, Salalah, Ibra and al-Musana'a colleges where the syllabus was subsequently introduced. In 1997, an additional 47 students, both male and female, obtained their technical diplomas under the previous syllabus from the Muscat TIC. For the 1997-98 academic year, 2,272 new students enrolled in the five TICs, making a total of 3,427 students out of whom 793 had graduated. In the 1998-99 academic year it was decided to enrol a further 2,050 students giving a total of 4,684 trainees. The academic year 1999-2000 began in September. The Ministry intends to open two more TICs in the interior in the year 2000.

The GNVQ courses are of three years' duration and because they are conducted in English include a one year foundation course in the language. Some students may be

able to obtain the qualification in two years instead of three. GNVQs are a genuine alternative to 'A' Level or equivalent secondary education qualifications for students over 16 years of age, who wish to keep their options open, either to move into higher education or seek employment. As such GNVQs are a bridge between the vocational and academic systems of education. The NVQs, being introduced into the Sultanate as OVQs (Omani Vocational Qualifications) cover a more limited range of occupational areas and are conducted in Arabic at private training institutes. They are practical and flexible qualifications which can be implemented in the workplace and built into company training schemes.

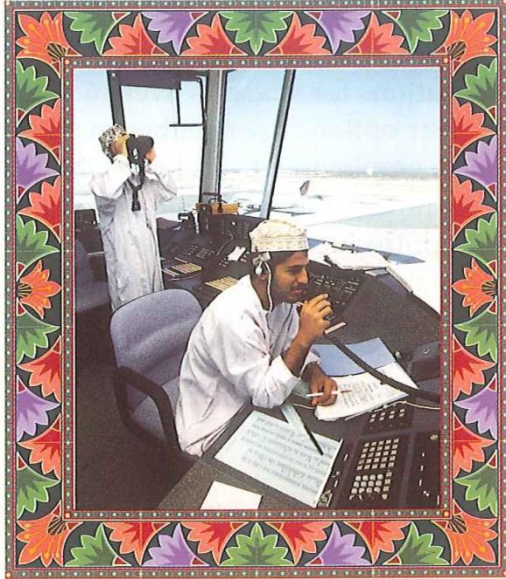
Vocational Training Centres

In 1999 a total of over 1, 000 students were enrolled on advanced vocational and basic technical courses in the four centres at Seeb, Sur, Saham and Ibri.

The Ministry also signed several agreements in 1999 with private training institutes to run NVQ courses.

Working Hours

Working hours are regulated by the Ministry of Social Affairs, Labour and Vocational Training in the case of the private sector and by the Diwan of Royal Court for the public sector. Working hours for the public sector are Saturday - Wednesday inclusive from 7.30 a.m. to 2.30 p.m. During Ramadhan the hours are reduced and public sector employees work from 8.30 a.m. - 1.30 p.m. In the private sector working hours vary according to the time of year and nature of the business, but during Ramadhan Muslims in private companies are only expected to work a six hour day or a 36-hour week.



COMMUNICATIONS

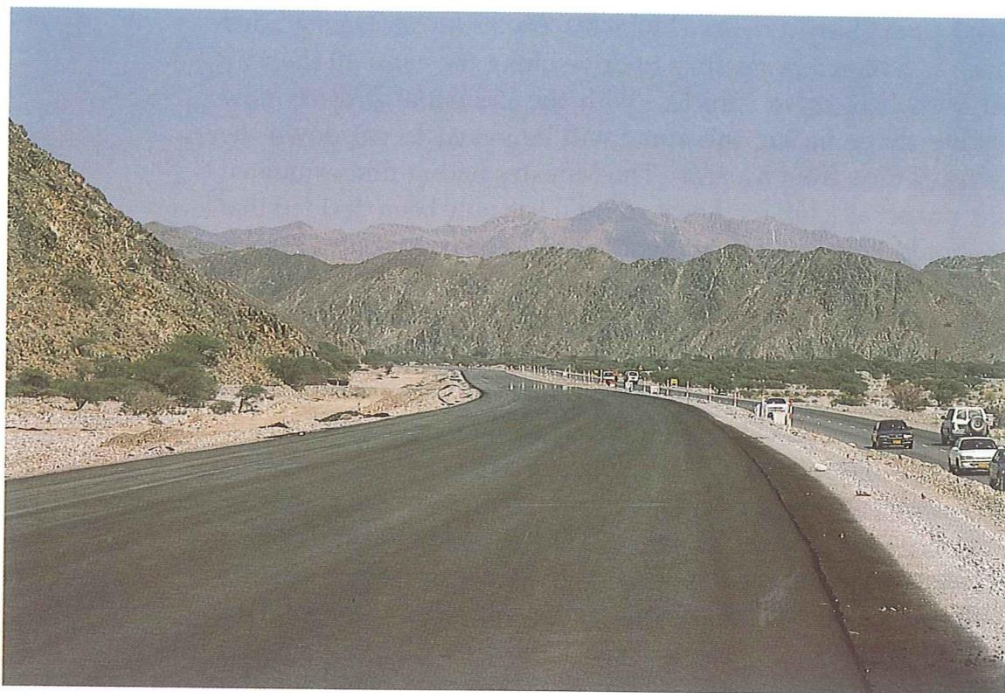
totals the Ministry has constructed about 5000 kilometres of the paved road and has built 15,500 kilometres of unpaved road, which it maintains on a regular basis. Other authorities responsible for road construction and maintenance have been the Ministry of Defence, Ministry of Regional Municipalities & Environment, Muscat Municipality and PDO.

The major road network in the Sultanate has been completed and attention is being turned to improving and widening existing highways and to linking towns and villages of the interior with local road schemes. In December 1997 a 36 km network of minor roads was formally inaugurated in the Jebel al-Akhdar. The network links the recently built hospital with the surrounding villages and will eventually be joined to the Nizwa highway by an asphalt road from Saiq to Birkat al-Mawz.

In 1995 Phase One of the Rusayl-Nizwa dual carriageway project from Burj al-Sahwa at Seeb Airport to the Bidbid-Sur junction (a distance of 36 kms) was completed at a cost of RO15.5 million. Phase Two from the Bidbid-Sur junction to Izki (64 kms) is due for completion by the end of the year 2000. The contract for the remaining section to the Firq roundabout - Nizwa junction (36 kms) was awarded in December 1998 and is due for

Roads

In 1970 there were only 10 kilometres of paved road and about 1700 kilometres of unpaved tracks in the Sultanate. As a result of the mammoth programme of road construction carried out by the Ministry of Communications there are now about 6000 kilometres of paved road and 24,000 kilometres of unpaved track roads. Of these



▲ A new section of the road linking Muscat with Nizwa.

completion by June 2001. With the large increase in traffic volumes in recent years, dualisation of congested roads has become an important part of the road building programme and helps to reduce accidents. There are at present nearly 500 kilometres of dual carriageway. These include the Batinah highway, the Nizwa road and the link between Salalah and the port at Raysut, as well as the main arteries of the Muscat road system.

In April 1997 a major road construction agreement was signed between Oman and Yemen for a 245-kilometre highway at a cost of RO14.5 million to be paid for by Oman between al-Ghaidha in Yemen and Shahn on the border with Oman. This project is one of several bilateral agreements with Yemen which will bring economic benefits to both countries. It is due for completion towards the end of 1999. At the other end of the Sultanate, the Khasab-Bukha road project was completed in 1997 at a cost of nearly RO11 million. The 25-kilometre coastal road now links the two wilayats in the Musandam peninsula. The second phase from Bukha to Tibat (12kms) was completed in July 1998.

One of the remaining major highway projects is the coastal

road from Quriyat to Sur (100kms). The route has been graded and it is therefore possible to drive along the coast all the way in a 4-wheel drive vehicle. With the industrial projects now taking shape in Sur, this route will be paved to cut down the journey time from Muscat. The Ministry had at first evaluated the project as a toll road project but it has now been decided that it should be a non-toll highway. The Ministry has also carried out studies on two other projects for private sector construction as toll roads, namely Thumrait to al-Mazyounah (190 Kms) and the Batinah motorway (241kms).

In August 1998 the Ministry signed an agreement for the construction of an extension to the Sinaw-Mahout coastal road to Duqm, a distance of 177 km. This is a particularly important development for the many small fishing communities in the central region of Oman. The project will cost nearly RO4 million. A network of minor roads is being built in al-Wusta region with the help of a loan of RO22.1 million from the Abu Dhabi Development Fund. Another road that will benefit isolated villages is a 58 km mountain road linking the Wilayat of Dima and Tayin with the rest of al-Sharqiya. The agreement was signed in April 1999 and has to be completed in 35 months at a cost of RO5.5 million.

Oman National Transport Company (ONTC)

The State-owned bus company has the franchise to operate public services throughout the Sultanate. It also contracts out some of its fleet for short-term charters and tourism. It currently operates on some 28 routes, covering over 20 million kilometres a year and has an annual replacement programme for its fleet with the most modern vehicles available. There are plans to replace all non-airconditioned vehicles. There are currently 19 long distance departures daily to towns in the interior and in January 1997 a new service was introduced linking Ibri with Dubai via al-Buraimi. In 1998 seven medium sized coaches were added to the fleet for transporting passengers to and from Seeb Airport to hotels. ONTC also bought five other buses for contract work. Coaches full of tourists are now a familiar sight in the Sultanate. Two super modern luxury coaches were added to the services linking Muscat with Salalah in 1998. In April 1999 the Company

introduced a new express service between Muscat and Abu Dhabi. ONTC has had a most successful service to Dubai since 1989. At the end of 1996, the Salalah Express coach service celebrated its tenth anniversary of operation. The privatisation of ONTC is under consideration and a consultant has been appointed to recommend how to proceed.

In 1998 ONTC carried 3,130,307 passengers on urban, suburban and long distance services, including season ticket holders. In addition, 3,274,797 passengers were carried on contracts, charters and tourism services. The company employs a total of 509 staff of whom 364 (72%) are Omanis. Omanis number 226 (76%) of the 297 employees on the buses.

Taxi services run by the private sector are also well developed and there is an excellent network of minibuses operating as 'service' taxis linking up the major centres of population.

Seaports

An early development priority for the Sultanate was the construction of Mina Sultan Qaboos which was completed in 1974 with a capacity to handle 2 million tonnes annually. Since then many improvements have been made including dredging the harbour entrance to a depth of 13 metres. The spoil from this and other operations has been used for land reclamation in Shutaifi Bay where a 150,000 square metre container storage area has been created. Two new cranes were ordered for delivery in 1998 at a cost of over RO80,000 each. The cranes are the most modern of their kind and will cut container handling time by 40%. In spite of various other improvements and additions made to the facilities in recent years, studies carried out by the Ministry have shown that a new port is needed to supplement Mina Sultan Qaboos in the next decade. Sohar has been chosen as the site for a number of reasons, the most important being the development of major industrial projects in the area, such as the aluminium smelter and petrochemicals plant.

Port Salalah

Port Salalah is the new container terminal built in a record time of 14 months. The first vessel docked on 1st November 1998 and by the official opening ceremony a month later, 25 ships had been handled.



It was built on the site of the former harbour of Raysut, the port which served Salalah and the Governorate of Dhofar. However being strategically placed as it is, close to the direct shipping lanes between Europe and the Far East, it is in a position which has easy access, not only to the Gulf, but also to the Red Sea, Indian Ocean and East coast of Africa, it will provide a major boost to Oman's economy. With the expansion of the Raysut Industrial Estate and the prospect of increased trade with Yemen, it was decided to develop the existing harbour as a container port and free trade zone at a cost of US\$ 130 million. In June 1999 Government approval was given for the establishment of the free zone, which will be funded primarily by the private sector and developed in several phases. Salalah Port Services has been appointed project manager for phase One, which will be developed within the boundaries of the existing port.

In May 1996 a Memorandum of Understanding was signed between the Ministry and Sea-Land Services Inc. and its Omani partners for the transformation of the harbour into a modern container terminal to attract transshipment trade from ships en route to the Far East. The new port has four berths, with a total length of 1,200 metres and a water depth of 16 metres after dredging. In the first phase the terminal had a capacity for 900,000 TEU (Twenty foot Equivalent Units). In February 1997 agreements were signed for the dredging and landfill necessary for the construction of new jetties. The first phase (berths 1 & 2) were completed in September 1997, followed by phase 2 (berth 3) at the end of 1998. Phase 3 (berth 4) was completed early in 1999. The new port is one of the largest and most sophisticated container terminals in the world. Each berth, with an area of 50 hectares, will be able to hold five cranes and in future a further four berths may be added. It will have the advantage of being located in a country that is politically stable with a soundly-based economy and a nexus of communications linking East and West.

◀▲ Port Salalah
- destined to
become one of
the world's most
important con-
tainer terminals
operates around
the clock.

The cargo traffic in 1999, the first full year of operation, is estimated at 600,000 TEU and is expected to go up to 900,000 TEU in 2000. In January 1999 the second batch of gantry cranes arrived bringing the total number of gantry cranes at the port to six at a cost of US\$ 35 million.

The Government holds 20% of the shares in this venture, which

will be run over a 30 year concession period by Salalah Port Services Company (SAOG). Sea-Land has 15%, Maersk 15%, Omani companies 19%, pension funds 11% and the remainder of the shares are for public subscription. The Company held its first Annual General Meeting on 28th April 1999. The decision by the two major foreign shipping companies to use Salalah as their hub port has given Salalah immediate high-level status in the field of international maritime shipping.

Further expansion of the port and improvement to the handling facilities are planned. It is also proposed to establish a dry dock and increase the storage area.

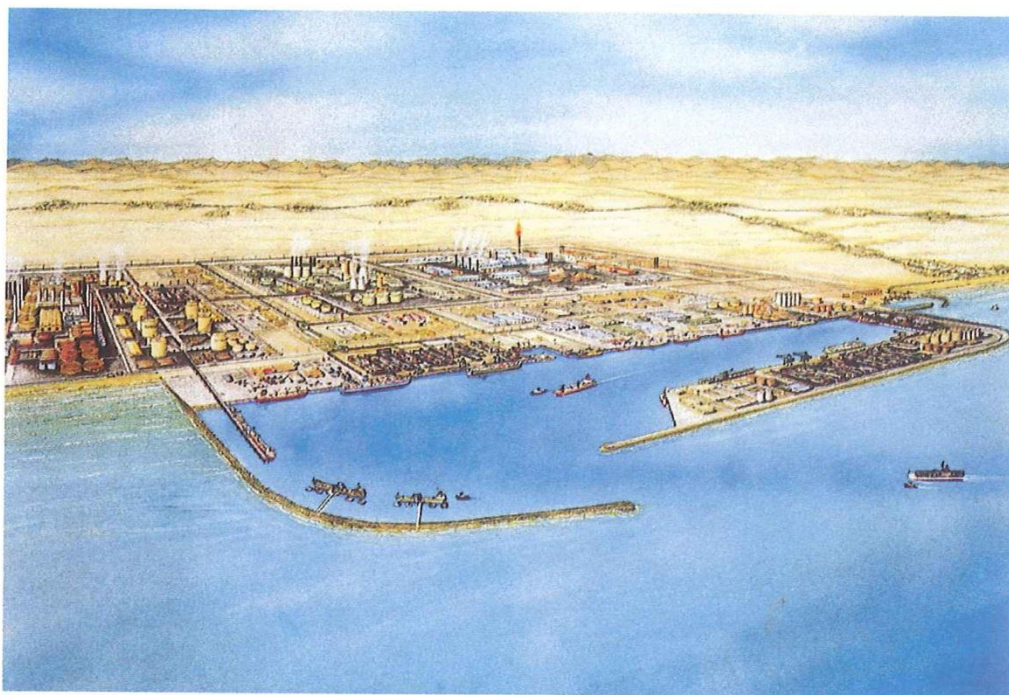
Salalah Port Services will provide jobs for some 800 staff, some of whom are currently being trained to operate the new facility with the assistance of the National Training Institute. All the cranes are operated by Omanis and 50% of the workforce is already Omanised.

Port Sohar

In June 1998 an agreement was signed with the Japanese Export & Import Bank for a loan of RO96 million to finance the construction of Oman's third port at Sohar. A Korean company has won the tender for the construction of the 6km-long break water at a cost of RO25 million. Work began in July 1999 and is due to be completed by 2001. The northern breakwater has a length of 3.6 km and the southern arm of the project 2.4 km. Tenders have been let for dredging the harbour and the civil works for the port. The project will take about three years to complete. In the first phase two liquid cargo berths, two bulk berths for the aluminium smelter, two cargo berths, and a container berth will be completed. An additional berth will be built for Government use.

The harbour will have a depth of 17 metres, which is deep enough for the fifth generation of container vessels coming into service. There is provision for the construction of a further 14 to 15 berths, should these be required, and a special site has been set aside for the construction of a dry dock.

The port is situated north of the town in the area of Marsa Majees (the jetty for the copper smelter imports/exports) and close to the Sohar industrial estate and the area set aside for the major industrial projects planned for Sohar.

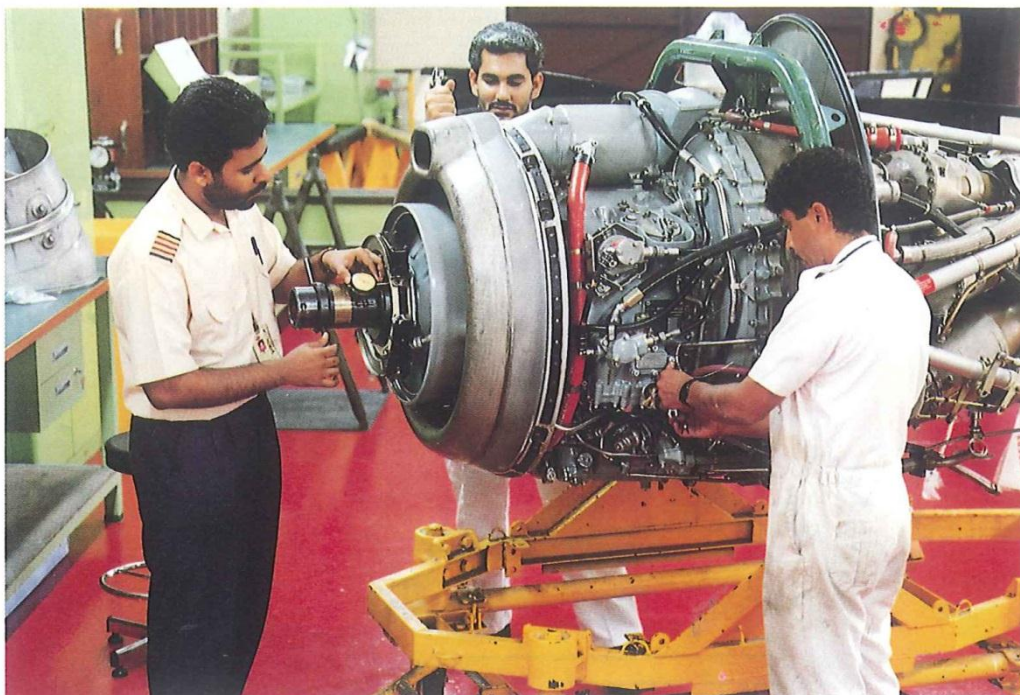


▲ An artist's concept of Sohar Port - construction is due to commence shortly.

Airports

It is hard to believe that Oman's airport was once situated in the confined space of Bait al-Falaj. The construction of a new modern airport was an early priority in the country's development. The site chosen some 17 kms out of Muscat seemed remote at the time that it was completed in 1973; however Seeb International Airport has gone from strength to strength. The main runway has been extended to 3,585 metres and the passenger terminals have been expanded to handle 3,000 passengers an hour. Duty-free shopping, lounges and transit areas have been added and expanded to make it a thoroughly modern facility. In 1998 there were an estimated 2.76 million passenger arrivals, departures and transits. This represented a 7.85% increase on the previous year. Cargo volumes also went up by 16.5%. In early 1997 a pay and park system was introduced at the Airport, and meters have now been installed in some 80 airport taxis to replace the former fixed rates.

Salalah, the country's second airport which was originally developed as a military installation, began operating a passenger terminal in 1986 and the main runway was extended in 1992.



▲ Technicians at work maintaining aircraft.

The Sultanate now has six civil airports: at Seeb, Salalah, Sur, Masirah and Khasab and Diba in Musandam. At present Sur and Diba can only take light aircraft but plans are being studied for upgrading the airport at Sur and to build new airports at Sohar and al-Buraimi. Construction of the Sohar airport will coincide with the development of the seaport and will relieve pressure on Seeb. A suitable site has been identified and the land acquisition has begun. A site has not yet been found at al-Buraimi, but land is being reserved at al-Kamil for an airport in the al-Sharqiya region within easy reach of Sur.

It is likely that Seeb International airport will also be further expanded and up-graded to meet demand in the years to come. However such plans are contingent upon forecasts of demand and development priorities. There are plans to privatise the airport but no decision has yet been taken. Seeb is served by 26 airlines and is currently handling between 40 and 58 flights a day. In March 1999, the airport reported a record 9.65% increase in passenger traffic. For the first quarter of 1999, the airport handled 671,975 passengers which represented an 8.6% increase over the same period in 1998. Revenues for the



▲ An Airbus 310 of Oman Air's fleet.

Directorate-General of Civil Aviation rose by 5.4% in the first quarter.

Oman Aviation Services Co (SAOG)

In recent years OAS has expanded its services both on the ground and in the air. In 1993 Oman Air began operating scheduled flights to Salalah, Dubai, Trivandrum, Kuwait and Karachi. In 1994 Colombo was added to these routes and Bombay in 1995. In April 1996, Oman Air became the first airline to fly direct to Cairo. In 1987 flights began to Abu Dhabi, Doha and Madras and in 1998 Oman Air began a twice-weekly service to Jeddah. In addition it currently operates 28 internal flights a week to Salalah, Sur, Khasab, Masirah and Diba, as well as 50 charter flights a week to the PDO airstrips at desert locations.

In 1998 the fleet consisted of two dry leased A-310s, two outright purchased ATR 42-500s (with options to purchase four more), four Fokker F-27s and one Twin Otter DHC-6 which are fully owned by OAS. OAS also acquired a Boeing 727-200 on short wet lease to cater for the increased traffic during the monsoon season in Salalah. In January 1999, the company acquired two turbo prop ATR-42 aircraft to fly on short routes: Muscat to Dubai, Abu Dhabi, Doha and

Gwadar - this was a bold move making OAS the first commercial airline in the GCC to operate turbo props on regional routes. The company is now considering the acquisition of two more wide-bodied aircraft on dry leases, thereby increasing its core jet fleet to four to serve its international routes.

OAS is also investing in providing modern and state-of-the-art equipment and facilities for its airline passengers at Seeb and Salalah airports. A completely new catering complex is being constructed at a cost of RO4 million.

The company has been actively seeking privatisation of its cargo, ground handling and catering business through forming joint ventures with world leading companies in these fields. Negotiations have been initiated with Swiss and Singapore companies and it is hoped that these alliances will bring the latest technology and know-how to the company's door.

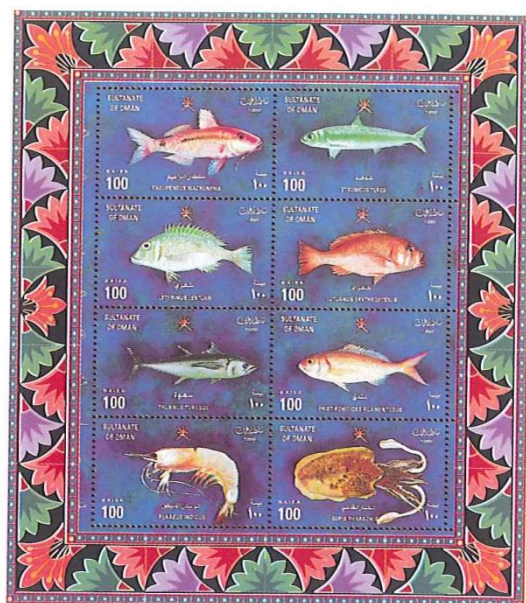
Omani nationals now constitute 73% of the total workforce, and all pilots operating the Airbus fleet are Omanis. Plans are afoot to start a Training Academy wherein Omani candidates will be trained in various spheres of the company's activities including engineering, ground handling, catering, cabin crew, administration, finance etc. It is envisaged that this Academy will set the highest standards of education which will also attract students from outside.

Oman Air, with the assistance of professional image consultants, is developing a new look and image for the airline that will carry it into the new millenium. New external livery has recently been introduced and a smart new cabin crew uniform will follow soon.

In the first six months of 1999 the company achieved a profit of RO1.4 million which is 17% higher than in the previous period of 1998.

OAS gives support to a number of deserving causes every year and in 1999 gave special emphasis to the betterment of the physically handicapped and educational programmes for those in need.

The Government has made a decision to privatise Seeb International airport and the company will therefore be restructured, i.e. Airline (Oman Air) and Airport Services (ground handling, catering and cargo). The 20-year franchise with the Government is due to expire on 24th May 2001.



POSTS AND TELECOMMUNICATIONS

POSTAL SERVICES

The first post office in the Sultanate was opened in Muscat in 1856, but no further progress was made for more than a century. Until 1947 Indian postage stamps were used. After Indian Independence, over-printed British stamps were issued when the British Post Office was given responsibility for postal agencies in the Gulf region.

The first Omani stamps were introduced in 1966 when the Government took over the postal services. At that time there was only one post office in Muscat and none elsewhere in the country. During 1997, new post offices were opened at al-Khoudh, al-Saadah and al-Jazir bringing the total number of post offices to 94. In addition there are 374 postal agencies throughout the Sultanate to provide services to rural areas. Nearly 500 letter boxes have been installed in public places and the number of private post boxes has increased to 55,655. There is also a fax service for customers at branches in the interior of the country. Plans have been made for the further expansion of rural post offices and private letter box complexes in towns. In 1998 the volume of mail exchanged between Oman and the rest of the world amounted to over 16 million items. There has been no increase in postal charges since 1990.

Particular attention has been paid to staff training and Omanisation of the postal services has reached 97%.

Private sector courier services, used mainly for international mail, are regulated by the Ministry.



Commemorative issues of stamps

In 1998 there were eight issues of stamps commemorating various events and activities during the year. Besides the 28th National Day issue, the presentation of the International Peace Award to His Majesty, the inauguration of the Salalah container port, World Stamp Day, the AGCC Traffic Week and the 4th AGCC Postal Stamps exhibition hosted by Oman in 1998 were all featured. The Khanjar of the Royal Insignia and tourism were the themes of the other two issues.

▲ The Express Mail Service provides an efficient and fast means of sending documents and packages to international destinations.

TELECOMMUNICATIONS

The General Telecommunications Organisation (GTO) was established in 1980 as a fully-owned Government entity, and in April 1996 privatisation plans were announced. Royal Decree 46/99 issued on 19th July 1999 converted GTO into an Omani closed stock holding company, owned fully by the Government, which is now known as Oman Telecommunications Company SAOC (OMANTEL). The Chairman is the Minister of Posts, Telegraphs and Telephones and the Deputy Chairman is the Minister of Communications.

The size of the Company's licensed capital will be decided in view of the valuation of GTO's assets and the liabilities. The issued capital will be R050 million divided into equal shares of R01 each. The Decree is a transitional step towards private sector participation.

Development of the network

In establishing a modern telecommunications network the OMANTEL has played one of the most important roles in the modernisation and development of Oman. In 1970, the system was basic in the extreme, served by only 557 working analogue lines covering Muscat and Muttrah, while international calls could only be made through three HF radio channels. Since 1998, all the telephone exchanges are digital with an overall telephone capacity of around 420,000 lines both fixed and mobile. Telephone calls can now be made all over the world.

The main objective of OMANTEL is that every household in Oman should be able to have a telephone and related telecommunications services as well as access to public services. OMANTEL is continuously upgrading its transmission facilities with fibre optic cable using the latest technology. Projects, such as satellite and terrestrial transmission links, are co-ordinated with the other AGCC States. The OMANTEL international network is also used to route all international news and live TV programmes broadcast by Sultanate of Oman TV. OMANTEL has facilities to transmit TV programmes from and to almost any country in the world via INTELSAT and ARABSAT.

In August 1997, an agreement for nearly RO 800,000 was signed for the installation of VSAT (Very Small Aperture Terminals) to extend communication services to remote areas, such as central Oman, Dhofar and parts of northern Oman. OMANTEL has also invested approximately RO9 million in SEA-ME-WE 3, the international submarine fibre optic cable linking South East Asia, the Middle East and Western European countries.

Payphones

In 1980 OMANTEL introduced coin-operated payphone

services, and in 1985 the public were able to use telephone cards for the first time. There are around 3,700 payphones most of which are card operated. As part of the 25th National Day celebrations, OMANTEL offered for sale a limited edition of a replica telephone card, made from 75 grams of silver, at a price of RO25. A Silver Jubilee payphone card for normal use was also circulated. Other pay-cards issued by OMANTEL have featured attractive items like flora or fauna and have also been used as a commercial advertising medium. One of the new projects to be introduced is the pre-paid telephone calling card system. Each card has its own unique number, which is quoted by the subscriber on making the call. The cost of the call is automatically debited from the card. The advantage of the new card is that it can be used from any telephone and not just from public payphones.

Mobile telephones

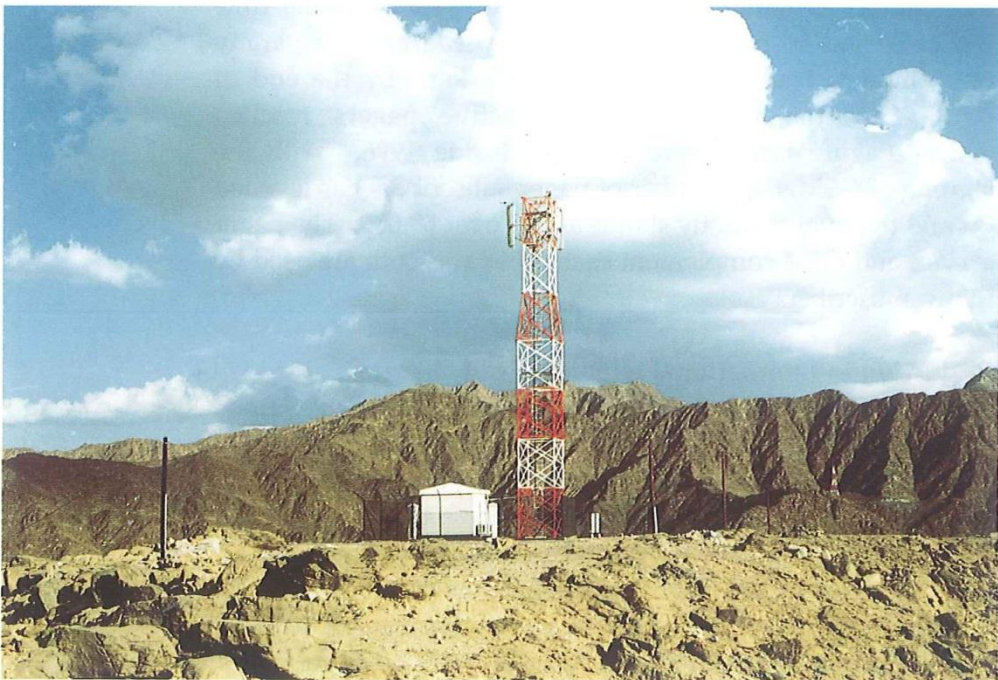
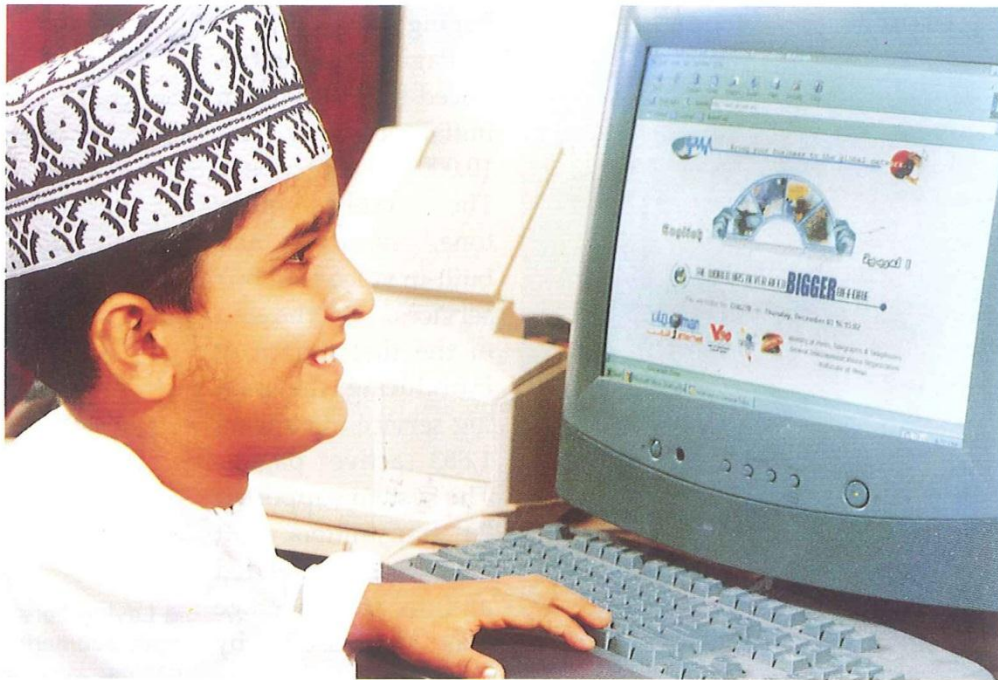
Mobile telephones were introduced into Oman in 1985. At the end of 1996 OMANTEL introduced GSM (Global System for Mobile communications) to the Sultanate. In 1998, the GSM network was substantially expanded in both capacity and area coverage. Network capacity was increased from 110,000 to 220,000 lines, of which 200,000 were in the Northern region and 20,000 in the Dhofar Governorate. The coverage was enhanced by increasing the number of transmitters to 300. The GSM service now covers most areas of the Sultanate including the major oilfields, Masirah Island and some parts of the Muscat to Salalah highway. Oman currently has 31 "roaming" agreements with 25 different countries.

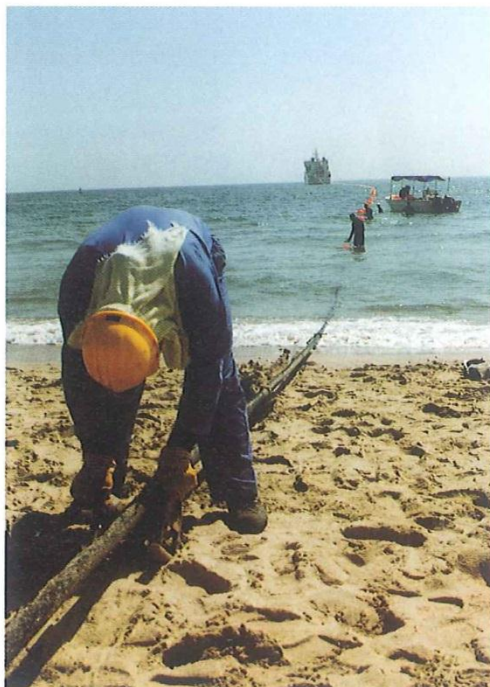
Internet

Oman was connected to the Internet at the end of 1996, enabling access to thousands of computer web sites throughout the world. Subscribers are able to send and receive files and search for information on a wide range of databases. OMANTEL is the sole access provider in Oman, but has appointed some 30 dealers through whom the public can obtain a connection to the Internet. Currently there are 14,175 subscribers connected to the Internet.

► A young boy learns how to use the Internet.

► One of several GSM telephone repeater sites.





Paging

Paging was introduced in 1991 with an initial capacity for 10,000 subscribers. The system offers tone, numeric and built-in voice mail box services. By the end of the first month of introducing the paging service there were 1,853 active pagers. The system supported 20 transmitters. It was later extended and the area coverage was increased by installing 13 new

◀ Laying fibre optic submarine cables.

transmitters bringing the total up to 48. At the same time the provision of pagers was privatised leading to a variety of models being available in the market. By the end of April 1997 the total number of active pagers reached 69,146. Paging tariffs were reduced during 1996. With the coming of GSM, the number of pager subscribers has levelled off and the total currently stands at just over 69,000. The pager service and GSM complement each other and both are used by many subscribers.

Reduction in international telephone call charges

In accordance with the directives of His Majesty the Sultan, OMANTEL announced a reduction in off-peak charges for international telephone calls to some countries by 15 - 40% at the end of 1996. Tariffs are of prime concern to OMANTEL. A special section has been set up to carry out annual reviews for each service and reduce charges wherever possible. In 1998 local and international call charges were progressively reduced and they are now favourably comparable with other countries.

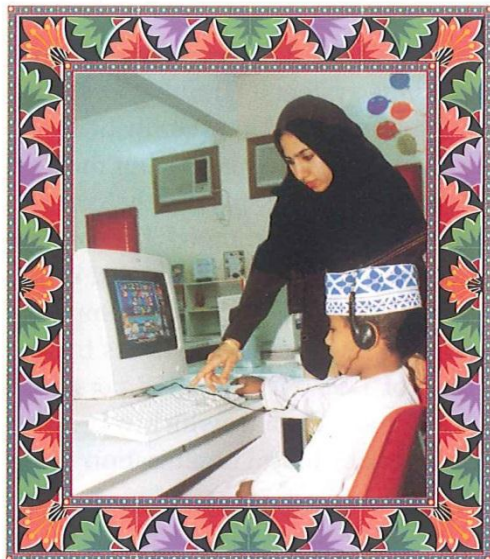
Training & Omanisation

One of the main objectives of OMANTEL is to train Omanis to operate all telecommunications systems. Training is carried out in the OMANTEL Training Centre and at other institutes in Oman. Some specialised training is given overseas, but much of the training on new equipment is done as part of the contract with the supplier. In 1998, OMANTEL arranged 113 training courses in Oman and 27 overseas. The locally conducted courses were in management, finance, English language, computers and other technical subjects. The number of employees trained abroad reached 24 by the end of 1998. Of the 2,177 personnel working for OMANTEL, 1,827 are Omani, which represents 84% of the total. For such a highly technical organisation this is a very creditable achievement.

Telecommunications in the next century

It is estimated that Oman will need about half a million telephone lines by the year 2020 which will require massive investment. In February 1997 the agreement reached by the World Trade Organisation (WTO) on telecommunications will effectively throw the world market open to international competition which should bring lower costs to the consumer and benefit Oman in the drive to expand and update the telecommunications network.

As part of the Sixth Five-Year Plan, OMANTEL intends to introduce ATM (Asynchronous Transfer Mode), a cell relay communication system that can carry voice, data and video information concurrently. Meanwhile the GSM service will be expanded to include the use of prepaid SIM cards, fax & data service and SMS/voice mail. New transmission links are being installed between Muscat and Salalah and a fibre optic ring overlay will link up the Greater Muttrah business area as well as the Government administrative apparatus in the al-Khuwair district of the Capital area. Expansion of the network continues with upgrading of exchanges and extensions to outlying areas as well as the introduction of a second international exchange.



EDUCATION

The education of both girls and boys is given high priority in Oman. In 1970 there were only three schools with a total of 909 pupils and not more than thirty teachers. There are now 970 State schools providing education at primary, preparatory and secondary levels. During the current five-year plan 1996-2000, a total of 226 new schools have been built. In the private sector, eleven new schools were opened in 1998 making a total of 118 private schools which are regulated by the Ministry. The Ministry has a comprehensive plan to modernise the education system to meet the needs of the 21st Century. It is planned to have 1,045 State schools by the year 2000/2001. This will enable the Ministry to dispense with the double shift system and to extend the number of hours in the classroom. The school year of 32 weeks (160 school days) will be lengthened to 36 weeks (180 days) to bring it more into line with hours of schooling in other countries. Class hours will be increased from 4 to 6 hours a day and lesson periods will be extended from 35 to 40 minutes to enable a pupil to increase the number of hours he or she spends in class during the first ten years of education, from the present 5,693 hours to 9,600 hours.

The major shift in the curriculum will be away from rote learning and the emphasis will be put on encouraging students to develop scientific and logical thinking, as well as acquiring skills of analysis and problem-solving.

The 1999-2000 school year began on Saturday 4th September 1999.

Education Prize

It was announced in early 1998 that the Sultanate of Oman had been awarded the Shield of the Arab Organisation for Education,



▲ The learning process starts early.

Culture & Science in recognition of the achievements made by the Ministry, particularly in the eradication of illiteracy and the raising of educational standards throughout Oman..

Student Population

The total number of students in State education is 528,357 of whom nearly half are female. An additional 23,560 students are in private education, more than half of whom are in schools mainly concentrated in the Capital area. The age group with the highest numbers of students, a total of 301,281, is in primary education.

Children with Special needs

The Ministry makes special arrangements for the education of the 541 children, who are blind, deaf and dumb or have other learning difficulties and are therefore unable to attend normal school. Some are sent to an appropriate establishment in neighbouring countries.

Teaching Staff

There are 24,093 teachers of whom 13,845 are Omanis (57.5%) in

State education. In private education there are 1,552 teachers of whom 222 are Omanis (14.3%). The Ministry is making strenuous and concerted efforts to replace expatriates at all levels with trained Omani teachers. At primary school level, nearly all the teaching staff are Omanis.

Training of Omani Teachers

The first Teacher Training Institute opened in 1977 for students who had completed their preparatory stage education. These Institutes were later upgraded and in 1984-85 they became Intermediate Teacher Training Colleges, whose students were secondary school graduates destined to become primary school teachers. In 1995, the Intermediate Colleges were further upgraded and became Colleges of Education which granted university degrees in education to their graduates. During the same year, responsibility for these Colleges passed to the Ministry of Higher Education.

Education for Girls

Girls follow the same syllabus as boys starting with entry to primary education and going on to preparatory, secondary and higher education. Before 1970 there were no schools for girls; however the 257,071 girls in government schools now make up 48.65% of the student population. This figure compares with the 1993 census findings which showed that females made up 49.1% of the population. Girls also make up over 40% of the students in private education.

In October 1998 the Saham Secondary School for Girls received His Majesty's Cup for Health & Hygiene in Schools. The Northern Batinah region were the overall winners in the competition which has been held annually since 1992.

Stages of Education

At present there are three stages of juvenile education: primary, preparatory and secondary. Primary school education usually begins at the age of six. Having passed the sixth primary grade examination between the ages of twelve and fourteen the pupil moves on to preparatory education. Students passing the general preparatory certificate examination are then admitted to the first grade of secondary school between the ages of fifteen and seventeen.



▲ Boys and girls busily occupied at primary school.

On completion of their secondary education successful students can go on to advanced training at specialised colleges or enter Sultan Qaboos University. In future it is planned that students will be streamed at secondary level in order to focus them on careers which will require more specialised and technical training.

New Basic System of Education

At the start of the academic year 1998-1999 the Ministry introduced the new basic education system in two phases, a basic education phase over 10 years and a secondary education phase for two years. This will gradually replace the existing system of 6 years of primary, 3 years of preparatory and 3 years of secondary schooling. Under the new system there will be greater emphasis on science, maths and the use of computers. English will also be introduced from the first year of basic education. The new system has been introduced gradually, starting with 17 schools from different regions. In the school year 1999/2000, more schools will be introduced to the new system. It is hoped to have at least 100 schools following the



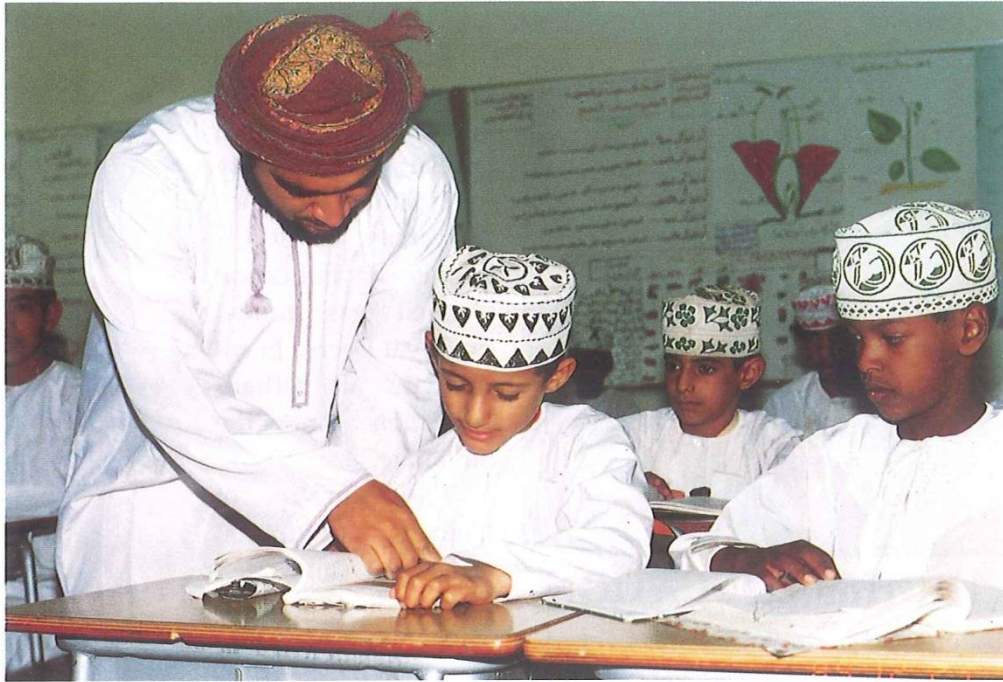
new curriculum in 2000/2001. New Learning Resource Centres are being set up in schools, complete with laboratory equipment, audio-visual systems, computers and other teaching aids. ▲ A women's Adult Literacy class in session.

Adult Education

Adult education operates in parallel with the regular education system allowing advanced courses and examinations to be taken. Great importance is attached to allowing those who for one reason or another have been unable to complete their education to continue with their studies. In 1998/1999 there were 6,252 students, of whom 4,446 were women, enrolled in different centres throughout the Sultanate. An additional 4,285 students attended classes for the eradication of illiteracy.

Private Schools

The Government has encouraged the growth of private schools in the Sultanate and welcomes the contribution made by the private sector to the education system. In the academic year 1998/1999 there were 118 private schools and kindergartens in



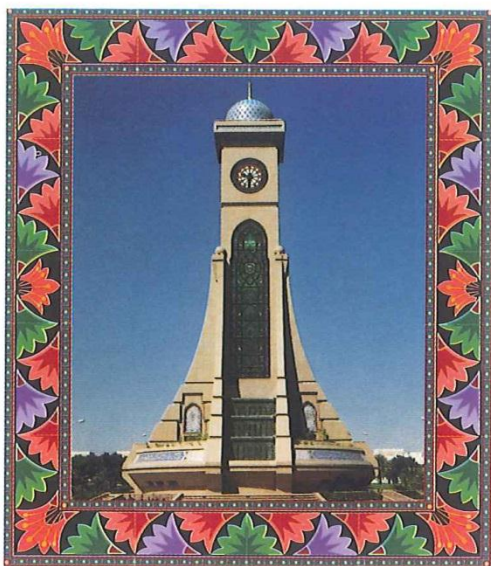
▲ School-children learn the basics of science at an early age.

the Sultanate providing pre-school, primary, preparatory and secondary education.

Private school owners must be of Omani nationality and have at least a secondary school certificate. Private schools follow the same curriculum as Government schools and hold the same examinations.

Teaching of English

The teaching of English has assumed increasing importance in recent years, particularly with the opening of Sultan Qaboos University and higher education colleges where science-based courses are conducted in that language. In 1987 the Ministry launched a major project to develop the teaching of English in schools with materials specially designed to suit the Omani school system. Teacher-training plays an important part in raising the standard of English in schools. Omani teachers of English are given additional programmes during their training.



HIGHER EDUCATION

In January 1994 the Ministry of Higher Education was created by Royal Decree with special responsibility for Sultan Qaboos University. In 1998 a Higher Education Council was formed by Royal Decree to co-ordinate all tertiary education in the Sultanate.

The Ministry of Higher Education supervises all other higher education insti-

tutions and is responsible for overseas students, for formulating higher education policies and administering the Law on Grants & Scholarships. The Ministry has around 3,600 students at both State and private institutions under its supervision.

As part of the Fifth Five-Year Plan, two new colleges of higher education have been established. The Faculty of Sharia and Law in Muscat, which opened in September 1997, will prepare Omanis to become judges and legal experts on a four-year course that will lead to a Bachelor's degree in both Islamic Jurisprudence and Law. The academic year at the new college is divided into two terms, each of 16 weeks. The first year is a general foundation course to prepare students to either specialise in law or the sharia in accordance with their wishes and performance in the first two terms. The former Islamic Institute at al-Wattayah has been thoroughly modernised to accommodate the new college, which was proposed by His Majesty in his 1994 National Day speech.

During the next Five-Year Plan, the Ministry intends to set up a Marine Sciences College in Dhofar, a Higher Institute of Arts at Sohar and a Higher Judicial Institute at Nizwa, which is planned to prepare students to become judges and legal advisers on a



▲ A happy group of female students pause in their studies at a private College.

two-year post-graduate programme for which a higher diploma will be awarded.

It is also hoped to raise the level of intermediate teachers' Colleges to the standards of the College of Education in order to ease the pressure on Sultan Qaboos University. There are six teacher training colleges in Oman, four of which are for men at Nizwa, Sur, Sohar and Salalah and two for women at Rostaq and Ibri. The total number of trainee teachers is 4,279. The plan in future is to have an annual intake of 2,000 students.

Private colleges

The Ministry encourages the private sector to establish colleges and institutes of higher education. There are now seven private colleges with a total of 1,311 students under the supervision of the Ministry of Higher Education, five of which are in the Capital area, one in Salalah and one in Sohar. These colleges offer post-secondary education in business administration, economics, commerce and computer sciences. The diplomas awarded at the end of one to three year courses qualify the students to enter overseas universities.



The first women's college in Oman, the Mazoon College for Management and Applied Sciences opened in al-Khuwair during 1999. An affiliation agreement has been signed with an American university.

▲ 89 Omani graduates from the College of Medicine at Sultan Qaboos University attend their Degree ceremony in May 1999.

Council for Higher Education

On 27th September 1998, Royal Decree No: 65/98 was issued establishing the Council for Higher Education to be chaired by the Minister of the Diwan of Royal Court and with certain specific responsibilities in constituting the general policy for higher education in the universities and higher institutes.

The Decree has also established a Secretariat-General to administer the Council and to follow-up decisions adopted by the Council and to ensure implementation by the concerned authority. According to the Royal Decree its responsibilities are as follows:

(i) To set the general policy for higher education and scientific research in universities and higher education institutes and to direct it according to the country's requirements and to achieve

the cultural, social, economic and scientific objectives of the country.

(ii) To control admission of students in the universities and higher education institutes and to determine their numbers in co-ordination with the authorities concerned.

(iii) To co-ordinate between the corresponding departments of Higher Education Institutes.

(iv) To study and propose amendment of laws and regulations of higher education in the light of the development of the State's general policies.

(v) To consider any problems facing higher education and to recommend means and methods to overcome them.

(vi) To review draft laws related to higher education prepared by the authorities concerned.

(vii) To study all issues of higher education referred to the Council by His Majesty the Sultan or the Council of Ministers, and to comment on them.

(viii) Periodic follow-up for execution of its policies and decisions.

Sultan Qaboos University (SQU)

Following the inauguration of the University by His Majesty Sultan Qaboos in 1980, the construction was completed in 1986, and in September of that year the first group of students was enrolled. Originally there were five Colleges: Education & Islamic Sciences, Medicine, Engineering, Science and Agriculture. The College of Arts was established in 1987 and in 1993 the College of Commerce & Economics was added to the University.

In April 1999 it was announced that the University's Science College would offer a one-year National Certificate and Diploma in Computer and Information Systems with the aim of creating a pool of skilled manpower as requested by the Ministry of National Economy.

Royal Gesture

In 1998 His Majesty Sultan Qaboos funded two groups of students to travel to Syria, Jordan, Egypt and Turkey. Besides visiting the universities the groups were able to see a number of historic



sites and to learn at first hand about other countries in the Middle East

There are no Government plans at present to establish a second university. It is however possible that a private sector university will be established in the near future. Both the University and private institutes are forming affiliations with overseas universities. In 1998 SQU signed a co-operation agreement with the Glasgow Caledonian University, which had already established a private engineering college at Seeb in 1996. A total of twenty memoranda of understanding have been signed between SQU and universities or research centres in the United Kingdom, the United States, Canada, France, Italy, China, Japan, Tunisia and Jordan.

For the last few years the Sultan Qaboos University has been establishing graduate programmes in order to offer Masters' Degrees. In 1993 the first programmes offered were in Education and Arts and in 1995 Environmental Sciences were added. In 1996 a graduate programme in Agricultural Economics was offered and the Faculty of Medicine plans to offer a graduate

▲ A realistic exercise takes place at The Fire Safety Engineering College, one of several private colleges offering courses at Degree level.

programme as well. New buildings for the Faculty of Agriculture were opened in 1996.

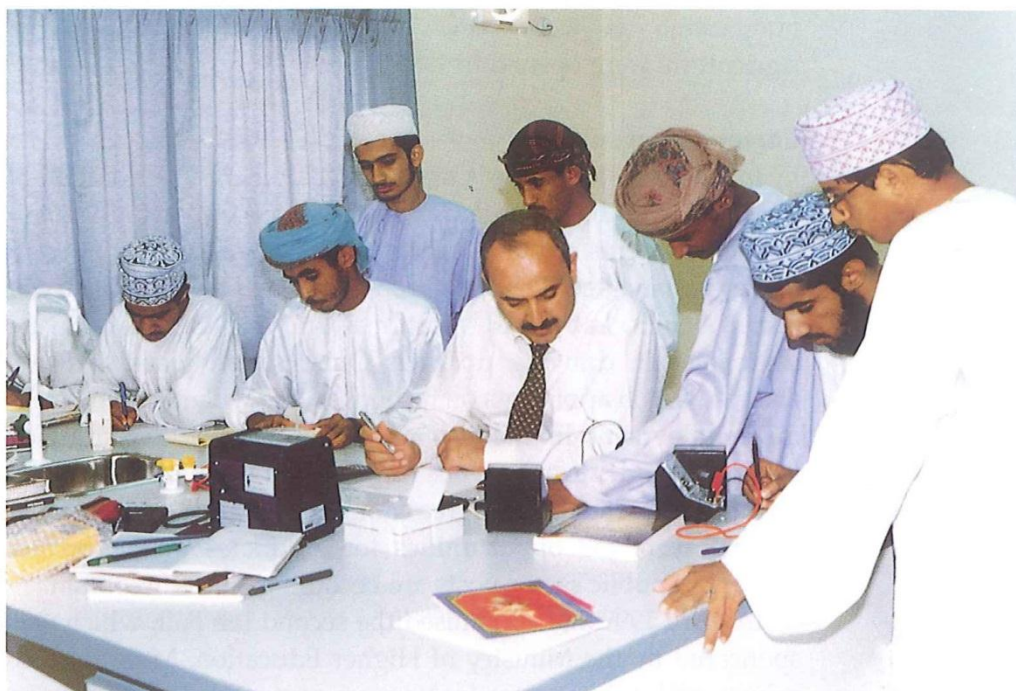
Career opportunities

In October 1996, the Career Development Foundation of Oman (CDFO) began organising regular job opportunity seminars for students at the University in which a number of companies participate. CDFO has been nominated by the Ministry of Social Affairs, Labour & Vocational Training to assist private companies in drawing up their Omanisation plans and has about 8,000 job applicants on its books, who will mostly be seeking employment in the private sector. During the summer, groups of students experience three month work placements as an integral part of their degree course. Generally speaking there are plenty of job opportunities for graduates in the private sector, but public sector posts are becoming harder to obtain.

In April 1999 SQU organised the second Job Fair, which was sponsored by the Ministry of Higher Education. More than 60 private and public sector teams were present over two days to familiarise final year students with the career opportunities open to them.

Student Intake

It was originally anticipated that the University would take about 3,000 students; however there are now more than 6000, of whom about two-thirds are female. His Majesty directed that an additional 500 students be enrolled in September 1997, bringing the total for the 12th Intake for the seven faculties in the 1997-8 academic year to 1,802 students. The total for the 13th Intake of students in September 1998 was 1802. In 1998 the 9th Intake of 1,021 students graduated. The largest number of graduates were from the Faculties of Education & Islamic Sciences (400 female and 161 male) and Arts (75 female and 33 male), while the Faculty of Engineering had 89 graduates (all male). The Faculty of Science graduated 43 students (15 male and 28 female) and the Faculty of Medicine 68 students (41 male and 27 female). The Faculty of Commerce & Economics graduated 128 students (72 male and 56 female).



▲ Future teachers study for their Degrees at a College of Education.

Separate residential accommodation for young men and women is provided at the University following the collegiate system. The academic year is divided into two terms - the first term starts in September and finishes in January; the second term begins in February and ends in June with examinations.

The University has a library, computer centre, English language department and a teaching hospital. The medium of instruction in the University is Arabic, but English is used for the science courses.

In May 1998 the first students' festival was held over a five-day period. The festival included film shows, art exhibitions, displays of handicrafts and photography.

University Research

The University is becoming actively involved in a number of research projects in partnership with local and international bodies, such as Petroleum Development Oman and Government departments. The Muscat-based Middle East Desalination Research Centre is providing half the funds to address current

technical issues in desalination. Discussions are being held with UNESCO to establish a chair in desalination studies at SQU. The University has also established close links with other universities in various fields and in co-operation with the Australian Department of Land & Water Conservation is to investigate a number of environmental issues.

Sultan Qaboos University Hospital

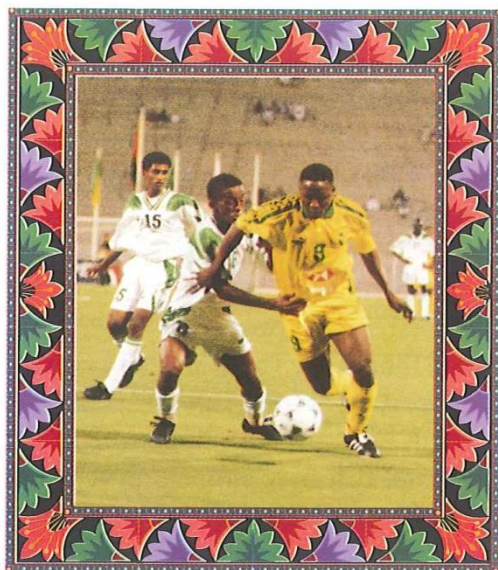
The 500-bed teaching hospital, which opened in 1989, has a staff establishment of over one thousand. There are 200 academic staff and some 800 supporting staff. The hospital has advanced diagnostic equipment and specialist departments for paediatrics, gynaecology, internal diseases, surgery, psychiatry, cardiac diseases and an out-patients department. The hospital serves as the principal training centre for Omani doctors. In 1998 the fifth group of graduates graduated and took the Hippocratic Oath.

Students Overseas

In the academic year 1998-99 there was a total of 5,248 Omani students, of whom just over half were women, studying at universities in twenty different countries. Of this total 3,757 were privately funded, 396 were scholarships from other countries, 319 were sponsored by PDO, 222 were supported by companies, banks and individuals, and 554 by the Ministry itself.

In April 1999 there were 609 students on advanced degree courses, of whom 298 are expected to graduate later in the year - 25 with doctorates and the rest with masters' degrees or similar higher qualifications.





YOUTH

integral part of building the nation and developing human resources for the future. 1983 and 1993 were declared Years of Youth. His Majesty has presented a trophy to be competed for by the sports clubs under the title 'His Majesty's Cup for Youth'. With this prestigious award, His Majesty has given a generous grant to be distributed in cash prizes. In 1989 responsibility for youth affairs was transferred from the Ministry of Education to the Higher Council of Youth which initiated a masterplan for the construction of sports and youth centres throughout Oman. In 1990 all sports and youth activities were placed under an autonomous body, the General Organisation for Sport & Cultural Youth Activities (GOSCYA) which has its headquarters in Ruwi. GOSCYA is responsible for more than 50 clubs throughout the Sultanate.

Sports Facilities

The original sports complex was built at Bausher and named after His Majesty. Since then other similar complexes have been built in Salalah, Sohar and Nizwa. In 1996 a sports complex was constructed at Sur in preparation for the National Day celebrations being held there. Many other sports clubs and grounds

The National Census held in December 1993 confirmed the importance attached to the young in the development of Omani society. The results of the Census revealed that 52% of the population was aged 15 or under.

His Majesty Sultan Qaboos has always encouraged the organisation of sporting and other activities for young people as an



▲ A young rally driver, Hamad Al Wahaibi, celebrates an international victory.

have been built all over the country and even some of the smallest villages boast football pitches. A fully equipped sports and youth complex has been built at Ibri at a cost of around RO 6 million, to be ready in time for the National Day celebrations.

A sports health centre, the first of its kind in Oman, has been established at the Sultan Qaboos Sports Complex in Bausher. With an area of 1200 square metres it will provide facilities for treatment of sporting injuries, as well as medical advice on diet and first aid for those taking part in sports. This centre is seen as an essential facility for future participation in competitive sport.

Honours & Awards

It has become the annual custom for GOSCYA to honour sporting personalities and those involved in youth activities, for their sporting prowess and achievements. In February 1999 awards were presented to the top sportsmen, successful clubs and those who had achieved distinction in cultural activities during 1998.



Among those honoured were the Sur Club's football teams - the first team and the under-16s, also Oman's motor rally champion and athletes who had participated successfully in the Asian Games. Other sports for which prizes were given included swimming, hockey and volleyball. The science club were congratulated on winning gold and silver medals in the 9th competition for scientific inventions held in Saudi Arabia in October 1998. Those who had run community projects in the villages and organised summer camps also received recognition of their efforts.

In March 1998 the Oman Lawn Tennis Association's junior team won the silver medal in the 11th AGCC junior tournament. The national football team was ranked fourth in the 14th AGCC tournament in Bahrain. In April 1998 it was Oman's turn to host the 7th AGCC Athletics meeting at the Sultan Qaboos Sports complex. The Omani team acquitted itself well carrying off one gold and several silver and bronze medals, ranking fourth in the overall results. In November 1998 His Majesty's Hockey Tournament Cup was won by

▲ A keen game of volleyball at the superb Bowshar Stadium.

Sidab Club.

In previous years Omanis have shown particular prowess when representing their country in a number of regional and international sporting events. In Japan in 1992, Omanis won a gold medal, two silver medals, four bronze medals and seven certificates at the 22nd Nippon Competition.

In December last year the first annual Oman Open figure skating competition was held at the al-Khuwair rink in which forty competitors aged between 4 and 13 years old took part. Like golf and cricket in Oman, the organisation and administration of this sport is a private venture. However, GOSCYA encourages the introduction of new sports and recently both the Olympic sports of fencing and weightlifting have been introduced.

Oman Olympic Committee

The Oman Olympic Committee was set up in 1982 and joined other international Olympic bodies in the same year. Oman participated in the 24th Olympic Games in Seoul in 1988, in the Friendship and Peace Championship in Kuwait in 1989, in the 11th Asian Games in China in 1990 and in the 25th Olympic games in Barcelona in 1992.

At the 26th Olympic Games held in Atlanta in 1996, Oman took part in the following sports: athletics, cycling, shooting, swimming and tennis. Oman will participate in the 2000 Sydney Olympics. In August 1996-the GOSCYA office in Salalah organised an Olympic 'fun run' which attracted some 2000 participants for the five kilometre event.

The National Paralympic Team acquitted itself well in the weight lifting, javelin and shot events, and individual members of the team improved on their previous performances in Kuwait and in the U.K. In 1998 one member of the team set a new Gulf weight-lifting record in the 56kg category at the 4th Championship in Riyadh with a lift of 133kg for which he was awarded a gold medal; his teammate won a silver with a lift of 110kg. Other members of the team carried off three silver medals and a bronze. The Omani team is keen to qualify for the Sydney 2000 Paralympics.

Women in sport

GOSYCA has established a wing for women's sporting activities. The Women's Games held in 1994 and comprising volleyball, basketball, squash, tennis and table tennis proved extremely popular and were enthusiastically supported. Young women are also becoming increasingly prominent in the educational and cultural activities organised by GOSCYA. In March 1997 at the UAE open ice skating competition, a seven-year old Omani girl won a silver medal in the freestyle event, thus becoming the first Omani girl, or boy, to achieve international recognition in the sport.

The Sultanate was represented by a team at the Women's Games in Iran in December 1997.

Cultural activities

Every year GOSCYA plans a number of cultural activities to take place during Ramadhan. Plays are staged, chess competitions are held and quiz competitions take place. During 1998 GOSCYA opened its own theatre complex in Ruwi, which will be used for a number of cultural activities as well as performing plays and showing films.

A Youth Theatre Group was established in 1980 and other activities include concerts, poetry readings, and literary and religious evenings. Computer training courses are very popular.

In January 1998 an Omani youth delegation travelled to Tokyo to participate in the "10th Ship of World Youth Voyage" organised by the Japanese government. The ship docked at Mina Sultan Qaboos in March. The arrival of the ship coincided with the sixth festival of AGCC folklore being hosted in Oman this year.

GOSCYA hosted joint celebrations of various kinds in which 350 young people took part from 14 countries, in addition to over 300 folklore artistes.

In September 1998 GOSCYA represented Oman at the 3rd AGCC cultural festival of youth held in Paris. Previous festivals have been held in Japan and Italy. The purpose is to show the culture of the region through music, dance, art, costume and handicrafts.



▲ The Fund for the Development of Youth Projects was initiated by His Majesty in November 1998. Here agreements are signed with the first youths to be given assistance in April 1999.

Summer camps

GOSCYA organises summer camps in different parts of the Sultanate. In 1998 the 10th national camp was held in the Jebel al-Akdhar. Apart from sporting and cultural activities—the young people are shown how to participate in social and environmental projects, such as tree planting and maintenance of falajs and dams. Around 10,000 young people participated throughout the summer.

Equestrian events

His Majesty the Sultan has encouraged young people to take part in equestrian events, which are a reminder of Omani heritage and the traditional relationship to the horse and camel as part of the Arab way of life. Under the auspices of the Oman Equestrian & Camel Federation, showjumping events, steeplechases and flat races are held at regular intervals and on national holidays.



SCOUTING

The origins of scouting in the Sultanate can be traced back to 1932 when a movement was started by a school master. In 1948 the first organised scout pack was formed in the Saidiya School in Muscat. Shortly after this, packs were started in the other two schools for boys in Muttrah and Salalah. Scouting for girls was not introduced until 1972. In 1997 the Oman Girl Guides celebrated their Silver Jubilee. An exhibition of arts, crafts and photography was organised to mark the occasion. In 1998 the Arab Scouting Movement celebrated its 85th anniversary.

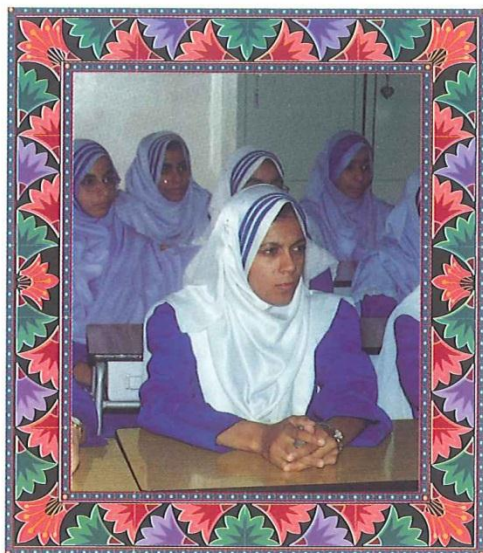
The National Organisation for Scouts and Guides (NOSG) was established in 1975, with the aim of inculcating in young people a sense of service and devotion to their country and to His Majesty, helping them to develop a sense of self-reliance, responsibility and public spirit. In 1983, in recognition of the keen interest he has shown in the scouting movement, His Majesty Sultan Qaboos was installed as Chief Scout and under his patronage the movement has

▲ Cub scouts learn to measure water flow at a falaj.

expanded in all areas of the Sultanate. There are 647 packs, comprising 15,286 cub scouts, boy scouts, brownies and girl guides, as well as 637 scout and girl guide leaders. In the clubs, university and colleges of higher education there are 14 rovers' groups comprising 454 rovers and their leaders.

This is a result of the progressive and interesting programme organised by NOSG throughout the year with a variety of activities such as annual summer camps, scout meetings, Ramadhan evenings, training sessions and scouting competitions which have been entered into by large numbers of boys and girls and their leaders. In addition to this activity NOSG co-ordinates special programmes with ministries and other Government bodies, such as health awareness, traffic week, student municipality weeks, world civil defence day, naval courses, community projects, assistance to pilgrims during the Hajj and Friends of the Police. The scout movement had a significant and important role to play during the Nation's Silver Jubilee celebrations in 1995.

NOSG also ensures that Omani scouts and girl guides show the flag at international scouting jamborees, as well as at AGCC and other Arab occasions. NOSG has participated in the Arab-European meeting in Switzerland, the World Scout Camp in the Netherlands, the Arab Scout Camp in Tunis and other events. Oman hosted the 4th & 5th AGCC Scout Camps in 1994 and 1996. In February 1997 Omani scouting groups attended the 51st Annual Scout Camp in Kuwait and in 1998 participated in the 6th AGCC Scout Camp in Bahrain. The National Organisation's annual camp was held in Dhofar in July and August 1998. It was attended by delegations from the UAE and Kuwait. Officials of the NOSG attended the 22nd Arab Scout Conference in Doha in November 1998. In March 1999 a total of fifty scouts participated in a falaj cleaning project organised in co-operation with the Ministry of Water Resources. In April a similar project was launched by scouts in Salalah to clean the Ain Garziz spring and basin



HEALTH

For a country that a little more than a quarter of a century ago hardly had any health care worthy of the name, the achievements of Oman in the development of its health services are outstanding. Medical services and hospital treatment are provided for a small token charge to all Omani families except those on social security.

Hospitals & Health centres

In 1970 the average life expectancy was under 50 years; today it is over 70. At that time there were only two small hospitals in Muscat, whereas now there are 47 hospitals, 13 of which are considered referral hospitals. The total bed capacity has increased to 4,443 beds. In addition there are 117 health centres for primary health care, of which 57 have maternity beds and seven are extended health centres. At the end of 1997, the new ultra-modern 363-bed hospital at Sohar (costing about RO24.6m) came into operation. In 1998 the new Nizwa hospital with 301 beds was established (costing about RO18.6m). The latter two new hospitals had replaced old buildings. They have been equipped to handle secondary and tertiary care cases. The referrals from the North Batinah and Dakhliyah regions to the Capital area hospitals have thus been dramatically reduced. Only tertiary care cases for certain specialties like Neurosurgery, Plastic and Cardiothoracic have to be referred.

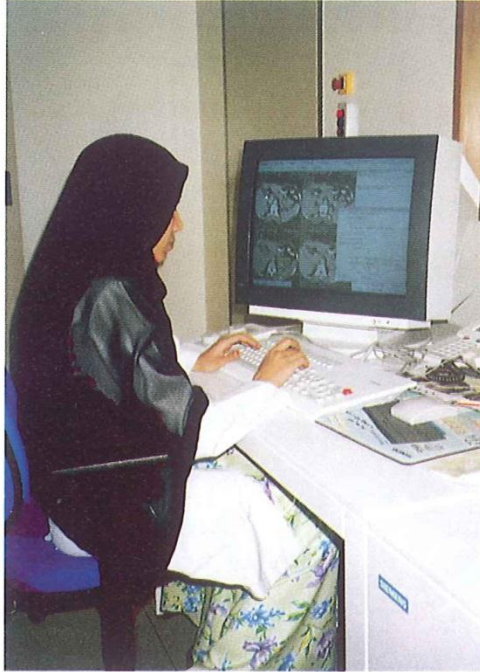
The Ministry has also been active in expanding and improving the facilities of existing hospitals. In accordance with the Ministry's policy of decentralisation of health care, RO1.2 million was spent on extensions of a 24-bed hospital in 1996 to



▲ The newly-opened Nizwa hospital has 301 beds.

serve some 25 villages in the Jebel Akhdar, while in Musandam a further RO1 million has been spent on the extensions at Khasab hospital. A new 250-bed hospital, costing RO15 million, will soon be in operation at Sur as part of the development linked to the Oman LNG project. Plans for a regional hospital in Ibra are on the drawing board. Two new health centres were added in 1988 and seven were completely renovated. Generous donations from prominent individuals and businessmen have made it possible for the Ministry to build and equip a number of health facilities. In November 1998 a renal dialysis unit with 28 beds was opened at Bausher, thanks to a donation of over RO600,000.

The Ministry also supports and encourages the opening of hospitals and clinics in the private sector. In 1998 there were two private hospitals and 475 private clinics in the Sultanate. The first private hospital was opened in Salalah in 1995. In November 1996, the first consultant-based private hospital with 30 beds built to international standards was opened at Shatti al-Qurum. The Ministry has since received further applications to



build private hospitals in various other areas of the Sultanate. The catering, maintenance, cleaning and other non-medical services have long been privatised in all Ministry hospitals.

In addition to the hospitals and health centres built and run by the Ministry of Health, the Ministry of Defence, the Royal Oman Police and Petroleum Development Oman provide a total of four hospitals

▲ A radiologist operating a cat scanner determines a patient's condition.

and 45 health centres between them for the treatment and health care of their employees and families. The Sultan Qaboos University hospital, which comes under the Ministry of Higher Education, has 332 staffed beds and is the principal training ground for Oman's medical staff.

As a result of this extensive hospital and health network, access to treatment has become much easier for the great majority of the population. The remote areas are still served by visiting medical teams. There has also been a gradual but impressive reduction in the number of patients sent abroad for treatment. Only those patients requiring highly specialised treatment, such as radiotherapy, now need to receive treatment overseas.

Immunisation against disease

In the 1980s an expanded programme for immunisation was introduced for children. Almost 99% of all children in Oman are now being immunised against the main childhood killer diseases such as poliomyelitis, diphtheria, whooping cough, tetanus, tuberculosis, measles, rubella, mumps and hepatitis.

No poliomyelitis cases have been reported since 1993 and the country has been diphtheria-free since 1992. There were only five confirmed cases of measles in 1998. Neo-natal tetanus and congenital rubella syndrome have been eliminated. The Ministry aims to further develop the immunisation coverage achieved so far.

There has been a significant decline in the infant mortality rate from more than 118 per 1000 live births in 1972 to 18 per 1000 live births in 1998. The UNICEF Report for 1997 listed Oman as a top achiever in reducing the deaths in children under the age of five.

In 1990 the problem of malaria peaked with 32,720 confirmed cases. The Ministry decided to wage war on the disease by phases. The first phase covering a quarter of a million people in the Sharqiyah region was started in 1990. Within two years the incidence of malaria had fallen dramatically and malaria transmission was successfully arrested in 1994. It was decided to cover the Batinah and the Wilayats close to the Capital area in 1993. Results similar to those in the Sharqiyah region were obtained. The project was then implemented in other parts of the Sultanate, in Muscat in 1993 and Dhahirah in 1997. The number of cases of malaria recorded in 1998 was only 1091, of which only 114 cases were due to local transmission.

With the rapid development of the country and the socio-economic change in people's lifestyles, there is an increase in non-communicable diseases such as diabetes and cardiovascular illness. The older generation who are now living longer are particularly prone to disease of this kind, while the younger generation tend to be killed or maimed in traffic accidents which now account for 1.4 deaths per day. The incidence of hospital cancer cases is very low in Oman compared with other developed countries, but health officials are aware that the number will increase and are taking steps to encourage a healthy diet and to reduce smoking in the community. At the beginning of 1996 a total ban on smoking was imposed in all Government offices and the Ministry has an on-going awareness campaign to highlight the health risks associated with smoking. Smoking has also been banned on all Oman Air domestic flights. Although there is no

legislation at the moment on tobacco advertising in Oman, no tobacco advertisements are shown on television and an advertising ban in newspapers is being sought. Promotions of tobacco are discouraged. A joint campaign initiated in 1998 between the tobacco industry and the Ministry, entitled 'We don't sell cigarettes to those under 18', aims at preventing the sale of cigarettes to the young. In March 1998 the duty on tobacco went up from 50 to 75% and in March 1999 was raised to 100%.

The Ibn Sina Hospital and the Sultan Qaboos University Hospital are equipped to deal with mental health problems and are in the process of developing psychiatric services in Oman. Fortunately drug addiction is not a serious problem, thanks to co-operation between the Royal Oman Police and the Ministry. Recorded cases of AIDS/HIV infection, which are all reported to the WHO, have increased slightly due to better testing and screening of high risk groups. The Ministry goes to considerable lengths to produce educational material and to heighten public awareness of the risks involved. The import of blood and blood products has been banned since the end of 1990 and all blood used in transfusions is screened not only for AIDS but also for other infections such as the hepatitis virus.

Blood Transfusion Services

In early 1997 the Ministry published a booklet to encourage blood donation and to help dispel the misconception that giving blood is harmful to the donor. About 30,000 units of blood are required annually mainly for the treatment of road accident victims, hereditary diseases, open heart surgery and other related cases. The Ministry's ongoing public awareness campaign in the media, in schools, clubs and societies, as well as donor sessions in companies and organisations, has had a positive effect in providing the quantities of blood required, but a greater public commitment is needed if donations are to keep pace with future requirements. However, there has been a 4% increase in the number of donors from 24,220 in 1997 to 24,760 in 1998.

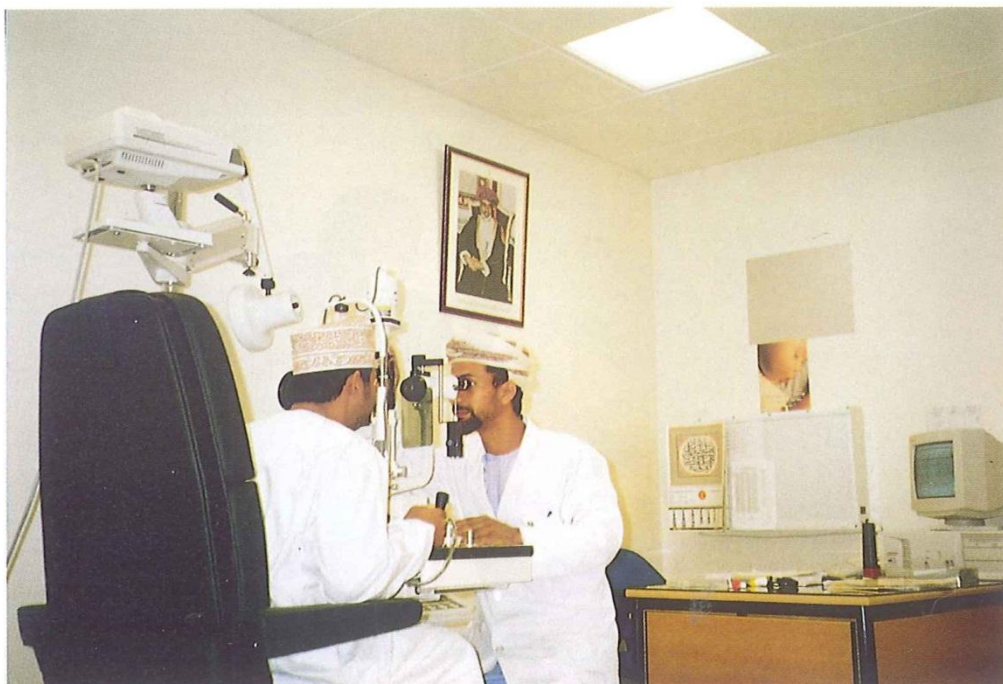
Birth Spacing

Oman has a high fertility rate which not only doubles the



▲ A Community Support Group - these groups have special responsibility for counselling mothers and future mothers.

population every twenty years but also creates health problems for mother and child. His Majesty the Sultan has advised his people to limit the number of children per family and the Ministry has launched a campaign to put across the message that birth spacing is not against the customs of Oman, but is essential for the well-being of the whole family. Advice is given to mothers in all health clinics on how to limit the number of pregnancies. Breast-feeding is also encouraged, not only for the health of the child, but also as a means of preventing conception thus allowing the mother to return to normal health before bearing another child. Since the introduction of birth spacing services in 1994, there has been a marked decline in the total fertility rate of Omani women, which went down to 4.8 children per woman in 1998 from 7.8 children in 1988. The natural increase rate has declined from well over 3% in the eighties to 2.5% today. In order to obtain better statistical information there are plans to introduce birth and death registration as part of a general policy of civil registration, which is currently being considered by the Government.



Community Support Groups

As part of the Baby Friendly Hospital initiative supported by UNICEF, the Ministry has successfully recruited over 2,500 women, who are either mothers or potential mothers as volunteers to work alongside its own staff to assist other mothers with breastfeeding and complementary feeding techniques. The Community Support Groups which were started in 1992, have become a country-wide network, working in collaboration with other ministries and the Omani Women's Association.

During 1997 a joint team from the Ministry and UNICEF conducted a field study in 167 villages representing all ten health regions to understand the perceptions of women involved in the movement about the changes taking place in society, their attitudes to voluntary work and their commitment to the community. The study will be of value in planning other voluntary work within the community and in assisting the Ministry with plans for future health education campaigns.

▲ An ophthalmologist with the latest technology examines the eyes of a patient.

Health Education

The Ministry lays great emphasis on all aspects of health education, believing that prevention is better than cure. Attention is paid to hygiene and sanitation in order to eliminate common communicable diseases like diarrhoea and acute respiratory infection to which children are particularly vulnerable. In September 1996 the Ministry with the help of UNICEF launched a booklet entitled 'The Facts for Life' in Arabic for distribution in schools, which discusses a variety of health issues. Both the WHO and UNICEF have endorsed the rapid health transition in the Sultanate with a booklet entitled 'Oman's Leap to Good Health' which presents the findings of a team of international scientists in the field of public health.

Training of Medical Staff

The College of Medicine at Sultan Qaboos University started functioning in 1986 and is currently training 596 Omani doctors. The Ministry is responsible for eleven nursing institutes distributed in all health regions, currently training 1,280 Omani nurses. Since 1984 1,821 nurses have graduated from these institutes of whom 1,373 are women. There are 32 nursing graduates who have been sent abroad to obtain degrees qualifying them to join the teaching staff of the institutes on their return.

There are three other health training institutes in Oman run by the Ministry. The Institute of Health Sciences has trained 212 medical laboratory technicians since 1986, 119 radiographers and 79 physiotherapists since 1990, and 58 dental surgery assistants since 1994.

The Oman Institute of Public Health has graduated 164 public health inspectors since 1993 and 98 health educators since 1995. The Oman Institute of Assistant Pharmacists has graduated 164 assistant pharmacists since 1994. There are now 50 students studying nutrition and dietetics at the Oman Institute of Public Health. Other courses of study have been added recently such as post-basic nephrology nursing, midwifery and health management.

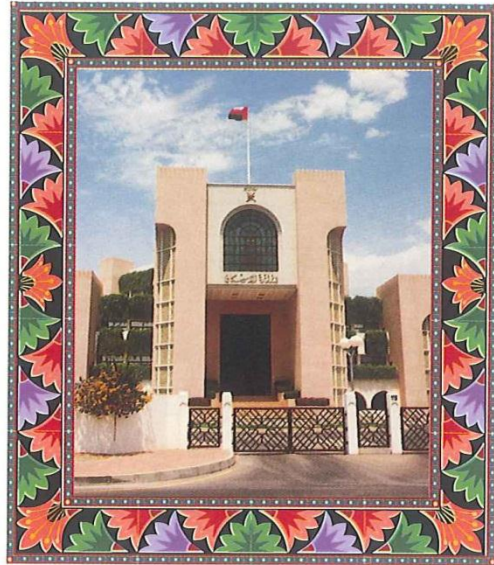
With the increased efforts to train and subsequently employ Omani nationals in place of expatriates, the proportion of



nationals among medical staff has been increasing slowly but surely. As at end of December 1998, there were 323 Omani doctors and 1,684 nurses employed by the Ministry, representing 15% and 26% of the total manpower, respectively. However half of all staff employed by the Ministry are Omani, which is no mean achievement, considering the challenge of keeping pace with the expansion of health services over the last few years.

In 1992 the Ministry of Health issued a policy statement, reiterating Oman's commitment to provide comprehensive integrated, preventive, as well as curative and rehabilitative health services through regional health programmes in order to achieve the goal of health for all by the year 2000. Since then more and more of the health services have been decentralised, operating at regional level with their own budgets and administration. To keep track of developments the Ministry has a management information system which is fully computerised at both national and regional levels.

▲ An Omani doctor examines a patient in an Accident and Emergency Unit of an up-to-date hospital.



HOUSING

At the end of 1984 a Ministry of Housing was established to take over the responsibilities for town planning and land allocation from the Ministry of Lands and Municipal Affairs.

His Majesty Sultan Qaboos has directed that every Omani should be allocated one plot of land in the area where he works and another plot in the area where he

lives. The target is to provide housing for all by the year 2000. In spite of the increase in population this goal is being achieved through the best efforts of the Ministry which attaches great importance to the preparation of detailed planning for all regions of the Sultanate. It was evident from the 1993 census that nearly 90% of Omanis owned their own homes.

Town Planning & Land Distribution

During 1998 the Ministry developed 258 plans, providing 29,630 plots of land for various uses throughout the Sultanate. Of this total, 12,583 plots were in the Governorate of Dhofar, while only 992 plots were allocated in the Governorate of Muscat.

Land is divided into three categories - government land, religious endowments and individual ownership. In 1998 a total of 16,786 new plots of land were surveyed throughout the Sultanate, 5369 were merged or divided, the designation of 8,528 plots was changed and 8,580 were resurveyed.

Laws govern applications for land under three headings for which different conditions apply - housing, commerce or industry and agriculture. As town planning becomes more complex, other areas of government have to be involved in the process and



increased attention has to be given to environmental considerations and the needs of society. Many old residential areas need to be replanned and provided with modern amenities.

▲ Housing for all is the target for the year 2000.

Social Housing Programme

As early as 1973 a low cost housing scheme for those on limited incomes was introduced. In 1977 with the issue of the Social Housing Law, this scheme was updated. The Government provided the basic infrastructure, such as access roads, water and electricity, while the residents only paid a monthly instalment of RO25 towards the cost of their home. In July 1997 His Majesty directed that all those currently in the scheme should be exempted from paying the remaining instalments, which amounted to RO37 million. In previous years His Majesty had ordered that a total of nearly 2,000 households be exempted from paying further instalments. Since its introduction, the Ministry has spent more than RO100 million on this scheme, which has provided 8,260 homes throughout the Sultanate.

In 1998 only nine houses were distributed in Muscat. These

were returned to the owners of property which had been affected by the city improvement scheme.

Soft Housing Loan Scheme

In 1991 it was decided to introduce a scheme where an interest free loan is granted on condition that the borrower repays it in equal monthly instalments before his retirement from either the public or private sector. The borrower must not be over 60 and the monthly deduction from his salary must not be detrimental to the family's overall income. He may borrow up to RO15,000 but the size of the loan is determined by the age and needs of the applicant which are scrutinised by the Ministry. Loans are granted for the following purposes:-

1. To build a house.
2. To purchase a ready-built house.
3. To buy and complete an unfinished house.
4. To complete an unfinished house.
5. To extend an existing dwelling.

In 1998 a total of over RO1.4 million was distributed in 114 cases over a wide area of the country in accordance with this programme. The highest number of cases (26) was in the Wilayat of al-Musana'a where homes had been seriously damaged by land erosion caused by flooding after exceptionally heavy rains.

Housing Assistance Programme

This programme is designed to help those who do not qualify for other entitlements or loans. In granting assistance, priority is given to families who have suffered in natural disasters, such as flood victims, and then to families on social security or those with incomes of not more than RO1,548 per annum. The assistance is given as a Government grant not exceeding RO6,000. In 1998 RO573,000 was paid out to 103 deserving cases.

Real Estate Register

The Real Estate Register safeguards the property rights of owners. In 1998 the Ministry dealt with 15,018 sales of property

and registered 40,649 deeds of ownership, as well as recording 8,841 other transactions concerning inheritance and exchange of property.

The Land Affairs Committee in Muscat and local committees in the wilayats are responsible for deciding on ownership applications. The local committees are chaired by the wali of the area concerned and there is an Appeals Committee chaired by the Minister of Housing.

In 1998 the Muscat and Quriyat Land Affairs Committee examined 400 cases, while the local wilayat committees looked into a total of 8,648 cases of property ownership. During the year, 132 cases went to the Appeals Committee.

The Ministry has adopted a decentralisation policy to enable citizens living in the wilayats to complete their applications for land and loans as quickly and efficiently as possible. Directorates have been established in various parts of the Sultanate. Each directorate has a land survey and planning section as well as a branch of the Real Estate Register.

Training & Omanisation

In accordance with the directives of His Majesty, particular attention has been paid to training and Omanisation of positions within the Ministry, by sending staff on courses both at home and abroad. In 1998 three members of staff were sent to Egypt and two were studying in Oman to obtain degrees, while another 51 attended a number of courses by arrangement with the Civil Service Ministry and other institutes in Oman. By the end of 1998 the Ministry had achieved 95% Omanisation.

Oman Housing Bank

The Oman Housing Bank provides finance to low and middle income families for the purpose of construction, purchase, addition and completion of residential property. The aim of the bank is to provide a social service rather than to maximise profits, but at the same time producing sufficient returns to cover its administrative expenses. The Government of Oman is the major shareholder with equity of 60.9%. The rest of the shares are held by State Pension Funds. The Oman Housing Bank borrows from

other banks at commercial interest rates in order to offer loans to citizens that are subsidised by the State.

From its establishment to the end of 1998, the Oman Housing Bank has approved 21,405 subsidised loans worth RO349,527,927 of which 13,346 (RO169,348,355) went to those in the low and middle income categories.

During 1998 under the subsidised scheme, the Bank approved 967 loans worth RO19,445,539 of which 558 (RO8,790,505) went to those in the low income category.

In addition, the Bank also approved 272 non-subsidised loans amounting to RO6,844,000 in 1998 against 161 such loans amounting to RO3,997,450 in 1997. Since the introduction of the non-subsidised loan scheme, at the end of 1998 the Bank had approved a total of 620 loans amounting to RO15,438,535.

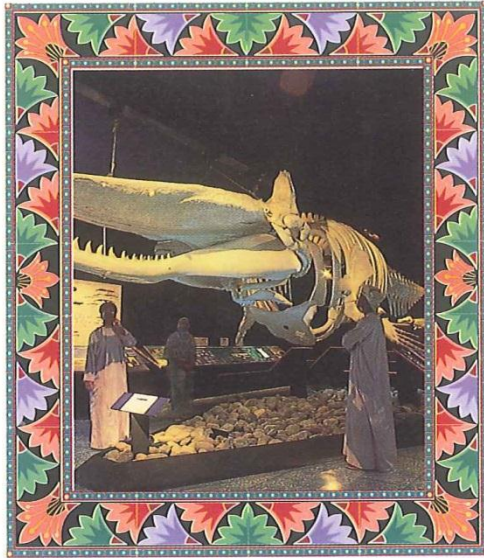
Out of the total number of loans made since the establishment of the Bank 9,474 (RO145,157,071) have been for Omanis outside the Muscat area. During 1998 a total of 489 loans (RO9,016,848) were approved to those living outside the Muscat area. At the end of 1998 there were still 5,017 persons on the waiting list applying for loans to the value of RO99,350,000.

By the end of 1998 over 95.2% of the staff of the Oman Housing Bank were Omanis.

The Alliance Housing Bank

The first private sector housing bank opened its doors in al-Wattayah in January 1998 to provide housing loans and relieve some of the pressure on the Oman Housing Bank. The new bank is a public company and has an initial capital of RO30 million. During its first year of operation it received an OCIPED Award for Excellence. The bank has already opened branches in Seeb, Nizwa, Sohar, Salalah, Seeb and Ja'alan which are all manned by Omanis.

The bank is negotiating with employers to provide a housing loan service for their staff and loans worth over RO 10.5 million have already been sanctioned. To attract savings the bank has initiated a retirement plan and a higher education plan to provide pensions and university fees for investors.



NATIONAL HERITAGE AND CULTURE

Omanis are justly proud of their heritage and history, which goes back thousands of years. In order to safeguard this precious birthright and the long established traditions of Omani society, His Majesty Sultan Qaboos directed that a Ministry of National Heritage and Culture be established in 1976.

In preparation for the Silver Jubilee, the year 1994 was declared the Year of

National Heritage. Major plans and programmes were initiated to celebrate the occasion.

Manuscripts & Documents

With the co-operation of the public, the Ministry of National Heritage has gathered together no less than 4,300 valuable documents over the years. In 1994 a Manuscript Competition was held with prizes being awarded to the three Wilayats submitting the best collection of documents and in 1995 a further 75 documents came to light. A centre has been established for storing and researching these papers. Omani staff have been trained to micro-film and to carry out restoration work on them. There is also an Islamic Library containing a wide range of religious works.

In 1998 the Ministry published 23 books on a variety of subjects. Among the new books is a history in three volumes chronicling the reign of H.H.Sultan Thuwaini bin Said bin Sultan written by the Omani historian Humaid bin Mohammed bin Ruzaïq. The Ministry has also published a guide in Arabic and English to the museum in Sohar fort.



▲ A poet reads his verse at the finals of the National Poetry Writing Competition.

Museums

Several interesting museums are popular with Omani school-children and visitors to the Sultanate. The Omani Museum, established in 1974 at Medinat al-Ilam, has been renovated and is now distinguished by a massive wooden entrance door in the Omani tradition. The surroundings have been improved and the layout of exhibits re-arranged and expanded. In Muscat the Omani-French Museum, which was the French Consul's residence in 1896 has been restored to its former glory. A museum in a completely different modern setting is the Children's Museum, where children can learn through 'hands on' experience basic scientific principles. The historic fort at Sohar also contains a museum and there are plans to install exhibits in the Cultural Centre in Salalah.

One of the most visited museums, situated within the Ministry's complex, is the Natural History Museum. In 1995 a fossils exhibit was added as a National Day gift to the Nation from PDO. This museum with its whale hall and displays of animals and birds has an educational purpose as well as being of



▲ Newly restored Ibri fort.

interest to tourists. Mention should also be made of two places appreciated by visitors but not part of the Ministry -the Sultan's Armed Forces Museum at Bait al-Falaj and the permanent Oil & Gas exhibition at Mina al-Fahal.

In 1998 the total museum attendance was 95,735. The highest attendance, 37,496, was recorded by the Children's Museum.

In 1998 Bait al-Zubair, one of the historic houses in Muscat, was opened to the public after extensive renovation by its owner at his own expense. Displays inside the building include collections of jewellery, weaponry, cosmetics and clothing collected from all over Oman. A small entry fee is charged for this privately run and staffed exhibition.

Exhibitions

The Ministry has organised numerous exhibitions at home and abroad over the years. It organised or participated in no less than 31 events in 1998, ranging from bookfairs to cultural displays. In February 1998 a fine display of archaeological finds was exhibited at the Qurum Cultural Club. Oman participated in the Spanish

'Expo' and in 1994 and 1995 held a 'Sea & Forts' exhibition at l'Institut du Monde Arabe in Paris. In October 1995, in accordance with the wishes of His Majesty Sultan Qaboos, an Omani Cultural Exhibition was held at the Congress Building in Washington. It was organised by the Diwan of the Royal Court in conjunction with the Ministry of National Heritage & Culture and the Ministry of Information. In 1996 the Ministry participated in exhibitions in the United States, UK, France, Belgium, Italy, Egypt, Morocco, Abu Dhabi as well as in local cultural events and displays.

In April 1997 the Ministry organised an Omani cultural exhibition in Tehran, which displayed the historic links between Oman and Iran and strengthened ties between the two countries.

Forts & Castles

One of the major achievements of the Ministry has been the restoration of over 100 historic forts and castles, most of which are now open to the public as some of Oman's foremost tourist attractions. The painstaking restoration was carried out to preserve a precious and unique part of Oman's heritage, but the time and money spent has been well repaid by the international interest shown in the project. Work continues at Bahla, which has been listed as a World Heritage Site by UNESCO. The Ministry recorded a total of 169,440 visitors to forts and castles during 1998. In view of the interest shown by tourists in these historic sites, the Ministry has been running courses in English and giving lectures to Omani guides and staff responsible for the forts and castles open to the public.

The restoration of Oman's historic buildings has been carried out with Moroccan expertise under an agreement signed in 1983. There are many other fine buildings worthy of preservation, such as the more modest 19th Century Bait Nasib Khan in Muttrah (now known as Bait al-Turath), which was for many years used by the British Council and is now the headquarters of the Historical Association of Oman.



Archaeology

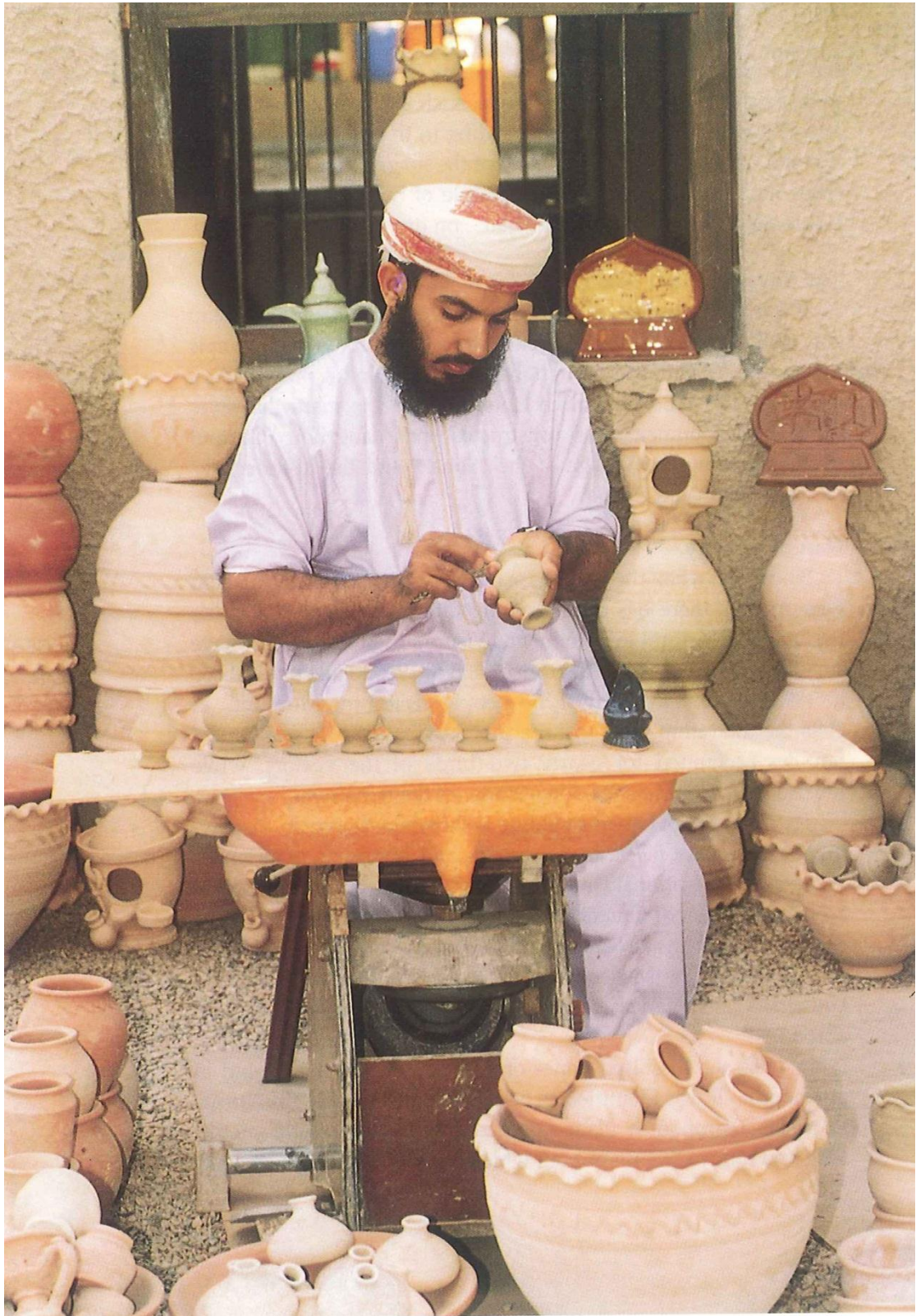
Oman has numerous important archaeological sites, many of which are still being excavated during the winter season. In 1997 no less than 68 ancient sites were identified in the northern part of Jebel Qara in Dhofar. A German team has been investigating the fort at Nizwa, while French and Italian archaeologists have found evidence at Ras al-Jinz to support the theory found in Greek and Latin writings that Oman traded with India, Mesopotamia and East Africa 3000 years ago. Past discoveries at Ras al-Hamra, Bat, Sohar and other sites have shed interesting and invaluable light on Oman's early civilizations. The rediscovery of the ancient city of Ubar in the sands on the edge of the Empty Quarter in Dhofar was made possible in 1992 thanks to satellite technology.

The Ministry with the help of a French archaeologist has prepared a map of the most important archaeological sites in the Sultanate.

Traditional Crafts

The Ministry is responsible for preserving Oman's arts and crafts. In 1986 a traditional pottery was opened in Bahla and a tex-

▲► Local
handicrafts are
encouraged



tile weaving workshop in Sumail. Young Omanis are encouraged to learn and keep alive ancient skills, such as precious metalwork and woodcarving. At Sur, shipbuilding in the traditional manner can still be seen to this day. Many of the magnificent old wooden ships have disappeared, but the people of Sur have preserved a 220-tonne vessel, the "Fateh al-Khair", on dry land.

The Voyage of the "Sohar"

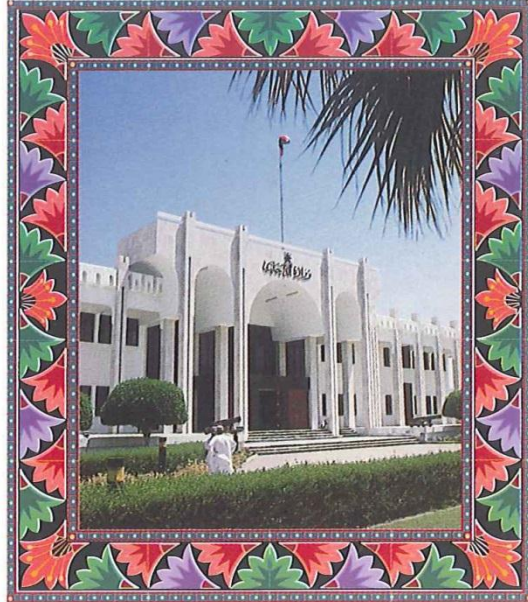
It was at Sur that the replica of an ocean-going Omani sailing ship was built in 1980 to sail to Guangzhou (Canton). After its epic voyage the "Sohar" was brought back to Oman and is preserved on land near the al-Bustan Palace Hotel. In 1995 to mark the silver Jubilee, a monument was constructed in Guangzhou (Canton) commemorating the Voyage of the "Sohar" and the historic links between Oman and China.

Natural History

Since 1985 when the first phase of the Natural History Museum was opened, there has been growing interest in Oman's wildlife heritage and natural environment. Visitors to the Museum have steadily increased each year from 11,000 in 1986 to just over 30,000 in 1996. In 1997 a record 31,318 people visited the Museum. In 1998 the total number of visitors was 30,832. Schools and Omani families accounted for nearly two-thirds of the visitors, while tourists and expatriate residents made up the remainder.

The diversity of Oman's wildlife is shown in dioramas, displaying 24 mammals, 59 birds, 30 reptiles and hundreds of seashells and insects. A National Herbarium has been established, as well as a botanic garden of Omani trees and shrubs. For the scientist the Museum maintains a wealth of study collections of flora and fauna from Oman. The Museum has close links with Sultan Qaboos University and allied scientific institutions in the Arabian Gulf and abroad.

In 1997, the fossilised bones of a dinosaur were uncovered at al-Khoudh. It was identified as being from the species *dinosauria: Saurishia theropod*, a plant-eating dinosaur about eight metres long and four to five metres tall which lived 65 million years ago.



INTERIOR

Before 1970 the traditional form of Government in the Interior of the Sultanate consisted of the tribal Shaikhs, who were responsible to the Sultan's representative or Wali of the region or Wilayat in which their community lived. The Walis were responsible to the Minister of the Interior who represented the Sultan in Muscat. Today the basis of this system has been maintained, but the Wali

of today has to work in a very different way from his predecessors. There are three Governorates of Muscat, Dhofar and Musandam where fifteen Walis report to the appropriate Governor. The Governors of Muscat and Dhofar are also Ministers of State. There are 44 Walis in other parts of the Sultanate, who are responsible to the Ministry of the Interior. The Walis and their offices form an important link between past tradition and modern Government administration. The Wali has the task of co-ordinating Government activities in his area. Several Ministries now have decentralised offices and regional directors in the regions with whom the Wali will be in contact. At one time the Wali would have had a small band of armed men called 'askars' to keep law and order. Now in every large town there is a Police Station and a Court of Law. Applications for passports are scrutinised in the Wali's office before being processed by the Royal Oman Police.

The Wali acts as a mediator in disputes and as a channel of communication. He will investigate cases of social hardship and chairs local committees on matters to do with land registration and other development matters. He also has an important role in the organisation of elections to the Majlis al-Shura. In each of the 59 Wilayats, lists of voters are prepared by the Wali, who ensures that citizens comply with certain conditions:-



* The voter (male or female) must be an Omani by birth, officially certified to be 21 years of age or over.

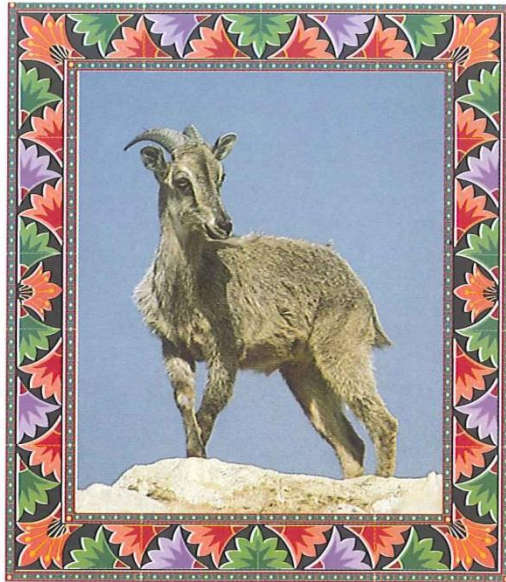
* He or she must fall within one of the following categories:- shaikh, local dignitary, man of learning, graduate or businessman of standing in his/her Wilayat.

An Omani citizen is denied the right to vote if he or she:-

- * is an undischarged bankrupt
- * is mentally ill
- * has been convicted of a felony
- * is a member of the security forces

At one time the Wali lived and worked in the local fort, which was often in a state of disrepair and lacking in modern amenities and equipment. The Ministry has built new offices and accommodation for the Walis who now have modern communications instead of ancient wireless sets. However one ancient democratic institution has been reintroduced, since the restoration of the traditional forts by the Ministry of National Heritage. This is the 'Barzah' when the Wali holds monthly audiences to discuss local problems with members of the public. These gatherings have proved extremely popular as well as being a useful channel of communication.

▲ A meeting of the Majles ash'Shura whose members are elected from all Wilayats.



REGIONAL MUNICIPALITIES AND ENVIRONMENT

The Ministry of Regional Municipalities was established in 1985 and in 1991 was merged with the Ministry of the Environment. It now controls the work of 43 municipalities, 14 municipal sections and 22 cleaning units in remote areas of the Sultanate. In 1994 construction of a new ministry building began with the result that all offices of the Ministry are now under one roof at al-Khuwair.

Town Development

It is the Ministry's policy to develop Oman's towns and provide them with all the necessary infrastructure, services, facilities and aesthetic standards expected in a modern environment. The Ministry has launched an ambitious plan to develop the ancient and traditional towns of Nizwa, al-Buraimi, Sur and al-Rostaq. The plan was carried out in phases and included road surfacing, street lighting, tree planting, and landscaping. New markets, abattoirs, car parks, public parks, playgrounds, sun shelters and public conveniences were also built. The facades of buildings and places of historic interest were restored. Waste water treatment plants have been constructed in eight regional municipalities. As part of its contribution to the tourist industry, the Ministry completed the Sawadi Tower in 1998. The tower overlooks a natural beauty spot which is being planned by the Government as a major beach resort.

With all these development schemes, the Ministry is taking care that the historic character and ancient identity of the towns are not lost, while priority is being given to cleanliness and hygiene.

►► Festivals
are popular
events in
Oman.





Municipal Services

The Ministry is offering a number of municipal services for privatisation. Investors are being invited to bid for the management of local markets, public parks and children's playgrounds, as well as abattoirs and waste water treatment plants. Some municipal open land is also being offered to private investors for development.

The Ministry has responsibility for providing the usual municipal services such as environmental health, public hygiene, pest control, inspection of food and monitoring of water quality. It has established a food committee which ensures, among other duties, that imports of food products are properly labelled with details of ingredients translated into Arabic to ensure that they meet the required specifications. The Ministry also issues decisions empowering municipalities to take action to improve the environment. Conditions have been set for small businesses such as laundries, workshops, car wash and puncture repair shops, and regulations issued to enlist the assistance of citizens in caring for their localities.

Each October a 'Municipalities Month' is held. This annual event, held for the 14th year in succession in 1998, is designed to heighten public awareness of the importance of high standards in health and hygiene and to show the measures being taken by the municipalities in the public interest. There is a 'Best Municipality' award presented by His Majesty as well as a cash prize. In December 1998 it was awarded to the Wilayat of al-Buraimi. The runner-up was the Wilayat of Sur, followed by the Wilayats of Birka, Shinas and Dima and al-Ta'een. His Majesty's award for the best environmentally-friendly industry went to al-Sallan Foodstuffs Industries on the Sohar Industrial Estate. Recognition was also given to municipalities that had made special efforts in the competition and individuals were similarly honoured.

Arab City Awards

In March 1998, it was announced that Sohar had won the Arab Cities Gold Cup award for the best urban landscaping, coming first out of 48 nominations from 29 cities in 14 Arab

countries. Muscat came second in another class in the competition, winning the Silver Cup award for the most environmentally aware municipality.

Muscat Municipality

Muscat Municipality, which comes under the Diwan of Royal Court, installed the first parking meters to be seen in Oman in February 1996 along the length of Ruwi high street, providing over two hundred parking places. The meters work on solar energy and take cards, similar to telephone cards, as well as cash. In 1997, the metering was extended to the Muttrah business district, souq and corniche, providing about 400 new parking slots. Meters have also been installed in Qurum to ease traffic congestion. Following the successful installation of traffic lights at the al-Khuwair roundabout in 1997, which has greatly improved the traffic flow, their extension to other locations is being planned to ease congestion at busy intersections. At the end of 1998, a plan costing RO100,000 was implemented to create a dual carriageway in the Muttrah high street to improve traffic flow.

In November 1997, the Muscat Municipality opened the al-Mawaleh central fruit and vegetable market, near Seeb International Airport. In 1998 it was expanded to provide an extension of 50,000 square metres in addition to the existing 243,000 square metres. It is expected that the number of refrigerated container vehicles entering the market from as far afield as Turkey, Lebanon, Syria and Jordan will increase from around 30 to 50 a day. More cold stores and shops will be added in due course and there will be a general increase in other commercial activity. Omani agricultural produce is exported from the central market, which also acts as a distribution centre for municipality markets throughout the country.

Muscat Municipality currently operates and maintains nine waste-water treatment plants, handling a total of 30,000 cubic metres a day. Work on a RO232 million private sector sewerage project began in 1999 and will take 15 years to complete. A public limited company will take over the responsibility on the BOOT (Build, Own, Operate, Transfer) principle, making this

project the first of its kind in the Middle East. The treated waste-water is a valuable commodity that can be sold for re-use, thus saving precious water resources. The Municipality has led the way in water recycling, which has made it possible to beautify the Capital area and provide recreation areas for its citizens, through irrigation.

In 1996 the largest amphitheatre to be built in the Gulf was opened in the Qurum Park. It has a capacity to seat 5,500 people and a stage which is 15 metres deep and 25 metres in width. In March 1997 the Seeb Beach Park was inaugurated. When completed it will be second to the Qurum Park in size and will have a large artificial lake and other facilities still under construction.

In February 1998 the first Muscat Festival was organised by the Municipality. The principal venue for the 17 day entertainment was the Qurum Park where a wide variety of events and competitions were staged, featuring local and international participants. Later in the year, a private sector initiative established the Qurum Amusement Park- at a total cost of RO9.6 million. The site has been leased from the Municipality for a 25-year period.

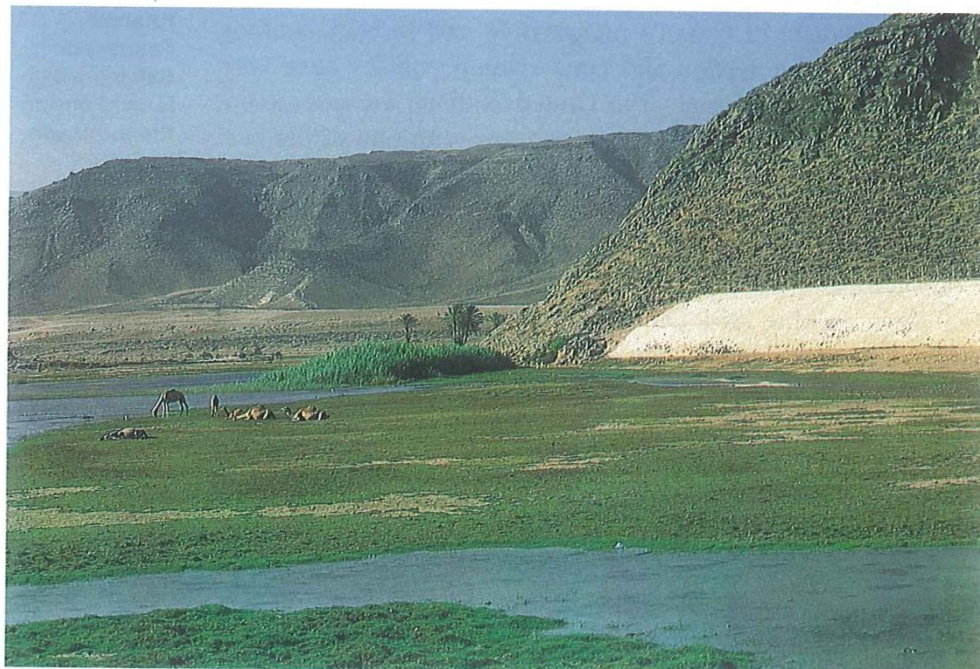
The second Muscat Festival opened at the end of January 1999 for three weeks and attracted more than half a million visitors. There were 61 major events which were mainly staged in the Qurum and Naseem Parks but there were also sporting fixtures elsewhere on the beach at Qurum and in the Sultan Qaboos Sports Centre at Bausher.

Disposal of municipal waste

Oman is not a densely populated country and in rural areas, communities are scattered far and wide, which makes recycling for the most part uneconomical because of the collection costs. Therefore in rural areas the only practical means of disposal is landfill, but studies have been made to recycle as much municipal waste as possible. Items such as paper, glass and metal are now recycled or exported by scrap merchants to India and Pakistan. Organic waste, particularly from the fish markets, is processed into animal feed.

► Beautiful coral was cleaned on Environment Day 1999.

► Nine 'khors' (inlets) were designated "nature conservation areas" by Royal Decree No. 4/97.





ENVIRONMENT

The Sultanate of Oman's imaginative and forward-looking environmental protection and conservation policies have won international recognition. The United Nations Environmental Programme has cited Oman as a country with one of the best records in environmental conservation and pollution control measures. The first environmental legislation was enacted in 1974 and in 1979 His Majesty the Sultan decided to chair the Council for Conservation of the Environment and Prevention of Pollution. In May 1984, Oman became the first Arab country to set up a Ministry exclusively concerned with the environment. The Sultanate celebrates Environment Day on the 8th January each year.

The Sultan Qaboos Prize for Environmental Preservation was initiated by His Majesty in 1991, and was awarded for the first time to the Mexican Environmental Study Centre. It is awarded every two years to a conservation body or individual chosen by UNESCO for environmental performance. In 1993 it was awarded to a Czech scientist and in 1995 was won by the African

▲ The Khareef Festival in Salalah which is held during the monsoon season.

Republic of Malawi for the management of the Lake Malawi Nature Reserve. In 1997 the prize was awarded to the Environmental Department of the Faculty of Science at Alexandria University and to a non-governmental forest protection society in Sri Lanka.

In October 1996, the International Union for the Conservation of Nature (IUCN) announced the award of the John C. Philips Prize to His Majesty the Sultan at a congress held in Montreal, for the efforts made to protect Oman's natural resources and heritage. The Sultanate is the only Arab country which has membership of the IUCN.

In 1990 a seven-year coastal zone management project was completed in response to the threat posed by rapid urban development. This project, which covered the entire 1,700km-long coastline of the Sultanate involved detailed ecological surveys of the coastal regions, the sea and offshore islands, with the result that Oman has one of the most intensely-studied coastal environments in the world for management purposes. In 1997 the Ministry announced a new action plan for coral reef management and a proposal to grow mangroves. The largest mangrove swamp in Oman is on Mahout island and mangroves grow at Qurum (which means mangrove in Arabic) and along the Batinah coast. Mangroves are an important element in the biodiversity of the environment.

The Ministry stages regular oil pollution control exercises with Petroleum Development Oman, the Royal Oman Police and the Ministry of Defence to test the National Oil Spill Contingency Plan (NOCP) in the event of a major oil spill. In September 1998, an imaginary oil tanker collision with a submerged object near the Wudam Naval Base was simulated to exercise all the authorities concerned and to learn lessons which would be of value in a real emergency. The exercise demonstrated the ability to contain oil spills and avoid a major environmental disaster. Oman also cooperates with her neighbours on pollution control through participation in the Regional Organisation for the Protection of the Marine Environment (ROPME). In 1997, it was announced that a joint Oman-UAE project would be established in al-Fujairah to treat supertanker

ballast water, which is all too frequently dumped at sea.

In 1995 a Royal Decree authorised the Minister of Regional Municipalities & the Environment to sign the United Nations Agreement on the Prevention of Desertification in countries facing severe arid conditions.

Development & the environment

The Sultanate of Oman has always struck a judicious balance between the needs of development and the environment.

The role of the private sector in environmental protection is stressed by the Ministry, and companies are urged to comply with ISO 14000 standards, which are globally accepted as a means of promoting sustainable development. Industrial construction projects are required to have a certificate from the Ministry before they are allowed to go ahead. Before issuing a certificate the Ministry examines the possibility of damage to the environment and ensures that all measures have been taken to minimise pollution from waste products.

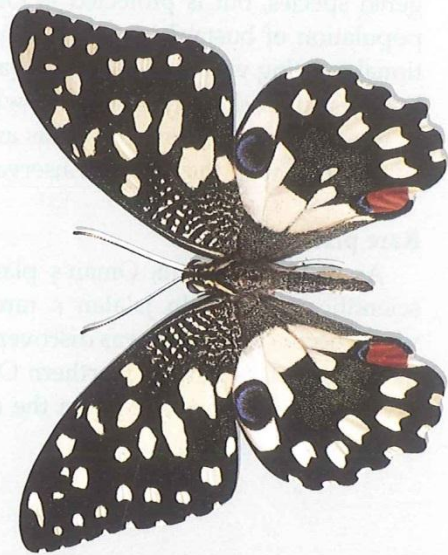
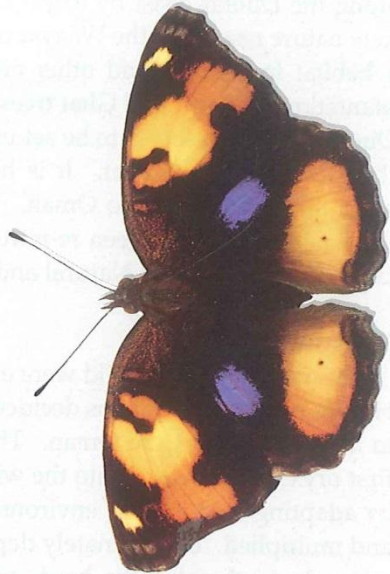
Wildlife

Oman has a wide variety of wildlife, some of which is now extremely rare. Strict laws exist to protect wildlife from being hunted and nature reserves have been established to prevent encroachment on the natural habitat of species, such as leopards, hyenas, oryx, gazelle, tahr, ibex, desert foxes, antelope and wild cats. In the sea thirteen different kinds of whales and dolphins have been recorded and some 400 species of birds are to be found in Oman at different seasons of the year.

Nature reserves

The turtle breeding beaches at Ras al-Jinz are protected by Royal Decree as a nature reserve, to which entry is controlled by the Ministry. There are plans to extend the protection of turtles in other areas and to train Omanis as rangers to monitor the beaches where they lay their eggs. The Daymaniyat islands, north-west of Muscat, are designated as a bird sanctuary to which entry is restricted during the breeding season. In 1997, sanctuaries were established on Jebel Samhan and in the creeks

► The environment is carefully protected; some of the beautiful butterflies which are to be found here.



along the Dhofar coast by Royal Decree. The al-Saleel park, a new nature reserve in the Wilayat of al-Kamil wal-Wafi provides a habitat for gazelle and other animals as well as preserving plantations of Samr and Ghaf trees (*Acacia tortilis* & *Cineraria*). One of the first reserves to be set up was in the Wadi al-Sarin in the Wilayat of al-Amerat. It is home to the Arabian taher, a mountain goat unique to Oman. The Jiddat al-Harasis, where the Arabian oryx has been re-introduced was listed in 1994 by UNESCO on its World Natural and Cultural Heritage Register.

The Arabian oryx

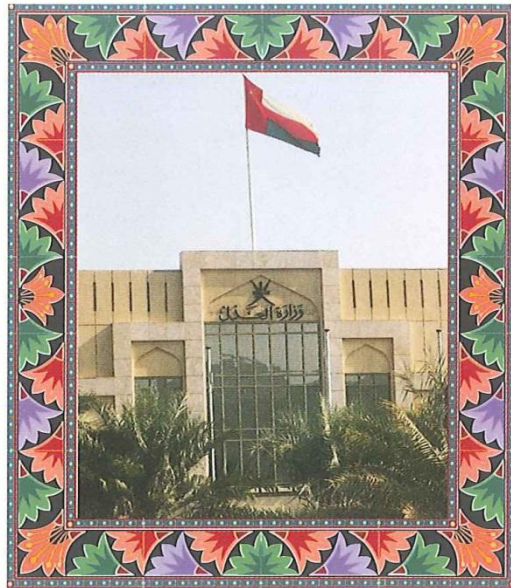
The last oryx in the wild were exterminated in 1972. In 1976, His Majesty Sultan Qaboos decided that a way should be found to allow their return to Oman. This was done and in 1982 the first oryx were released into the wild from the captive herd and by adapting well to their environment successfully reproduced and multiplied. Unfortunately depredations by poachers began seriously to threaten the herd, and in 1996 special protective measures were introduced .

Endangered species

The houbara bustard is recognised worldwide as an endangered species, but is protected in Oman which has the largest population of bustard in Arabia. In January 1996, an international meeting was held at Sultan Qaboos University to discuss how to protect this shy desert bird which has been hunted nearly to extinction. The meeting was arranged by the Ministry in conjunction with the World Conservation Union (IUCN).

Rare plants and trees

As well as wildlife, Oman's plants and trees are of great scientific interest. In Ja'alan a rare tree (*cordia perrottettii*), which occurs in Dhofar, was discovered in 1996. It is believed to be the last of its kind in Northern Oman and is perhaps a survivor from a bygone age when the monsoon climate extended over more of Oman.



JUSTICE

In his address to the people of Oman on National Day 1997, His Majesty reiterated the importance of the Basic Statute of the State which was promulgated by Royal Decree 101/96. In November 1998, His Majesty again referred to the Basic Statute as a way forward for domestic harmony and a means of avoiding conflicts in society.

Basic Statute

The Basic Statute of the country establishes a legal framework for the Sultanate on which all future legislation will be based. An important aspect of this legislation is the reform of the criminal justice system which is now taking place. His Majesty has made clear his intention to organise the judiciary along modern lines to meet the demands of the 21st century. This will include the establishment of a Supreme Court to protect the collective and individual rights of the people of Oman.

Royal Decree 84/97 separated the Ministry of Justice from the Ministry of Justice, Awqaf and Islamic Affairs, which was renamed Ministry of Awqaf and Religious Affairs.

The principles derived from the Sharia Law are the basis for all laws in Oman but in recent years separate bodies have been established to deal with matters like arbitration in civil and commercial disputes to which Sharia law cannot always be applied. The Sharia Law remains the basis for family Law and deals with such matters as divorce and inheritance. In June 1997 the Personal Status Law was promulgated by Royal Decree 32/97 with the aim of unifying judgments on matters like marriage and divorce, which had been open to differing interpretations under



the existing customary laws. The Personal Status Law stipulates that no man or woman under the age of eighteen shall be forced to marry without his or her consent

The Ministry of Justice represented Oman at an international symposium on the Islamic view of the international declaration of human rights convened in Geneva in November 1998 by the Islamic Conference and the UN Commission for Human Rights.

▲ A Sharia Court in the Interior.

Courts of Law

For criminal cases there is the Court of First Instance, which deals with misdemeanors, the Criminal Court which handles all serious crime and the Court of Appeal in Muscat. There are now 46 Sharia courts in all parts of the country, consisting of a qadhi (the judge) and his deputy, with court officials providing administrative and clerical support. In 1998, a committee comprising the State Advisers for Justice and Penal Affairs and the Grand Mufti of the Sultanate was formed by Royal Decree to give a religious opinion on death sentences before they are issued and approved.

Commercial Courts

There has been a commercial court in Muscat for the past fourteen years. During 1997 the Commercial Court in Muscat was empowered to settle labour disputes, referred to it by the Ministry of Social Affairs, Labour & Vocational Training as well as dealing with tax and bankruptcy cases. In 1999 five more summary commercial courts began operating in Salalah, Nizwa, Sohar, Sur and al-Buraimi. The new courts not only expedite cases but also save plaintiffs and defendants in the interior from having to attend court in Muscat. However any appeals from these courts will still be heard in Muscat. The summary courts deal with claims not exceeding RO 15,000. In cases where the claim is not more than RO 5000, their judgement is final, but claims above that figure can go through an appeal procedure according to the amounts involved.

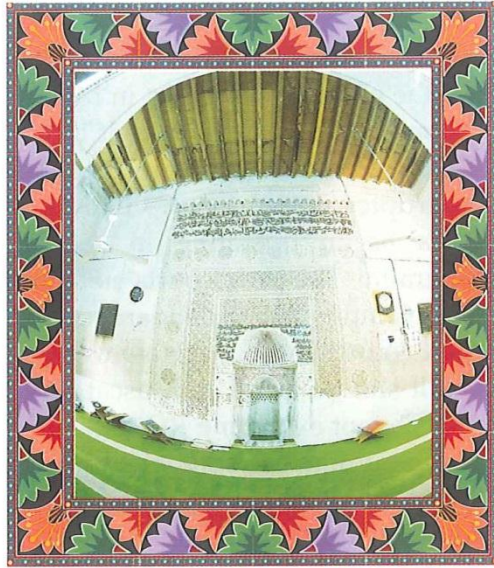
Wards of Court

The Ministry is responsible for safeguarding the finances of orphans and has established a department to deal with such matters. The money coming to orphans through inheritance is properly invested for their future. To this end the Ministry has over the years purchased residential and commercial buildings in Muscat and Muttrah. This has added substantially to the value of the funds held on behalf of orphans.

Regulation of the legal profession

In May 1997 in accordance with the Royal Decree 108/96 regulating the Legal Profession, the Ministry established a committee under the chairmanship of the Under-Secretary to regulate the activities and appearances in court of both Omani and non-Omani lawyers.

The Law is studied at the College of Sharia & Jurisprudence, which runs a three year course. Having completed this course, students may be employed in the Ministry or in the courts, but can go on to specialise in Sharia Jurisprudence in order to qualify for appointment as a deputy judge in one of the courts. Preparations are being made for a higher institute for training judges to be established during the next Five -Year Plan in 2001.



AWQAF & RELIGIOUS AFFAIRS

Islam is the religion of the Sultanate of Oman, which was one of the first countries to accept the teachings and doctrine of the Prophet Mohammed. Oman developed its own branch of Islam, named Ibadhism after its founder Abdullah ibn Ibadh who lived in the seventh century AD. Not all Omanis are Ibadhi Muslims, many are Sunni and there is also a Shia minority. However

apart from the historical differences there are no divisions in society between one branch of Islam and another and Omanis are tolerant not only of the beliefs of their Muslim brothers but also of the many Christians in the foreign community who are allowed to practise their own religion.

In his National Day speech in 1994, His Majesty re-affirmed his country's tradition of religious broadmindedness. Condemning fanaticism based on a lack of correct knowledge among some Muslims which could lead to violence, discord and hatred, he gave a reminder that Islam rejects such exaggeration and bigotry because it is the religion of liberality.

Awqaf (Religious Endowments)

The awqaf are religious endowments, properties and revenues which are administered by the Ministry for the upkeep of mosques and for the benefit of the community. The payment of zakat is one of the Pillars of Islam. It is a religious wealth tax collected and administered by the Ministry, which every Muslim has a religious obligation to pay according to his means.

The Ministry is responsible for the teaching of the Holy Koran. There are 304 Holy Koran schools, in which 12,160 boys and girls are introduced to their religion as well as reading and writing before they enter the stage of formal education. The Ministry runs holiday centres for teaching the Holy Koran when the general education schools are closed for the vacations. The Diwan of the Royal Court is also responsible for a number of Holy Koran schools and arranges the annual competition for memorising the Holy Koran.

Ramadhan

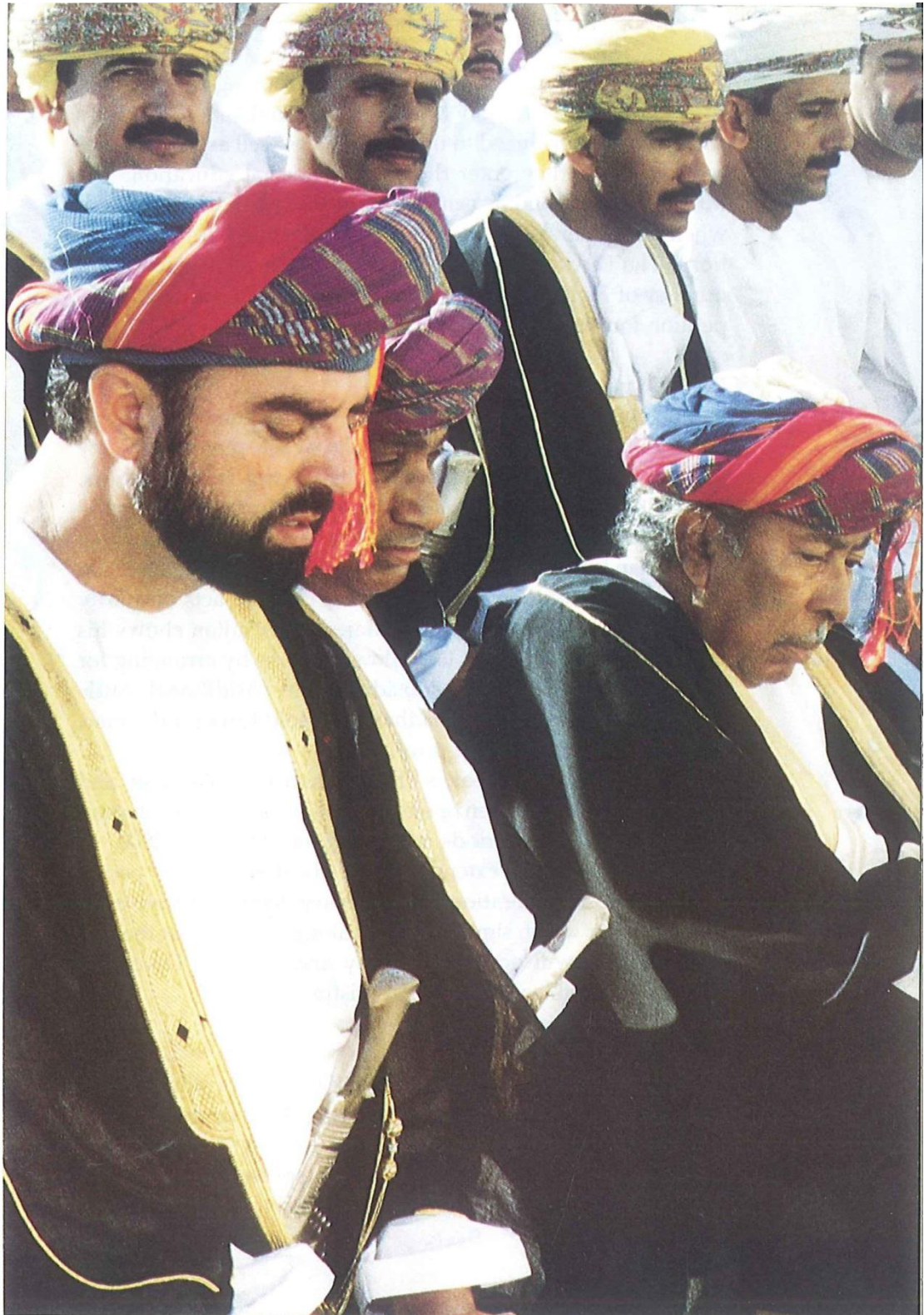
The obligation on Muslims to fast during Ramadhan is one of the Pillars of Islam. For 29 or 30 days each year the country sees a complete change in its social habits and working hours. It is customary for non-Muslims to abstain from eating, drinking and smoking in public during the hours of fasting. Ramadhan is however a month of celebration and a time when Muslims think of their fellow men and perform acts of charity and generosity. Every year, His Majesty the Sultan shows his concern for the welfare of his fellow Muslims by arranging for meat to be distributed at a subsidised rate. Additional cattle are slaughtered during Ramadhan and sold through the markets at a specially reduced price.

Because the lunar year is shorter than the solar year and therefore advances by ten or eleven days in each Christian year, there will be two periods of fasting in 1999 and 2000. In December the fast will extend over the Christmas holiday period and millenium celebrations into January 2000. The festival of the Eid al-Fitr which signifies the breaking of the fast at the end of Ramadhan will occur in January and again in December 2000 when it will coincide with Christmas.

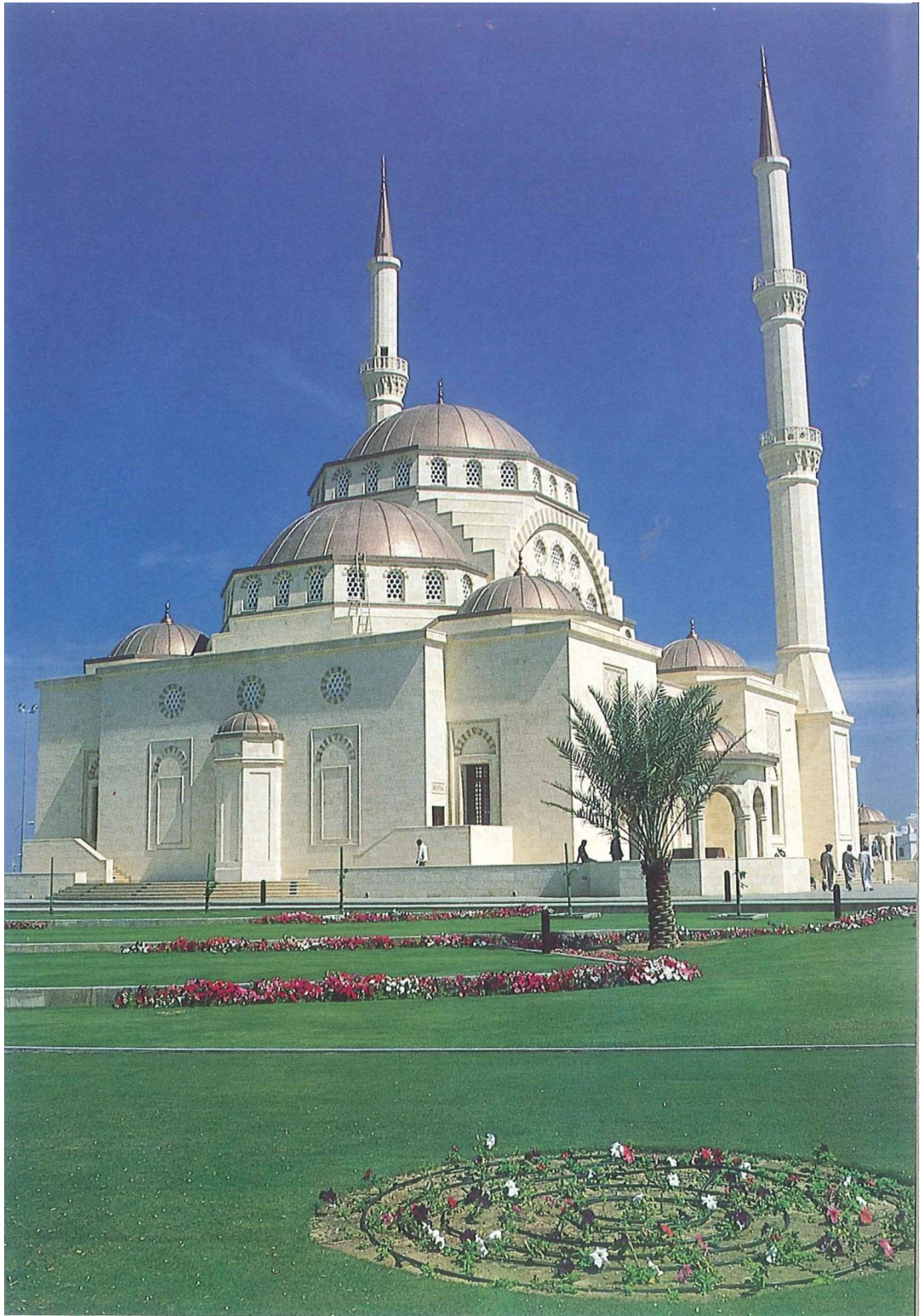
The Pilgrimage

The Haj or Pilgrimage is also one of the Pillars of Islam. The Ministry is responsible for co-ordinating the arrangements for pilgrims to travel to Makkah. Pilgrims are first of all registered at the Ministry and then prepared both spiritually and physically to undertake the Pilgrimage. The Ministry also ensures

►► His Majesty
leads his
Ministers in
Prayer at
Sumail.







their good health and well-being during the course of their stay in Saudi Arabia. The Omani Haj mission numbers about 40 persons, including medical staff and police officers. The Ministry uses Omani contractors to assist with the arrangements and tour operators offer special packages including travel and accommodation. The pilgrims from Oman started to arrive in Saudi Arabia in early March and before going to Mecca visited the Prophet's tomb in al-Medina.

The total number of pilgrims travelling from Oman in 1999 (1419 AH) was around 19,000, of whom 6,000 were expatriates living and working in Oman. A similar number of Muslims performed the Pilgrimage in 1998. The number of pilgrims from each country is regulated by a quota system based on population statistics and agreed by the Islamic Conference Organisation. The total number of Muslims from all over the world making the annual Pilgrimage is in the order of 2 million.

Publications

In 1996, at the beginning of Ramadhan the Ministry published the Holy Koran in thirty volumes for distribution to mosques and schools. The Ministry has also published a directory of Oman's mosques. In December 1996, His Majesty the Sultan ordered 30,000 copies of the Holy Koran to be published at his personal expense.

Each year some expatriates embrace Islam. Most of the converts are women who have married Omanis. To assist those who wish to become Muslims, the Ministry has issued two booklets, both prepared by the Grand Mufti, His Eminence Sheikh Ahmed bin Hamed al-Khalili, to explain the basic tenets of Islam.

◀ **The Sultan Said bin Taimur Mosque dedicated by His Majesty to the memory of his father.**

The Sultan Qaboos Mosque

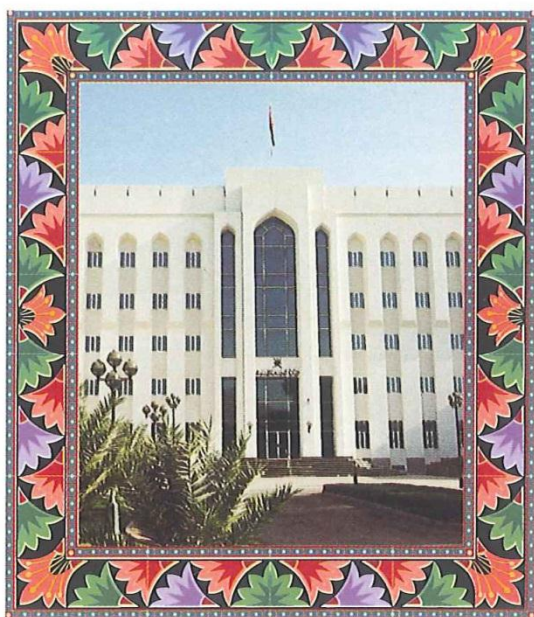
In 1995, His Majesty the Sultan announced the construction of a new mosque in Bausher which will hold 15,500 worshippers. The mosque, which is due to be completed this year, will include a library and centre for teaching religious studies. The mosque, which is clearly visible beside the main road leading

from the airport to Muscat, is the largest in the Sultanate. The project is being implemented at His Majesty's personal expense by the Diwan of the Royal Court.

In January 1999, His Majesty the Sultan opened the Sultan Said bin Taimour Mosque in al-Khuwair and then attended the Friday prayers which were led by the Minister of Awqaf & Religious Affairs. The mosque is named after His Majesty's father, who ruled Oman from 1932-1970. It is the first mosque of its kind in Oman to be built in the Turkish style and contains beautiful traditional decoration and tiling. The mosque has two fine minarets, 55 metres high and 29 domes. It can hold more than 2000 worshippers and has an area reserved for women.

Many historic mosques have been renovated, like the oldest mosque in Oman at Sumail. The first mosques in Oman were simple buildings, often indistinguishable from the surrounding houses. There were no minarets and little or no adornment; however some fine decoration still survives in ancient mosques at Manah and Nizwa. If possible mosques were always sited close to the village falaj so that the worshippers could wash before prayer. With the provision of piped water this is no longer a consideration in the construction of modern mosques. The many beautiful mosques built over the last twenty-five years are not only an expression of the devotion of Omanis to their religion but also a marvellous and varied display of all the features of Islamic architecture through the ages. Over 2,100 mosques in Oman have been built at private expense, of which 360 have been paid for by individuals and their families. Only six mosques have been built at Government expense.

Mosques in Oman are not open to non-Muslims and unlike mosques in some other parts of the Islamic world are not considered to be a tourist attraction. The mosque has a very special place in the hearts and minds of the community and must be preserved as a holy place. In 1996 the Ministry published a decision banning advertising hoardings and boards on or near the walls of mosques so as to preserve their sanctity.



CIVIL SERVICE

The Ministry of Civil Service was established in 1988 and in 1992 a Royal Decree was issued defining the functions of the Ministry. The principal aim of the Ministry has been the modernising and streamlining of the Civil Service to make the machinery of government more effective and less bureaucratic. In 1970 the State employed only 1,630 Omanis. Today

the Government (excluding the Diwan of Royal Court and other organisations considered as public corporations applying special regulations) employs 54,252 Omanis.

One of the primary aims of the Civil Service is to provide Omanis with the right qualifications to realise their potential and contribute to the development of their country. In 1988 the new Ministry introduced an Omanisation plan, in accordance with the directives of His Majesty to replace expatriates with trained Omani personnel without detriment to the efficiency of the Service.

The target for Omanisation during the period of the Fourth Five-Year Plan (1991-1995) was 72%, excluding the Ministries of Health and Education which employ more than three-quarters of the expatriates in the public sector. The sum of RO 10 million was allocated in the development budget for the Omanisation plan and a technical office was established in the Ministry to implement the plan with other Government departments. According to the most recent statistics released by the Ministry the target has been exceeded under the current Five-Year Plan and 83.6% of the personnel in the public



sector are now Omani nationals. Even if the Ministries of Health and Education are included, it has been a major achievement in recent years to reach an Omanisation figure as high as 68.8%.

▲ Civil servants are given training courses at the Institute of Public Administration

Rules for early retirement

In January 1996 important new rules were introduced for early retirement from the Civil Service. After a minimum of ten years of service and provided that the employee was not over 55, he or she could apply for early retirement with the consent of the department head concerned. The pension then paid was calculated on the final basic salary of the employee who was also entitled to receive an end of service benefit equivalent to one month's basic salary for every year of service up to a maximum of 12 months' salary. Under the new rules a pensioner is not allowed to join another Government organisation. During 1998 in accordance with planning policy, a total of 1,259 employees were recruited, of whom only 314 were expatriate. In the same period a total of 2,825 employees retired.

The rules give the employer the right to request an employee to take early retirement. The aim of these new regulations is to make the public sector more flexible in its employment policy. The Ministry has developed a new system of performance appraisal, whereby employees are evaluated on their achievements and rewarded with promotion on their merits rather than on their seniority.

Salaries, benefits and allowances in the public sector are generally higher than in the private sector. While wishing to recruit the highest calibre of candidate for the Civil Service, the Government seeks to bridge the gap in salaries, benefits and allowances between the public and the private sectors and to encourage young Omanis to seek employment in both areas as rewarding career opportunities.

The Ministry has adopted a professional approach to career planning, job classification, salary and pension administration, as well as training, management information systems and recruitment aptitude tests. At the same time much of the routine administration has been devolved to individual ministries in order to save time and effort and cut down on wasteful correspondence.

On top of its agenda for enhancing the capability of the Civil Service, the Ministry has completed a comprehensive job classification project to determine salary levels for the whole of the Civil Service. The aim of the project has been to eradicate human resources management difficulties resulting from the absence of a rational classification system. The project included the formulation of a salary structure based on the principles of job evaluation, taking into account duties and responsibilities and not merely the qualifications obtained by the incumbent. Job descriptions have been written and titles of the job holders standardised. The plan has been submitted to the Council of Ministers for approval.

The Pension and Post Service Law is still under study by a committee appointed for the purpose. It is hoped that it will be approved and implemented shortly. In September 1998, an agreement was signed with a firm of consultants to design a manpower and pensions information system. This project

costing RO 1.75 million is due to be completed in late 1999.

A new Ministry building was completed in mid-1995 and its offices were occupied in September of that year.

The Institute of Public Administration

The Institute of Public Administration (IPA) was established by Royal Decree in 1977 and is an autonomous body which came under the supervision of the Ministry of the Civil Service in 1988. The aim of the IPA is to enhance the professional competence of Omanis in both the public and private sectors. The Director-General of the IPA is appointed by the Minister and a board of directors. The Institute works closely with the Ministry to produce a national training programme. Since its establishment the IPA has initiated 881 training programmes, involving 16,862 trainees. The Institute has conducted 57 field and theoretical studies, as well as publishing 75 issues of its administration periodical. During 1998, over 100 training programmes and related activities were held not only at the Institute itself but also in Salalah.

Agreements have been signed with several training organisations, including the Gulf Institute for Manpower Development to train technicians. The Ministry also offers scholarships for higher studies enabling employees to obtain degrees and doctorates.

The IPA plays an important part in the successful efforts made to meet Omanisation targets in the Civil Service Training programmes for senior civil servants, including undersecretaries and directors-general are arranged as well as courses for staff at lower levels in Government. Courses in accountancy, statistics and English language proficiency are some of the subjects offered by the IPA.

In addition to its training programmes, the IPA also provides research and consultancy services and maintains a library of reference material in Arabic and English.

The Ministry, in collaboration with the Ministry of Higher Education, has taken further steps to Omanise more teaching positions by running a teacher training diploma course for university and teacher training college graduates.

OMAN IN BRIEF

Land Area:	309,500 square kilometres
Population:	2,287,642 (1998) (current estimate 2.3 million) 1,684,847 Omanis 602,795 Expatriates
Density:	6.5 inhabitants per square km
Capital:	Muscat (population over 400,000)
Official Language:	Arabic (English widely used)
Religion:	Islam
Time:	4 hours ahead of GMT
Currency:	Rial Omani = US\$ 2.58 (RO 0.387 = US\$ 1) (1 Rial = 1000 Baisas)
Gross National Income:	RO 5,242.3 million (current prices)
Total GDP:	RO 5,457 million (1998) (current prices)
Climate:	Hot and humid in summer (June 31- 48° Centigrade) Pleasantly cool in winter (January 20-25 ° Centigrade)
Measures:	Metric
Electricity:	220 Volts
Oil Production:	810,000 barrels a day
Total Oil Exports:	for 1998 = 300 million barrels
Oil Reserves:	5.56 billion barrels (proven reserves)
Natural Gas Reserves:	29.1 TCF (Trillion Cubic Feet) (proven reserves)
Copper Reserves:	15 million tonnes
Fish Stocks:	4.69 million tonnes
Birth Rate Increase:	2.5%
Life expectancy:	71.6 years
Education:	circa 500,000 boys & girls aged 6-18 in school
National Day:	18th and 19th November

	(Government offices usually close for two days later in the month in lieu of the holiday)
Official Holidays:	Dates according to the lunar year: 9th Dec 1999 (Ramadhan begins) 6th-10th January 2000 (Eid al-Fitr) 15th- 18th March 2000 (Eid al-Adha) 6th April 2000 (New Islamic Year 1421 AH) 15th June 2000(Prophet's Birthday) 26th October 2000 (Ascension of the Prophet) 28th Nov 2000 (Ramadhan begins) 26th-30th Dec 2000 (Eid al-Fitr) 5th-8th Mar 2001 (Eid al-Adha) 27th March 2001 (New Islamic year 1422AH) (The above dates may vary slightly)
Official hours:	Saturday - Wednesday 7.30 am - 2.30 pm (except in Ramadhan 8.30 am - 1.30 pm)
Private sector hours:	Saturday - Thursday 8.00 a.m. - 1.00 p.m. 3.30 p.m. - 6.30 p.m. (timings variable)

During Ramadhan, Muslims in the private sector may only work six hours a day or 36 hours a week.

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Blank handwriting practice paper with horizontal dashed lines.

This image shows a full page of a handwriting practice notebook. The page is white and contains approximately 20 horizontal dotted lines spaced evenly apart. There are no margins, text, or other markings on the page.

