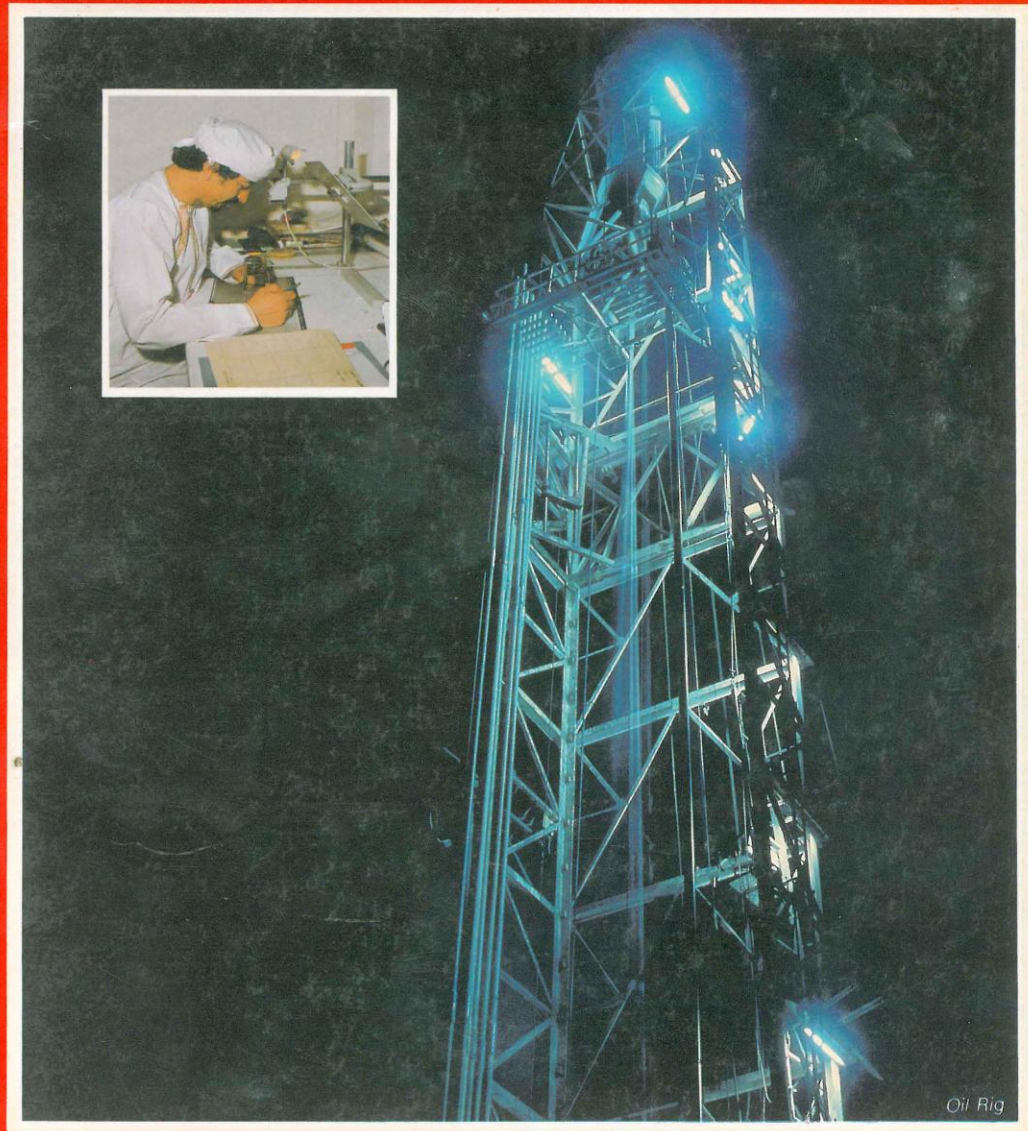
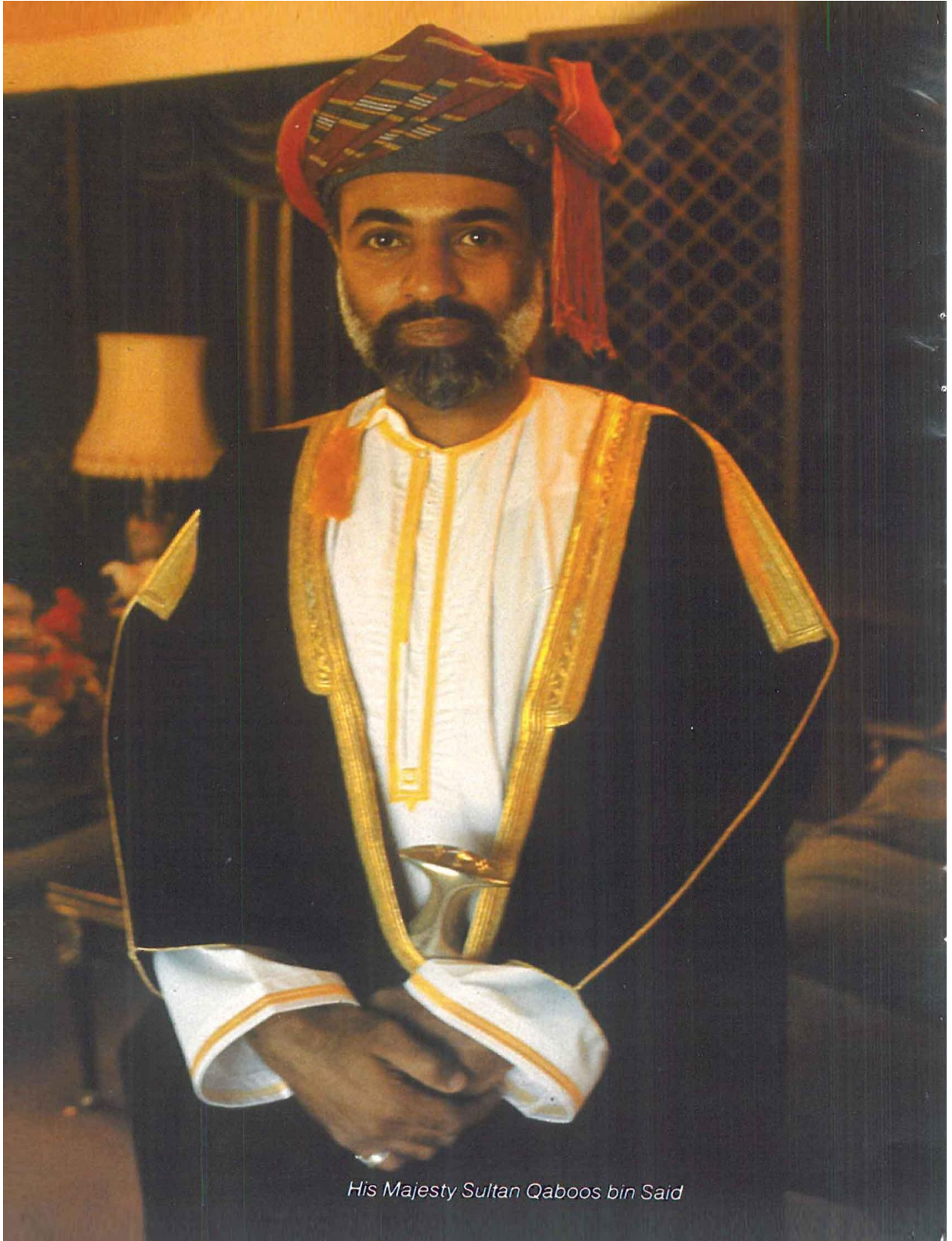


# OMAN'80





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*His Majesty Sultan Qaboos bin Said*



*National Flag*

## GENERAL REVIEW

**1980 is the tenth year of the reign of His Majesty Sultan Qaboos bin Said. In these ten years, His Majesty has dramatically brought Oman out of medieval backwardness into the 20th century. Modernisation has been achieved within the framework of Islamic principles and traditional Omani values. Today, the economy is strong. Oil revenue this year is estimated at RO 941 million which is 45 per cent higher than actual 1979 receipts. Prospects of higher growth in the second Five-Year Plan, 1981 — 1985 are good. The Omani people enjoy a standard of living comparable to the best in the Arab world. Social services are continually being expanded and upgraded. Women occupy several senior civil service posts. More girls are receiving higher education abroad. The Sultanate continues to enjoy political stability. His Majesty tours the country regularly to keep in touch with Omanis at grass roots level. In the international field, Oman has warned that the Soviet invasion of Afghanistan is a direct threat to the Middle East and the world.**

The task facing His Majesty Sultan Qaboos in 1970 in rebuilding Oman was immense. Although oil had been commercially exploited in 1967, no other development had taken place. There were three primary schools for boys, one 12-bed American missionary hospital and 10 kms. of road. Electricity was for a privileged few. Thousands of Omanis left the country to study and live abroad. A foreign-supported rebellion was in progress in the south.

In his first public statement after his succession, His Majesty declared: "I promise you that the first task I am determined to undertake is to start as soon as possible to establish a modern government. I shall do my best to work to secure a happy life and better future prospects for all. It is the duty of everyone of you to assist in the realization of this objective."

Thus His Majesty spelt out his vision of a new Oman. For the first time, income from oil was to be used to benefit the people. The Omani people responded to his call. Thousands returned from voluntary exile.

A massive development programme was launched to build a basic social and economic infrastructure. Schools, hospitals and clinics, roads and houses were built. Welfare aid was



*His Majesty holds regular 'meet the people' sessions throughout the country*

introduced. Girls attended school for the first time. A new port was created in Muscat, the capital, while a second was developed at Raysut in southern Dhofar. An international airport at Seeb, capable of handling the world's latest airliners, began operations in 1973 while a second airport at Salalah catered for domestic flights.

Postal services and telecommunications were established. Oman was put in instant touch with the world with the opening of an earth satellite station in 1974. Colour television was introduced.

The foreign-backed rebels in the south were finally defeated in 1975.

In 1976, Oman launched its first Five-Year Plan. One of its main objectives was to diversify the economy away from heavy dependence on oil into industries based on Oman's other natural resources — agriculture, fisheries and minerals.

The Development Plan is working well with the overall GDP exceeding target. In the first three years, 1976 — 1978, the GDP rose by 23.3 per cent at market prices, which was well above the growth target of around nine per cent. It was achiev-

ed despite a marginal increase of 2.4 per cent in the value of oil production. Still relatively small, agriculture and fisheries registered a rise of 34.2 per cent while manufacturing jumped four-fold. Housing and construction grew by 20.5 per cent, transportation and communications by 41.3 per cent and water and electricity by 345 per cent. Internal trade rose by 87.5 per cent. The banking sector went up 48 per cent while home ownership increased by 134.4 per cent.

In 1979, the GDP went up sharply as Oman had doubled its oil price during the year to \$28.20, in line with world oil price increases. The trade surplus was a record RO 309.8 million which was 172.5 per cent higher than the surplus in 1978. The provisional overall balance of payments showed an unprecedented surplus of RO 112.4 million compared with a deficit of RO 33.5 million in 1978.

In 1980, an even higher GDP is anticipated as new oil fields will begin production in the latter part of the year, raising output to the 1976 record level of around 360,000 barrels per day.

A larger number of income generating and infrastructural development projects in the non-oil sectors of the economy will get underway this year. Development expenditure in the 1980 budget, excluding government spending on the oil industry, is put at RO 245 million. This is a 91 per cent increase over actual 1979 expenditure. The government expects, however, a significantly higher percentage of development funds to be expended this year.

The current Development Plan, ending in December, should register a total growth rate of at least 35 per cent, almost three times the original target of 12.6 per cent.

This year, the government is building more clinics and small hospitals, more primary and intermediate schools and more low cost housing units in several parts of the country.

In the Oman of 1980, some 100,000 boys and girls attend 357 schools. The government is paying greater attention to raising standards and preparing young Omanis for the Sultanate's future needs of trained manpower. The school curriculum is being "Omanised".

There are now 14 hospitals. The health service reaches even the most remote areas. Some 1,300 units of low cost housing will be completed by the end of this year.

Communications, roads, transportation, water and electricity supplies and other facilities are being further developed to

meet the requirements of an expanding economy and a rising standard of living.

Oman is one of the most politically stable countries in the world. His Majesty is held in high regard by the Omani people for his dynamic and pragmatic leadership and his concern for their welfare. To find out if the government is doing enough for the people and whether they fully understand and accept its policies, His Majesty keeps in constant touch with them by regularly touring the country.

On the international front, Oman enjoys strong support in the Third World. Its foreign policy is based on non-interference in the internal affairs of other states and respect for their sovereignty and territorial rights. Based on this, the Sultanate was one of 24 non-aligned countries which co-sponsored a resolution in January at the United Nations condemning the Soviet invasion of Afghanistan and demanding the immediate withdrawal of Soviet troops. The resolution was approved by a majority of 104 votes to 18. A similar resolution was passed also in January at the Islamic Foreign Ministers' Conference in Islamabad in which Oman participated. Apart from the invasion of Afghanistan, Oman sees the Soviet military build-up in South Yemen, the Horn of



Waterfront in Muscat, capital of Oman

Africa and the Indian Ocean as a direct threat to the stability and peace of the area.

The Sultanate is committed to defending the right of peaceful passage of international shipping through its territorial waters in the Strait of Hormuz. Through these waters passes a huge percentage of oil supplies for the world at the rate of one tanker every 18 minutes. While Oman is agreeable to accepting assistance from friendly countries to defend itself against aggression, it will not allow foreign bases on its territory.

Oman continues to work actively for Arab unity. It views the Camp David accord as a first hopeful step towards peace in the Middle East but it insists that a final solution must restore to the Palestinian people their full rights and dignity.

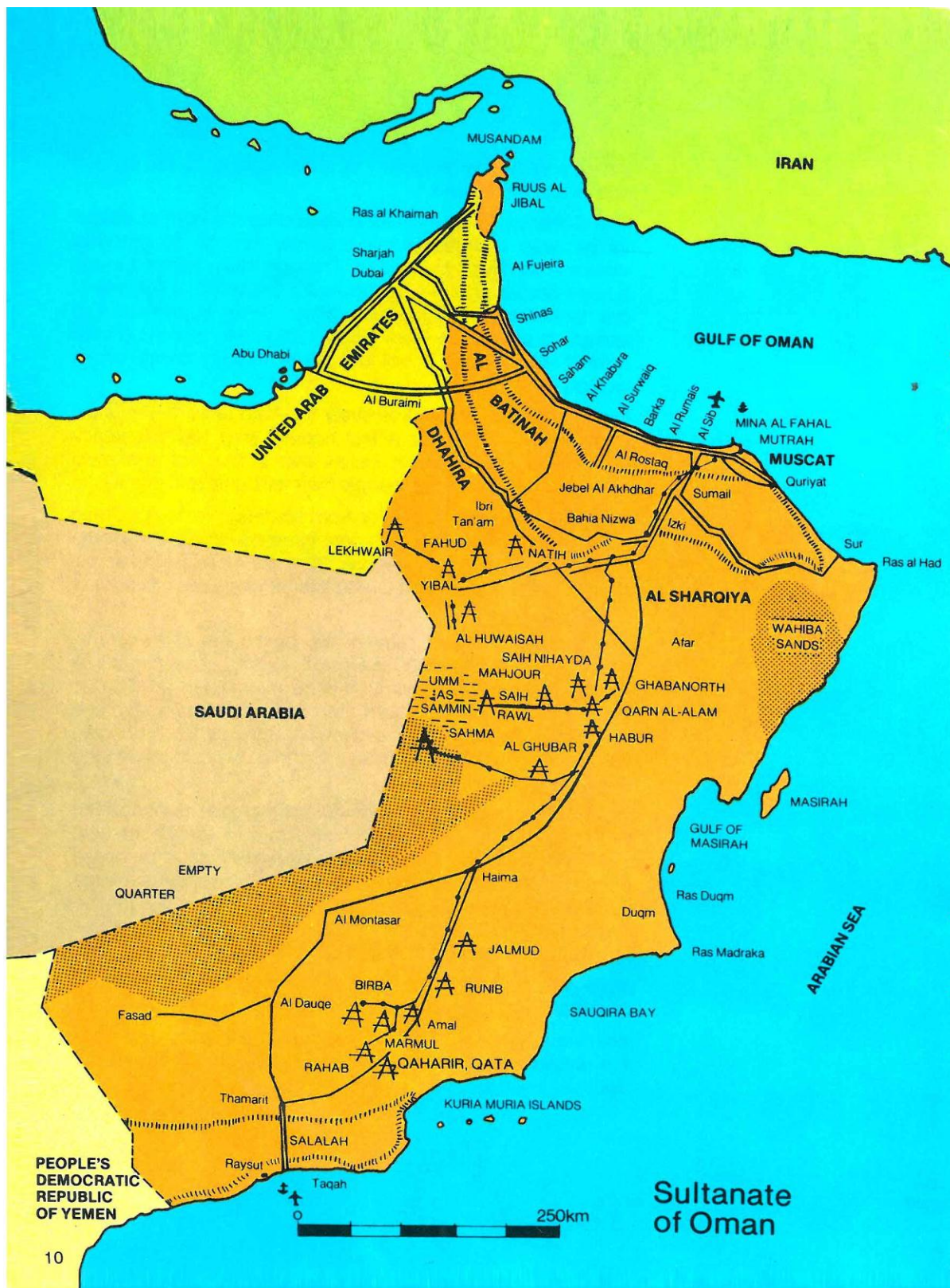
Before His Majesty took over from his father in 1970, Oman had diplomatic relations with only three countries: Britain, the United States and India. Today, there are 44 missions accredited to the Sultanate and Oman has 39 overseas missions of its own.

Prospects of a higher growth rate during the second Five-Year Plan, 1981 — 1980 are good. Output of oil, the prime mover of Oman's economy, will be maintained at 360,000 b/d, some 60,000 b/d more than the overall daily average for 1980. The anticipated higher oil earnings have enabled the government to formulate a more ambitious second development plan.

Indications are that the government will increase its investment to RO 1,200 million from RO 936 million for the present 1976 — 1980 Plan. Based on the extremely good response from the private sector during the first four years of the current Plan, development planners are confident that private investment will also be higher. Growth in the non-oil sectors is expected to exceed the rate achieved during 1976 to 1980.

More will be spent on social development and infrastructural projects.

With sound economic and social growth and continued political stability, Oman confidently faces the challenges of the eighties.



## **GEOGRAPHY**

Oman is located in the extreme south-east corner of the Arabian Peninsula with a total land area of 300,000 sq km of mountainous terrain punctuated by wadis and green valleys where the efforts of man have both created and cultivated arable land.

A mountain range extends from Ras al Hadd in the north-east to join other ranges that extend from Ras Musandam. The height of the mountains varies from 1,000 to 3,075 metres at Jebel al Akhdar, the 'Green Mountain', which is covered with vegetation and where many fruit trees grow. To the east of the mountain ranges lies the fertile Batinah coastal plain which extends for 300 km between the sea and the mountains all the way from Muscat to the boundary with the Emirates.

In land area Oman is the second largest country in the Arabian Peninsula.

### **Climate**

The climate varies from region to region. In the coastal area it is hot and humid in summer; in the interior it is hot and dry with the exception of some higher locations where it is temperate all the year round. In the southern region, the climate is more temperate. The rainfall is low and irregular with the exception of the Southern Province where heavy rains occur between June and October as a result of the monsoons.

### **Population**

Preliminary estimates put the total population of Oman at 1,500,000. The majority of the people are engaged in agriculture, commerce and fishing.

# HISTORY

Oman constitutes one of the oldest political entities in the Arabian Peninsula. Archaeological evidence shows that the first human activity in Oman dates back to the Stone Age, tens of thousands of years ago. Evidence of commercial activity goes back to the beginning of the third millennium B.C., and the first record in the world of long distance commercial seafaring in this period is that of the voyages made by Magan — the old name for Oman — ships bearing wood copper and other minerals to the land of Sumer which existed before Babylon.

The Southern Province, Dhofar, formed part of the famed ancient South Arabian civilisation of the Sabeans and the Himyarites.

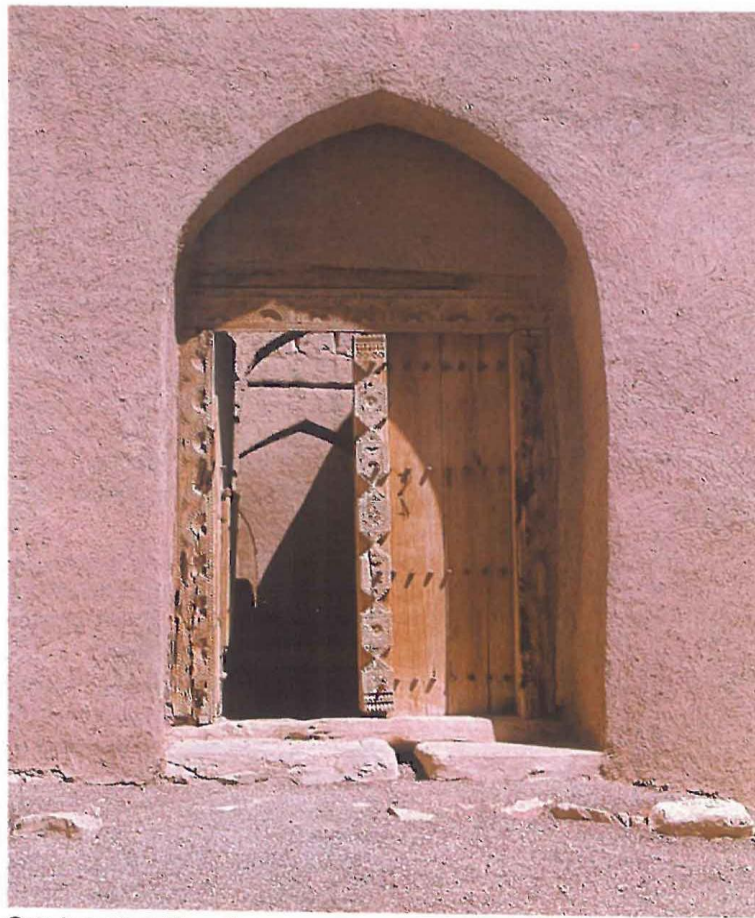
The recorded history of Oman begins with the advent and settlement of Arab tribes in the second century B.C. They came from Yemen and Najd, and included the Ai-Azd, from which the present ruling family is descended.

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

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

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

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



*Gate in ancient Nizwa fort*



*Traditional silver coffee pots are still handcrafted in Nizwa*

## NATIONAL HERITAGE AND CULTURE

Oman's history dates back several thousand years. Discoveries made last year in archeological excavations in the Blaid area, Salalah, showed that an old civilisation had existed there in 5000 B.C. In a farm in Ibri, daggers, copper utensils and spearheads were found which dated back to 3000 B.C. In Suao village, 800 old silver coins minted in the first century (Hijra) or 800 A.D., were also discovered.

1979 also saw the completion of several projects by the Ministry of National Heritage and Culture. Repairs were completed in three of Oman's famous old forts. These were carried out at the forts in Jibrin, Bidbid and Nizwa.

In another project, the Ministry turned the old house of Sayyid Nader, a famous Omani leader into a museum.

Further collections of ancient manuscripts and books were added to the National Library, where more than 4,500 manuscripts and 50,000 books are on display.

The Ministry also reached an agreement with the National Library in Portugal to photocopy 200,000 Omani documents. The Ministry received copies of old Omani documents from the American Congress Library, the American National Documents House, the Indian Office and the National Library in France.

Contacts are being made to copy Omani documents from other countries like India, Kenya, West Germany, Holland and the Vatican Library in Rome. These documents are to be translated into Arabic.

This year, the Ministry will be involved in several projects connected with the Tenth National Day Celebrations. It is building a replica of the dhow used by an Omani, Abu Ubaida Abdalla Ibn Al Qasim, when he sailed from Muscat to Canton in the middle of the eighth century A.D. It was the first recorded voyage of an Arab ship to China and Abu Ubaida Abdalla covered the distance of some 4,350 miles in about two years. The dhow which is being built at Sur will retrace the voyage from Muscat to Canton and set sail on National Day.

The Ministry will also organise the Oman Heritage Festival on National Day.

# ORGANISATION OF THE STATE

The present administrative system of the State comprises the Council of Ministers (Cabinet), Specialised Councils, Governorate of the Capital City and Ministries.

The Council of Ministers is the highest executive authority, deriving its power from His Majesty the Sultan. It is collectively responsible to him.

Laws and decrees are issued by His Majesty the Sultan. These constitute the laws of the land. International treaties, agreements and charters signed or approved by His Majesty become law from the date of their publication in the Official Gazette.

A legal directorate revises draft laws and decrees before they are signed, and gives legal opinion on other matters referred to it by other departments.

The Council of Ministers consist of:

Special Adviser to His Majesty the Sultan and Governor of the Capital: H.H. Sayyid Thuwainy bin Shihab

Minister of Diwan Affairs: H.H. Sayyid Hamad bin Hamoud

Deputy Prime Minister for Security & Defence: H.H. Sayyid Fahr bin Taimour Al Said

Deputy Prime Minister for Legal Affairs: H.H. Sayyid Fahad bin Mahmood Al Said

Minister of State for Foreign Affairs: H.E. Qais Abdulmunem Al Zawawi

Minister of the Interior: H.E. Badr bin Saud bin Hareb

Minister of Health: H.E. Dr. Mubarak Al Khadouri

Minister of Communications, Civil Aviation, Ports and Roads: H.E. Salim Naser Al Busaidi

Minister of Posts, Telephones and Telegraph: H.E. Karim Ahmed Al Heremy

Minister of Electricity and Water: H.E. Hamound Abdulla Al Harthy

Minister of Commerce and Industry: H.E. Mohammed Zubair

Minister of Petroleum and Minerals: H.E. Said Ahmed Al Shanfari

Minister of Agriculture and Fisheries: H.E. Abdul Hafiz Salem Rajab

Minister of National Heritage and Culture: H.E. Sayyid Faisel bin Ali Said

Minister of Social Affairs and Labour: H.E. Khalfan Nassir Al Wahaibi

Minister of Information and Youth Affairs: H.E. Abdul Aziz Rowas

Minister of Justice: H.H. Sayyid Hilal bin Hamad Al Sammar

Minister of Land Affairs and Municipalities: H.E. Ahmed bin Abdullah Al Ghazali

Minister of AWQAF and Islamic Affairs: H.E. Sheikh Walid bin Zaher Al Hinai

Minister of Education H.E. Yahya Mahfudh Al Mantheri

Minister of Public Works: H.E. Dr. Asim Al Jamali

Wali of Dhofar and Minister of State: H.H. Sayyid Hilal bin Sou'd bin Harib Al Busaidy

The Ministry of the Affairs of the Sultan's Diwan co-ordinates relations between the different ministries and the Cabinet Office, through acting as a Secretariat to the Council of Ministers. It prepares the Council's agenda and memoranda relating to its meetings, and despatches its decisions to the ministries concerned for their execution. It also informs the ministries concerned of the Sultan's decisions. It checks draft laws and decrees put forward by the different ministries and makes the necessary arrangements to issue and publish them. In addition, the Ministry of the Affairs of the Sultan's Diwan is responsible for the publication of the Official Gazette, auditing State accounts, and supervising the administration of tribal affairs and tribal requirements.

### **Islamic Shari'a**

The Ministry of Awqaf (Religious Endowments) and Islamic Affairs is responsible for safeguarding the Muslim faith and its spiritual values. It runs a number of religious institutes and Quran schools, notably the Islamic Training Institute at Wataya, in the Capital area, where the Sultanate's religious teachers are trained. The Ministry has built a number of mosques throughout the Sultanate and provides them with khatibs (preachers) and imams. Its many other duties include administering religious lands, property and libraries, publishing periodicals and booklets on religious topics and organising celebrations on religious occasions.

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### **Specialised Councils**

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

At present eight such councils operate in the Sultanate; the two latest being the Council for Water Resources and the Council for Conservation of the Environment and Prevention of Pollution.

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

The Development Council plans objectives and general policies for economic development; supervises projects and procedures which fall within the general State Plan; and co-ordinates the activities of the different ministries and Government departments in the execution of the current Development Plan.

The Council for Financial Affairs lays down the financial policy of the State and draws up the national budget. Among other things it studies the financial allocations for economic development projects approved by the Development Council.

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

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

The Council for Agriculture, Fisheries and Industry is responsible for the development of these main economic sectors. Another primary function is to ensure greater participation by the private sector in the country's economic development.

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

In addition to these Specialised Councils there is the Governorate of the Capital which is responsible for the administration of the Capital. The Governor of the Capital is also Chairman

of the Tender Board.

For easier administration of Oman's vast land area and scattered population centres, the country has been divided into 41 wilayas under the jurisdiction of the Ministry of the Interior. At the head of each wilaya is a wali (governor) whose main function is to ensure that everyone in his wilaya benefits from the country's social and economic development.



*Keeping Oman's territorial waters safe*

## FOREIGN AFFAIRS

The foundation of the Sultanate's foreign policy is to extend the hand of friendship to all countries on the mutual basis of non-interference in each other's internal affairs.

Recently, in common with other countries of the free world, Oman has had to draw attention to the danger to world peace created by the Soviet Union's expansionist policies. Oman participated in the Islamabad Conference of Islamic Foreign Ministers on January 27, 1980. At the Conference, Oman and the other 35 Islamic nations present condemned the Soviet invasion of Afghanistan and called for "complete and immediate withdrawal" of Soviet forces. The Conference suspended the Soviet-backed Kabul government from the Islamic Conference Organisation. Oman was also one of the 24 non-aligned countries which co-sponsored a resolution at the United Nations condemning the Soviet invasion of Afghanistan and calling for Soviet withdrawal. The General Assembly voted by 104 to 18 on January 15, 1980, in favour of the resolution which also reaffirmed respect for the sovereignty, territorial integrity and political independence of every state.

Oman had repeatedly warned about the Soviet threat to the Middle East. In his National Day speech on November 18, 1979, His Majesty the Sultan said: "The unbridled pursuit by the Soviet Union of policies reminiscent of the worst periods of colonialism in the past, continues to pose a most serious threat to the peace of this region. Closely allied to this threat — and indeed contributing to it — is the continued disunity of the Arab nation and the world's inability to achieve a settlement of the Middle East problems."

His Majesty the Sultan also reiterated Oman's stand on the Camp David agreement. He said that the year had seen a first hopeful step along the road to peace in the Middle East. But this could not be regarded as more than a first step. It was not enough. It was not only peace that was at stake. He declared: "It is the complete redress of the wrongs and suffering that had been inflicted on the Palestinian people. The world must recognise this and the world must act to bring about a settlement that will restore their full rights and dignity. Neither the intransigence of Israel — in defiance of the expressed will of the United Nations — nor the mischievous activities of those whose interest it is to perpetuate this situation can be allowed to prevent the achievement of this aim. Oman categorically declares that it will warmly support



*Goat Island in strategic Strait of Hormuz has small naval base*

any constructive initiative by any Arab or other leader which may promise to lead to this end."

His Majesty the Sultan went on to reassure the world that Oman would defend the waters of the Strait of Hormuz which he described as "one of the most important sea lanes of the world through which passes a huge proportion of the world's oil supplies." His Majesty said that should the present instability of the Middle East result in the interruption of this flow, the results would be disastrous, not only would immense hardship be caused to millions of people but the economies of many countries, "countries whose own strength and stability is indispensable to the defence of freedom," would be gravely damaged. The Sultan said that Oman is pledged to defend the right of all peaceful shipping to pass through this Strait. "This is not only our duty under international law, it is also our duty to humanity and the free world." Should the Strait be exposed to danger, Oman would not hesitate to act in defence of its national sovereignty and the safety of international navigation."

The Sultan said that it was the responsibility of all countries that are beneficiaries of this traffic — oil producers and consumers alike — to contribute to the protection of this vital waterway against the dangers of terrorism or other forms of aggression, and he urged them to do so. But, he said, "Oman



*South Yemeni refugees seek safety in Oman*

does not call for the intervention of foreign forces for this purpose; given the means, the Sultanate is fully capable of undertaking the necessary measures, but the means must be provided."

The Sultan went on: "The cooperation of our brother states in the area is also essential to the security of these waters. The vital geo-political importance of the Gulf as an area, underlines the absolute necessity for the fullest cooperation between our states." The Sultan said that consultations in the political and security fields had now become of the highest importance to the stability of the region and its continued immunity from foreign interference.

The Sultan said that as with the Strait of Hormuz, so must the Indian Ocean be internationally recognised as a zone of peace which it was the responsibility of all nations to maintain. The Sultan added: "We strongly oppose the establishment of any foreign bases in the area or the intervention of powers seeking to extend their influence and dominion." He said that the example of South Yemen, "whose national identity has been virtually obliterated by the massive presence there of Soviet and Cuban satellite forces" and who had been used by those forces as a military base against two brother Arab countries, was a salutary instance of what could happen to the independence of a people if such bases were allowed. Oman would cooperate to the full to ensure the preservation of the peace and freedom of the states and peoples of the area and help them resist the forces of oppression.

Oman today is a member of the United Nations, the Arab League and the Third World. Before 1970, it had diplomatic relations with only three countries — Britain, the United States and India. Today there are 44 missions accredited to the Sultanate and Oman has 39 overseas missions of its own.

### Foreign Missions

|                                            |                             |
|--------------------------------------------|-----------------------------|
| Argentina +                                |                             |
| Austria                                    |                             |
| The People's Republic of                   |                             |
| Bangladesh +                               | State of Kuwait             |
| Belgium +                                  | The Republic of Mali +      |
| Brazil +                                   | Mauritania +                |
| Canada +                                   | Mexico +                    |
| The Republic of Chile +                    | Morocco +                   |
|                                            | Netherlands                 |
| China                                      | Niger                       |
| Denmark (Consulate)                        | The Islamic Republic of     |
|                                            | Pakistan                    |
| The Arab Republic of Egypt                 | State of Qatar              |
| France                                     | Romania +                   |
| Finland +                                  | The Kingdom of Saudi Arabia |
| Gambia                                     |                             |
| The Federal Republic of                    |                             |
| Germany                                    | Senegal +                   |
| Greece (Consulate)                         | The Somali Democratic       |
|                                            | Republic                    |
| Guinea +                                   | Spain +                     |
| Holland (Consulate)                        | The Sudani Democratic       |
|                                            | Republic                    |
| India                                      | Sweden +                    |
| Indonesia +                                | Switzerland (Consulate)     |
| Iran                                       | The Republic of Tunisia +   |
| Iraq                                       | The Republic of Turkey +    |
| The Republic of Italy +                    | The United Arab Emirates    |
| Japan +                                    | The United Kingdom of Great |
|                                            | Britain                     |
| The Hashemite Kingdom of                   | The United States of        |
| Jordan                                     | America                     |
|                                            | West Germany                |
| The Republic of Korea                      | The Yemen Arab Republic +   |
|                                            | The Socialist Federal       |
|                                            | Republic of Yugoslavia +    |
|                                            | Zaire                       |
| + Represented by a non-resident ambassador |                             |

## DEFENCE

The Sultanate maintains a well trained and highly efficient defence force. Today its main concern is to maintain its capability to defend the Sultanate against an external enemy and less with internal security as Oman continues to enjoy political stability. The armed forces are divided into the Sultan of Oman's Land Forces, Navy and Air Force.

Apart from purely military duties, the Sultan's Armed Forces assist the civil authorities in development and welfare programmes.

### Ministry of Defence

In addition to its administrative responsibilities the Ministry, through its Engineering Division, has built and is maintaining the Sultanate's military defence bases, including airstrips and naval facilities. Many of these were in hitherto inaccessible areas, and so new roads (notably into the Jebel Akhdar) had to be built. Other civil engineering projects undertaken or in hand include water bore-holes and providing electrical power supplies to remote locations, to serve both military and civil needs.



*Oman's Armed Forces are well trained*

### **Army**

Well trained and equipped with modern weapons, the Army has been consolidating since its success in defeating the foreign-led Dhofar rebellion in 1975. Training methods and patterns of leadership are now geared towards even greater self-sufficiency at all levels of command, and reliance on foreign assistance has been correspondingly reduced.

The army's civil projects have included assistance in providing better health and medical facilities. Army engineers have also built access roads to some of the more remote villages in Dhofar.

### **Air Force**

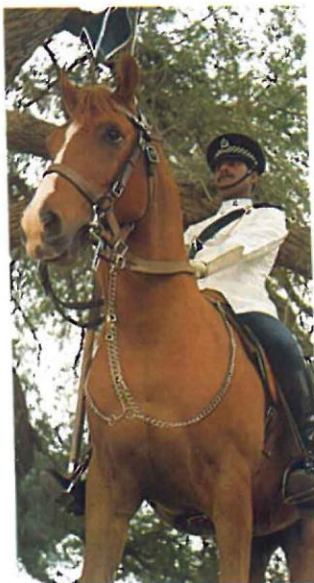
As dependence on air defence grows and the role of air transport widens, so the Air Force is keeping fully abreast of its commitments. Its operational aircraft are among the most effective in the Arab world, and its air defence system is under constant development. Training schools are already providing a steady flow of qualified young Omanis to meet future demands.

Helicopters and transport aircraft transport bulk supplies of food and other essentials to otherwise inaccessible areas, carry the sick and injured to hospital for treatment and respond to distress calls from ships at sea. Whenever and wherever air support is needed, the Air Force is ready.

### **Navy**

The Navy's small but effective fleet of fast patrol vessels is in constant operation, guarding Oman's 1,700 km. coast. Prevention of illegal immigration and protection of Omani fishing rights are among its routine tasks. The Navy has the added responsibility of keeping the Strait of Hormuz secure for the world's oil tankers. Its working contacts with elements of friendly naval forces which pass through Omani waters are a valuable means of fostering comradeship and exercising its professional expertise.

The Navy contributes constantly to the Search and Rescue organisation which has saved many lives at sea and has enabled medical emergencies to be dealt with promptly. As to the future, the new training base at Sur will ensure that the Navy's more advanced ships and techniques will be matched by the skills of its officers and men.



*Mounted policeman in ceremonial dress*

## POLICE FORCE

The Royal Oman Police is well-trained, disciplined and efficient. It is also well respected by the public for its first duty is to serve the people. The Force motto is "The police in the service of the people."

In appreciation of work done by the Force, His Majesty the Sultan renamed it the Royal Oman Police Force in 1974 and also presented it with its own Colours.

Today, there are 13 main police stations in the Sultanate to maintain law and order. The Force is also responsible for immigration, customs and fire fighting services.

### Police Academy

To facilitate the training of large numbers of young Omanis who join the Force, a new Police Academy was built at Nizwa. Apart from offering basic police training courses, the Academy provides specialist training in such subjects as fingerprinting, criminal photography and foreign languages.

The Academy also offers extensive sports facilities and friendly rivalry exists in the many sports tournaments and games organised between police divisions and the Academy.

### Marine Division

The Marine Division is responsible for maintaining law and order at Mina Qaboos and along Oman's 1,700 km-long coast. Mina Qaboos has developed into a full-fledged commercial port and is visited by 500 ocean-going ships and about 600 other vessels a year.

The duties of the Marine Police Division require well-trained men able to work at sea and on land.

A marine base has been constructed in Didab and has been supplied with a large number of fast patrol boats and other necessary equipment.

These boats carry out patrol duties in Omani waters to prevent illegal immigration. They have succeeded in thwarting many attempts by boats used for transporting illegal immigrants. The number of illegal immigrants last year was reduced considerably compared with the number in previous years.

### Immigration

The entry and departure of Omani and foreign nationals to and from the Sultanate requires careful security measures.

And dealing with Omanis and foreigners necessitates special qualifications, including politeness and command of languages.

Immigration officers of the Royal Oman Police Force are on duty at airports and ports and other border control posts. They reflect a true picture of our hospitable Arab people.

The Immigration Department is at the service of the people at all times and is a permanent watchman guarding the gates of Oman.

### **Police Airwing**

The Airwing operates a fleet of aircraft from Seeb Airport. Police helicopters are used for regular area patrol duties and in medivac calls to remote areas in the Sultanate which are inaccessible to motor transport.

The Airwing has its own crews of pilots and engineers.

### **Fire Service**

The Fire Service men are regular members of the Police Force and attend an ordinary training course in fire-fighting before attending special training at the Central Fire Station in Darseit.

The unit runs a fleet of modern fire service vehicles and fire fighting equipment. In addition to emergency services, the unit carries out inspection duties for fire prevention.

### **Mounted Division**

This Division is based at Wattayah. Its complex comprises modern housing units, stables, offices and other training facilities.

It was formed in November 1974 and plays as important a role as other units of the Royal Oman Police. In addition to daily patrol duties, it takes part in important national occasions.

The Mounted Division now has some 90 horses.

### **Traffic Division**

With more new roads and heavier traffic, road accidents have risen considerably. The main cause is speeding. Speed limits have been imposed. Police patrol cars, engaged in traffic duties in the Capital area and in other districts, are equipped with radar speed checks.

In addition to traffic duties, the Traffic Division maintains a 24-hour breakdown/recovery service by removing damaged and broken down vehicles to the nearest garages for repair.

### **Policewomen**

Before 1972, the Omani policewoman's main job was to carry out security checks on women passengers at Seeb International Airport.

Today, policewomen perform duties similar to those of their male colleagues. These include traffic and criminal investigation duties.

### **Public Relations**

This department is based in Force Headquarters, Qurum. It publishes a daily newsletter and produces a bi-weekly television programme entitled "The Police in the Service of the People", in cooperation with Oman Television.

This programme which has become popular includes among other things, police news, announcements, road accidents, missing persons and other items of interest. Another police programme is broadcast every week by Radio Oman.



*Policewomen perform crowd control duties*

The department also publishes a quarterly police magazine which is widely circulated. Many of its readers contribute interesting articles and other entertaining topics to it. Much use is also being made of the department by police divisions for such publicity as news releases and recruitment campaigns.

### **Oil Installations**

This Division is responsible for the overall security and policing of oil installations in Mina al Fahal in addition to oil stations and oil fields along the road between Nizwa and the southern region. It is supported by the Mobile units.

### **International Affairs**

The Force is an active member of Interpol and the Arab Social Defence League.

As part of international police cooperation, multi-national conferences are regularly held at which police problems are discussed. In 1979, Oman police representatives participated in conferences in Seoul, Nairobi, Paris, Kuwait, Qatar, Riyadh and Rabat.

Also concerned in international cooperation is the Customs Department of the Royal Oman Police. Representatives of the department travel to many countries such as the African states and Australia to be informed and to advise on matters pertaining to customs services throughout the world.

Thus the Royal Oman Police concerns itself not only with its domestic duties but is also familiar with international policing and customs trends.



*Oman exports almost all its oil*  
By courtesy of PDO

## ECONOMY

Oman's oil-based economy is heading for another year of substantial growth. New oil fields in the south and south west will come on stream in October, raising output to the 1976 record level of 360,000 barrels a day and offsetting a slight decline in the first nine months of the year. An overall 1980 production average of 300,000 b/d, slightly higher than the 1979 daily average, is now expected.

The pick-up in oil production comes at a time of high oil prices. In 1979, Oman doubled the price of its crude from \$14.00 per barrel in January to \$28.00 in December in line with world-wide price increases. It further raised the price by \$2.00 per barrel from January 1 this year.

The higher oil output which will be maintained at least from 1981 to 1985, the period of the second Five-Year Plan, has radically changed the economic and financial standing of Oman.

Government income from exports of crude this year is put at RO 941 million, 45 per cent higher than last year's record oil revenue of RO 650 million. Compared with the oil industry, growth in the other sectors of the economy is likely to be modest.

From the oil earnings, RO 141 (15 per cent) is being set aside for a newly created General Reserve Fund, leaving RO 800 million for this year's budget. The government is budgeting for a total revenue of RO 993, the remaining amount being made up of RO 71 million from non-oil sectors, RO 48 million from committed grants and RO 74 million from committed development loans.

Recurrent and development expenditure is estimated at RO 971 million of which defence accounts for RO 304 million. Expenditure for the civilian sector totals RO 575 million. RO 62 million is budgeted for repayment of loans and RO 30 for grants to government-owned enterprises and to companies in the private sector in which the government has a share.

The anticipated budget surplus for 1980 is RO 22 million which contrasts sharply with the RO 108 million deficit that was forecast in the 1979 budget.

Expansion of the oil industry this year will cost the government RO 85 million in capital expenditure, up by 29 per cent over 1979.

Petroleum Development (Oman), PDO, which is 60 per cent owned by the government, will be engaged this year mainly in exploring for more oil and bringing the southern oil fields at Marmul, Birba and Qaharir on stream. Based on the rate of its success in finding new fields, PDO is confident of making more discoveries. Apart from PDO, several oil consortiums will maintain their 1979 level of drilling or step up their exploration. One group, Elf-Aquitaine, Sumitomo and Wintershell, is developing its find at Sahmah in the south west which initially will produce 12,000 b/d of 42 degrees API light crude from October 1.

Civil development spending, excluding PDO capital expenditure, is budgeted at RO 245 million which is 91 per cent more than actual expenditure in 1979. While development spending in 1980 may not again reach its budgeted amount, the government expects a much higher percentage of development funds to be expended this year than was the case in the past several years.

A large number of income-generating and infrastructural projects will get underway this year than in 1979. Tenders will be called for construction work on three of Oman's largest industrial projects — a copper extracting and smelting plant in Sohar, a cement plant at Rusayl with one million tonnes' annual capacity and a 50,000 barrels-a-day oil refinery near Mina Al Fahal oil terminal.

Opening up of the copper mines began in June 1979. But building work on the extracting and smelting plant, the first in Arabia, will only start late in 1980 or early 1981. The main copper reserves are at Baida, Arga and Liasail and drilling has indicated the presence of about 11 million tonnes of ore with copper content of two per cent. Apart from providing diversification of the economy away from oil, the copper scheme will also open up the north west of Oman for the people of the area. Roads, houses and a small harbour are among the facilities to be built.

Oman's first industrial estate will be established at Rusayl, the site of the one-million-tonne cement plant whose construction is scheduled to start late this year or early next year.

Production at both the copper and cement plants is scheduled for 1982.

The oil refinery is being built to meet domestic needs for refined oil products which the Sultanate now imports. The design contract for the refinery was awarded in 1979 and construction is due to begin late this year.

The setting up of a salt refinery will be taken a step further with the appointment later this year of an international company for detailed consultancy, design and construction supervision of the plant. The salt refinery will have an annual capacity of 8,000 tonnes.

Among the smaller industries likely to be set up this year are those producing beverages, ice, detergents, vegetable oils, corrugated boxes and metal containers. Loans are to be extended to these companies by the Oman Development Bank on the strength of feasibility studies completed last year. Nine other companies will also receive loans from the bank which expects to lend a total of RO 5.7 million as against RO 1.7 million last year.

The Oman Development Bank, established by the government, began operating in March 1979. It offers 'soft' medium and long term loans to Omani businessmen to encourage greater participation by the private sector in manufacturing, agriculture, fisheries and mining.

Over RO 14 million is budgeted this year for further development of the agriculture and fisheries sector which until the advent of oil was the main support of the Omani economy. Agriculture and fisheries have shown steady growth in the current 1976 — 1980 Five-Year Plan.



*Oman Dairy*

Work will begin this year on several major projects to further develop Oman's infrastructure. These include constructing container yards at the country's two ports, Mina Qaboos and Mina Raysut, and roads in the jebel (mountains) in Dhofar, the strategic Munsandam Peninsula and the Capital area. Construction of the north-south Nizwa-Thamarit highway will be accelerated. Water supplies will be improved in Sur, Sohar, Buraimi and Nizwa, while another desalination unit will be added to the Al Gubrah water and electricity complex. More clinics and small hospitals are to be set up throughout the Sultanate. A hospital will be built for the mentally disturbed while a further extension will be made to Khoula hospital. This year will see the building of nine more primary and six more intermediate schools and a large number of low cost houses in various parts of the Sultanate. Seven marketing centres are to be developed in the Interior while work will begin on extending the Yibal natural gas pipeline to the Sohar copper project.

In 1979, the gross domestic product rose sharply due largely to the doubling of Oman's oil price during the year. The value of oil exports reached a record RO 745.7 million, up by RO 223.9 million over 1978. The higher value of exports of crude gave Oman its biggest ever trade surplus of RO 309.8 million, 172.5 per cent higher than its favourable trade balance in 1978.

Non-oil exports reached RO 5 million in 1979 as against RO 3.32 million the previous year. Dried limes and dates were again the biggest export earners. Exports of fish were also higher, while there were significant increases in exports of beverages and tobacco. Re-exports rose by 70.5 per cent from RO 26.91 million in 1978 to RO 38.16 million in 1979.

Imports during the year increased by RO 479.1 million, largely due to higher government expenditure. Imports of machinery and transport equipment showed the biggest increase, going up by RO 44.5 million to RO 170.4 million during the year. Imports of food and live animals were also higher by RO 8.4 million bringing such imports to RO 52.8 million.

Provisional figures indicate that gains were made in the non-oil sectors of the economy in 1979 — mainly in manufacturing, agriculture and fisheries, construction, transportation and communications.

At the end of 1979, Oman's provisional overall balance of payments showed an unprecedented surplus of RO 112.4 million compared with a deficit of RO 33.5 million in 1978, largely as a result of the higher oil earnings.



*Oil is mainstay of economy*

*By courtesy of PDO*

The modern economic and social development of Oman can be divided into two periods — from 1970 to 1975 when there was massive investment in building an economic and social infrastructure which was non-existent before 1970; and from 1976 onwards when development was governed by Oman's first Five-Year Plan.

By 1975, a sizeable infrastructure had emerged making further economic growth possible. Roads, ports, airports and telecommunications had been built and water and electricity supplies had become available.

In 1976, the first Five-Year Plan was launched. The Plan envisaged a total investment of RO 1,356 million of which the government would account for RO 836 million and private interests RO 420 million. In return for this investment, the GDP was expected to reach RO 806 million by the end of 1980. The projected annual growth rate was 2.5 per cent.

Three main objectives of the Plan were: (i) to lessen the Sultanate's heavy dependence on oil by diversifying the economy into industries based on other natural resources —

minerals, agriculture and fisheries — and into manufacturing; (ii) to shift the pattern of investment from the public to the private sector and (iii) to provide a more even spread of employment opportunities by siting development projects near areas of population. Satisfactory progress has been made in achieving these objectives.

In the first three years, 1976 — 1978, the annual growth rate of the economy averaged 7.4 per cent as against 2.5 per cent projected in the Development Plan. The GDP grew by 14.2 per cent in 1976, 6.4 per cent in 1977 and 1.4 per cent in 1978. The increase in the GDP in 1978 was achieved despite a drop of 6.8 per cent in the value of oil exports from RO 534.8 million in 1977 to RO 498.4 million. All other sectors registered increases, offsetting the loss in oil income. Particularly striking was the performance of the manufacturing sector which grew by 35 per cent from RO 8.3 million in 1977 to RO 11.2 million.

A significant development was the increasing participation in manufacturing projects by Omani entrepreneurs. Of the total investment of RO 49.1 million from 1976 to 1978, private interests contributed RO 44 million and the government the remainder. Both income and investment in manufacturing far exceeded the targets set for them.

The growth rate in agriculture and fisheries was also higher than anticipated. This sector grew by 13 per cent in 1978, 12.1 per cent in 1977 and 5.9 per cent in 1976. At market prices, agriculture and fisheries contributed RO 27.1 million, RO 24 million and RO 21.4 million in the three years respectively. Of the RO 20.7 million invested in agriculture and fisheries during the three years, the private sector contributed a significant 59 per cent. Transportation and communications rose by 17.7 per cent in 1978 after registering increases of 11 per cent in 1977 and nine per cent in 1976. Internal trade grew by ten per cent in 1978, 30 per cent in 1977 and 31 per cent in 1976.

A detailed analysis of the economy's performance in 1979 is not yet ready. The substantially higher oil income, however, gave added impetus to development spending by the government which in turn led to more investments from the private sector.

With even higher oil earnings forecast for this year, the current Five-Year Plan should end in December with a total growth rate of at least 35 per cent, which is about three times the projected increase of 12.6 per cent.

Prospects of greater economic and social growth during the



Soft drinks factory

Second Five-Year Plan to be launched in 1981 are good. Production from the new oil fields together with improved secondary recovery methods at existing wells will keep oil flowing at the rate of around 360,000 b/d, which is some 60,000 barrels more than the overall daily average for 1980.

The anticipated higher oil revenue has enabled the government to formulate a more ambitious second development plan. At the present stage of Oman's development, expansion of the economy depends greatly on government development spending. With this in mind, the government has indicated it will increase its investment to RO 1,200 million. While spending will still be controlled, the government will loosen constraints, imposed during the current Plan. One of the main objectives of the second development plan is to encourage even greater participation by the private sector in projects in manufacturing, agriculture, fisheries and mining. Based on the extremely good response from the private sector during the current Plan, the government is confident that this objective will be achieved. It is, however, considering offering better incentives.

To encourage decentralisation of industries, the government is considering offering greater incentives to developers willing to set up projects outside the Capital area. Priority will be given to enterprises employing a higher percentage of local manpower.

Training of Omanis will be intensified. Accordingly, enterprises providing training for Omanis will be given priority.

In the social field, development of health, education and low-cost housing will be accelerated.

For the Omani people, the country's economic growth has resulted in a higher average income and a higher standard of living. The eighties hold promise of an even higher quality of life.

### **Industrial Development**

Apart from the traditional handicrafts of pottery, textile, metal working and jewellery, Oman's existing industrial activities fall under three groups: building materials, food and service industries.

The building materials sector includes mainly asbestos cement products, concrete blocks, building aggregate, marble quarrying and terrazzo products, and paint manufacture.

Existing food industries either utilize natural resources like dates or process imported materials to provide domestic consumer goods such as re-constituted milk and dairy products and flour. Most of the existing industries are domestic market-orientated.

Among projects under study or being implemented, particular emphasis is being placed on Oman's natural resources. Most of these fall within the building materials sector such as cement and secondary cement products, ceramics, marble products and glass. Copper down-stream products such as wires and cables will depend on the domestic input. A rolling plant, as at present planned, will depend on imported billets, but a future integrated steel industry will be based on local iron ore. Long term plans envisage development of fishery and agro-based industries.

### **Joint Ventures**

Oman is seeking joint industrial ventures with countries which have management and technical know-how and finance.

To attract foreign investment, several incentives are offered. These include:

- a Tax exemption for five years or more for pioneer industries.
- b Long and medium-term loans on attractive terms from the Oman Development Bank.
- c Planning and implementing of selected projects by the Commission for Promotion of Industries
- d Assistance in preparing pre-investment and feasibility studies.

Work has also begun on developing an industrial area complete with infrastructural facilities including developed factory plots.

Oman's industrial plan is designed to include only a few major projects such as the copper complex, the cement factory and the oil refinery and to concentrate primarily on small to medium-sized schemes that would have ready domestic and regional markets. Factories producing glass bottles and containers and pharmaceutical products are among those being set up.

Projects under consideration include those producing beverages, detergents, corrugated boxes, asbestos pipes, aerosols, vegetable oils and metal containers.

A survey of existing Omani industries is currently being carried out by the Oman Development Bank to determine the condition of these enterprises and whether financial, managerial, or technical assistance may be needed. This study, which will be completed by June, will be followed by a survey of potential small import-substituting industrial projects. As a part of this program, the ODB will execute or review feasibility studies, assist in setting up projects, and regularly check their progress once established.

The ODB encourages all potential investors with ideas for the development of Oman's resources to discuss them with it. All viable projects in the private sector involving investments of RO 20,000 or more will be considered for financing.

### **Domestic and Export Market**

The present domestic market is limited but the demand for consumer goods is expected to rise with the increasing regional development and provision of modern facilities in rural areas. In addition, development of main industries, downstream industries, and other related sectors of economic activity should also lead to a bigger domestic market.

There is a potential export market in Gulf countries and elsewhere for products which can be manufactured from Omani

raw materials. Particularly, the transport facilities between Oman and its neighbouring countries are good and the economical transport cost could easily make Omani products highly competitive.

### **Repatriation of Profits and Remittances**

There are no restrictions on the free transfer of a company's profits or of an individual's remittances outside the Sultanate. There is no personal income tax.

### **Customs Duties**

There are no import duties on seeds, fertilizers, live plants, agricultural equipment, insecticides for agriculture, books and printed reports, all types of milk except milk with sugar, all oils and fats except pure animal butter and vegetable butter, tea, meats (frozen or fresh), fresh vegetables and fruits, rice, barley and barley flour and petroleum products.

An import duty of 25% is levied on potatoes and bananas. Alcoholic beverages carry an import duty of 75%. A tariff of up to 25% can be imposed on any product if this is necessary for development of local production.

All other items not mentioned above carry an import duty of 2% only. Therefore, Oman has a free economy where every reasonable facility and encouragement is given to the entrepreneur — local or foreign — to set up industries contributing to the economic development of the country.

### **Investment Legislation**

Foreign investment for industrial development is governed by the Foreign Business and Investment Law. A company with foreign investment should have a paid-up capital of not less than R.O. 150,000 but the Committee for Foreign Capital Investment may recommend a reduction to a minimum of R.O. 30,000 for approval by the Development Council. The share of Omani nationals in the paid-up capital of such a company shall not be less than 35%.

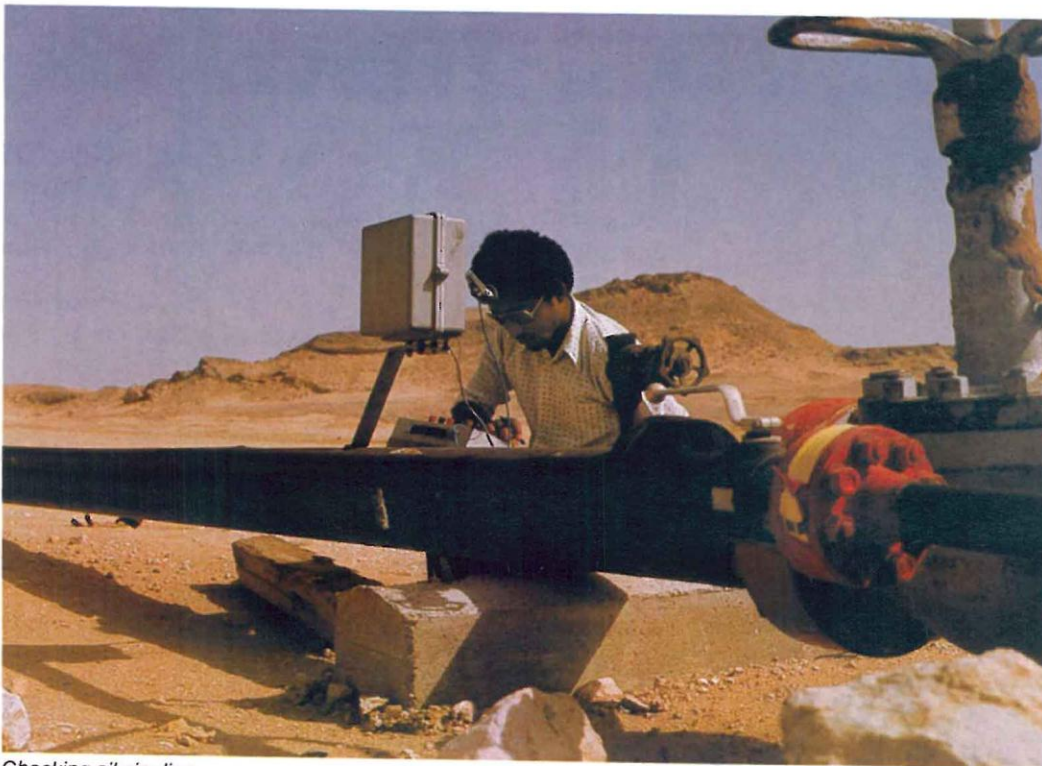
These joint companies are exempt from income tax for five years from the date of their establishment. If they are engaged in an economic development project, and provided that their paid-up capital is not less than R.O. 100,000, the period of exemption from income tax may be extended by another five years.

The income tax rates are as follows:

|                                                                 | Rate of Tax |
|-----------------------------------------------------------------|-------------|
| (i) Companies having 51 % or more of Omani share capital        | 15%         |
| (ii) Companies having Omani share capital between 35 % and 51 % | 20%         |

The tax will be calculated only on income in excess of R.O. 20,000 per annum. Other rates apply to companies which are wholly owned by foreign nationals and which are not exempt from income tax.

A company with 100% Omani capital (the entire paid-up capital being subscribed by Omani nationals) is exempt from payment of income tax up to 1980 if it is established between 1975 and 1980.



*Checking oil pipeline*



Oil field

By courtesy of PDO

## OIL & GAS

Oman's new oil fields which will come on stream in October will reverse the decline since 1977 in the country's oil production. Higher production combined with high oil prices will give Oman a record oil revenue of RO 941 million this year, 45 per cent higher than last year's oil revenue which was itself a record.

Oman doubled the price of its 34 degrees API crude to \$28.20 during 1979 and raised it by another \$2.00 per barrel from January 1, 1980. The price increases have made it viable for oil companies to work fields, which otherwise would have been marginal, and spend more on exploration.

Oil will start flowing at around 70,000 b/d from the new fields, operated by Petroleum Development (Oman) at Marmul, Birba and Qaharir in the south and at around 12,000 b/d from Sahma in the south west, worked by an Elf group.

These fields together with improved secondary recovery techniques at existing wells will raise production from October to the 1976 record level of 360,000 b/d. Production will be maintained at around this level from 1981 to 1985, the period of the Second Five-Year Plan.

Oil from the new fields is of varying quality, ranging from very low gravity and viscous crude at Marmul to light crude at Birba and Sahma. The new fields are relatively small but taken together they represent a substantial increase to Oman's recoverable reserves which otherwise would have declined to 220,000 b/d by 1981. Based on its high rate of successes in discovering new oil resources, PDO is now certain it will find more oil.

The government which owns 60 per cent of PDO will spend RO 85 million, 29 per cent more than in 1979, to further expand the oil industry.

The Sahma field is being worked by a consortium of Elf-Aquitaine, Sumimoto and Wintershell. Other groups exploring for oil are Elf, Gulf and Cluff Oil; and Deminex, Agip and Hispanoil with British Petroleum as the operator.

The consortiums represent British, American, French, Italian, German, Japanese and Spanish interests.

Off-shore drilling has been going on in three areas — Musandam, Masirah and Soqrah. Appraisal wells in the Musandam concession show the area has large gas reserves but no oil. Drilling continues in the other concessions.



*More Omanis are being employed in the oil industry*



*Exploring for oil in PDO concession*

*By courtesy of PDO*

For security and political reasons, the government is setting up a refinery to process 50,000 b/d of crude. It is scheduled to begin operating in 1982.

Apart from the new oil finds, another boost to the economy has been the discovery of more natural gas reserves. These reserves are now estimated to be about six trillion cubic feet.

Oman's first natural gas project was completed in 1978 with a 331 km. pipeline from Yibal in the interior to the Al Gubrah desalination and electricity generating complex in the Capital area.

By changing over to gas, the Al Gubrah complex saved about 2.1 million barrels of oil last year. By 1985, gas consumption is expected to increase to 129 million cubic feet as new industrial development projects such as the Sohar copper complex will be using gas. By then savings in oil consumption will be about 7.9 million barrels a year.

In addition, there are also large quantities of natural gas associated with oil production. Two plants to produce associated gas have been completed and another will shortly be commissioned.



*Trained Omanis on duty in control centre at oil complex*

*By courtesy of PDO*

## MINING

Mining is being developed as a major economic activity as Oman has large mineral deposits. The first two projects in this field are copper and limestone.

The main copper reserves are at Baida, Arga and Liasail in Sohar where drilling has indicated the presence of some 11-million tonnes of ore with copper content of 2.1 per cent. Opening up of the mines began in mid-1979 and tenders for building an extraction and smelting complex will be called late this year. Apart from providing diversification of the economy, the copper scheme will also open up the north west of Oman for people living in the area. Roads, houses and a small harbour are among the facilities to be built.

Downstream processing of copper is being planned as there is a ready market in Oman and the neighbouring Gulf countries for copper wires and cables. Rural electrification programmes are expanding in the whole Gulf area.



*Prospecting for copper*

The copper and other mining projects are being carried out by Oman Mining Company which was set up in early 1978. The government owns 75 per cent of the company; the remaining 25 per cent is held by an American and a Canadian company.

A cement plant, utilising Oman's large limestone reserves, is being built at Rusayl, site of a new industrial estate. The plant which will be capable of producing one million tonnes a year, will also make use of local gypsum which has been found in huge quantities in southern Oman.

Tenders for building the copper and cement plants will be called late this year. Production is scheduled to begin in 1982 at both plants.

Plans have been approved to build a factory producing glass bottles and containers from the Sultanate's proven deposits of quartzites. Marble will be quarried soon. Large deposits have been found near Nizwa and in the Bidbid area.

Geological surveys conducted by the government, have revealed deposits of manganese in the Rus al Hadd area, chrome near Samad and coal in Wadi Hasi.

On a government-to-government basis, Japan will prospect for uranium and other radio-active minerals in Dhofar and conduct geological surveys in Rus al Hadd to see if there are more manganese deposits. West Germany will survey several parts of Oman for chrome.



*Oman is self-sufficient in bananas*

## AGRICULTURE AND FISHERIES

Agriculture and fisheries are expected to exceed their growth targets in the current Five-Year Plan which ends this December. The forecast is based on performance of this sector from 1976 to 1978, the first three years of the Five-Year Plan. At current prices, agriculture and fisheries yielded R.O. 72.5 million over the three years which was 21 per cent higher than planned. Part of the earnings came from exports. Last year's performance is being assessed but it is expected to be even better.

The improved performance was mainly due to modern development of the sector which began only in 1970 and was intensified with the introduction of the 1976 - 1980 Development Plan. The Government allocated R.O. 26.6 million to agriculture and R.O. 14.4 million to fisheries during the five-year period.

It has been providing various forms of assistance from supplying modern farming and fishing equipment, to carrying out research and organising better marketing facilities. It has also set up schools, health centres, better housing and other social services for farming and fishing communities. Increased earnings and better social activities slowed down migration in the second half of the seventies of farmers and fishermen to the capital area.

The Second Five-Year Plan, 1981 - 1985, which is being finalised will aim at further improving the performance of the Agriculture and Fisheries sector.

### Agriculture

Oman possesses substantial land and water resources and different agroclimatic regions, enabling it to grow a variety of crops. Agriculture was the mainstay of the Omani economy till the advent of oil.

Considerable capital investment has been made in this sector under the Current Five-Year Plan which ends this December, to provide the necessary infrastructure and more will be invested in the Second Five-Year Plan to develop this important sector of the economy.

Modern farming methods, equipment like tractors, harrows, ploughs, irrigation techniques such as sprinklers and drip have already been introduced. To ensure that Oman's agriculture



*Dhofar is cattle raising centre*

plan develops along right lines, Government research and experimental stations, soil and water testing laboratories test and evaluate the most suitable crops, fertilizers and pesticides. Back-up services for the farmers include soil and water analysis provision of inputs like improved seeds, plants, fertilizers, pesticides and agricultural machinery and equipment at subsidised costs. Extension workers in the field give free technical advice on latest cropping techniques as well as conduct demonstrations of improved seeds and techniques.

Marketing facilities are being developed to meet farmers' needs to sell their produce as more land is brought under cultivation. Production is steadily increasing of traditional crops like dates, limes, alfalfa, wheat, sorghum, bananas and onions and of recently introduced crops like tomatoes, cabbages and other exotic vegetables.

Animal husbandry is being further developed. In Dhofar which has a long tradition of cattle raising, scientific breeding methods are in use. Local strains are crossed with animals from Europe, Africa and India to improve output of milk and beef. Research is also going on to produce better quality sheep and goats with heavier body weight. Poultry farming which is largely confined to the private sector for production of eggs and broiler meat is being expanded.

Major projects undertaken during 1979 included the establishment of veterinary diseases investigation laboratory at Rumais, animal quarantine stations at Seeb and Raysut, veterinary clinics on the Dhofar Jebel, agriculture centre complexes at Salalah and Ibra to house the Regional Directorate and allied services, setting up of a banana processing plant at Salalah, drip irrigation projects at Salalah and Rumais. Of the above projects, the agriculture centre complex at Salalah and veterinary clinic at Zeek in the southern region were inaugurated to mark the Ninth National Day. The animal quarantine at Raysut and veterinary diseases laboratory at Rumais are now ready.

Potential agriculture areas in Kamil and Wafi in Sharqiya were demarcated and test drilling conducted to determine the water potential for large scale development. Aerial spraying for control of "Dubas bug" on dates was also carried out.



*Alfalfa grows well in the south which is a cattle raising centre*

An UNESCO aided agricultural school offering a three-year diploma course and a one-year certificate course was also opened at Nizwa as part of the Ninth National Day celebrations.

Establishment of a fumigation chamber at Mina Qaboos, setting up of an Agriculture and Livestock Research Station and a Research Centre to include soil, water and plant protection laboratories at Salalah, construction of agriculture centre complexes at Ibri, Sohar and Nizwa, setting up of quarantine stations on the land borders are some of the projects contemplated for 1980 besides completion of on-going projects.

Oman Sun Farms Company has started vegetable production with a target of about 2,000 tons each of lettuce and green beans for export. Share capital of the company was recently increased to R.O. 500,000 from R.O. 200,000 and shares were offered to the public.

Egg production at the Oman Sun Farms at Rumais is being increased to 50,000 eggs per day and broiler production at the farm of the National Livestock Company at Rumais is being increased to 350,000 birds per year from the present 50,000 birds per year.

Repairs to aflaj in a phased manner and construction of ground water recharge dams in northern Oman are some of the works to be undertaken in 1980 for development of water resources.

### **Fisheries**

Under the First Five-Year Plan (launched in 1976), about 21 projects were recommended for implementation to develop the fisheries sector at artisanal and commercial levels. The aim was to encourage fishermen to improve their traditional working methods and raise their standard of living and at the same time provide enough fish for domestic consumption and export. Two integrated fisheries complexes were established at Muttrah and Salalah. Cold stores were set up to keep the catch fresh for distribution in the local markets. Refrigerated trucks were used to transport the fish.

In 1979, work continued on various projects to provide more shore facilities at Khasab, Buraimi, Masira Island and a marine workshop at Merbat. An additional 50 tons per day capacity ice plant; a mechanical workshop and a gear loft jetty are to be provided at the Muttrah complex. These projects are under construction and expected to be completed this year.

The Government has provided about 1,650 engines and 500

aluminium boats to fishermen under the "Fishermen Encouragement Fund".

The Second Five-Year Plan (1981 - 1985) is under preparation and it is envisaged that the new plan will provide more effective measures to improve the working conditions of the traditional fishermen. More cold stores, jetties, workshops and markets; and transportation centres will be built. Education and training of the fishermen will be part of the next Development Plan.

A major breakthrough this year was the establishment of the Oman National Fishing Company. Further development of commercial fishery will be entrusted to this and other such companies to encourage private investment in the fishing industry. The company will utilize Oman's rich offshore fishing grounds and will focus mainly on export of fish and fish products. It will also look into the question of establishing fishmeal and canning projects.

The establishment of a marine research centre is under consideration to promote basic research in marine sciences and help to introduce modern technology in the fishing industry in the Sultanate.



*Landing fish in Muttrah for domestic market*

## LABOUR

Oman's most pressing labour problem is an acute shortage of trained Omani manpower for the non-rural sector of the economy. The situation will continue for some years as the country does not as yet have a sufficiently large base of school leavers for training in skilled and semi-skilled employment. It is estimated that the manufacturing sector alone will require a work force of 4,500 workers by the end of 1980. Less than one-third of the jobs can be filled by Omanis.

A special Education and Training Council was set up in 1978. Its main function is to co-ordinate education and training to meet the needs for skilled Omani manpower at all levels.

At the upper level, some 700 men and women are now



*Oman has few Omani technicians*

*By courtesy of PDO*

studying overseas on government scholarships. The Council ensures that they study disciplines which prepare them for such posts as administrators, doctors, engineers, economists and teachers.

An intermediate school with a bias in technical subjects has been opened in Sohar. It will be developed into a secondary technical school to provide training at a higher level than that being given at a trade school, run by the Ministry of Social Affairs and Labour.

Classes in commercial subjects were started in 1978. It is planned to establish commercial secondary schools under the Second Five-Year Plan.

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

There is no shortage of Omani manpower for agriculture and fisheries which traditionally have supported the bulk of the Omani population. Agriculture and fisheries will continue to be a major sector of development in the Second Five-Year Plan.

Oman today employs nearly 110,000 expatriates of whom some 80 per cent are Indians and Pakistanis. Almost all non-skilled workers get more than the minimum basic wage of RO 60 per month for an eight-hour day. Apart from having to pay overtime, employers are obliged to provide housing, transportation and food for expatriates or Omanis who live more than 40 kms away from their working place. Medical treatment is free and expatriates get free return passages to their country of origin.

## COMMUNICATIONS

Two airports, two sea ports and an earth satellite station are among the major communication links Oman has with the rest of the world. These were built only a few years ago.

Seeb International Airport which began operations in 1973 has been expanded to cope with an increasing volume of air traffic. One of its runways was extended last year to 11,760 feet. New ancillary air navigation equipment has been installed in the continuing process of upgrading air traffic control and other services provided by the airport.

Work is going on to expand the airport's cargo handling facilities. Under construction is a huge building to accommodate cargo aircraft. It will be the biggest of its kind in the Middle East and the most modern in the Gulf area. Two hangars for aircraft servicing and maintenance have been completed. A comprehensive training programme has been launched to train Omanis for supervisory posts in this field of aviation.

Improvements to the airport's meteorological observation service included installation of a new device for measuring cloud density and speed and direction of winds on the airport's runways.

Among this year's projects at Seeb International Airport are development of air movement control services and extension of passenger lounges.

The Sultanate's second airport is at Salalah in the Southern Province. It is used mainly for domestic flights. Among improvements to be made will be the opening of a new air movement control centre, operating meteorological stations serving Salalah airport round the clock and setting up new meteorological stations.

Two more small airports for domestic use will be built at Khasab and Sur.

Mina Qaboos is the main port in Oman serving international and regional shipping. It also began operations only in 1973. Mina Qaboos which is in Muscat has nine deep-water berths sheltered by a break-water on one side and cliffs on the other. The port operates round the clock and has a full range of modern cargo handling and storage facilities. There is no congestion in the port. Ships can berth almost immediately on arrival. The shipper is also offered easy discharging. Vessels unload into adjacent modern storage areas. Container and roll-on, roll-off equipment, including a mafi-type roll trailer



*Mina Qaboos is Oman's main port*

system, adds efficiency and speed to the operations. The port will be building a container yard.

In 1978, the port handled around 1.26 million tonnes of cargo.

Work to expand Mina Raysut in the south is expected to be completed this year. The port will then be capable of handling ships of up to 17,000 tonnes and tankers of up to 35,000 tonnes.

Nearly 261,000 tonnes of cargo were unloaded from 202 ships which called at the port in 1978.

A feasibility study is being conducted now on building a harbour at Sur which was once a shipping centre.

As part of development of the Musandam area, a jetty is to be built at Bukha and a small port at Khasab.

Oman at present has a network of 1,587 km. of tarmac roads and 12,151 km. of graded roads. Work is now in progress on building a road linking Nizwa in the north to Thamarit in the south. Construction began last August and will be completed in early 1983.

# **POSTAL AND TELECOMMUNICATION SERVICES**

## **Postal Services**

Before 1970, postal services were provided from a small post office in Muscat and limited to people living in the Capital area. Today, the postal services cover all parts of the Sultanate. At the end of last year, 41 post offices were in operation. An automatic sorting office is to be set up at Seeb International Airport. Additional services include a mobile post office, express delivery and international reply coupons. Other services will be introduced to keep pace with Oman's rapid development.

The Ministry of Post, Telegraphs and Telephones issues commemorative and definitive stamps. Commemorative stamps are issued on important occasions like Oman's National Day and other national events.

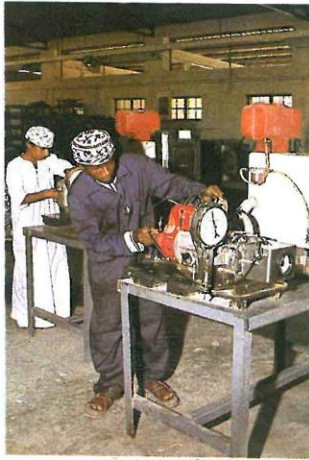
## **Telecommunication Services**

Telecommunication services in Oman are provided through a network of 27 telephone exchanges, interconnected by coaxial microwave or satellite circuits. By the end of 1979, Oman had a network of 23,000 telephones.

The country's manual telex service has been replaced by an automatic telex exchange, equipped for 1,200 terminations and extendable to 4,000.

International traffic is primarily carried over the Indian Ocean Intelsat Satellite. A standard "A" Satellite earth station located at Al-Hajar, 40 km. from Greater Muttrah, provides 96 international circuits with various countries. Another standard "B" earth station at the same location handles television transmission to five other earth stations at Buraimi, Saham, Nizwa and Sur in Northern Oman and Salalah in the Southern region. Twenty-four circuits of telephony connect Southern and Northern Oman via the same network. Work is underway for a customer-direct dialling system with connections initially to Western Europe.

Omantel, a partly government owned company, operates the fully government owned public telecommunications network.



*Young Omanis receive workshop training at trade school*

## EDUCATION

Oman's education policy has four basic aims — to give every Omani child at least a primary education; ensure that the education system produces sufficient trained Omanis to meet skilled manpower requirements; give equal opportunities to girls; and instill Omani values and national pride through an "Omanisation" programme.

The number of schools rose from three primary schools with 900 boys in early 1970 to 357 with 100,000 pupils, including girls in the current 1979 — 1980 school year.

Of the present 357 schools, some of which are housed in temporary accommodation, 230 are at primary level, 115 at intermediate and 12 at secondary. Seventy-nine of them are for girls and 134 are co-educational. Omani children spend six years in primary school, three in intermediate and three in secondary.

More primary schools are being built. Secondary education will be expanded more rapidly as more children qualify.

At the secondary level, three schools are in the academic stream; one teaches Islamic studies, two train teachers and one specialises in agriculture. Classes in commercial subjects were started in the 1978 — 1979 session.

It is planned to set up commercial secondary schools, probably under the Second Five-Year Plan which begins next year.

Some 700 Omanis, including women, are currently undertaking higher studies abroad. More scholarships are being provided. Plans are now in hand for the Sultanate to have its own university.

An intermediate school with a bias in technical subjects has been opened in Sohar which will be the centre of a copper mining and smelting project.

This school will be developed into a secondary technical school to provide training at a higher level than that being given at a trade school, run by the Social Affairs and Labour Ministry.

A special intermediate school was started over a year ago for girls to learn Home Economics as well as general subjects.

An Education and Training Council was set up by His Majesty Sultan Qaboos in late 1978. Most of the members are government ministers. The Council's main function is to



*Education standards are getting higher. Tutorial at Sultan's School*

co-ordinate education and training to meet needs for skilled Omani manpower.

Considering that the present education system was introduced just over nine years ago, the Government is justifiably proud of its achievements in this field. "Instant" education, however, brought with it a number of problems, one of which is employment of large numbers of expatriate teachers. Of the 4,286 teachers in the 1978 — 1979 school year, only 11 per cent were Omanis; most of the rest came from Egypt, Jordan and Sudan. The shortage of Omani teachers is still acute.

With such a large expatriate teaching staff, there is a danger that the schools will not be able to impart Omani values and culture and national pride.

In 1978, the Government introduced the "Omanisation" of education. While stressing Omani values, the Omanised curriculum gives due importance to the fact that Omanis are part of the world of Islam and Arabia. In effect, "Omanisation" should produce through the schools young people who are distinctly Omani and yet feel they are members of the wider Islamic and Arab world.

Within the framework of the Omanised system, new teaching methods and textbooks were introduced. Pupils no longer learn through memorising whole texts as is still done in many Arab countries. Instead, the new textbooks seek to give the school children a better understanding of what they are learning by posing several questions on a particular point. Religious and secular studies are no longer kept rigidly apart. Passages from the Koran which are relevant to secular subjects being



*School boys in Dhofar have some lessons in the open during cool season*

taught are included in textbooks. The schools also teach English as a second language from primary IV and Oman is the only Arab country to do so.

The new Omanised education system has generated considerable interest in other Arab countries.

The Omanised education system was introduced in primaries I, II and III and intermediate I in the 1978 — 1979 school year. By 1980 — 1981, the new system will cover all grades.



*Mobile health service reaches even remote mountain areas in Dhofar*

## HEALTH SERVICES

Oman operates one of the most extensive health services in the Arab world. As a result, the standard of health of the Omani people has improved generally. Infant mortality has dropped dramatically as have cases of trachoma, malaria and gastro-enteritis.

On the whole, the Omani people have responded well to the Ministry's health care programme.

This year, the Health Ministry has set two main targets for itself. One is the eradication of trachoma. Since trachoma is a preventable disease, the Ministry is certain that with the additional health facilities that are being made available and with more widespread health education programmes, trachoma will be wiped out this year.

The Ministry is intensifying its immunization campaigns against other preventable diseases such as polio, diphtheria, whooping cough, tetanus and tuberculosis.

Apart from the communicable diseases control, preventive health activities include environmental sanitation, school health, health education, mother and child health and malaria control.

A Malaria Training Centre is among the newly completed preventive medicine projects in the Sultanate. The Centre provides a six-month course for 20 to 30 Omani health workers in the control of malaria and other public health measures.

The Ministry's second target this year is to locate medical and health facilities as close as possible to where people live. As part of this programme, the Ministry has opened extensions to district hospitals at Sur, Sohar and Nizwa. These extensions provide additional specialist services in general medicine and surgery, including gynaecology and obstetrics at district level, thereby reducing the necessity for patients in and around these places to be referred to hospitals in the capital.

Khasab and Baya Health Centres in the Mussandam area now have 12 extra beds each. A modern operating theatre and labour room block will also be added to each centre.

Construction work started last year on a new health centre at Wadi Tayeen and small maternity centre-cum-clinics at Wadi Sarrami, Wadi Bani Ghafar and Samad. Together with the dispensary at Wadi Bani Khalid, they started operating this year.

Eight other health/maternity centres to be located in various parts of the Interior will be built this year. Another project is to set up 21 clinics throughout the Sultanate capable of providing primary health care.

The Ministry's massive expansion programme includes the building of a psychiatric hospital consisting of 60 beds and outpatient facilities; a paediatric hospital also consisting of 60 beds and outpatient facilities; a school of nursing capable of training 200 nurses. Courses for laboratory technicians, X-ray technicians, physiotherapists and sanitary inspectors will also be provided in this school; and a laboratory for analysing drugs imported into the Sultanate to ensure the quality of the drugs in accordance with international pharmacopoeia.

New extensions to Khoula Hospital have also started functioning. The additional facilities include private and general maternity wings, private surgical department, an intensive care unit, a severe burns unit and a physiotherapy department which will form the nucleus of a rehabilitation centre where, in time, artificial limbs and appliances will be manufactured.

The Health Ministry operates 14 hospitals, 11 health centres, four mini-maternity centres and 47 dispensaries/clinics throughout the Sultanate. Altogether Oman now has just over 1,700 hospital beds compared with one 12-bed hospital, run by an American mission before 1970.

The Government provides training facilities for Omanis within and outside the country. Al-Rahma School of Nursing was started in 1970 and now runs three-year courses which are in line with those conducted in advanced countries. A second nursing school which will be completed later this year, will have facilities for 200 students with hostel accommodation for 100 students. Besides nurses, this school will provide training for para-medical staff such as laboratory and X-ray technicians. At present there are six doctors undergoing post-graduate courses abroad in different fields of specialization. A number of nursing and para-medical staff are also undergoing specialized courses overseas. Several young Omanis are on scholarships studying medicine and public health.

As in other fields of development, progress made in providing health services to the Omani people has been spectacular since His Majesty Sultan Qaboos came into power in 1970.



*Low cost housing is provided by the government*

## SOCIAL AFFAIRS

Oman runs a comprehensive welfare programme. At present over 13,000 families receive direct monetary aid which varies from RO 20 per month to a maximum of RO 45. An Omani receiving such aid is encouraged to live with his family. There is, however, a home for the aged for those with no relatives.

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

The government also runs a community development programme. This is a self-help scheme under which villages in remote areas might themselves put up a temporary school or build a small road before the government comes in with more permanent structures. A form of education programme, teaching villagers good health habits and encouraging them to use maternity and child care centres and hospitals has proved successful.

Generally, the community development programme which started with villages in the Interior is working well.

A nationwide project to bring low-cost housing to Oman's low income group was started in 1974 and given greater emphasis under the current Five-Year Plan. By the end of this year, some 1,300 such houses will have been completed. The housing scheme entitles Omanis aged 21 — 60 to a government house in the area in which they live and work if their wage is RO 150 or less. A housing bank grants them loans of up to 90 per cent of the building cost since the land is free. The loan is interest free and repayable in 20 years.

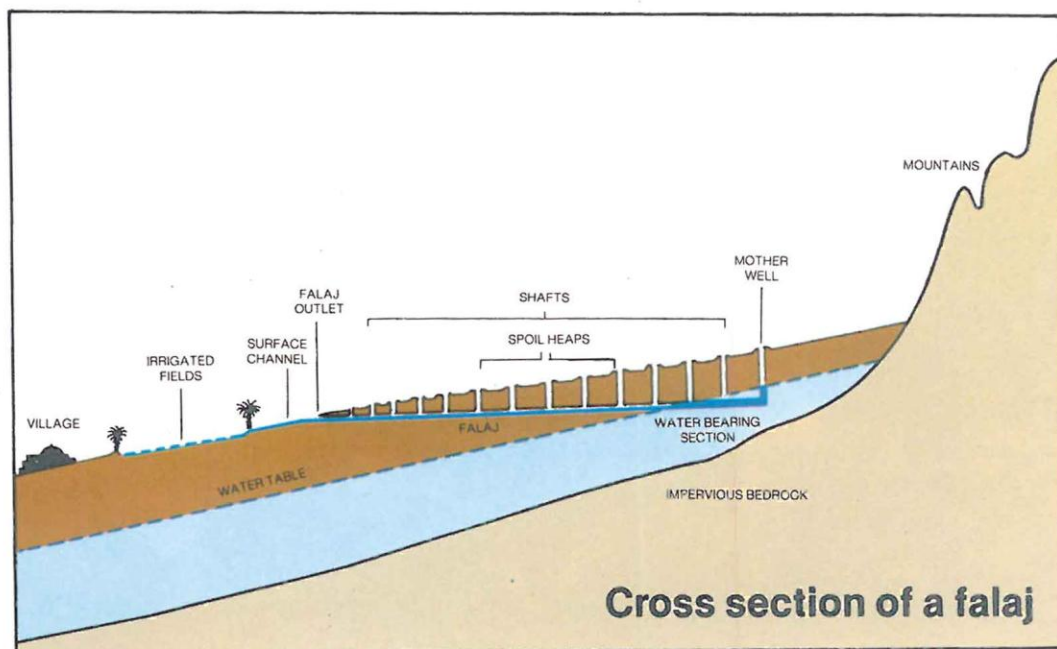
## WATER AND ELECTRICITY

Oman's water supplies are adequate for its present needs but new sources have to be found to meet requirements of future development of, among other things, agriculture and industry. The ancient falaj system and hand-dug wells are still the main sources of water supply in the rural area.

Several projects to improve existing water supplies or develop new resources are being undertaken or are under study by the Water Resources Council. The Council's main function is to coordinate exploitation of water resources to ensure that a balance is kept between supply and demand.

This year will see the completion of three small concrete reservoirs and distribution extensions to increase water supplies in the Capital area. New wellfields, with supporting services, will be built this year in Sur, Buraimi and Sohar to meet higher demands by 1985. Hydrogeological investigations are being carried out at present to find a new source for the important inland town of Nizwa.

Under study is development of an impounding reservoir at Wadi Dayqah, some 90 kms from the Capital area. Indications are that the reservoir could supply some 45,000 cubic metres



per day for the Capital area by the mid-1980s.

A second desalination plant is planned for the existing Al Gubrah complex to meet an anticipated growth in demand in Seeb, Azaiba and Rusayl, which is scheduled for industrial development. The government is also planning to install several smaller desalination units, like the one on Masirah island which produces about 120,000 gallons a day.

The existing water supply and sanitation situation in other towns and villages is under review to establish the need for improved water supplies and to determine appropriate water resource locations. It is anticipated that schemes of selected communities will be implemented as a rolling programme during the coming Five-Year Plan through 1985.

The Council is studying two other methods of increasing water supplies. One method is to build re-charge dams to trap rain water which now runs to waste down both sides of the main mountain ranges, extending along much of the length of the country. The other is to tap deep aquifers by digging wells down to depths of 300-450 metres.

### **Electricity**

The government foresees no problem in supplying power for future industrial growth as Oman has ample supplies of natural gas to produce relatively cheap energy. Gas is already being used to fuel the main Al Gubrah electricity and desalination complex.

The present installed capacity of electrical power is around 206 megawatts producing 613 million kilowatt hours of electricity.

Apart from meeting the power requirements of large population centres like the Capital area and Salalah, the government is engaged in a programme to supply electricity to remote villages. In the past 9½ years it has supplied about half of the villages. This is considered good progress because of Oman's mountainous terrain and vast distances which separate small isolated communities. Over 30 small stations, some with less than one megawatt capacity, are now supplying small and medium-sized villages.

