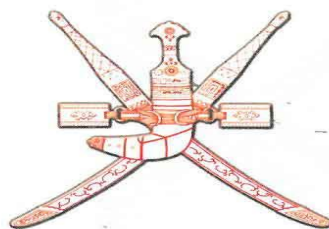




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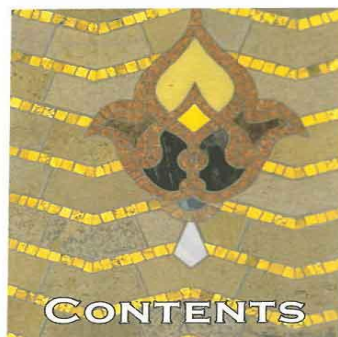
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*In the Name of God, the Compassionate,
the Merciful*

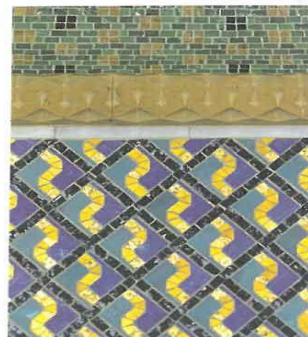
“AS TO THOSE WHO BELIEVE
AND WORK RIGHTEOUSNESS,
VERILY WE SHALL NOT SUFFER
TO PERISH THE REWARD
OF ANY WHO DO A (SINGLE)
RIGHTEOUS DEED”

(Holy Qur'an)



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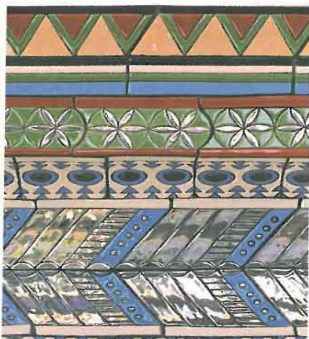


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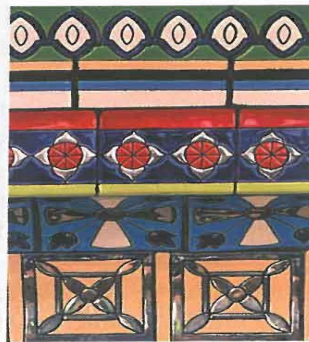
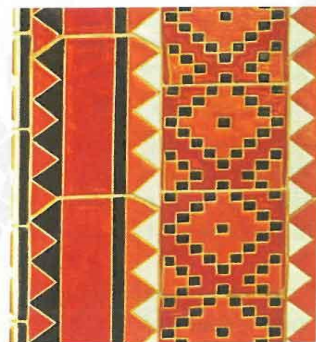
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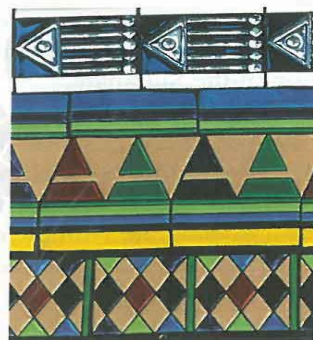


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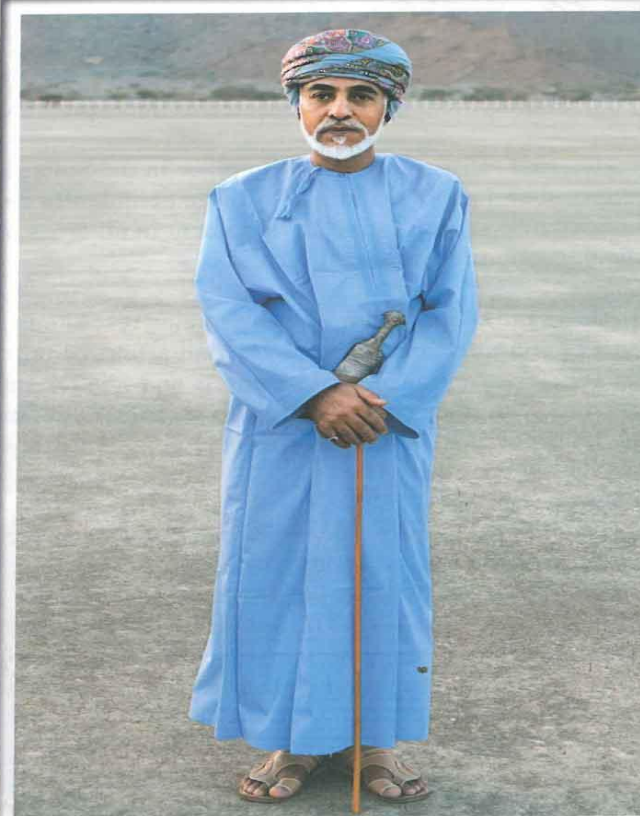
“Knowledge and work are mutually dependent; neither can exist effectively without the other. It is through the two of them together that nations produce glorious achievements and raise the edifice of their present and future. It is through these two in combination that human beings fulfil themselves and attain their desired goals of a decent and stable life and a hopeful and prosperous future. We are certain that Omani society is fully aware of this reality.”

“We are not talking about expanding agriculture; what we are talking about is holding on to what we have got, as well as profitable production and not squandering water resources imprudently. The other thing is the importance of not ruining the soil through the over-use of chemical fertilisers and other substances. ... We should like to stress our strong commitment to water resources, to exploring for new sources of water and to continuing to ensure that there are water exploration programmes in every region of the Sultanate.”

“In extending our greetings to you on the twenty-fifth anniversary of the first step being taken in the development of the Council (Majlis), we ask God, Glory be to Him, the Most High, to bestow success upon your Council - the Council of Oman (Majlis Oman) - in the performance of the functions assigned to it, so that it can co-operate and integrate with the different state bodies, thereby meeting the citizens' aspirations and enabling them to realise their hopes and expectations.”

“We must adapt ourselves and accept what is useful, while rejecting what is not useful - quietly and without making a big song and dance about it. The important thing is that that we should open ourselves up to new cultures - the cultures of technology and knowledge.”

“The path we have chosen to pursue in our foreign policy over the past decades has proved its viability and soundness, thanks to the success granted to it by God. We are committed to this path, which is based on support for rights, justice, peace, security, tolerance and love, and which calls for international co-operation in order to consolidate stability, promote development and prosperity, and tackle the causes of tension in international relations by producing just and permanent solutions to serious problems that will reinforce peaceful coexistence between nations and lead to the well-being of mankind as a whole.”



His Majesty Sultan Qaboos bin Said

PREFACE

Since Sultan Qaboos acceded to power 37 years ago every effort has been made to spread the benefits of reform across the country so that the basic infrastructure, education, health, industry and employment are not restricted to the capital area.

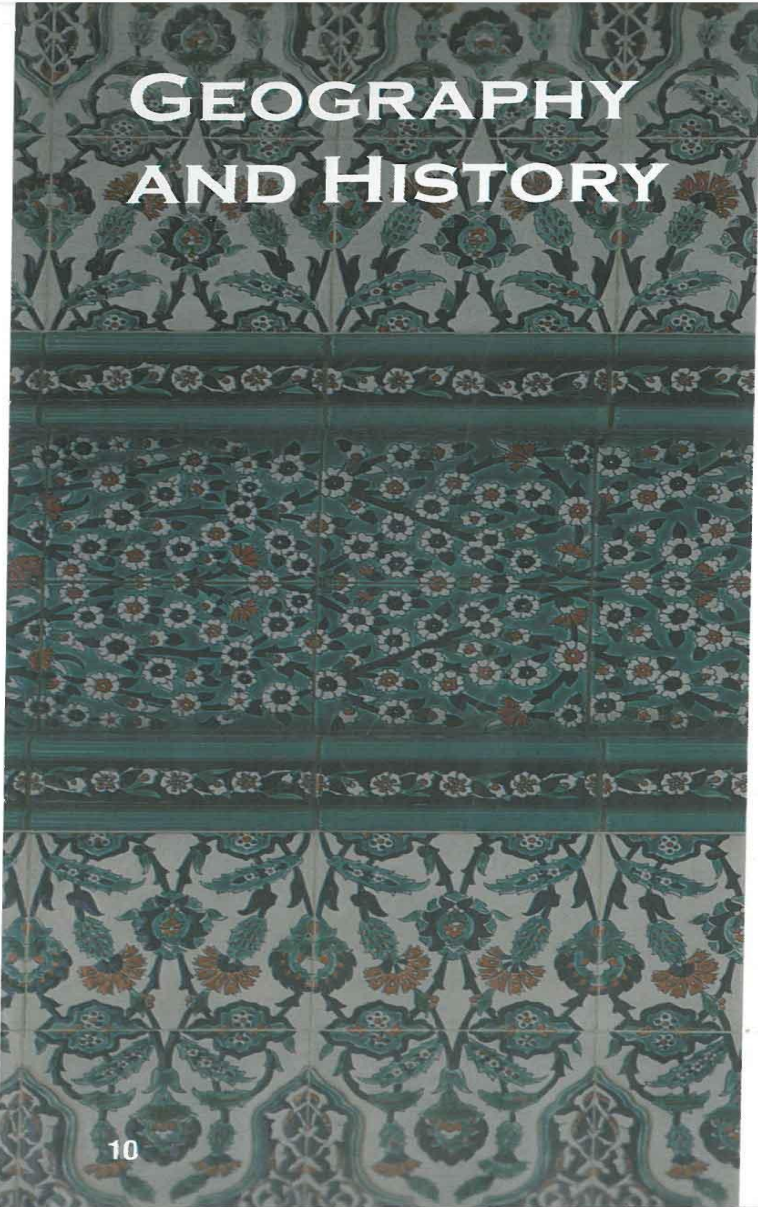
With an advanced infrastructure now in place in the Sultanate, the government and people continue to forge confidently ahead along the path of comprehensive development in all areas of the political, economic and social sectors.

In a sometimes turbulent region, Oman remains resolute in its policies of non-interference in the internal affairs of other states; its adherence and respect for charters and treaties and its compliance with international law. This steadfast diplomacy has earned it the respect and trust of its near neighbours and other countries across the globe.

At home, in Oman's quest for increased democracy and the sharing of power and responsibility, the elections for the Consultation/Shura Council (Majlis A' Shura)'s sixth term (2008-2011), held in October 2007, are just one example of the principle of effective participation, in which the Omani citizen plays his or her part in shaping decisions as laid down in the Basic Law of the State.

In this publication the Ministry of Information offers a brief overview of the main features of the Sultanate's progress over the last 37 years.

MINISTRY OF INFORMATION



GEOGRAPHY AND HISTORY

GEOGRAPHY

The Sultanate of Oman lies in the extreme south-eastern corner of the Arabian Peninsula extending from latitude 16.40 to 26.20 degrees north and from longitude 51.50 to 59.40 degrees east. Its 1,700 km long coastline stretches from its south-western extremity on the Arabian Sea and the entrance to the Indian Ocean, up to the Gulf of Oman and Musandam in the north, where it overlooks the strategic Strait of Hormuz and the entrance to the Gulf.

The Sultanate has sovereignty over a number of small islands, including Salamah and Her Daughters in the Strait of Hormuz and the Gulf of Oman, as well as Masirah and the Halaniyat Islands in the Arabian Sea and shares land borders with the Republic of Yemen to the south-west, the Kingdom of Saudi Arabia to the west and the United Arab Emirates to the north.

Oman lies on the Tropic of Cancer and is generally one of the world's hot and arid regions; however, the south has a tropical climate, which has made it popular with tourists from Oman, the Gulf region and, more recently from all over the world. However, exceptionally in early June 2007, both the north and south of Oman suffered the onslaught of cyclone Gonu, which relentlessly battered the country's coastline for several days, bringing death, flooding and destruction in its wake.

The Sultanate lies on the historic trans-Arabian north-south and east-west caravan routes, through which trade flourished and today, centuries later, Oman continues to dominate one of the oldest and most important sea trade routes in the world between the Gulf and the Indian Ocean.

The main geographical feature of the Sultanate's 309,500 sq. km. area is the majestic Hajar mountain range, which runs from Ru'us al Jibal at Ras Musandam (flanked by the Strait of Hormuz, the gateway to the Gulf) to the Arabian Peninsula's south-eastern extremity at Ras al Hadd on the Indian Ocean. This range, which takes the form of a great arc, is 3,000 metres high at its highest point in the Jabal al Akhdhar.

In the governorate of Musandam the mountains rise to a height of 1,800 metres above sea level. Here, between the Omani and Iranian coasts, lies the Strait of Hormuz with those shipping lanes most suitable for international traffic located on the Omani side of the channel.

Omanis compare the Hajar mountain range to a human backbone, and call the region that lies on the Gulf of Oman the Batinah; to the west of the mountains is the region known as the Dhahirah. The Batinah is the coastal strip formed by the wadis that flow down from the mountains and is between 15 and 80 kms wide and over 300 kms long. It is the Sultanate's main agricultural region and boasts an abundance of farms and orchards, all of which are irrigated by ground water.



Plains, wadis and mountains: Oman has a variety of topographical features. Here, a village on the Jabal al Akhdhar (Green Mountain) at over 3,000m above sea level.

The Batinah extends north from Muscat to the borders of the United Arab Emirates and boasts Oman's highest regional population. Several wadis cut through the Hajar mountains to serve the Batinah and its wiliyats (districts), the largest of which, Wadi Sumail, links the city of Muscat on the coast with the wilayats of Izki and Nizwa in the interior. The Omanis call the mountain region to the west of Wadi Sumail the Western Hajar, while east of Wadi Sumail is the Eastern Hajar. At 3,000 metres above ground level, Jabal Shams in the Dakhiliyah Region is the highest peak in the Hajar mountain range.

At Qurm Heights in Muscat the coast narrows to a rocky shoreline with numerous inlets. The coastal terrain from the South Muscat Point to Ras al Hadd is similar. From Ras al Hadd to Filim on the shore of Masirah Bay in the Sharqiyah Region the Sharqiyah Sands extend over a length of about 160 kilometres. To the south west of Masirah Island lies a vast expanse of flat, stony ground known as the Jiddat al Harasis. To the west of the Sharqiyah Sands there is a stretch of low-lying rocky terrain extending over a distance of around 250 kms which is crossed by wadis which run from north to south and include Wadi Halfain and Wadi Andam.

The peninsula of Barr al Hikman to the west of Masirah Island is separated from the island by a channel 14 kms wide. Barr al Hikman largely consists of salt flats and in some seasons is partially covered by the sea, which can reach as far as five kilometres inland. Most of the local community earn a living from fishing.

Oman enjoys an Arabian Sea coastline of around 560 kms – some 130 kms of which is exposed to the monsoon rains – along with a coastal plain of between eight and 10 kms wide. The city of Salalah is situated on this plain.

The coastal waters of the governorate of Dhofar are rich in fish, particularly sardines; after local consumption and exports, surplus sardine supplies

are used as animal fodder and fertiliser.

The Dhofar Mountains Chain extends for about 400 kms from east to west – from near the Hallaniyat Islands to the borders of the Republic of Yemen. Its mountains form a continuous chain including Jabal Samhan in the east and Jabal Qamar in the west. A 75 kms swathe of the mountains are cloaked in greenery from June to September every year during the khareef (monsoon) season, which gives it a very different appearance from the rest of the Arabian Peninsula. Water flows from the springs of this region throughout the year. The south-west monsoon winds and rains of the khareef season transform the Dhofar into a delightful lush, green summer resort with a pleasant climate making it the perfect place to escape from the hot, arid heat experienced during this time elsewhere in Oman and across the remainder of the Gulf. Frankincense trees still grow in some parts of Dhofar, a reminder that this region was once internationally famous for its trade in this much prized substance, the source of its great wealth in ancient times.

Geology

In a region where first time visitors might expect predominantly arid desert landscapes, Oman has much to offer in the way of diversity. The Sultanate's strikingly varied and spectacular landscapes are a blend of its geological history and climate over the past few million years. Superb rock outcrops in the Al Hajar Mountains, the Huqf and Dhofar are a paradise for geologists from around the world. The country's rock record spans around 825 million years and includes at least three periods when the country was covered by ice; somewhat surprising given its present latitude and climate.

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



Stromatolites, very old fossil algal structures, in the Huqf area of the Wusta region, which is approx. 400km from Muscat.



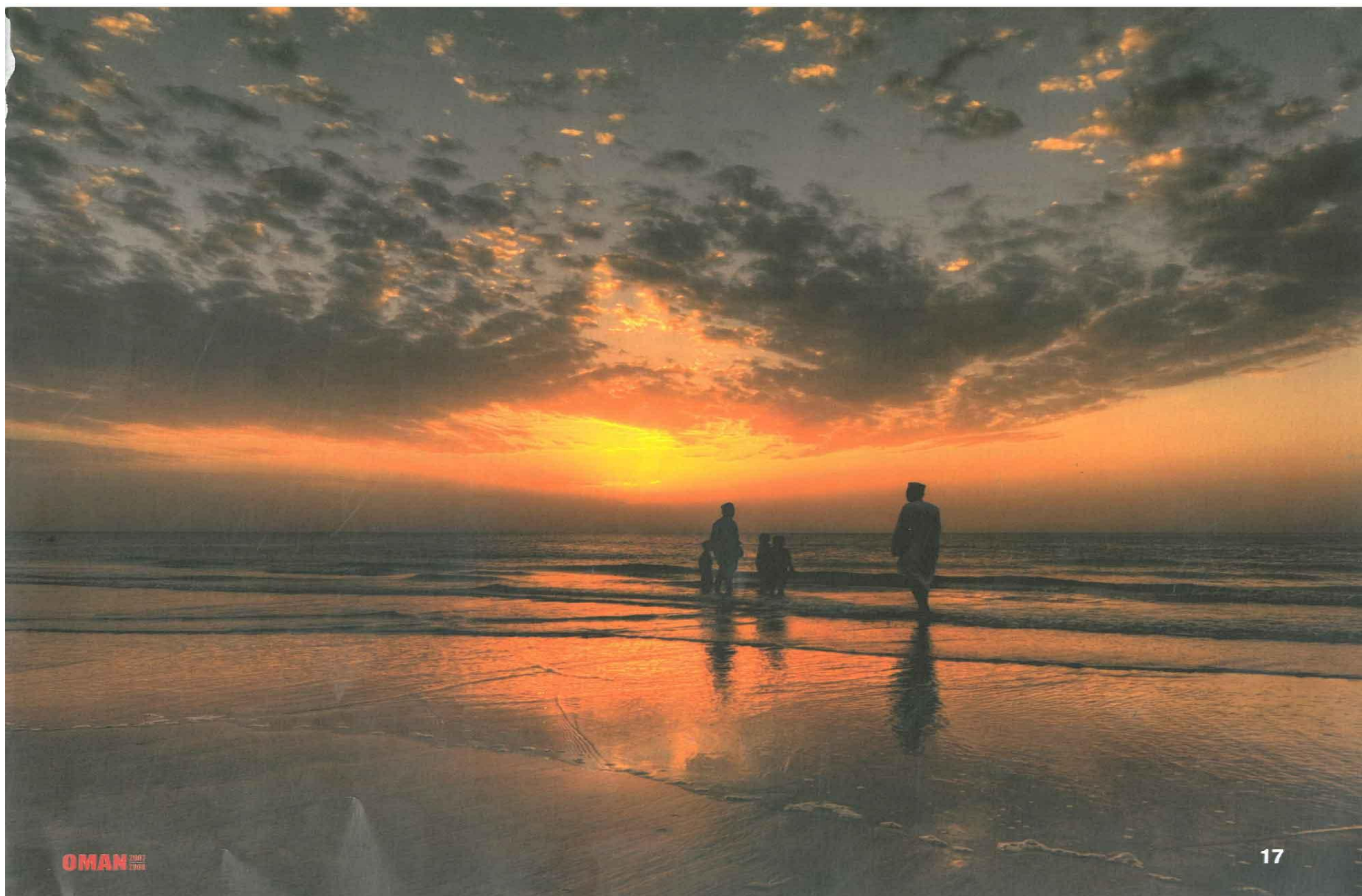
Wadi Daqah where the water flows continuously, a 45-minute drive from Muscat.



Sand - coloured like gold - in white, yellow and red at Al Ashkarah, Sharqiyah Sands.



Oman has a varied coastline, ranging from rocky coast, to Dhofar in the monsoon season, to the sandy shores of Ras al Jinz. (Right) Sunset on Qurm beach, Muscat.



dramatic reminders of this. Even to a lay person the sight of fossils of starfish and other sea creatures deeply embedded in the rocks that soar hundreds of feet above the deep, blue waters of the Strait of Hormuz, is a remarkable one and conclusive proof of the awesome geological changes this country has witnessed over the centuries. The discovery of dark coloured Semail ophiolites, or volcanic rocks from beneath the sea, locally rich in copper and chrome, confirm that in its geologically recent past, as today, Oman also lay at the margin of an ocean.

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

Governorates, regions and wilayats (districts)

The Sultanate operates a system of administrative divisions which before 1970 did not exist. These include four governorates: Muscat, Dhofar, Musandam and Buraimi, each of which has its individual administrative, geographical and economic significance. There are also five regions: the Batinah, the Dhahirah, the Dakhiliyah, the Sharqiyah and the Wusta. Between them they comprise a total of 61 wilayats.

The Ministry of the Interior is responsible for overseeing the governorates of Musandam and Buraimi and the regions. The governors of Musandam and Buraimi, as well as the walis (leaders) of the wilayats – one wali per wilayat – are responsible for matters of local administration and act as a link between the government, its regional institutions and members of the public.

Over the course of its successive development plans, Oman has succeeded in achieving a balanced

distribution of the fruits of that development across the country's governorates and regions. The large projects and industrial estates that have been set up from Muscat to Salalah, from Sur to Sohar, from Nizwa to Musandam and Buraimi, and from Ibri to Haima, take not only the national priority into account but also the needs of each specific area and region.

The different regions take turns at hosting the country's main national and religious occasions.

Governorate of Muscat

The governorate of Muscat is Oman's political, economic and administrative centre, its seat of government and the location of the city of Muscat, the country's capital and headquarters of the administrative apparatus of state. It is also a vital hub of economic, tourist and commercial activity.

The governorate of Muscat lies on the Gulf of Oman at the southern end of the Batinah coast. It borders the Eastern Hajar mountains and the Sharqiyah region to the east, the Batinah to the west and the Dakhiliyah region to the south.

Muscat governorate has a population of 632,073, according to the 2003 census, and comprises six wilayats - Muscat, Mutrah, Bausher, Seeb, al Amerat and Quriyat. Each wilayat is administered by a wali appointed by the Governor of Muscat. The governorate is responsible for providing the public with essential services within its administrative borders.

The governorate's affairs are administered by the Minister of State and Governor of Muscat, who is appointed by Sultan Qaboos. Muscat Municipality's Municipal Council plays a vital role in this connection.

Governorate of Dhofar

The governorate of Dhofar traditionally plays an important role in Omani history – in contemporary as much as in ancient times. It was in Salalah that the dawn of the Omani Renaissance emerged under



Muscat with Al Alam Palace centre. To the left is Fort Jelali and to the right is Fort Mirani.



Dhofar during the monsoon season which occurs from mid-June to mid-September.

Sultan Qaboos bin Said's leadership and the country took its first steps along the road to development and modernisation after years in the political and economic wilderness.

Dhofar, as well as being the Arabian Peninsula's "Land of Frankincense", was also Oman's gateway to the Indian Ocean and the crossroads of southern Arabia's caravan routes, providing a springboard to progress and prosperity over the past 37 years.

The governorate of Dhofar is at the southern end of Oman, with the main city of Salalah some 1,000 kms distant from Muscat. Dhofar borders the Arabian Sea to the south-east and south, the Republic of Yemen to the west and south-west and the Empty Quarter desert and the Kingdom of Saudi Arabia to the north and north-west.

Dhofar, with a population of 215,690, as 2003 census figures show, has ten wilayats: Salalah, Thumrait, Taqah, Mirbat, Sadah, Rakhyut, Dhalkut,

Muqshin, Shaleem and the Hallaniyat Islands and al Mazyounah. Al Mazyounah, previously a niyabat (hamlet), was given wilayat status on 6/03/2006 under Royal Decree No. 13/2006.

Extensive development projects have taken place in all wilayats, with population centres in both isolated mountain and desert areas provided with all essential services, frequently including local development centres and a range of modern utilities.

A free trade zone now exists at the al Mazyounah border, and on the al Mazyounah-al Ghaidha road between Oman and the Republic of Yemen. Dhofar is home to several tourist and industrial development projects, among them the massive Port Salalah scheme, which houses a variety of amenities including a free trade zone.

The Governorate of Musandam

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

The governorate of Musandam lies at the extreme northern end of the Sultanate, where the Strait of Hormuz links the Gulf with the open seas of the Gulf of Oman and the Indian Ocean. It has four wilayats – Khasab, Bukha, Daba al Bay'ah and Madha. The 2003 census records, a population of 28,378.

There has been a wide range of development projects since the 1970s, particularly in the fields of health, education, water, electricity, roads, sewerage and ports. A number of successful economic and investment projects exist in Musandam, with preparations underway to set up an industrial estate to capitalise on the use of locally available resources.



Wadi Darbat in the Dhofar region during the monsoon which covers the area from Dalkut in the west to Mirbat in the east.



Dhows waiting to take the tourists to the spectacular fjords of the Musandam peninsula where dolphins can be seen.

Governorate of Buraimi

The Governorate of Buraimi was established under Royal Decree No. 108/2006, issued on 15/10/2006 and awarded priority status by the Council of Ministers under the terms of the Seventh Five-year Development Plan (2006-2010), when approval was given for a range of new road, electricity and other service projects, as well as for plans to develop the Buraimi Industrial Estate. The 2003 census records a population of 76,838.

In the north-western part of the Sultanate, Buraimi, like Musandam, enjoys a vital strategic and commercial location. Because of an abundant supply of water from its wadis and aflaj (irrigation channels), it became an important station on a major trade route and a significant producer of wheat, dates and other fruit.

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

Buraimi has three wilayats - Buraimi, Madha and al Sinainah; the latter, previously a niyabat, was given wilayat status under Royal Decree No. 107/2006, issued on 15/10/2006.

THE REGIONS

The Batinah Region

The Batinah region – also known as the Batinah Coast – is a coastal strip between the sea and the mountains and one of the Sultanate's most important geographical and economic regions. It is the region with the largest number of wilayats and occupies an important geographical location along the southern coast of the Gulf of Oman.

The Batinah has long been the pivotal sea trade and transport link between Oman and other countries on the shores of the Gulf and the Indian Ocean. Its extensive economic resources include the country's largest agricultural plain (the Batinah Plain), as well

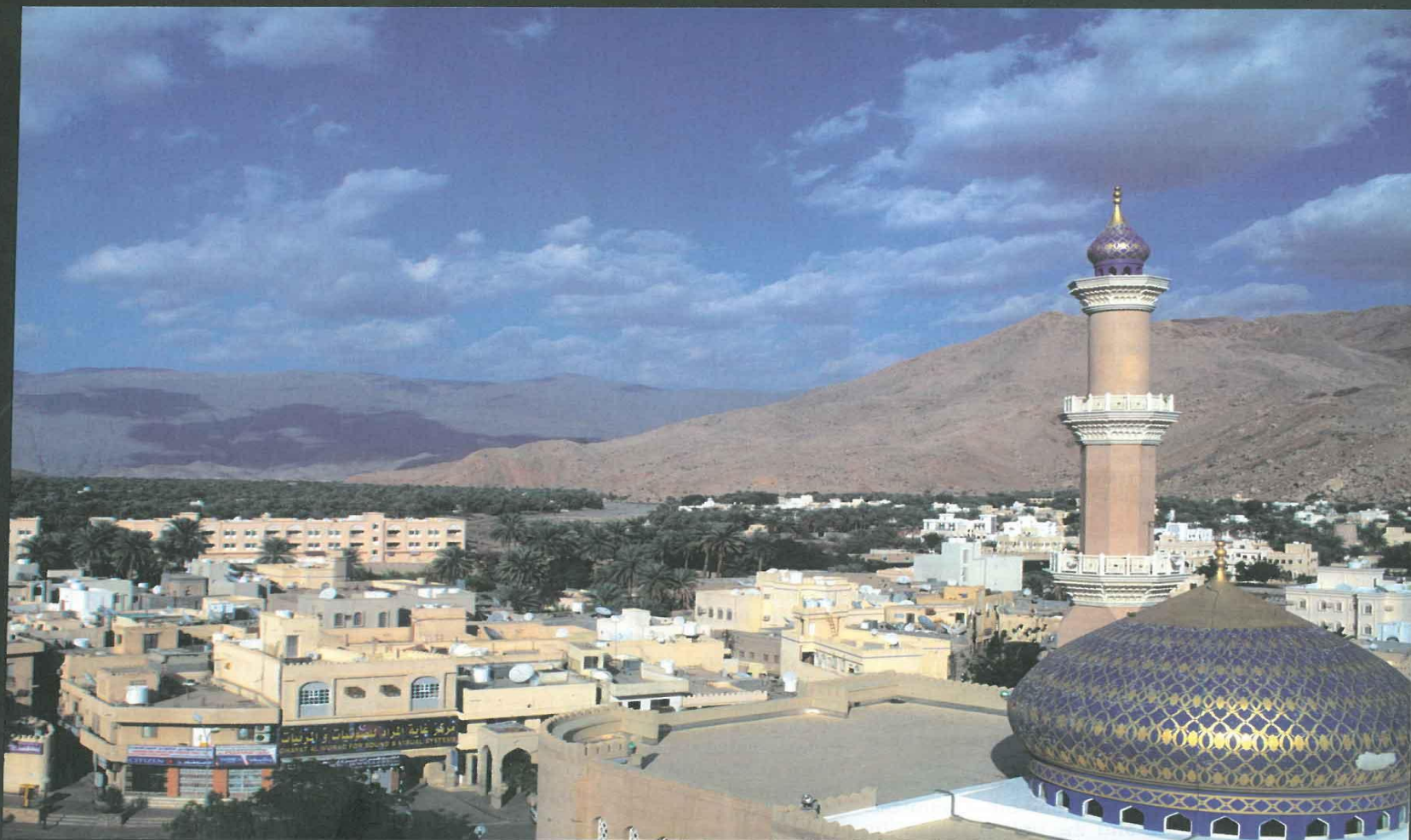


as a range of mineral deposits that are beginning to be exploited to provide the basis for the creation of several major heavy industry projects.

Port Sohar, which is currently under construction, is one of the Sultanate's mega-projects; Sohar Industrial Estate has already attracted numerous large-scale industrial and manufacturing enterprises such as fertilisers, petrochemicals and aluminium, while Sohar Airport, currently at the planning stage, will give a further boost to activity in the area.

With 653,505 inhabitants, according to the 2003 census, the Batinah has the largest population of any of Oman's regions. With 12 wilayats, Sohar, Rustaq, Shinas, Saham, Liwa, al Khabourah, Suwaiq, Nakhl, Wadi al Ma'awil, al Awabi, al Musana'ah and Barka, the Batinah extends along the shore of the Gulf of Oman from Khatmat Malahah in the north, to the wilayat of Barka in the south, enclosed between the Gulf of Oman to the east and the slopes of the Western

The village of Wakan on a 2,300-metre-high peak above Wadi Mistal. Today it is one of the wilayat of Nakhl's leading tourist attractions.



Nizwa, the capital of the Dakhiliya region. Its busy souq is both a tourist attraction as well as a commercial centre.

Hajar mountain range to the west. On average, the coastal plain is around 25 kms wide. Because of its location, economic resources and high population density, the Batinah continues to play an important role in Oman's development.

Numerous road, communications and urban development projects have been implemented in the region with particular attention given to town planning projects and the development of tourist sites, including large public parks and projects to promote its two natural hot springs – Ain al Kasfah in Rustaq and Ain al Thuwwarah in the wilayat of Nakhl.

Dhahirah Region

The Dhahirah region is rich in agricultural, tourist and historical resources and has undergone major development in every sphere over the past 37 years. It is a semi-desert plain extending from the southern slopes of the Western Hajar Mountains towards the Empty Quarter desert. The mountain of Jabal Kawr marks its eastern boundary with the Dakhiliyah region, with the Empty Quarter to the west and the Wusta region to the south. In ancient times this region was known as Tawam and al Jow.

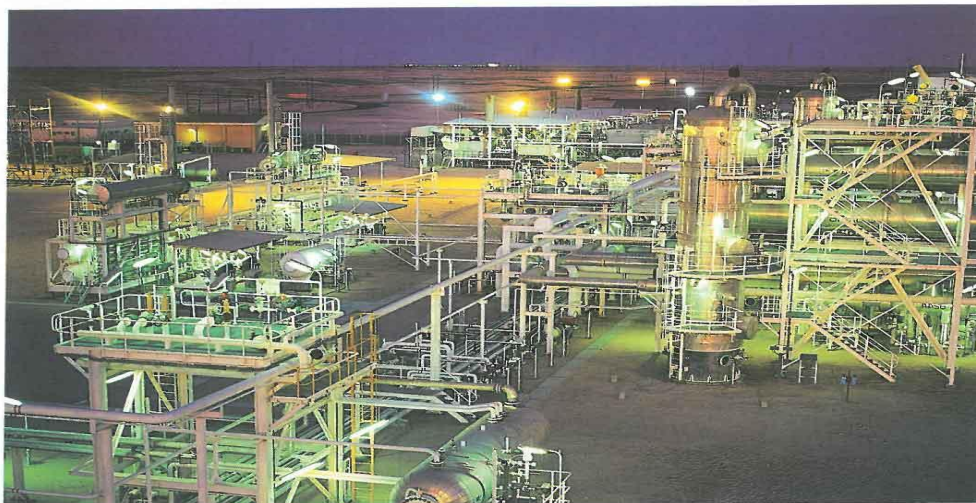
The Dhahirah region has three wilayats – Ibri, Yanqul and Dhank - and, according to the 2003 census, a population of 130,177. Its main significance lies in its agricultural production and its historic location as a crossroads on the old Arabian caravan routes.

There are several oil and gas fields in the Dhahirah, which also benefits from a wide range of development projects and other economic initiatives.

Dakhiliyah Region

With its rich history, cultural heritage and topographical location, the Dakhiliyah region is home to the large upland area in the centre of Oman, which includes the Jabal al Akhdhar and the mountains that slope southwards towards the desert.

The Dakhiliyah occupies a pivotal position in the



Sultanate. To the east it borders the Sharqiyah region, to the west the Dhahirah, to the south the Wusta and, in a northerly direction, the governorate of Muscat and the Batinah region. The 2003 census records a population of 267,140.

The Dakhiliyah is one of the country's main agricultural regions and has eight wilayats - Nizwa, Sumail, Bahla, Adam, al Hamra, Manah, Izki and Bidbid. These wiliyats have seen widespread development in health, education and urban growth, roads, industry, communications and several other fields.

The city of Nizwa has had a complete makeover, with its services and utilities comprehensively upgraded. The main arterial roads have been improved and Phase Two of the Rusayl-Nizwa dual carriageway project is complete. Nizwa's referral hospital opened in 1998 and more recently work has started on upgrading the city's industrial estate. Nizwa's non-

There are several oil and gas fields in the Dhahirah region.



Sur in the Sharqiyah region is traditionally famous for its dhows/ships built of teak wood, but today this region is becoming famous for the export of gas.

government university is now in operation and the capacity of Manah power station has been expanded.

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

The Sharqiyah Region

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

The Oman Liquefied Natural Gas (OLNG) project at Qalhat began exporting in October 2000, while Qalhat LNG shipped its first cargo in December 2005. Construction is now complete on Phase One of the Sur Industrial Estate which is designed to accommodate small and medium scale industries.

The Wusta Region

The Wusta region lies to the south of the Dakhiliyah and Dhahirah regions. Its eastern side is lapped by the waters of the Arabian Sea, while to the west it borders the Empty Quarter desert, with Dhofar located to the south. The Wusta has a large number of productive oil and gas fields and a temperate climate throughout the year. Three of its four wilayats - Mahawt, al Duqm and al Jazer - are on the Arabian Sea; the fourth - Haima - is in the interior. Almost 23,000 people occupied the region at the time of the 2003 census.

The government has allocated high priority status to developing the Wusta region and a port and ship

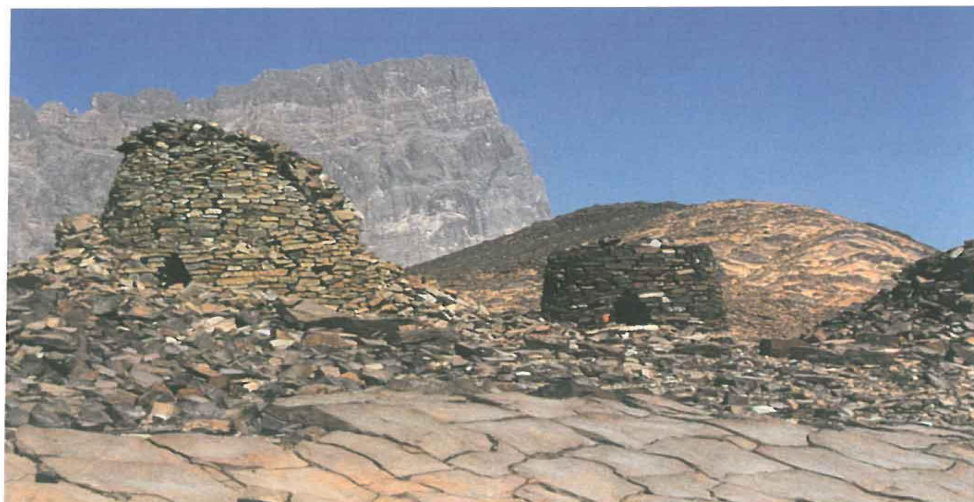


repair dry dock project at Al Duqm is currently at the planning stage. In view of a sparse population spread over small, far-flung centres of habitation, the region receives its drinking water from purpose-built water desalination plants. Roads include the Nizwa-Haima-Thumrait highway, the 190 kms Sinaw-Mahawt road and the Mahawt-al Duqm road.

In terms of per capita spending, the Wusta region has been the beneficiary of generous expenditure on development over the course of several Five-year Development Plans.

Recent initiatives include a number of water, electricity, road, fishing, harbour, health and education projects. These projects are changing people's lives and, as in the rest of Oman, the region is making rapid progress towards further development and prosperity.

An aerial view of the wilayat of Haima, capital of the middle, Wusta, region. Today the region is becoming increasingly developed.



The tombs at Al Ayn, near Bat are on UNESCO's World Heritage List. Jebel Misht rises in the background.

HISTORY

From ancient times Oman has benefited from friendly contacts with all the world's major civilizations. It was a prosperous Indian Ocean trading and maritime centre right up to the end of the nineteenth century.

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

When, in 1970, Oman embarked upon its ongoing programme of progress and development, often referred to as its 'Renaissance', its historic background provided it with the essential elements necessary to build a prosperous future. With a leadership with a firm grasp of reality, a people willing and able to shape its destiny with its own hands, and a vital geographical location Oman was poised to make a significant impact

on the global community, regaining its position after generations in the political and economic wilderness.

A country as old as history itself Oman has, throughout various stages of its history, made significant contributions to global civilization. It has been a major maritime and political power and from early times enjoyed international relations with countries as far away as China, Britain, France, the United States and elsewhere; its ambassadors were received with respect in the capital cities of those nations centuries ago.

Since 1970, sound government and leadership have helped establish and develop strong national unity; the construction of a strong state; and the emergence of a robust economy based on security and stability.

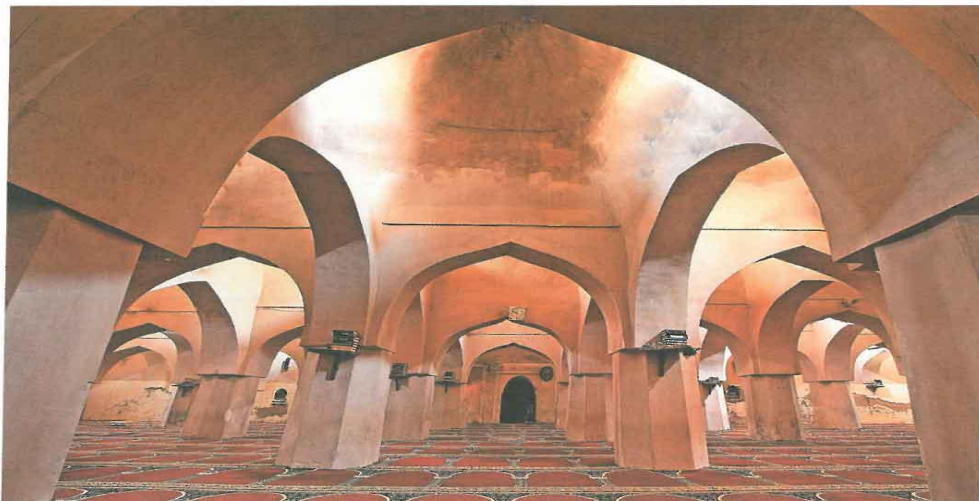
Historic studies confirm extensive ties between Oman and civilizations of the ancient world such as those in China, India and Mesopotamia, as well as in the Eastern Mediterranean, the Nile Valley and other parts of North Africa. Moreover, Oman's role in spreading the message of Islam was far greater than is generally recognized outside specialist academic circles.

Like other nations and peoples with long histories and old-established civilizations, Oman has passed through numerous different historical periods. During the Ya'ruha era, which began in 1624, it succeeded in expelling the Portuguese from the Omani coast, the Gulf and the Indian Ocean.

The Al Busaid dynasty was founded by Imam Ahmed bin Said in 1744 – Sultan Qaboos bin Said is a descendent of the line – and over the course of more than 263 years it has succeeded in enhancing the country's power and influence. There have been some periods of weakness or internal conflict in Oman's history, caused by various domestic, regional and international factors which led to the country becoming isolated from the outside world. However, that situation finally came to an end with the accession to power of Sultan Qaboos in 1970.



The ancient frankincense port of Sumharum dates from the 4th Century BC and the 5th Century AD. It is the most significant settlement in the governorate of Dhofar from the pre-Islamic period. It is one of four 'Land of Frankincense' sites on UNESCO's World Heritage List.



The restored Hamooda mosque in Ja'alan Bani Bu Ali which is famous for its many domes.

Oman's names

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

To the Sumerians, with whom Oman had extensive trade and seafaring ties, Magan was known for its ship-building and copper-smelting. Sumerian tablets excavated at archaeological sites in the region refer to "the Land of Magan". Mezoun is derived from the word muzn, which means clouds and abundant flowing water, and reflects the fact that water was plentiful in Oman during certain periods in its history. This could explain Oman's historic agricultural prosperity and consequent stability and the development of its civilization. The name Oman has been linked to the migration of Arab tribes from an area in Yemen known as Uman, although it has also been attributed to Uman, son of the Prophet Abraham, among others.

Of the Arab tribes who migrated to Oman in ancient times, some settled on the plains and earned their livelihood from agriculture and fishing, while others settled in the interior and the desert regions and became herdsmen and shepherds.

Helping to spread the message of Islam

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

During the early years of the Islamic mission Oman played a major role in the Wars of Apostasy that took place after the death of the Prophet Muhammad and also took part in the great Islamic conquests by land and sea, in Iraq, Persia and beyond.

However, Oman's most prominent role in international relations was achieved through its extensive trading and seafaring activities in East Africa, especially during the 19th century, when it propagated Islam in many of East Africa's coastal regions and some parts of Central Africa. Omanis also carried the message of Islam with them to China and ports around Asia.

At home in the 21st century, Islam and Islamic values remain an important part of Omani life and an integral component of society.

Paying the price of prosperity

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



Forts, castles and towers are Oman's most striking landmarks. Rustaq Fort, founded some four centuries before Islam.



Sohar Fort, one of the main forts in the Batinah region, dates from between the late 13th and early 14th centuries AD.

in the Arab world. However, this success attracted unwelcome attention from the outside world. This attention coincided with a period of tribal turbulence within Oman when from 1154 for a period of more than 450 years the Bani Nabhan ruled the central area of the country intermittently.

The whole of this period was marked by spates of often intense tribal feuding and the chaotic internal situation that ensued undoubtedly contributed to making the Sultanate vulnerable to foreign invasion, first by the Persians and later by the Portuguese.

The Persians from Hormuz were the first to breach Oman's defences, capturing Qalhat on the coast north of Sur. The Persian army then attacked the interior of the Sultanate with disastrous results to its own men; all Persian troops, in the interior and on the coast, were subsequently annihilated. A second invasion launched on Sohar in 1276 caused much destruction and devastation before being routed by Omani

tribesmen, who temporarily put aside their differences to join forces against the invader. A third Persian attack began in 1462 when Bahla was captured. By now, the country had fragmented into a series of rival fiefdoms, leaving Oman and its people much weakened.

Historians record no great surprise therefore, that in 1507 the Portuguese managed to take control of large stretches of the Omani coast. However, this invasion – as all the others – met with fierce resistance and neither Portugal nor any other power was able to extend its rule beyond the coastal areas. The interior regions, as well as certain vital coastal locations such as Sohar, provided the Omanis with the strategic hinterland essential for their national resistance campaigns. Such operations finally led to the expulsion of the Portuguese after around a century and a half of occupation and the intervention of a leader of exceptional ability and integrity emerged to bring to an end the dominance of the Bani Nabhan and ultimately, to save the nation; his name was Imam Nasser bin Murshid.

The Ya'rubia

The accession of Nasser bin Murshid as Imam of Oman in 1624 marked the start of Ya'rubia rule. Imam Nasser succeeded in uniting the country under his leadership for the first time in many years and, by equipping a powerful naval fleet, was responsible for the reduction of Portuguese influence and the eventual liberation of some coastal cities from their rule. His successor, Imam Sultan bin Saif, continued the military offensive against the Portuguese and, in 1650, he liberated Muscat. This heralded the decline of Portuguese power in the Gulf as a whole, as Omani forces drove the Portuguese out of the region, towards the coasts of India and East Africa.

Al Busaidfrom liberation to the creation of a modern state

In 1744 the inauguration of Imam Ahmed bin Said, who was Wali of Sohar and the surrounding areas,

marked the beginning of a new era of Oman's history and one which has lasted for over 263 years, right up to the present day. Imam Ahmed's accession was in response to the wishes of the influential people of Oman at that time, who greatly admired his courage and resolve. Imam Ahmed bin Said, who founded the Al Busaidi state, reunited the country, quenched the fires of internal dissent and built up a huge naval force and merchant shipping fleet, thereby reviving Oman's maritime trading role as well as its position in the region. The clearest evidence of this was seen in 1775 when he sent around a hundred vessels, led by the great cruiser Al Rahmani, to the northern Gulf, where he broke the Persian siege of Basra following an appeal for assistance from the Wali of Baghdad.

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

Throughout their history, the Omanis' strong sense of belonging to a single Omani nation has united them in the face of external threats and challenges. That the Al Busaid dynasty has ruled the country continuously since the middle of the 18th century is a further unifying factor.

These firm foundations, laid down through centuries of history – when enduring powerful alliances and friendships were forged – have resulted in a 21st century Oman that is free from all forms of foreign occupation and influence, where strong traditions of culture and heritage endure.

The Sultanate has, over the years, succeeded in overcoming internal and regional challenges to safeguard its own national interests and, bolstered by the creation of a prosperous modern welfare state, has also established a sound basis for continuing balanced relations within the Gulf, the region and the rest of the world.



Forts, castles and towers around the country are being restored to their former glory.



QABOOS THE LEADER

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QABOOS THE LEADER

At his accession on 23rd July 1970, His Majesty Sultan Qaboos bin Said declared that a new era had begun for Oman and its people, one which would see the nation regain its former status as a thriving regional and global player and, in the intervening 37 years, a period sometimes referred to as 'the Renaissance', he has made good that promise.

In 1970, Omani people across the nation as well as those who had felt compelled to leave their homeland in search of education and opportunity elsewhere, were waiting for a leader who would take them on a journey towards progress and prosperity. Sultan Qaboos assured them he was that leader, and so it has proved.

Qaboos was born in Salalah, the most southerly city of Oman, on 18th November 1940, the only son of the late Sultan Said bin Taimur, and the eighth direct descendant of the royal Al Busaidi line, founded in 1744 by Imam Ahmed bin Said. Qaboos came to power in 1970, following a bloodless coup which deposed his father. Sultan Said had prepared his only son for power, encouraging him in his studies and his attendance at the internationally renowned Sandhurst Military Academy in England. With the accession of Qaboos to the throne came the changes that have shaped modern-day Oman. Apart from his responsibilities as ruler, Sultan Qaboos enjoys a diverse range of interests; he is an accomplished horseman and a keen tennis player and walker. Military training left His Majesty with a keen interest in weaponry and military equipment. He is a skilled marksman and proud of his country's shooting teams numerous successes. His passion for music led to the formation of the Royal Oman Symphony Orchestra in 1985. Qaboos has an indefatigable quest for knowledge and has studied a variety of subjects, ranging from astronomy and religion to languages, literature, history and the environment. An outspoken advocate for the protection and preservation of nature and the environment, His Majesty encourages all Omanis to follow his lead.

With his military and academic background and comprehensive knowledge of his country's history, Sultan Qaboos understood not only the role Omanis have played over the centuries, but also their potential to transform their land from the sleepy, isolated desert backwater it had become, once again into a thriving and forward looking nation.

It was essential, he decided, to channel the country's human and material resources towards a single goal – the development of the modern Omani individual. His Majesty pointed out: "The achievements in various spheres in this blessed land are all aimed at realising one noble goal – the building of the modern Omani who believes in God and is committed to maintaining his own identity, while keeping abreast of the technology, sciences, literature and arts of the age in which he lives, and reaping the benefits of modern civilization in building his country and developing his society."

OMAN



His Majesty, the Supreme Commander of the Armed Forces, at the 36th National Day military parade held at the Sultan Qaboos Academy for Police Sciences in Nizwa in 2006.

At the beginning of his reign, Qaboos announced the principle that would carry Oman forward, towards a successful future – the principle of partnership. “I will proceed as quickly as possible to transform your life into a prosperous one with a bright future but every one of you must play his part towards this goal.” His Majesty observed: “We promise you we shall do our duty towards the people of our country. We also hope that every one of you will do his duty in helping us to build the thriving and happy future we seek ...The government and the people are as one body. If one of its limbs fails to do its duty, the other parts of the body will suffer.” Recognising the inseparable link between leadership and the people it is evident that Sultan Qaboos is happy with the way the country’s development has progressed: “For me it is a delight to see my country and my people in the situation I imagined from the very first day I assumed power. I feel that I am a man with a mission rather than a man with authority.”

The Sultan’s 37 years in power have seen massive changes in every sphere and in every part of the country – in the economy and in health, education, roads, electricity, water and communications, as well as in other fields such as culture, the media, social welfare, the regional municipalities, the environment, the judiciary, democratic practice, the development of the Sultan’s Armed Forces, the Royal Oman Police, and the Sultanate’s relations with other countries around the world. While Oman has been engaged in establishing prosperity and progress at home, it has also worked hard to promote peace, security and stability in the Gulf region and beyond, through building bridges of co-operation, friendship and common interest with neighbouring states and those further afield. However, more remains to be done; Sultan Qaboos has said there are “no limits” to his ambitions for the country. In his annual speech to the Council of Oman’s opening session on 14th November 2006 he expressed his determination to translate the aims of Oman’s mod-

ern Renaissance into practice and “achieve its goals of further progress and prosperity through a comprehensive development that seeks to develop human and natural resources and build an infrastructure that will yield sustainable economic growth, strengthen the pillars of social structure and consolidate the bases of a modern state.”

Education

Human development remains a top priority, His Majesty noted: “You are aware of the extent of the attention we accord to the development of human resources in order to provide our young sons and daughters with wider and better opportunities for education, training and employment...There can be no doubt that the human being is the basic component and the cornerstone of any viable civilisation.”

To realise its full potential a country needs its own trained nationals and education is the basis for developing such human resources. Over RO2.5 billion had been spent on education over the years up to the beginning of the Seventh Five-year Plan, which began last year (2006-2010) and no slow down in funding is anticipated.

As is well recorded, when Sultan Qaboos came to power in 1970 there were no more than a handful of schools across the length and breadth of Oman. In the school year 2006-2007 there were almost 578,000 male and female students in education (general and basic) and over 2,200 students graduated from Sultan Qaboos University during the last academic year. In his speech at the opening of the Council of Oman’s 2006 annual session, Sultan Qaboos welcomed plans for the opening of a number of new universities to complement those already in existence, “provided that objective studies prove the feasibility of setting them up; that their programmes are of a sufficiently high standard to qualify their graduates for a career; and their certificates are guaranteed recognition – both nationally and internationally.”

In another initiative to support higher education, Sultan Qaboos granted private universities the sum of RO17 million each to spend on buildings, laboratories and basic utilities. This financial assistance is, His Majesty said, intended "to encourage them to carry out the important task of providing the community with nationals who are highly qualified academically, scientifically and practically." The beneficiaries of this support include the universities of Muscat, Nizwa, Sohar, and Dhofar, as well as the Buraimi University project. The university planned for the Sharqiyah region will qualify for similar support when the project's feasibility is confirmed.

His Majesty's government provides full or partial funding for thousands of scholarships every year to enable the talented sons and daughters of families on social security benefits to complete their education at private universities and university colleges, regardless of their family circumstances. In addition to formal education, many Omani citizens also receive free training to qualify them for jobs in the technical fields urgently required at the current stage of Oman's development. The government encourages membership of unions and other civil organisations that work towards helping citizens develop their skills and career prospects.

Non-government Associations

Royal Decree No. 112/2006, issued on 4th November 2006, amended some provisions of the Labour Law promulgated by Royal Decree No. 35/2003. These amendments stipulate that 'Labour federations should form the Sultanate's General Labour Federation...The labour federations may form labour unions among them.' To ensure a climate conducive to labour federation activity, the Decree further states that 'labour federations, labour unions and the Sultanate's General Labour Federation shall have an independent legal character ...and the right to operate in complete liberty, without interference from other parties,

in their affairs.'

The Sultanate of Oman's General Labour Federation has now started to operate in practice, while the civil associations are growing in number and expanding their activities in the interests of their members. They include the Omani Journalists' Association, the Omani Writers' Association, the Omani Economic Association, the Omani Society for Engineers and the Oman Biomedical Scientist Society, as well as many other bodies. On 7th April 2007 Royal Decree No. 23/2007 amended some provisions of the Law on Non-Government Associations.

Sultan Qaboos has encouraged the serious steps taken by both the government and private sectors towards Omanisation of the established workforce, as well as the creation of training and employment opportunities for the new generations. His Majesty hailed "all those who work hard and diligently in a stable job, in any field which yields benefits for the individual and the community."

In December 2006 Sultan Qaboos issued directives with effect from 1st January 2007, granting a 15% increase in the salaries of civilian personnel employed within the administrative apparatus of state, including those subject to the provisions of the Civil Service Law and special employment regulations and members of the judicial bodies.

Women in high positions

Omani women play an active and essential role in the country's economic and social development and can be found in the highest echelons of the state's administrative apparatus. Several women have been appointed to ministerial positions, both within and outside the Council of Ministers; there are also female under-secretaries and ambassadors, as well as women members of the State Council (Majlis A'Dawla), the Public Prosecutor's Office and the Consultation Council (Majlis A'Shura). In September 2006 Dr. Rawiyah bint Saud Al Busaidiyah, Minister of Higher Educa-

tion, won the Arab Women of Excellence Prize, out of 866 nominees at the third session of the Arab Woman's Participation Studies Centre in the Libyan Arab Jamahiriya.

Seventh Five-year Plan

This year, 2007, is the second of the Seventh Five-year Development Plan (2006-2010), which attaches particular priority to human development programmes, social welfare, regional development, better opportunities for education and employment, improved living standards, price stability, the development of the tourist, industrial, agricultural and fisheries sectors, the encouragement of investment and the preservation of the national heritage.

The Seventh Plan aims to achieve annual economic growth rates of not less than 3% at fixed prices and boost the private sector's investment contribution. In 2006 a rise of around 16.8% was recorded in GDP, continuing the trend towards high growth rates that has prevailed over recent years.

In the 2007 General State Budget general revenues totalled RO4,490 million – a 25% increase on the 2006 figure. Calculated on the basis of an oil price of US\$ 40 per barrel and a daily production rate of 730,000 barrels, oil and gas revenues accounted for 79% (oil 67%, gas 12%). Public expenditure was estimated in the Budget at around RO4,890 million – a 15% rise compared with 2006. Development allocations for 2007, at RO 500 million, showed a 33% rise on the 2006 figure for expenditure on current projects.

As part of its function, laid down in Royal Decree No. 1/2006, the Supreme High Committee for the Five-year Development Plans carries out a six-monthly evaluation of the Seventh Five-year Plan, taking into account any changes that may have taken place in the economic situation at home and abroad. The Sultanate's economic and social growth rates under the Plan are a source of pride for every Omani, while its decentralisation policy has helped ensure balanced

development across the country.

Reflecting the government's aim of promoting development in all the regions, the Council of Ministers confirmed that priority under the Seventh Five-year Plan should be given to service projects in the governorate of Buraimi and wilayat of Madha.

Royal Decrees Nos. 107/2006 and 108/2006 were issued on 15th October 2006; the first decree promoted the niyabat (hamlet) of al Sunainah to wilayat status, while the second established the governorate of Buraimi, to comprise the wilayats of Buraimi, Madha and al Sunainah. These changes increased the number of governorates in the Sultanate to four (Muscat, Dhofar, Musandam and Buraimi) and the number of wilayats to 61.

Oman's consultative institutions

Sultan Qaboos has long nurtured democratic ideals and frequently expressed the wish to see Omani citizens play their full part in the taking of national decisions. It was with this aim in mind that on the first Omani National Day, celebrated in 1971, His Majesty affirmed "we shall strive hard to establish just, democratic rule in our country within the framework of our Omani Arab reality and the customs and traditions of our community."

Oman's democratic process has developed in a succession of stages ensuring it was always in harmony with the country's history and cultural heritage as well as the changing day-to-day reality of Omani society. The State Consultative Council was set up in 1981, followed by the Consultation/Shura Council (Majlis A'Shura) in 1991. On 21st November 2006 the Consultation Council celebrated the 25th anniversary of the creation of Oman's first consultative institution.

Since the promulgation of the Basic Law of the State in November 1996, the Sultanate of Oman has followed a bicameral system of two councils – the State Council (Majlis A'Dawla) which was set up in 1997, and the Consultation Council (Majlis A'Shura)

– which combine to form the Council of Oman ((Majlis Oman) when they meet in joint session. His Majesty addresses all the members of the Council of Oman on an annual basis. The members of the State Council are appointed by His Majesty the Sultan, and its numbers must not exceed those of the Consultation Council, while the members of the Consultation/Shura Council – or the representatives of the wilayats – are elected by the public in free elections in which Omani men and women have the right to participate as candidates and voters. The 6th Term Consultation Council elections will take place on 27th October 2007, for the period 2008-2011.

Omani women were the first in the Gulf to take part in the electoral system, both as voters and prospective candidates. Two seats in the Consultation Council have been held by Omani women since its 2nd Term (1995-1997). (Further details, see page 56).

Positive international standing

Many international organisations and institutions have hailed the success of Oman's development process, and the country has featured prominently in their studies and reports:

- The Sultanate was listed as the most peaceful Arab country in the Middle East and North African region, according to the 'Global Peace Index' study, and 22nd out of 121 countries around the world. The study, published at the end of May 2007, was produced under the supervision of Britain's Economist Intelligence Unit.

- In January 2007 The Indian Council for Cultural Relations, which oversees the Jawaharlal Nehru Award for International Understanding, declared Sultan Qaboos the winner of the annual prize, awarded annually to leaders and eminent figures that have made outstanding contributions to the promotion of international understanding and friendship between people around the world.

- The Sultanate was the second Arab country listed

on the 'Rule of Law' index in the World Bank's report of 16th September 2006, entitled 'Public Administration System Issues 2006 – World Public Administration System Indices.' The Sultanate was also named as the Arab country highest on the 'Political Stability & Absence of Violence' index contained in the above report.

- In December 2006 the Sultanate was declared the winner of the award for Economic Freedom in the Arab World 2006, according to the annual report drafted by the International Research Organisation in co-operation with the Fraser Institute, a Canada-based free market-oriented policy think-tank.

- The September 2006 World Bank report 'The Middle East and North Africa: Economic Developments and Future Prospects' placed the Sultanate at the forefront of other Arab countries in the 'Trade Progress' index and took third place at global level in terms of trade facilitation. The report praised Oman's economic accomplishments, noting that the Sultanate had opened up increased opportunities for the private sector, including, for the first time, the opportunity to own and operate radio and TV channels.

- A September 2006 report on religious freedoms, issued by the US State Department, hailed the religious freedom enjoyed by people living in the Sultanate. The report pointed to the atmosphere of religious tolerance promoted by Sultan Qaboos and the fact that the Basic Law of the State guarantees freedom of belief provided that it does not infringe public order. The report noted that throughout the year there had been no recorded violation of any person's rights because of his or her beliefs.

- The United Nations Development Programme 2006 Report on Human Resources Development – published under the title "Beyond Scarcity: Power, Poverty and Global Water Crisis" – gave the Sultanate a high rating for human development, placing it 56th out of the 177 countries covered by the Report, an improvement of 15 places on its the 2005 rating.

- On 12th May Oman was awarded the Peace and Environment Prize for 2007 by the Arab-European Co-operation Centre during the inauguration of the 17th international conference on the "Protection of Environment as a pre-requisite for life today," held in Egypt.

- On 20th July 2007 the Russian International Association awarded Sultan Qaboos the peace prize award, 'Good-deed-doer', in appreciation of his efforts to serve peace, cooperation and philanthropy at the world level, and for His Majesty's calls for reconciliation and co-operation among nations.

Arts and Academic Chairs

Oman's domestic cultural acknowledgements include the Sultan Qaboos prizes for Cultural Innovation. Awards were presented to several Omani and Arab authors and creative thinkers at the end of the year's 'Muscat - 2006 Arab Culture Capital' events.

On His Majesty the Sultan's instructions a 'House for the Musical Arts' is being set up in al Qurm in the Governorate of Muscat. The facility will attract musicians from around the globe and encourage friendly dialogue between different cultures and civilisations.

His Majesty supports universities in different parts of the world and academic chairs for the study of Arab and Islamic civilization have been established at several leading world universities including Harvard in the United States, Melbourne in Australia, and Utrecht in the Netherlands.

In June 2007 the inauguration ceremony was held in China of His Majesty's Chair for Arabian Studies which aims to promote teaching of the Arabic language and literature to students in the University of Beijing as well as providing help in establishing a library in the Arabic Language Department, as well as encouraging cultural exchange between higher education institutions in the Sultanate and China.

Cambridge University and Pembroke College in England announced at a ceremony in May 2007 that Sultan Qaboos had become a listed donor and, it was

noted that a Chair is to be established in contemporary Arabic language at the Oriental Studies College.

In April 2007 Oman donated US\$1 million to UNESCO to support education in Africa. A Sultanate of Oman section was opened at the Moscow University Library; the facility - one of the five largest in the world - includes a section on Arab art. Meanwhile, The Sultan Qaboos Centre for Culture in Washington continues to play a vital role in promoting intellectual and cultural contacts between Arabs and Americans.

Foreign Policy

Over the past 37 years the Sultanate's foreign policy has helped strengthen its bilateral links and promote mutual interests with other states, while at the same time serving the cause of national development and the peace, security and stability of this vital region and its people. His Majesty pointed out that Oman's foreign policy over recent decades has proved "its viability and soundness". He added: "We are committed to this path, which is based on support for rights, justice, peace, security, tolerance and love, and which calls for international co-operation in order to consolidate stability, promote development and prosperity, and tackle the causes of tension in international relations by producing just and permanent solutions to serious problems that will reinforce peaceful coexistence between nations and lead to the well-being of mankind as a whole."

This is the vision that has determined Oman's approach to issues and developments in the various Gulf, Arab and international arenas. At the same time, the Sultanate works to develop its bilateral relations and widen its circle of friends around the world, opening up new horizons for the Omani economy and generating further progress and prosperity for its people.

Royal Tours

His Majesty's annual Royal Tours of the wilayats last for several weeks, and sometimes months at a

time. They are a distinctly Omani political institution that bring Sultan Qaboos into direct contact with his people across the length and breadth of the country and include meetings and discussions at the Royal Camp with sheikhs, dignitaries and citizens of differing areas. They also provide a unique forum for open dialogue and the shaping of political and economic action as well as informing the public about the issues of the hour.

This year's tour was notable for its focus on domestic agriculture. A seminar, 'Sustainable development for the agricultural sector and the regulation of that sector's labour market', was held at the Royal Camp at Seih al Rasiyat, Sumail in the Dakhiliya region from 10th to 12th February, where a study and evaluation of the economics of the agricultural sector, took place. Issues under debate included identification of the sector's current employment situation, the proposal of incentives to attract manpower, and produce methods of regulating the agricultural labour market and protecting water resources. Stressing the need to make the best possible use of agricultural land His Majesty the Sultan said: 'We are not talking about expanding agriculture; what we are talking about is holding on to what we have got, as well as achieving profitable production and not squandering water resources imprudently. "The other issue is the importance of not ruining the soil through the over-use of chemical fertilisers and other substances." His Majesty went on: "I will never allow misuse of agricultural resources in this country, because these resources are not just for us today, but for those who will come after us."

The Royal Tour also saw the inclusion of the 4th Traditional Horse Festival during its stay in al Qabil (Sharqiyah/Eastern region) staged by the Oman Equestrian Federation.

During the course of these tours to meet the people, the Sultan's discussions with his subjects cover a wide range of issues and, increasingly, these conversations have included the 'weapon of knowledge', or the tech-

nological advances and cultural changes taking place in the world. His Majesty has stressed the importance of "adapting and accepting whatever of that culture is useful, while rejecting what is not useful - quietly and without making a big song and dance about it." The important thing, Sultan Qaboos advises, is: "that we should open ourselves up to the cultures of technology and knowledge."

His Majesty also urges Omanis to make use of other people's experiences and warns against becoming too inward-looking, because, he warns: "a person who becomes inward-looking cuts himself off from society and the world. And those who cut themselves off from the rest of the world in this day and age become isolated and, consequently, they become regressive and backward - both economically and in knowledge."

During the annual Royal Tours His Majesty also gives instructions for the implementation of projects in the wilayats, particularly in housing, electricity, water, and roads. The approval for such schemes follows assessment tours of the area by His Majesty and accompanying ministers and advisors. These projects are usually paid for from funds outside the General State Budget allocations.

Cyclone Gonu

On 11th June 2007, as soon as further cyclone activity had passed, Sultan Qaboos ordered the immediate setting up of two committees: the first one, headed by the Minister of the Diwan of Royal Court, was tasked with assessing the damage to citizens' houses and property. The second, headed by the Minister of National Economy and Deputy Chairman of the Financial Affairs and Energy Resources Council, was tasked with repairing the infrastructure, such as roads, bridges, electricity and water connections. Priority was to be given to the implementation of these projects. His Majesty also instructed that a fund for donations be set up, to which a sum of RO7 million was committed. He concluded this meeting by urging all to return to normal quickly.



His Majesty's annual tours to different parts of the country are a specifically Omani institution. These tours enable His Majesty to meet his people, and to listen to their views and needs.



His Majesty is accompanied by a number of his Minister during his annual tours to meet his people.

THE POLITICAL SYSTEM AND THE STATE'S ORGANISATIONAL STRUCTURE

THE POLITICAL SYSTEM AND THE STATE'S ORGANISATIONAL STRUCTURE

One of Oman's major achievements during the 37 years of Sultan Qaboos' rule has been the creation of a modern state with modern institutions, the ethos of which is rooted in Oman's history and traditions.

The Sultanate responded to the rapid changes taking place in the modern world with a series of progressive steps that determined the course of democratic evolution and a sound political system. This system is based on the principle of active popular participation in the development process and close co-ordination and integration between the state's executive, parliamentary and judicial institutions.

The Basic Law of the State

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

The Law lays down a legal framework of reference that both governs the functions of the different authorities and also separates their powers. At the same time it protects and guarantees the safeguard of freedom, dignity and the rights of the individual, in accordance with the highest internationally recognised principles.

The Basic Law of the State comprises 81 articles in seven chapters. This document – unprecedented in Oman's history – sets out the system of government and the guiding principles behind the state's policies and also details public rights and duties. It contains provisions covering the Head of State, the Council of Ministers and the judiciary, and includes references to the specialised councils, financial affairs and the Council of Oman (Majlis Oman). Laws are promulgated on the basis of the Basic Law of the State's provisions.

- Clearly defined features

The Basic Law of the State outlines the features and specific principles of the state and the system of government. Article 1 states: "The Sultanate of Oman is an independent, fully sovereign, Arab, Islamic state. Its capital is Muscat." Article 2 notes: "The state's religion is Islam and the Islamic Sharia is the basis of legislation."

Chapter One of the Basic Law of the State addresses the issue of accession. Article 5 notes: "The system of government is an hereditary sultanate in which succession passes to a male descendant of Sayyid Turki bin Said bin Sultan. It is a condition that the male who is chosen to rule should be an adult Muslim of

sound mind and a legitimate son of Omani Muslim parents."

According to Article 9, rule in the Sultanate "shall be based on justice, shura consultation and equality," and citizens shall have the right to take part in public affairs in accordance with the Law.

Article 59 declares: "The sovereignty of the Law is the basis of governance in the State. Rights and freedoms are guaranteed by the dignity of the judiciary and the probity and impartiality of the judges." The Basic Law of the State guarantees the independence of the judiciary and makes interference in a lawsuit or the affairs of justice "a crime punishable by Law."

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

The State's organisational framework

The State's organisational framework is led by Sultan Qaboos. His Majesty is Head of State, its highest and final authority and the Supreme Commander of the Armed Forces and Royal Oman Police. His person is inviolable and must be respected and his orders must be obeyed. He is the symbol of national unity as well as its guardian and defender. Article 42 of the Basic Law of the State defines His Majesty's functions. Oman's organisational framework also comprises the following councils, institutions and authorities:

The Council of Ministers

The Council of Ministers assists Sultan Qaboos in drawing up and implementing general state policy. Specifically, the Council submits governmental recommendations to the Sultan on economic, political, social, executive and administrative matters. These include: proposing draft laws and decrees; protecting

the interests of the general public – ensuring they are provided with essential services and improving their economic conditions and health and cultural standards; setting the general goals and policies for economic, social and administrative development and proposing ways and procedures for implementation while ensuring proper use is made of available financial, economic and human resources; discussing development plans drawn up by the competent authorities, submitting them to the Sultan for approval and monitoring their implementation; discussing proposals put forward by ministries regarding the practical implementation of their responsibilities and making appropriate recommendations and decisions on them; overseeing the administrative apparatus of state, monitoring its performance and ensuring co-ordination between its departments; generally overseeing the implementation of laws, decrees, statutes, decisions, treaties, agreements and court rulings and ensuring that they are complied with; and any other responsibilities entrusted to them by the Sultan or assigned to them under the provisions of the Law. The Council of Ministers has a secretariat-general to assist in the performance of its functions.

The Defence Council

Sultan Qaboos issued Royal Decree No. 105/96 on 28th December 1996 establishing the Defence Council, which headed by His Majesty, comprises eight other members chosen on the basis of their rank or position. The Council, which meets when summoned by Sultan Qaboos, considers matters relevant to the maintenance and defence of the Sultanate's security.

The National Security Council

Royal Decree No. 63/2003 issued on 23rd September 2003, amending the name of the National Security Committee to the National Security Council. The Council considers all issues related to national security and meets under the chairmanship of His



His Majesty chairs a meeting of the Council of Ministers.



Majesty in such situations as he considers appropriate. In the absence of Sultan Qaboos, it is chaired by the Minister of the Royal Office. Its members include: the Inspector-General of Police and Customs, the Head of the Internal Security Service, the Chief of Staff of the Sultan's Armed Forces and the Head of the Communications and Co-ordination Department. The Council may also request the attendance of non-members, perhaps for advice or clarification of a specific matter.

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

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

The Financial Affairs and Energy Resources Council

The Council is responsible for drawing up the state's fiscal policy, all matters related to its financial and monetary system, and the preparation of the annual General State Budget. It studies the financial allocations for development projects, as well as domestic and foreign investments, savings and other related matters. The Council's remit also includes the development of Oman's energy resources with the aim of increasing that sector's contribution to the national economy.

The Council meets under the chairmanship of Sultan Qaboos or its Deputy Chairman (the present Minister of National Economy).

The Council of Ministers is led by His Majesty the Sultan. Its members, as at September 2007, are:

His Majesty Sultan Qaboos bin Said al Said
Head of State and Supreme Commander of the Sultan's Armed Forces and the Royal Oman Police

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

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

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

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

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

HE Sayyid Badr bin Saud al Busaidi
Minister Responsible for Defence

HE Sayyid Saud bin Ibrahim al Busaidi
Minister of Interior

HE Yousuf bin Alawi bin Abdullah
Minister Responsible for Foreign Affairs

HE Sheikh Mohammed bin Abdullah al Hinai
Minister of Justice

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

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

HE Sheikh Mohammed bin Ali al Qatabi
Minister of Fisheries Resources

HE Dr Ali bin Mohammed bin Moosa
Minister of Health

HE Sayyid Hamoud bin Faisal Al Busaidi
Minister of Environment and Climate Affairs

HE Maqbool bin Ali bin Sultan
Minister of Commerce and Industry

HE Mohammed bin Ali al Alawi
Minister of Legal Affairs

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

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

HE Dr Khamis bin Mubarak al Alawi
Minister of Transport and Communications

HE Sheikh Salim bin Hilal al Khalili
Minister of Agriculture

HE Hamed bin Mohammed al Rashdi
Minister of Information

HE Yahya bin Saud al Sulaimi
Minister of Education

HE Juma bin Ali bin Juma
Minister of Manpower

HE Sheikh Mohammed bin Abdullah al Harthi
Minister of Civil Service

HE Dr Rawiyah bint Saud al Busaidiyah
Minister of Higher Education

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

HE Dr. Rajiha bint Abdulamir bin Ali
Minister of Tourism

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

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

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

HE Sheikh Saif bin Mohammed al Shabibi
Minister of Housing

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

The Supreme Judicial Council

The Supreme Judicial Council draws up general judicial policies, ensures the independence of the judiciary and monitors its development. It oversees the work of the courts and the Public Prosecutor's Office and facilitates and monitors legal procedures. The Council considers judicial appointments and promotions to positions where the Law stipulates they should be filled by Royal Decree, and proposes draft laws on judicial issues, considers and comments on draft laws submitted by the competent authorities and



The administrative apparatus of the state comprises a number of higher committees, specialist councils and authorities. Here a meeting of the High Committee for the Five-year Development Plans.

puts forward its views on draft judicial co-operation agreements between the Sultanate and other states.

The Council also deals with any other issues put before it by His Majesty the Sultan for study and comment.

Higher Committees, Specialist Councils and Public Authorities

Article 56 of the Basic Law of the State states: "The Specialised Councils shall be established, their powers defined and their members appointed in accordance with Royal Decrees." The state's administrative apparatus includes a number of higher committees, specialised secondary councils and public authorities, each of which is responsible for managing or monitoring a specific sector, producing a comprehensive overview and liaising with other relevant bodies, including ministries, with the aim of serving the public interest and ensuring effective

co-ordination between different authorities operating within the same sector. The members of these committees include ministers and leading figures in the relevant areas.

- **The Higher Committee for Conferences**

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

- **The Supreme High Committee for the Five-year Development Plans**

The Supreme High Committee for the Five-year Development Plans carries out a six-monthly evaluation of the Seventh Five-year Development Plan (2006 -2010) in implementation of Royal Decree No. 1/2006. The Committee is chaired by the Deputy Prime Minister for the Council of Ministers, and its members include the Chairmen of the State Council (Majlis A'Dawla) and the Consultation/Shura Council (Majlis A'Shura), as well as a number of ministers and under secretaries.

The Supreme High Committee for the Five-year Development Plans plays a vital role in translating what Sultan Qaboos regards as Plan priorities into reality. The Committee also helps mobilise the nation's energies and ensures the government and the State and Consultation/Shura Councils work together in harmony.

- **The Scientific Research Council**

Sultan Qaboos issued Royal Decree No. 54/2005 on 22nd June 2005 setting up the Scientific Research Council and defining its prerogatives. The Council regulates and encourages scientific research and provides it with both material and moral support. It is the prime authority in this field and liaises between the different bodies and institutions involved in this

sector.

The Scientific Research Council is responsible for drawing up a comprehensive national plan for scientific research, setting its priorities and monitoring its implementation and development. It supports individual initiatives and research plans, as well as the publication of scientific papers, and takes on any other scientific research related tasks entrusted to it by His Majesty. At its 6th meeting held on 16th September 2007, amongst other things, it approved the proposal of a research chair by Sultan Qaboos University in nanotechnology in the field of water desalination.

HH Sayyid Shihab bin Tariq al Said, Advisor to His Majesty the Sultan, is currently Chairman of the Scientific Research Council and its members include – in their official capacities – the Minister of Higher Education (Deputy Chairperson), the Minister of Health, the Minister of Oil and Gas, the Minister of Social Development, the Minister of Education, the Secretary-General of the Ministry of National Economy, the President of Oman Chamber of Commerce and Industry, the President of Sultan Qaboos University, the President of Sohar University, the President of Nizwa University, the President of Dhofar University and the Director of Knowledge Oasis Muscat (KOM).

- **The Economic Co-ordination Council**

This government council was established by Royal Decree No. 94/99 on 22nd November 1999 to consider a wide variety of economic issues. It examines and considers problems adversely affecting economic development and proposes ways of stimulating the national economy and resolving difficulties facing the private sector. It represents the government at joint meetings with the Businessmen's Council and handles other matters referred to it by Sultan Qaboos. It is chaired by the Minister of the Diwan of the Royal Court. The Economic Co-ordination Council has a secretariat-general at the Ministry of National Economy which considers matters within

the Council's remit, carries out studies and collates data and statistics.

- **The Civil Service Council**

The Civil Service Council draws up general Civil Service policies and considers Civil Service related decisions, laws and procedures aimed at increasing Omanisation levels and improving the performance of the state's administrative apparatus. It is chaired by the Minister of the Diwan of Royal Court.

- **The Higher Education Council**

The Higher Education Council was established on 27th September 1998 by Royal Decree No. 65/98. The 15-member Council is headed by the Minister of the Diwan of Royal Court. The Minister of Higher Education is its deputy chairperson.

The Council is responsible for drawing up the general policies for higher education and scientific research in Oman's universities and higher institutes of learning, and endeavours to ensure they are in line with the country's needs and its cultural, social, economic and scientific goals. It regulates student intake at the universities and higher institutes in co-ordination with the competent authorities, liaises between departments at equivalent higher education institutions, and reviews laws, draft laws and higher education regulations and, when necessary, proposes amendments to them.

The Council also studies and comments on topics referred to it by His Majesty or the Council of Ministers, as well as matters put before it by the universities or competent government departments, and submits annual reports and recommendations to the Council of Ministers on the state and progress of higher education.

- **The Supreme Committee for Town Planning**

The Supreme Committee for Town Planning

was established in 1985 and restructured under the terms of Royal decree No. 102/2006, issued on 2nd October 2006. It is responsible for drawing up general town planning policies within the context of the development plans. It monitors the implementation and development of approved planning programmes and sets out the principles for valuing land expropriated under the Law by the government for the construction of public utilities. The Committee, which is chaired by the Minister of National Economy, also works to overcome any practical or financial obstacles to the implementation of approved plans.

- **Sultan Qaboos University (SQU) Council**

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

Royal Decree No. 71/2006, which was issued on 2nd July 2006, promulgated the Sultan Qaboos University Law and approved SQU's organisational structure.

- **The Tender Board**

The Tender Board was established on 30th April 1973 and operates under the Tender Law and Regulations, promulgated under Royal Decree No. 86/84.

The Tender Board is responsible for opening and studying bids for the award of all government tenders with a value in excess of RO250,000, including purchases and the implementation of projects, but with the exception of defence unit contracts and projects and certain other categories specified under the Tender Law and Regulations. The Board seeks to guarantee the efficient implementation of government projects and the supply of goods and equipment to

the highest specifications, while ensuring optimal use of public funds.

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

The Tender Board is headed by the Minister of Transport and Communications.

- **The Capital Market Authority (CMA)**

The Capital Market Authority (CMA) was set up as part of the process of restructuring Muscat Securities Market (MSM) under the Capital Market Law in the Sultanate, promulgated under Royal Decree No. 80/98 of 9th November 1998. The CMA's board of directors is chaired by the Minister of Commerce and Industry.

The CMA has a monitoring role aimed at ensuring the greatest possible degree of transparency in the securities market's dealings, and takes all the necessary steps to improve the capital market's performance, protect investors and strengthen confidence in the market's operations. Under Article 5 of the Capital Market Law companies dealing on MSM submit regular reports to the CMA on their activities, trading results and financial positions. The CMA also plays a critical role in overseeing MSM and regulating and monitoring the issue and trading of securities, including the adoption of measures or decisions aimed at safeguarding the interests of investors and the national economy. (Further details, see page 162).

- **The National Committee for Education, Culture and Science**

The National Committee for Education, Culture and Science was established by Royal Decree No. 5/74 on 16th September 1974 and is chaired by the Minister of Education. The Secretariat-General of this

Committee arranges and promotes contacts between the Arab, Islamic and international organisations involved in education, culture and the sciences (UNESCO, ALECSO and ISESCO), and the relevant educational and cultural departments and bodies in the Sultanate. It also disseminates information on Oman's heritage and publicises the Sultanate's efforts in the educational, cultural and scientific fields, including its co-operation with the three organisations referred to above.

This year, 2007, the Sultanate presented UNESCO with a US\$1 million grant to support education in Africa. The Sultan Qaboos Prize for Environmental Conservation is also awarded by UNESCO. Last year the member states of UNESCO's general conference unanimously chose the Sultanate to chair the conference.

- **The Telecommunications Regulatory Authority**

The TRA, established by Royal Decree No. 30/2002, issued on 12/03/2002, is the body responsible for implementing general policies on streamlining the telecommunications sector, protecting the interests of all parties involved and enabling new companies to enter and contribute to this vital sector.

Royal Decree No. 83/2007 issued on 5th August structured the TRA appointing HE Mohammed bin Nasser al Khusaibi as its chairman. (Further details, see page 212).

- **National Documents and Archives Authority**

This Authority was established by Royal Decree No. 60/2007 on 2nd July 2007. The Authority will organise and manage documents and archives. It is to be affiliated to the Council of Ministers and enjoys legal personality and administrative and financial independence. (Further details, see page 148).

- **Public Authority for Electricity and Water**

Royal Decree No. 92/2007, issued on 9th September 2007, established the Public Authority for Electricity and Water. The scope of work, allocations and assets related to electricity and water shall be transferred to it from the Ministry of Housing, Electricity and Water.

The Decree appointed HE Mohammed al Mahrouqi as its chairman with the grade of Under-Secretary.

- **The Oman Charitable Organisation (OCO)**

The OCO performs charitable works aimed at helping those in need at home and abroad. It's most recent effort being assistance to those in urgent need following the destruction caused by cyclone Gonu in early-June 2007. In 1999 the OCO provided assistance for the Kosovan refugees and over recent years it has provided regular support to the Palestinian people. It also offers emergency funds to cope with international disasters and also supports social welfare projects, programmes and other charitable activities for children, orphans, the disabled, the elderly and other categories of people in need. In October 2007, the Sultanate (through the OCO) donated assistance worth US\$1 million to Darfur, in collaboration with the UN Commission for Refugees.

The OCO is chaired by the Minister of Legal Affairs.

- **The State Audit Institution**

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

The International Organisation of Supreme Auditing Institutions (INTOSAI) fifth symposium on performance auditing was held in Muscat on 3rd

March 2007 – the first such event to be held in an Arab city – when some 28 states took part.

- **The Public Authority for Craft Industries (PACI)**

PACI was established under the terms of Royal Decree No. 24/2003 on 3rd March 2003 as an independent legal entity overseen by the Diwan of Royal Court. Its responsibilities cover every aspect of the craft industry sector, with the aim of promoting the survival and growth of Oman's traditional crafts and ensuring their ability to operate as productive industries capable of attracting a new generation of craftspeople. March 3rd has been declared Omani Craftspersons' Day. (Further details, see page 150).

PACI's current chairperson is HE Sheikha Aisha bint Khalfan bin Jamil al Siyabiyah - the first Omani woman to hold the rank of minister.

- **The National Information Technology (IT) Committee**

The National IT Committee was set up following a decision by the Council of Ministers in 1998 to oversee the development of the Sultanate's IT sector and promote its benefits. It is chaired by the Minister of National Economy. The Committee has set up a technical working group comprising representatives of the relevant departments, as well as a technical secretariat at the Ministry of National Economy. A national IT strategy was launched on 7th May 2003 and Knowledge Oasis Muscat (KOM) was opened at al Rusayl Industrial Estate in September 2003.

- **The Information Technology Authority (ITA)**

This autonomous legal body, with financial and administrative independence in its operations, was established by Royal Decree No. 52 / 2006, promulgated on 31/05/2006. The ITA serves as a competency centre on best practise in e-governance and in harnessing

information and communications technologies (ICT). It is also responsible for implementing national IT infrastructure projects and supervising all projects related to Digital Oman Strategy implementation while providing professional leadership to various other e-governance initiatives of the Sultanate. The ITA is affiliated to the Minister of National Economy. (Further details, see page 173).

- **The Businessmen's Council**

Sultan Qaboos regards the private sector as having an important role to play in developing the national economy; accordingly, the Businessmen's Council was set up by Diwan Decision No. 3/99, issued by the Minister of the Diwan of Royal Court on 22nd November 1999.

The Businessmen's Council, which has 16 members including, at present, one woman (the number of members may be increased by a Diwan decision). It liaises between the government and the private sector in all fields related to the country's economic development, including the expansion of trade, industry, tourism and investment. It proposes ways of encouraging investment and creating new investment opportunities, promoting manpower development, expanding public participation in economic activities in general and updating laws related to the above sectors.

The Council also comments on projects and laws put before it by the government for discussion. Its proposals and recommendations are forwarded to the Ministry of National Economy. Membership is for a three-year period and is renewable.

- **The Accreditation Council**

The Accreditation Council was established by Royal Decree No. 74/2001, issued on 27th June 2001, to complement the functions of the Higher Education Council. It prepares studies on the requirements and criteria for accrediting higher education institutions



His Majesty makes his annual speech to members of the Oman Council (Majlis Oman) in November 2006.

and their programmes.

It sets the principles for accreditation based on the Higher Education Council's policies and lays down the procedures for evaluating and reviewing the performance of the higher education institutions.

The Accreditation Council was restructured under Royal Decree No. 32/2002, issued on 27th March 2002. It is chaired by Dr. Hamad bin Hashim al Dhahab and has ten members. It meets once every four months.

- **The Oman Medical Speciality Board**

The Oman Medical Speciality Board, which was established under Royal Decree No. 31/2006, issued on 2nd April 2006, is responsible for training doctors in the different areas of medical specialisation in the Sultanate's hospitals and providing them with qualifications in line with the latest advances in the field of healthcare. It is an independent body which has taken over the functions of the old OMSB which was formed by the College of Medicine at Sultan Qaboos University in June 1994. The new OMSB has assumed new responsibilities as per the new Royal Decree.

OMANI SHURA (CONSULTATION)

The consultation, or Shura, process began in Oman in 1981 – over 25 years ago – with the creation of the State Consultative Council, followed gradually – as the emerging society dictated – by the Consultation/Shura Council (Majlis A'Shura), the State Council (Majlis A'Dawla) and the Council of Oman (Majlis Oman), which comprises the members of the State Council and the Consultation Council meeting in joint session.

This year – 2007 – was a highly significant milestone for Oman's ongoing consultative and democratic process, since it saw the completion of the legal framework for the Consultation Council's elections for its 6th Term (2008 -2011) and the promulgation of the Council's amended election regulations, under

Royal Decree No. 2/2007, issued on 21st January. The elections themselves will take place on 27th October 2007.

The Council of Oman (Majlis Oman)

The Council of Oman (Majlis Oman), set up under Article 58 of the Basic Law of the State, is made up of the members of the State Council (Majlis A'Dawla) and the Consultation Council (Majlis A'Shura). It meets at the invitation of Sultan Qaboos to study and discuss matters raised by him and takes its decisions by majority vote.

At the annual meeting of the Council of Oman, which marks the start of the annual sessions of the State Council and the Consultation Council, His Majesty gives a wide-ranging speech which identifies the course and priorities for national action and sets out guidelines for the state's institutions.

The State Council (Majlis A'Dawla)

The State Council (Majlis A'Dawla) – one of Oman's consultative institutions – was set up in 1997. It carries out in-depth studies of the subjects put before it. The Council is a financially and administratively independent legal entity based in the Governorate of Muscat which plays a vital part in national development by fostering active co-operation between the government and the people.

The State Council and the Council of Ministers co-ordinate their activities through the Ministerial Co-ordination Committee and the State Council Office, which promote co-operation between the two bodies. An annual meeting called by His Majesty and attended by all members of the Council of Ministers, the State Council and the Consultation Council, offers further opportunity for discussion and the launch of joint action programmes between the three councils.

- **State Council - Membership**

The State Council's members frequently include



A meeting of members of the State Council (Majlis A'Dawla).

former ministers, under secretaries and those of equivalent rank, as well as former ambassadors, senior judges, senior officers and others with particular experience and expertise in specific fields.

The Chairman and members of the State Council are appointed by Royal Decree and – under the Law – the number of its members must not exceed the number of members of the Consultation Council. In 2007 the State Council had 58 members, including nine women.

Members of the State Council must be nationals of Omani origin as defined by the Law, not less than 40 years of age and of good social standing and reputation. Membership of the State Council is for a four-year period and is renewable. The Council's current term – its third (2004-2007) – ends on 30th September 2007, when a Royal Decree will be issued appointing the chairman and members for the State Council's fourth term – 2007-2011.

• Sessions and prerogatives

The State Council (Majlis A'Dawla) has an annual session of not less than eight months duration, beginning with the inauguration of the Council of Oman (Majlis Oman). It holds the number of sittings it considers sufficient for discussion of the matters referred to it, or proposed by its standing committees, and approved by the Council Office. The Council Chairman may summon extraordinary sittings if required.

The State Council enjoys a range of powers, including the authority to review draft laws before promulgation, with the exception of those laws that the public interest requires should be submitted directly to His Majesty. It also prepares studies on development plans and programmes and puts forward proposals on ways of encouraging investment, improving the performance of the administrative bodies and developing human resources.

The State Council exercises its powers and

prerogatives through four main channels - the Chairman, who oversees Council operations and speaks in its name; the Council Office, which is the driving force behind the Council and its other bodies; the five standing committees - the Legal Committee, the Economic Committee, the Human Resources Development Committee, the Development Plans Implementation Follow-up Committee and the Social Committee; and the Council's secretariat-general, which plays a vital role in the organisational, administrative and financial aspects of the Council's activities.

The Consultation/Shura Council (Majlis A'Shura)

The Consultation/Shura Council was established in 1991 to replace the State Consultative Council, which was in operation from 1981 to 1991.

The members of the Consultation Council represent the Sultanate's wilayats and are elected by the Omani men and women in general elections. Omani women were the first in the Arab Gulf Co-operation Council (AGCC) to enjoy equal voting rights and there have been women members of the Consultation Council since the second term (1995 -1997).

• The sixth-term elections

The Consultation/Shura Council's fifth term (2004 -2007) will end on 30th September 2007 and its sixth term (2008-2011) will begin from the date of the announcement of the final general election results, to select representatives of the wilayats to the Council, which are due to be held on 27th October 2007. The Council's sixth term runs until 30th September 2011. Registration on the electoral roll began in May 2006. Anyone aged 21 or above was able to register in their wilayat or at their place of residence. Citizens could register at the walis' offices in their wilayats, by filling in a form at the Interior Ministry's Directorate-General of Nationality and Electoral Affairs, or by registering through the internet website - www.moi.gov.om.



Elected members of the Consultation/Shura Council have discussions, and question one of the Ministers. These are transmitted by the media.



The main Consultation/ Shura Council Election Committee finalises arrangements for the election of members to the 6th Term (2008-2011) of the Consultation Council which took place on 27th October 2007.

In addition to the upgrading of voting procedures in the wilayats and the introduction of polling centres at the Sultanate's embassies around the world, a range of other regulatory and administrative amendments were put in place to facilitate the voting process for Omani men and women. New polling centres were set up and machines installed to count the votes.

The Minister of the Interior issued a statement classifying the wilayats' status according to their populations. Of all wilayats, 23 have populations of 30,000 or above and are therefore eligible to elect two candidates to the Consultation Council. The 38 wilayats with under 30,000 inhabitants are eligible to elect just one candidate. Subsequently, 84 candidates will be elected to the Council for its sixth term (2008-2011). The Minister of the Interior also issued the regulations for the Consultation Council elections. The regulations include 48 articles covering electoral organisation and procedures.

The Council is a financially and administratively independent legal entity based in the governorate of Muscat, its chairman is appointed by Royal Decree.

The Council's representative role and functions have been reinforced through its powers which are constantly under review and expansion through amendments to State Council and Consultation Council regulations; these were originally promulgated under Royal Decree No. 86/97, issued on 16/12/1997.

Royal Decrees amending the regulations since then include No. 74/2003 issued on 19/10/2003 and No. 2/2007 issued on 21/1/2007; the Consultation Council's internal regulations were also amended under Royal Decree No. 71/2004 issued on 28/6/2004.

- **Consultation/Shura Council - membership**

Both men and women have equal rights to stand as candidates for membership of the Consultation Council, providing they are nationals of Omani origin as defined by the Law. Candidates must be not less than 30 years old and of good social standing and reputation in their wilayats. A candidate must be free of any criminal record with a reasonable standard of education and appropriate practical experience.

Membership of the Consultation Council is for a period of four years and renewable if the member is successful in the subsequent Council elections. A member may not combine membership of the Consultation Council with membership of the State Council or public office.

The Council's term is four years, beginning from the date on which the final general election results are announced. The current term running from October 2007 to 30th September 2011.

- **The Consultation/Shura Council - sessions and powers**

The Consultation/Shura Council's parliamentary power has been shaped and reinforced through continual assessment and reform. At the end of its

fourth term (2001-2003) its tenure was extended from three years to four and sessions extended to run for at least eight months a year enabling more detailed debate of its agenda. The Consultation Council Office sets the agenda and timetable for the Council's ordinary sittings, in the light of Council committee activity. Generally speaking, the Council holds around 16 ordinary sittings over the course of its eight-month annual session, with each sitting lasting for two or more days however, the Chairman is empowered to summon extraordinary sessions if required.

The Consultation Council enjoys a range of powers including:

- Reviewing draft laws drawn up by ministries and government departments before promulgation, with the exception of those laws the public interest requires should be submitted directly – by the Council of Ministers – to His Majesty.

- Debating economic and social laws and proposing amendments in the interests of the country's development efforts and helping to draft the Five-year Development Plans.

- The Council chairman is a member of the Supreme High Committee for the Five-year Development Plans, which sets out the Plan's basic guidelines and monitors its implementation. The draft Plan is then put before the Consultation Council for study, discussion and approval before the appropriate Royal Decree is issued. The Council also debates the draft General State Budget and submits proposals on it. After debating draft laws, it refers them to the Council of Ministers together with its recommendations.

- The Consultation Council discussed and approved the 2007 General State Budget on 15/11/2006 in the presence of Minister of National Economy and Supervisor of the Ministry of Finance, Ahmed bin Abdul Nabi Macki, who replied to members' questions.

- Studying and expressing its opinion on topics

referred by His Majesty or the Council of Ministers. The Consultation Council returns these topics, together with its recommendations and proposals, to the authority from which they originated. The chairman also submits an annual report to Sultan Qaboos on the Council's activities.

Following a request for a debate from several Council members, on 16th December 2006 the Council hosted Dr. Ali bin Mohammed bin Moosa, Minister of Health, who replied to members' questions on medical issues. On 17th and 18th December 2006 Maqbool bin Ali bin Sultan, Minister of Commerce and Industry, gave a statement to the Council, which was followed by open discussions, on the high price of foodstuffs, the government's consumer protection policies and the free trade agreement with the United States of America. The Council also discussed the situation in the oil and gas sectors in the presence of Dr. Mohammed bin Hamad al Rumhi, Minister of Oil and Gas, on 21st January 2007. Others hosted have included the Ministers of Housing, Electricity & Water; Education; Higher Education and Manpower.

• Consultation Council - Co-ordination with other institutions

As well as providing a framework for interaction between the government and Omani citizens and a forum for popular participation, the Consultation Council helps reinforce good relations between the Sultanate and other countries. It takes part in meetings of Arab, Islamic and international parliamentary unions, as well as exchange visits with parliaments and similar bodies in Arab and foreign states, while the Chairman of the Consultation Council receives visiting foreign officials. In December 2006 the Consultation Council Office approved the formation of an Omani-Saudi Parliamentary Friendship Committee.

The Consultation Council also plays an active role in Gulf, Arab, and Islamic parliamentary efforts in support of Arab causes.



RELIGION AND THE LAW

RELIGION AND THE LAW

Religious tolerance is a distinctive feature of the Omani character, which historically rejects fanaticism and extremism. This is enshrined in the Basic Law of the State, which safeguards personal freedoms, including freedom of belief. Article 28 of the Basic Law of the State affirms “the freedom to practise religious rites in accordance with established custom is guaranteed provided it does not infringe on public order or decency.” Members of other religions who reside in Oman are free to practise their faith in their own places of worship, and the Omani Personal Status Law guarantees them the right to implement the provisions that apply to them, insofar as they are compatible with Omani traditions, (Article 282).

The world today is experiencing rapid and massive change and Oman is keen to keep pace. Some years ago Sultan Qaboos stressed the need to ‘keep abreast of the times with renewed, advanced Islamic thought, based on contemporary interpretative judgement’.

The Ministry of Awqaf and Religious Affairs seeks to instil a proper understanding of Islam together with its heritage, traditions and values. It oversees the Institute of Sharia Sciences, which trains imams and preachers and awards BA degrees in Islamic sciences (jurisprudence and missionary work).

The development and investment of awqaf (religious endowments) and Bait al Mal (Treasury) funds come under the Ministry’s jurisdiction. The Ministry also collects zakat (charitable) payments and distributes them to eligible recipients.

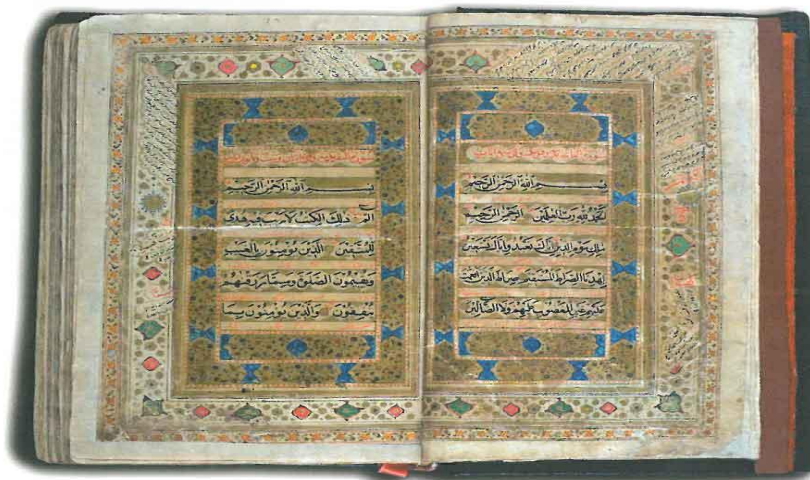
One of the main functions of the Ministry is the construction and maintenance of the Sultanate’s 13,945 mosques. It also makes the necessary arrangements for Omani citizens and other nationalities residing in the Sultanate to perform the Hajj pilgrimage and sponsors the Quran memorisation schools and summer centres around the country.

Meanwhile, the Sultan Qaboos Grand Mosque and the Sultan Qaboos Centre for Islamic Culture play a vital role in promoting cultural contacts with other societies and helping to familiarise them with the civilization of Islam. Both host lectures by scholars, intellectuals and academics from around the world and hold seminars and symposiums.

The Sultan Qaboos Cultural Centre in Washington helps foster greater understanding between the Omani and American peoples and several officials from the US Centre visited Muscat in February 2007. The Omani government also promotes dialogue and the study of Arab and Islamic culture in prominent American, European, Australian and Chinese universities (Further details, see page 40).



His Majesty joins the Eid al Adha prayers at the Al Sayyidah Al Jaleelah Mayzoun Mosque in Seeb in January 2007.



Two selected pages from an old complete copy of the Holy Quran. The text is in gold and coloured frames, and verses are in gold clouds.

Oman Qur'an and other publications

An eight-year-long project finally bore fruit on 11th October 2006 with the publication of the Mushaf Oman (Oman Qur'an), the first Qur'an to be printed in Oman. Its script and ornate embellishments were inspired by Omani calligraphy and other Omani-style aesthetic features.

In addition to setting up the electronic library project, the Ministry of Awqaf and Religious Affairs also publishes the quarterly Islamic cultural magazine Al Tasamuh (Tolerance), along with a range of books and studies on religious topics.

The Office of His Eminence the Grand Mufti of the Sultanate propagates religious knowledge, issues Sharia fatwas (religious rulings) and represents the Sultanate at Islamic events and conferences around the world.

The Law

The rule and sovereignty of the law, independence of the judiciary, respect for the rights of citizenship and the values of justice and equality before the law, are among the most important principles laid down and promoted by Sultan Qaboos over the years. Not only do they provide a firm basis for national action in every field but also, by ensuring the proper implementation of the justice system at every level, they guarantee it will have a positive impact on the daily lives of Oman's citizens.

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

The creation of a modern, integrated judicial authority protects the status of the judiciary and upholds the independence of the courts, while enabling citizens everywhere to exercise their right to litigation. Article 60 of the Basic Law of the State stipulates: "Judicial power is independent and vested in the Courts of Law, of whatever type or status, which issue their judgements in accordance with the Law."

Article 61 states that "There is no power over the judges in their rulings except the Law. Judges can only be dismissed in cases specified by the Law. No party may interfere in a lawsuit or in matters of justice; such interference shall be a crime punishable by the Law."

In parallel with this, the Basic Law of the State provides strong safeguards to guarantee the rights of individual citizens. An accused person is deemed innocent until proven guilty in a legal trial with all the necessary guarantees put in place to ensure a legitimate defence in accordance with the Law. No defendant should be subjected to physical or psychological abuse, and there must be no crime and no punishment, except in accordance with the Law,

before which all citizens are equal. These, and other safeguards, are covered by the provisions of Articles 17 to 27 of the Basic Law of the State.

The laws in force include the Judicial Authority Law, as well as laws on legal practice, the public prosecutor's office, civil and commercial procedures, notaries-public and other matters. A Supreme Judicial Council has been established and various steps taken to upgrade the judicial sector. These include the training of members of the judiciary, the renovation of court complexes and the construction of new complexes and premises, as well as further measures aimed at streamlining the right of litigation.

The Law on Conciliation and Settlement, promulgated under Royal Decree No. 58/2005, made provision for the establishment of 22 conciliation and settlement committees across the country, in order to provide citizens with additional channels for resolving civil, commercial and personal status disputes within the context of established Omani custom, enabling litigants to reach a settlement by mutual consent, without recourse to the full judicial process.

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

The Sultanate came second on the Arab states' Sovereignty of the Law Index in the 2006 report issued on the World Bank's website on 16/9/2006 and entitled "Public Administration System Issues 2006 – World Public Administration System Indices."

Judicial system

The Omani judicial system is organisationally and legally integrated with its operational infrastructure scheduled for completion during the Seventh Five-year Development Plan (2006-2010). This includes

the renovation of court complexes and notary-public premises and the creation of the Higher Institute of Jurisprudence, being set up to train assistant judges. Article 62 of the Basic Law of the State regulates the different categories and levels of the Omani courts and defines their functions and jurisdiction. The jurisdiction of the military courts is limited to military crimes committed by members of the armed forces and security forces and does not extend to other categories.

The Judicial Authority Law regulates the Omani courts as follows:

• The Supreme Court

The Supreme Court, based in Muscat, is the highest court in the Sultanate and consists of a president and a number of deputy presidents and judges. It is headed by Sheikh Ishaq bin Ahmed Albusaidi.

The Court rules on disputes over the extent to which laws and regulations comply with the Basic Law of the State and its provisions. It also rules on appeals.

The Supreme Court has a technical office with a number of judges who extrapolate legal principles from the Court's rulings. The office issues collected rulings in classified form and publishes a periodical devoted to judicial matters and legal research. This year, 2007, it published two books of rulings issued by the Supreme Court's circuits up to 31/12/2005, together with the principles extrapolated from them.

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

- **The Courts of Appeal**

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

- **The Courts of First Instance**

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

The Courts of First Instance consist of several specialised circuits whose rulings are issued by a single judge. Criminal circuits are set up under the jurisdiction of the Courts of First Instance on the basis of a decision given by the Minister of Justice. In addition to their single-judge circuits, the Courts of First Instance – in Muscat, Sohar, Nizwa, Salalah, Ibra, Ibri, Mahawt and Daba – also have three-judge circuits with responsibility for particular categories of cases.

- **The Administrative Court**

The Administrative Court was set up to rule on administrative disputes. It hears claims filed by civil servants against their departments, as well as other cases that fall within its jurisdiction.

- **The State Security Court**

The State Security Court was established in 2003 as an independent judicial body operating under the State Security Court Law promulgated by Royal Decree No. 64/2003 on 23/9/2003. It is headed by Sayyid Hilal bin Hamad Albusaidi, State Advisor for Justice Affairs.

- **The Public Prosecutor's Office**

The Public Prosecutor's Office is responsible for

bringing general cases in the name of society and oversees law enforcement affairs in the different regions of the country. Its powers include the authority to enforce criminal laws, pursue the guilty and implement rulings in accordance with the Law.

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

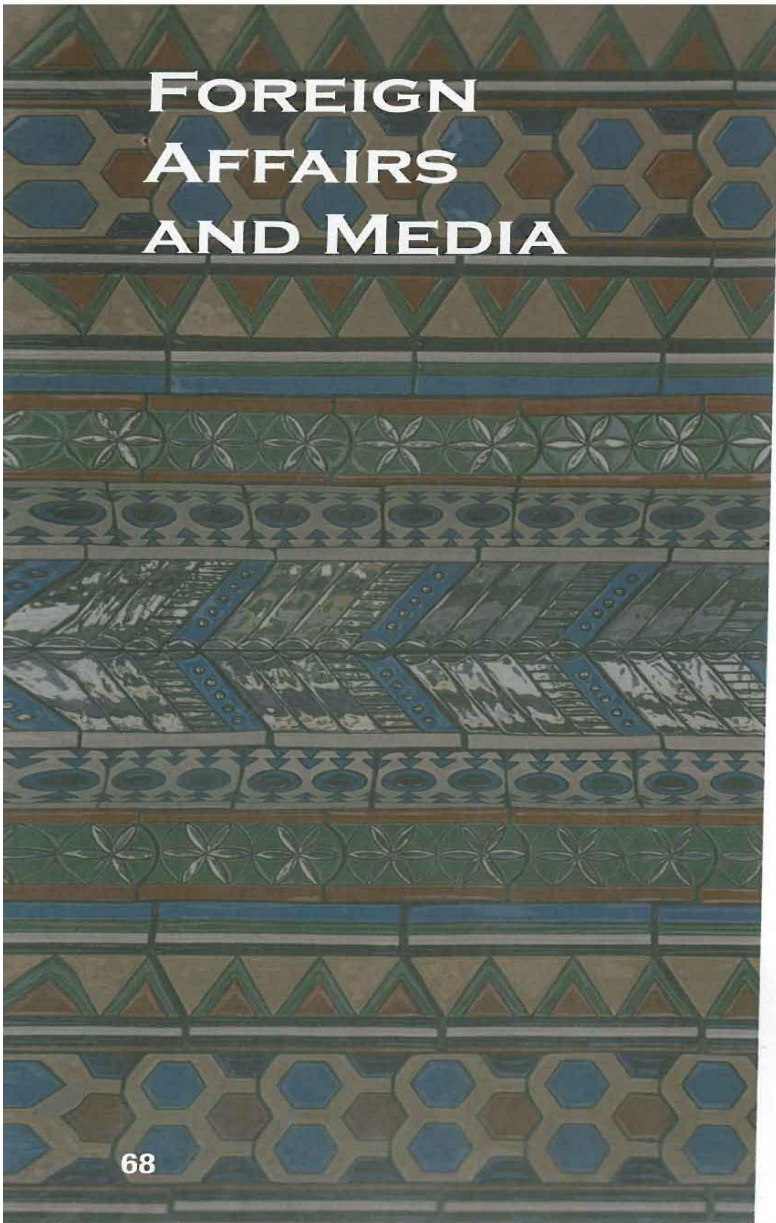
Legal Affairs

Oman's legal system is based on decrees issued by His Majesty the Sultan, which in turn derive their authority from the Basic Law of the State. The decrees promulgate laws regulating various aspects of life in the community, while the Ministry of Legal Affairs prepares and revises draft laws, other draft decrees, international agreements and contracts in which the government is one of the contracting parties. The Ministry also gives its legal opinion on matters put forward by other ministries and administrative departments. In addition, it gives legal opinions and issues officially approved legal interpretations of Royal Decrees, laws, decisions and regulations when circumstances demand, and protects the government's interests in any disputes that might arise out of the implementation of contracts.

The Ministry of Legal Affairs publishes the fortnightly "Official Gazette", which contains the official texts of decrees, laws, ministerial decisions and regulations issued in the Sultanate. It also compiles, collates and publishes - annually - bound volumes of statutes and legal opinions derived from legal rulings and interpretations, as well as a guide to Royal Decrees, laws and decisions in book and CD form.



One of nearly 14,000 mosques in the Sultanate. Depicted here is the Al Sayyidah Al Jaleelah Mayzoun Mosque in Seeb.



FOREIGN AFFAIRS AND MEDIA

FOREIGN POLICY

Oman's foreign policy is not designed to serve limited or short-term objectives but is based on a broad, long term vision that regards peace as a vital goal to be achieved for global good.

Since the 1970s, Oman has sought to play a constructive and influential role in the international arena. Its foreign policy is based on specific principles including: respect for the sovereignty of all nations, non-interference in the internal affairs of other states, a commitment to good neighbourly relations, the resolution of differences and disputes by peaceful means, respect for the principles of international law and sincere co-operation in the common interests of present and future generations.

Oman abandoned its isolation in 1970 and began building bridges of goodwill, friendship and fruitful co-operation with other nations. Its foreign policy became a vital tool in achieving new development efforts as Omanis began to open up new horizons of co-operation across the world. Today, the Sultanate enjoys friendly relations with all its neighbours; no border dispute, or other form of bilateral dispute, exists between Oman and another state.

The Sultanate's policies have earned it global respect, while the economic dimensions of Omani diplomacy have become increasingly important in the Gulf, Arab, regional and international arenas.

Relations with AGCC States

Oman has long enjoyed a close and special relationship with its fellow Arab Gulf Co-operation Council (AGCC) states (i.e. Bahrain, Kuwait, Qatar, Saudi Arabia and the UAE), all of whom share common hopes and aspirations for a better life for their citizens in the future.

The Sultanate has played an active and positive role in promoting and developing co-operation and integration within the AGCC states even before the Council was officially formed in 1981, recognising that a common Gulf identity, and citizenship, was the way forward. The Sultanate has played an important role in promoting further co-operation between the AGCC states and its two other near neighbours, Yemen and Iran, thereby helping establish greater regional stability, security and prosperity.

The 28th AGCC Summit is scheduled to be held at the end of December 2007 in Qatar, and is vital not only in terms of promoting further integration between the AGCC states, but also with Yemen.

His Majesty has given Audiences to the following visitors from the Gulf region over the past year: the Emir of Kuwait, Sheikh Sabah al Ahmed al Jaber al Sabah (11/11/06); the Custodian of the Two Holy Mosques, King Abdullah bin Abdul Aziz al Saud of Saudi Arabia (23/12/06); and to Sheikh Khalifa bin Zayed al Nahyan, President of the United Arab Emirates (28/05/07). Others have included Abu Dhabi's Heir Apparent & Deputy Supreme Commander of the UAE's Armed Forces, General Sheikh Mohammed

bin Zayed al Nahyan (08/11/06); Ras al Khaimah's Heir Apparent, Sheikh Saud bin Saqr al Qasimi (27/11/06), Dr Abdullah al Khuwaitan, Minister of State and Member of the Council of Ministers of Saudi Arabia (28/11/06); Sheikh Abdullah bin Zayed al Nahyan, Foreign Minister of the UAE (04/04/07); Sheikh Dr Sultan bin Mohammed al Qasimi, Member of the United Arab Emirates Supreme Council and Ruler of Sharjah (07/04/07); and Abdul-Rahman bin Hamad al Attiyah, Secretary-General of the Gulf Cooperation Council had Audiences with His Majesty on three occasions during the period November 2006 to May 2007.

HH Sayyid Fahd bin Mahmoud al Said, Deputy Prime Minister for the Council of Ministers, attended the 19th Arab summit in Riyadh on behalf of Sultan Qaboos on 28th and 29th March 2007.

There were also a number of exchange visits and meetings of joint committees at ministerial and other levels between the Sultanate, other AGCC states, the Republic of Yemen and the Islamic Republic of Iran. Great importance has been laid on the importance of free and frank dialogue with regard to the dispute over Iran's nuclear programme and the need to keep all channels of communication open in order to avert a further escalation of the dispute, not least because Oman's leadership resolutely believes dialogue is the best way to achieve a suitable resolution of outstanding issues.

Arab World Relations

Oman's balanced approach to political issues has gained it international acclaim. The Sultanate is swift to demonstrate positive support for Arab causes and to implement the expansion of bilateral relations with other Arab countries; reflecting its unswerving belief in the need for joint action and serious investment of available resources in improving the quality of life for all Arab peoples.

The Sultanate backs recent initiatives to upgrade the Arab League and supports joint Arab action – through the League – to bring resolution to outstanding Arab



His Majesty attending the GCC Summit held in Riyadh in December 2006.

problems, including moves to reach a just, permanent and comprehensive settlement between the Arab states and Israel.

Oman remains a staunch supporter of the Arab peace initiative and enthusiastically backs the Palestinian people's efforts to gain their legitimate rights on the basis of international law, including the creation of an independent Palestinian state. It condemns Israel's repressive practices in the Occupied Territories and its blockade of Palestine's national unity government.

The Sultanate affirmed its support for the Lebanese people in the aftermath of the Israeli incursion in July 2006, as well as its backing for the restoration of stability in Lebanon. It has voiced its profound anxiety at the deteriorating security situation in Iraq and expresses the hope that Iraqis will unite around a political programme which takes into account the higher interests of Iraq and its entire people, while preserving the country's sovereignty and territorial integrity. On other Arab issues of dissent, Oman hopes to see swift, just and peaceful solutions and



Sultan Qaboos with his brother leaders of the GCC states at the Summit which was held in Riyadh, Kingdom of Saudi Arabia in 2006.



His Majesty welcomes the Emir of Kuwait, His Highness Sheikh Sabah al Ahmed al Jaber al Sabah to the Sultanate.



His Majesty welcomes the Custodian of the Two Holy Mosques, King Abdullah bin Abdul Aziz al Saud of Saudi Arabia to the Sultanate.



His Majesty discusses topics of mutual interest with His Highness Sheikh Khalifa bin Zayed al Nahyan, President of the United Arab Emirates during a visit to the Sultanate.



His Majesty welcomes His Highness Sheikh Dr Sultan bin Mohamed al Qasmi, Supreme Council Member of the United Arab Emirates and Ruler of Sharjah.



His Majesty welcomes the Prime Minister of Iraq, Nuri Kamil al Maliki to the Sultanate in April 2007.



His Majesty has a meeting in the Sultanate with Lebanese Prime Minister, Fouad Siniora in January 2007.



His Majesty has a meeting with the British Defence Minister, Des Browne, during a June 2007 visit to Muscat.

supports efforts to make the whole Middle East free from weapons of mass destruction.

In furtherance of these aims, His Majesty gave Audiences to regional visitors including the Grand Mufti of Syria, Dr Ahmed Hassoun (5/12/06); King Abdullah II of the Hashemite Kingdom of Jordan (14/12/06), Lebanese Prime Minister Fouad Siniora (14/01/07), the Prime Minister of Iraq, Nuri Kamil al Maliki (25/04/07) and the Iranian President Dr Mahmoud Ahmadinejad (14/05/07).

During the period under review, messages were delivered personally to Sultan Qaboos by Dr Faisal al Miqdad, Syria's Deputy Foreign Minister and envoy of the Syrian President (14/11/06), Dr Shakeeb Khalil, Algerian Minister of Energy and Mines, representing President Abdelaziz Bouteflika of Algeria (25/12/06); the Personal Envoy of Col. Muammar Gaddafi, President of Libya (20/03/07); Moroccan Foreign Affairs and Cooperation Minister, Mohammed Ben Issa, representing King Mohammed VI of Morocco (23/04/07); Dr Abu Bakr Abdullah al Qarbi (envoy on behalf of the Yemeni President Ali Abdullah Saleh) (02/04/07), and to Abdulla al Sanoosi, Personal Envoy of the Libyan President Gaddafi (23/04/07). There were also numerous bilateral exchange visits at ministerial levels and between members of the many joint bilateral committees that play an important role in promoting co-operation between the Sultanate and other countries in a wide variety of fields.

A number of Arab and non-Arab countries took part in a range of cultural activities within the context of "Muscat - 2006 Arab Culture Capital". Cultural days were held at UNESCO in Paris, several art exhibitions were staged in the United States and Omani Culture Weeks were celebrated in Tunis and Riyadh. Meanwhile, events illustrating the cultures of Algeria, the UAE, Yemen and Egypt were hosted by Muscat during 2006.

Worldwide Relations

Over the past 37 years the Sultanate's moderate policies have enabled it to forge strong and fruitful relations with

countries around the world, helping promote friendship, dialogue, mutual understanding and common interests within a framework of respect for the legitimacy of international law.

Oman believes the most effective method of achieving peaceful coexistence between people of the world is through the impartial application of justice and the upholding of universal respect for human rights, including the "right to freedom and independence."

In matters of international diplomacy, Oman strongly maintains that the resolution of differences should always be settled by peaceful means and within the framework of international law and legitimacy; whether that settlement is achieved individually, in co-operation with other states, or through the medium of the United Nations and/or other regional and international organisations.

The Sultanate takes the unswerving line that serious international problems need just and permanent solutions which, when handled correctly, can open up new horizons for co-operation and development. It rejects extremism and terrorism and calls for an effective global strategy for combating such aggression, based on international co-operation. At the same time, the Sultanate believes a distinction must be made between acts of terrorism and the legitimate right of self-defence and resistance to outside aggression. The Sultanate backs reform of the United Nations and its agencies to enable them to play a more effective role in establishing international peace and security. In this connection, the government in Muscat welcomes the creation of an international human rights council and has called for a balance to be established between the need for security and compliance with human rights charters. It is unwise, in the Muscat government's view, to threaten a State's security and stability under the pretext of fighting terrorism and, equally unfair, to subject innocent people to oppression and injustice.

Oman enjoys cordial and close relations with all sections of the international community and several exchange visits have taken place at various levels over the past year. Audiences were given by His Majesty to the

following visitors:

President Karolos Papoulias of Greece and Bulent Arinc, Speaker of Turkey's Grand National Assembly (26/11/06); Mr C. David Welch, US Asst Secretary of State for Near Eastern Affairs (12/12/06); President of Belarus, Aleksandr Lukashenko (14/04/07); Foreign Minister of Denmark, Dr Per Stig Moeller (30/04/07); Commander of the US Central Command, Admiral William Joseph Fallon (09/05/07); and the British Defence Secretary, Mr Des Browne (03/06/07).

Other visitors included Khurshid Mahmood Kasuri, Pakistan's Foreign Minister, Franki van Stapel, Belgium's Senior President of Court Audit and Chairman of the Audit Committee on Internal Criterion affiliated to the International Organisation for Supreme Audit Institutes, Roumen Ocharov, Bulgaria's Minister of Economy and Energy, Prof. Basheer Attilay, Turkish Minister of State, David Sampson, US Deputy Secretary of Trade, Richard B. Cheney, US Vice-President, Britain's Prince Michael of Kent and Prince Andrew Duke of York, Dr Philip de Heer, Secretary-General of the Dutch Ministry of Foreign Affairs, Brigitte Girardin, French Minister delegate for Co-operation, Development and Francophony and envoy of the President, Mohamed al Baradei, Chairman of the International Atomic Energy Agency and Sergei Oganessian, Head of the Russian Energy Agency,

On 18th January 2007 the Indian Council for Cultural Relations, which oversees the Jawaharlal Nehru Award for International Understanding, announced that this year the prestigious Award had been given to His Majesty Sultan Qaboos. The Award is made annually for outstanding contributions to the promotion of international understanding, goodwill and friendship among peoples of the world.

The Economic Dimensions of Foreign Policy

Thanks to the warm relations Oman enjoys with countries around the world and its centuries-long experience of trade and contacts, foreign policy has played a vital role in bolstering development efforts. The Sultanate

is also a major contributor to economic co-operation in the Gulf, Arab, regional and international arenas.

The Free Trade Agreement (FTA) signed by the Sultanate with the United States of America on 19th January 2006 is designed to help boost bilateral trade and investment. It was approved by the US Senate on 19th September 2006 and signed into law by the President on 26th October 2006. The Sultanate enthusiastically supports the Arab Gulf Co-operation Council (AGCC), the Greater Arab Free Trade Zone and the World Trade Organisation (of which it is an active member), and in 2003 it joined the Asian Co-operation Dialogue. It helped set up the Indian Ocean Rim Association for Regional Co-operation and is actively engaged in developing closer bilateral relations with numerous states. This has had a tangible effect not only in attracting greater foreign investment to the Sultanate through the funding of major industrial, tourist and service projects in different parts of the country, but also in boosting trade with various countries around the world, to the benefit of the Sultanate's development process.

Oman's close relations with countries in Asia and Africa go back a long way. Trade links, particularly with South and South-East Asia and East and Central Africa, first began with the arrival of Omani trading vessels centuries ago, and these associations have increased steadily over the years.

The Sultanate played a major part in establishing the Indian Ocean Rim Association for Regional Co-operation (IORARC) in 1997 and actively promotes measures to promote economic co-operation between member states, particularly in trade, tourism, the sciences, marine transport and fisheries.

Meanwhile, relations with East and Central Africa also continue to flourish with existing extensive ties strengthening annually, opening up the way for ever closer future relationships.

The Sultanate enjoys diplomatic relations with over 140 countries and is a member of over 105 regional and international organisations.



His Majesty discusses matters of mutual concern with His Majesty King Abdullah II of the Hashemite Kingdom of Jordan on a recent visit.



His Majesty exchanges views with the Iranian President, Dr Mahmoud Ahmadinejad in May 2007.



His Majesty has a meeting in the Sultanate with President Karolos Papoulias of Greece.



His Majesty has a meeting with the President of Belarus, Aleksandr Lukashenko during the latter's visit to Muscat.

THE MEDIA

A strong and independent media is an asset to any society and, over the past 37 years, Oman has worked hard to build credibility both domestically and internationally.

Before 1970 Oman's media was virtually non-existent; today its coverage extends via satellite and the internet to every part of the globe.

The non-government media – set up and run by Oman's private sector – has an important function, not least in the challenge it poses to the longer established and more traditional channels of communication. Its role has expanded since the promulgation of Royal Decree No. 95/2004 on the Law on Private Radio and Television Stations when private radio stations and TV channels joined the ranks of Oman's privately owned press.

Sultanate of Oman Radio

Sultanate of Oman Radio has made impressive advances in terms of its technical resources as well as in the quality of programme content. It now broadcasts 24 hours a day and its transmissions can be accessed throughout Oman as well as around the world, either through its satellite transmissions over the airwaves, or from its website.

Sultanate of Oman Radio has four main services - the general Arabic service, the Youth service, the Holy Qur'an programme and the English service. Most of the material is locally produced with each programme schedule running for three months. There are four different schedules a year with special timetables for the month of Ramadan, National Day, Eid al Fitr and Eid al Adha. Its transmissions also include live coverage of the National Day celebrations, Sultan Qaboos's speech to the annual session of the Council of Oman (Majlis Oman), His Majesty's meetings with members of the public

during the annual Royal Tours, and the activities of the Consultation Council (Majlis A'Shura), including statements delivered by ministers to the Council and the members' subsequent discussions on them.

The General Arabic service

(Transmits: 200Kw Medium Wave from Seeb on 1242 KHz, on 100Kw MW from Awqad (Dhofar) on 738 KHz; 100 Kw MW from Haima on 576 KHz. Short Wave (different frequencies) – from Thumrait & Awqad; on 7630 KHz to Africa and on 15140 KHz to Europe).

Sultanate of Oman Radio's general Arabic service broadcasts round the clock on medium and short wave from its stations in Seeb, Muscat, Awqad in Dhofar; and Haima in the Wusta region. This is also available on satellite, i.e. Nilesat, Hotbird etc.

Programmes on development topics accounted for 28.09% of the total number of broadcast hours. Religious, cultural and educational programmes together totalled 34.02%, while sports and youth, children's programmes and entertainment accounted for more than 16%; news programmes accounted for almost 20% of the total number of broadcast hours.

There are three 1-hour news bulletins a day at 0700, 1600 and 2300 hours, two local news broadcasts from 0700-0715 and from 1400-1430 hours, plus 2 minute headlines on the hour at other times.

Sultanate of Oman Radio played a major role in covering the elections for the Consultation Council's (Majlis A'Shura) sixth term (2008-2011) in October 2007, relaying live reports of the activities of election committees in the Sultanate's governorates and regions, as well as live interviews with voters as election results in the wilayats came in. The discussion and public participation programmes broadcast live on air played an important part in charting the large number of citizens, particularly women, who took part in the elections process, as well as highlighting the efficiency and transparency



Omani women participate fully in the work of Sultanate of Oman Radio.



An engineering workshop – keeping equipment maintained is essential for transmissions.

of the election process.

The Youth service

(Transmits on FM 100 Mhz in Muscat, and on different wavelengths elsewhere in the country).

The Youth service is one of Oman Radio's most successful services. It is presented by trained Omanis with its widely varied programme content tailored specifically to reflect the interests of the country's youth. Young people are given the opportunity to express their concerns and participate in a wide range of programmes, with the result that the service attracts large numbers of young listeners.

The Youth service broadcasts on the FM band for eleven hours a day - from 1 pm till midnight. The service covers all Oman's governorates and can also be received by satellite and via the internet.

The English service

(Transmits on FM 90.4 in Muscat & Salalah)

Oman Radio's English service offers an excellent opportunity for contacts and dialogue between Omani nationals and members of non-Arab communities living in the Sultanate. The service broadcasts 18 hours a day, from 6.00 am to midnight on the FM band. It transmits cultural and musical programmes, as well as programmes on tourism, progress and development, health, the sciences and other topics, including Omani politics and heritage.

The English service broadcasts for a total of over 6,500 hours a year.

The Holy Qur'an Programme

(Transmits on FM 93.2)

Sultanate of Oman Radio's Holy Qur'an Programme began broadcasting in July 2006. In response to the religious concerns and needs of nationals and residents, it helps promote a proper understanding of the Islamic faith. The service is on air for seven hours a day – from 3 pm till 10 pm in the Muscat and surrounding areas. It also transmits on the Arabsat satellite system. Its programmes include recitations from the Holy Qur'an and talks highlighting the tolerance and openness of the true Islamic religion.

Hala – Private Radio Station

(Transmits on FM 102.7)

The Sultanate's first private FM radio station, 'Hala' was launched on 23rd May 2007. This Arabic-language station caters to the youth, airing programmes on entertainment, music and celebrity interviews. It can be heard 24 hours a day only in the Muscat area, but there are plans for expansion to allow the station to be received by listeners countrywide.



'Hala FM', the first private radio station in the Sultanate.

Hi - English Private Radio station

(Transmits on FM 95.9)

The Sultanate's second private FM radio station, 'Hi' began broadcasting music in October 2007. This English-language station can be heard 24 hours a day in the Muscat area.

Oman Radio – Training and Programmes

Sultanate of Oman Radio's studios in Muscat and Salalah are currently being upgraded, along with the technical and professional skills of its staff. As work continues on the new, state-of-the-art digital studio complex, training courses are being held in various radio-related fields, and co-operation arrangements are being expanded between Oman Radio and the broadcasting services of the Arab Gulf Co-operation Council (AGCC) states through the AGCC Joint Programme Production Organisation. The 16th meeting of AGCC Information Ministers in Riyadh on 14/3/2007 approved Oman's proposals on setting up an office to co-ordinate media training programmes.

In addition to the co-operation between Oman Radio and other Arab radio services through the Arab States Broadcasting Union's radio programme exchanges system, there are also programme exchanges with several Asian and European countries.

Sultanate of Oman Radio has won prizes at Gulf and Arab festivals, for the quality of its productions, these include gold awards for the children's programme "Akmil al Hikayah" ("Complete the Story") at the 9th Gulf Festival for Radio and TV Production, held in Bahrain in 2006 and the 12th Cairo Radio and TV Festival in November 2006. It also shared the gold award for drama scriptwriting for the serial "Heena Kaan al Hulm" ("At the Time of the Dream"). This, and the fact that Oman submitted 14 works out of a total of 537 radio and TV productions at the Cairo festival in which 18 Arab states took part, highlights the extent to which Omani drama has developed.

Sultanate of Oman Television

Oman TV's programmes reach every area of the country and for several years it has been possible to receive them throughout the world via satellite and the internet. Particular attention is currently being focused on improving the content of programmes – producing top-quality material on development and educational issues, as well as high-class entertainment capable of competing with the best the region and the outside world has to offer.

Religious, cultural and educational programmes accounted for the highest percentage of the transmissions with 25.39%, followed by entertainment and the arts at 23.85%, then programmes on development at 18.93%, news programmes at 17.37% and children's programmes at 8.18%. Most programmes, including public participation and discussion broadcasts, are locally produced.

With terrestrial as well as satellite programmes, Oman TV can offer Omani viewers and residents in the Sultanate a wider choice, including coverage of carefully selected local events such as Consultation Council (Majlis A'Shura) debates, development projects, Omani and Arab serials and a range of regional and international cultural activities. It normally transmits terrestrial programmes for seven hours a day, although this figure rises to ten hours on occasion.

Regional and international political events are regarded as a priority along with analysis and discussion when appropriate, using correspondents and experts based in different parts of the world.

However, great emphasis is also placed on programmes with a local flavour that satisfy the cultural, educational, sports and entertainment needs of the different sections of society, as well as Omani serials and dramas and programmes on development and economic topics. There are also seven news bulletins over a 24 hour period, including one in English, one with a particular focus on economic



A Digital Studio Complex for Oman Television, due for completion in 2008.



Editing footage in Sultanate of Oman TV.

topics and a one hour-long bulletin after midnight that covers the main events of the day.

As part of Oman TV's long-term strategy to build a sophisticated state-of-the-art facility, early in 2007 it implemented the 'tapeless production route' for its news programmes. Going tapeless has allowed Oman TV's production workflow process to be radically streamlined in that today the 10 news journalists each handle their own stories from start to finish. The system now installed allows for capacity and features to be added as the requirements grow.

Oman TV also produces films on the Sultanate's history, tourist attractions in the different regions, the history and practice of shura (consultation) in Oman and the massive development efforts taking place across the country. Omani TV crews provided extensive coverage of the Consultation Council (Majlis A'Shura)'s sixth term elections this year, with live transmissions from election committees in the

wilayats.

Programmes are devised and produced by Omanis who have been trained at home and abroad. They account for 99% of the personnel employed at Oman Radio and Oman TV and 100% of those with specialist qualifications. Local programme production is subject to quality control criteria, while the TV video library's computer, which is being linked to all the departments, is being set up to use digital operation, indexing and automatic search systems.

Many TV programmes are locally produced and Sultanate of Oman Television has won prizes at Gulf and Arab festivals, including two gold medals at the 9th Gulf Radio and TV Production Festival in Bahrain in March 2006, for the variety programme "Rahhaal" ("Traveller") and the childrens' programme "Maktabat al 'Ulama" ("Scholars' Library"). The programme "Al Tabee'ah fii Oman" (Nature in Oman) was awarded a silver medal.

2nd Programme - Sultanate of Oman TV

Sultanate of Oman TV launched its 2nd Programme on 1st November 2006. This service, which broadcasts for nine hours a day - from 4.00pm to 1.00 am - gives priority to programmes for the younger generation, who form the majority of the Sultanate's population. The main focus is on educational and science programmes, sports, light entertainment and general knowledge quizzes.

The 2nd Programme, which is also transmitted by satellite, allows programmes to be aired when there is insufficient air space to accommodate them on Oman TV's general service.

The Digital Studio Complex

Work began in 2006 on a state-of-the-art digital studio complex which is scheduled for completion within 30 months. The project is a revolutionary new development in the world of TV production and, in addition to its digital system, will be equipped



Oman TV's 2nd Programme, which specialises in youth programmes, was launched in November 2006.



Three English-language newspapers are published daily, alongside several free tabloid weeklies.

with the very latest radio and TV transmission technology. It will have four large studios to be used for producing plays, as well as four digital studios, a main newsroom, three link studios for the news department and a 1,500 sq.m. theatre for recording public participation programmes, such as debates, plays and concerts. The complex will also have control, digital montage, graphics and dubbing rooms, a technical library, archives and other facilities and services.

The Omani press

Like the rest of the media, Oman's press is undergoing rapid change and development. Local newspapers published in the Sultanate are not subject to censorship and come under the Law on Printed Matter and Publications, amended by Royal Decree No. 87/2004 issued on 3/08/2004. This Law regulates the activities of all printing

houses and distribution and advertising agencies. The ownership and production of newspapers, magazines and other publications is restricted by law to Omani nationals. However, these businesses are self-financing and receive funding from advertising, sales and subscriptions. Press establishments are not subsidised by the government.

Since some provisions of this Law were amended, there has been a significant upswing in the activities of the publishing sector and more Omani newspapers and magazines are expected to appear in the near future. Meanwhile, increased competition is encouraging a number of existing newspapers and magazines to expand and improve their quality and content.

The private sector plays a major role with around 80% of the press in private ownership. Currently there are 12 press establishments and some 70 printing houses in the Sultanate whereas before the early 1970s there were none.

The private sector Arabic daily, 'Al Watan', - Oman's first newspaper - began publication in 1971, followed by the government's Arabic paper, 'Oman', the following year. The English-language 'Times of Oman' (then a tabloid) came out in 1975, followed by the 'Oman Daily Observer' in November 1981, by the 'Oman Tribune' on 1/11/2004, and the Arabic 'Azzaman' which was first issued on 12/08/2007.

Nowadays there are seven daily newspapers in Muscat. Three are in English: 'Times of Oman', 'Oman Daily Observer' and the latest, 'Oman Tribune', and three in Arabic: 'Oman', 'al Watan', and 'Al Shabiba'. There are also five weekly newspapers which appear in tabloid form and which are distributed free of charge: 'The Week' and 'Hi' are in English, whilst 'Futoon', 'Al Malaa'ib' and 'Al Isbu' appear in Arabic. 'Faces' is a free monthly booklet containing general information in English.

There also exists a large selection of magazines covering a range of popular topics from business



TV crews and Radio stations from around the world visit the Sultanate in order to produce news and documentary programmes.



A selection of Omani-produced magazines cover topics ranging from business to personal healthcare.

to personal healthcare. The 'Official Gazette' is issued fortnightly. 'Oman Business Today', 'Oman Economic Review', 'City Business', 'The Commercial', 'Automan', and 'Al Mara' appear as monthly magazines in English. 'Oman Today' is a small booklet which appears every two months. In celebration of National Day on 18th November, annual editions of 'Tribute' 'Pride', 'Progress' and 'The Chronicle' are published. There are also numerous magazines and monthly newsletters issued in the Arabic language, the latest being the monthly 'Al Waha' magazine.

In 2006 some 267 foreign journalists visited Oman, 106 of whom were Arabs.

Oman Establishment for Press, Publication and Advertising (OEPPA)

Oman Establishment for Press, Publication and Advertising (OEPPA) is the Sultanate's largest

press establishment in terms of its publications, technical and human resources. Its premises are fully computerised and employ state-of-the-art digital technology at every stage of the production process.

OEPPA is a financially and administratively independent body with 97% of its workforce Omani. It has the highest Omanisation level of any Omani press establishment in the country. Its publications include two daily newspapers 'Oman' (in Arabic) and 'Oman Daily Observer' (in English) as well as 'Oman Digital' and the Arabic quarterly cultural magazine 'Nizwa', along with various other publications. OEPPA has several other operations that are self-financing and operate on a commercial basis.

OEPPA sponsors a range of activities and initiatives including books by Omani creative writers.

Oman News Agency (ONA)

Oman News Agency (ONA) is the Sultanate's official news agency and the authoritative voice of the establishment. Under the terms of Royal Decree No. 75/2006, issued on 11th July 2006, which amended Royal Decree No. 43/97, ONA was transferred to the jurisdiction of the Ministry of Information.

On 8/4/2007 the Minister of Information issued Ministerial Decision No. 22/2007 defining ONA's functions and responsibilities and approving its organisational structure. This opened up new opportunities for ONA to develop its professional and technical operations and expand its services, both domestically and internationally.

ONA's bulletins are transmitted in Arabic and English by satellite and through its internet website. The agency uses the latest technology and the skills of a highly professional team of journalists and support workers. All its operations are run by Omanis and its expansion programme is ongoing.

As part of its coverage of the "Muscat – 2006 Arab Culture Capital" events, ONA published an illustrated booklet entitled "Highlights of Muscat

– 2006 Arab Culture Capital activities.”

The agency is extending its collaboration with several Gulf, Arab, Asian and other news agencies, and its correspondents provide on the spot coverage of events and developments both within the Sultanate and in a number of leading Arab, regional and international capital cities.

ONA’s “Sabq” SMS service, introduced in collaboration with Oman Mobile, provides subscribers with the latest political, economic, sports and general news.

The Omanet website

The Omanet internet service www.omanet.om provides Oman with a direct channel to the outside world. It is a window into aspects of life in Oman, including development, investment opportunities, tourist sites, heritage, and historic as well as modern attractions.

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

In February 2007 Omanet began transmitting its “Daily News Page” – an electronic newspaper – as part of the global service for subscribers to its internet service. The service has proved particularly popular with Omani students in the United States, Britain, Morocco, Malaysia, Japan, India, Pakistan and elsewhere. The newspaper is currently in Arabic but an English version is expected to appear in the near future.

The Ministry of Information’s website is regarded as one of the best websites in the Sultanate; in 2005 it won the Oman Telecommunications (Omantel)’s competition for Oman’s best government website.

The Media Creativity Competition

The Media Creativity Competition was introduced

in 2004 to encourage and recognise creative talent and engender a competitive spirit among Omanis working in the media. Initially it was held annually, but forthwith it will be held every two years with an increased number of prizes. The Competition covers every media field – from print journalism to radio and television production and presentation – and is subject to stringent rules and conditions laid down by its main organising committee, chaired by the Undersecretary at the Ministry of Information. All Omani media personnel are encouraged to take part in this event and the awards to find the best Oman has to offer in the various sectors are fiercely contested.

The Journalists’ Association

The Omani Journalists’ Association was officially established at a ceremony in Muscat in March 2006. The objectives of the Association include nurturing new talent and spreading awareness of the need for candid unbiased reporting of events.

The Association enjoys good relations with similar organisations around the world, who share its desire to promote high standards of honesty and accuracy in the profession.

The Writers & Novelists’ Association

This Association was established in October 2006 and aims to nurture public and private involvement in literature and its related subjects, in cooperation with specialised cultural institutions of a similar persuasion. It supports freedom of expression, authors’ rights and promotes involvement in voluntary work which encourages the fostering of young Omani literary talent. The Association will, without prejudice to its articles of association, represent writers and scholars before judicial departments and government associations.

NATIONAL SECURITY

SECURITY

Oman is a peace-loving nation that enjoys cordial relations with its neighbours and nations across the globe. A beacon of regional security, stability and peace, the Sultanate follows a policy of non-interference in the internal affairs of other nations. However, given its strategic location maintaining its own stability and security remains a government priority.

Sultan Qaboos has noted: "An individual's talents and creative intellectual, scientific, literary and artistic potential cannot be released or enabled to develop and thrive unless he feels that his life and the lives of his family, community and fellow citizens are secure and stable."

The Sultan's Armed Forces (SAF), the Royal Guard of Oman (RGO), the Royal Oman Police (ROP) and the other security services help to reinforce this message by presenting a strong protective barrier and a powerful force for the defence of the nation and the protection of its gains. They also provide those who live in the country - expatriate residents as well as nationals - with a strong sense of confidence and security.

• The Sultan's Armed Forces (SAF)

The Sultan's Armed Forces (SAF) represent a cornerstone of Oman's modern defence system. The creation and development of the SAF and the Royal Guard of Oman (RGO) were never ends in themselves but seen as essential for the defence of the nation and the protection of its achievements, as well as vital tools for ensuring the security and stability needed for progress and prosperity. In essence, they are "a force for peace, the peace of the strong."

His Majesty, the Supreme Commander of the Armed Forces, has pointed to "the great role performed by our armed forces and all the security services in helping to build Oman's modern Renaissance, defend its numerous achievements and maintain security and stability across the nation. In expressing our appreciation and pride in all the immense tasks and duties they perform, we ask God the Most High, the All-Powerful, to grant us success in offering them further support and assistance so that they can continue to develop their capabilities and potential."

In developing the SAF and the RGO, the Sultanate focused on intensive training rather than an intensive arms programme. Although it aimed to make the most efficient use of its modern, advanced weapons and equipment it also recognized that highly trained and proficient manpower was its most important asset.

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



Mobilisation and field exercises are held to improve the combat capability of the armed forces.

• **The Royal Army of Oman (RAO)**

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

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

• **The Royal Air Force of Oman (RAFO)**

The Royal Air Force of Oman (RAFO)'s modern weaponry and systems include modern fighter and multi-role aircraft, helicopters, transport aircraft, anti-aircraft missile batteries, advanced control systems and training aircraft. The technology of the defence and weapons facilities and bases has been upgraded.

RAFO has a number of F16 fighter aircraft, as well as Hawk and Jaguar aeroplanes and Super Lynx 300 and NH90 helicopters, whose duties may include combat, search and rescue missions, providing back-up for the Royal Navy of Oman in protecting the Omani coasts, and support services for members of the public in the remote areas. Following cyclone Gonu in June 2007, RAFO aircraft played a vital role in surveying the areas damaged by the cyclone and providing rescue and relief operations.

Al Musana'ah Air Base is one of the most modern air force projects and capable of handling modern fighter aircraft. RAFO takes part in numerous flight exercises with the air forces of the Arab Gulf Co-operation Council

(AGCC) states and other friendly countries. This year - 2007 - it signed a contract to purchase two A320-300 Airbus aircraft to replace some of its current transport planes.

• **The Royal Navy of Oman (RNO)**

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

The Said bin Sultan Naval Base with its world-class operational, service and training programmes and equipment is one of Oman's major naval installations; its Naval Training Centre has been accredited by the AGCC Computer HQ as an International Computer Driving Licence (ICDL) examining centre. After negotiations, an agreement was concluded with a British company, Vosper Thornycroft, for the construction of three new RNO ships as part of the navy's ongoing modernisation programme, known as the 'Khareef Project'.

• **The Royal Guard of Oman (RGO)**

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

The Royal Oman Symphony Orchestra (ROSO) comes



Training is vitally important in keeping Omani forces at a constantly high level of efficiency.

under the auspices of the RGO. It was established in 1985 and on 1st July 1987 performed its debut concert in the Auditorium of the Al Bustan Palace Hotel. To date the total number of concerts performed exceeds 137 both public and private, both inside and outside the Sultanate – these include: Brussels in September 2000, at UNESCO's 33rd General Conference in Paris in October 2005, and most recently at the Berlin 'Young-Euro-Classic' Festival held in August 2007.

There have been many landmarks in the history of the ROSO, including their appearance in 1996 with the late Lord Yehudi Menuhin, and in 2005 with Dr L. Subramaniam, both world famous violinists. Many other conductors and musicians have graced the stage with ROSO including Dimitri Alexeyev, Russell Keable, Malcolm Binney and Simon Wright.

The Red Helmets motor-cycle team, in addition to their specialised official duties, perform stunning acrobatic displays at various events.

• Other service units

Engineering Services of the Defence Ministry provide technical and engineering support for military exercises, as well as providing maintenance, essential services and infrastructural utilities at military installations. Their other duties include road-building in some of the governorates and regions, a recent example being the Ramlat Shu'aib-Mitan road in the Empty Quarter desert. In 2006 Engineering Services launched the Comprehensive Building Equipment Project to support various projects around the country.

The National Survey Authority produces civil and military maps, carries out aerial photography across the country, sets the criteria for topographical surveys, maintains the National Geographical Archives and provides aeronautical charts, geographical aids and training in cartography and map production. The Institute of Survey Sciences and Map Production, which was established at the National Survey Authority, attracts staff from military and civil departments involved in these fields.

Military Social Services at the Sultan's Armed Forces (SAF) Staff HQ provide social welfare services for serving and former SAF officers and other ranks. In addition to general welfare services, their remit also includes housing loans as well as care, rehabilitation and medical services for the disabled. The Sultanate is a permanent member of the Arab Union of War Veterans and Victims Associations and hosted the Union's 19th session in April 2007.

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

The Sultan's Armed Forces (SAF) Museum at Bait al Falaj Fort reopened in September 2007 after renovation. It chronicles Oman's military history through the ages. Meanwhile, the information technology (IT) sector provides services for all the SAF's units and formations.

• Training

The Sultan's Armed Forces (SAF) and the Royal Guard of Oman (RGO) have a number of education and training institutions for training officers and other ranks in a range of specialist military, scientific, technical and technological disciplines. They include the Command and Staff College, the Officers' Training School, the Sultan Qaboos Military College, the School of Administration and Ordnance, the Royal Army of Oman (RAO)'s School of Catering, the Sultan Qaboos Air Academy, the Royal Air Force of Oman (RAFO)'s Technical College, RAFO's Air Traffic Control College, the Royal Navy of Oman (RNO)'s Junior Staff College, RNO's Fleet School and the Naval Training Centre, as well as a number of other schools and military training centres for educating nationals. The SAF also offers its personnel the opportunity to complete their



The armed forces are regarded as essential tools for the safety and security of the nation.

higher education at home or abroad.

Mobilisation and field exercises are held to improve the combat capability of the armed forces, either within the SAF or in co-operation with the armed forces of the Arab Gulf Co-operation Council (AGCC) states and other countries. In 2007 all the various arms of the SAF and other support branches took part in the Shumoukh -1 exercise, while Peninsula Shield 8 was the first single joint exercise involving the AGCC states' land sea and air forces.

• **Cultural, scientific, religious and sporting activities**

The Sultan's Armed Forces (SAF) and the Royal Guard of Oman (RGO) attach great importance to the development of their personnel's cultural, scientific and sporting potential as well as their religious knowledge. Libraries and clubs have been set up at SAF's command headquarters, which are linked with other installations via the Defence Ministry's internal network. The 'RNOV Shabab Oman' (a sail training ship) frequently visits the ports of Arab and friendly countries to promote Omani culture and its proud naval heritage.

While giving priority to instilling religious values in its men, the SAF also attaches importance to physical fitness and, to this end, has established a number of sports facilities, including a military sports complex and a shooting range.

Sports competitions are held between teams from the different formations and units and the armed forces also take part in regional and international military sporting events.

The SAF athletics team won first place in the 2nd Arab Gulf Co-operation Council military championships held in Qatar in 2007, while the Sultan of Oman's Parachute Regiment's National Free-Fall team took 1st and 3rd places in the individual events in the International Asian and Merdeka championships held in Malaysia in August 2007. In July 2007, despite tough competition from Canadian, Australian, Irish and Falkland Island teams, the SAF shooting team won 21 cups and 68 gold medals, as well

as 22 silver and 21 bronze medals at the NRA Military Shooting Competition held in England. On 20th May 2007 His Majesty conferred a Royal Grant on the SAF national shooting team and on the athletic teams in appreciation of the excellent results they have consistently achieved.

Both the SAF (RAO/RAFO/RNO) and the RGO bands are highly trained and accomplished performers and regularly take part in a number of international festivals and competitions. Most recently, in August 2007, the RAO Pipes and Drums band took part in the International Military Tattoo and Piping competitions held in Perth and Melrose, Scotland taking 1st place in marching and display, and in playing and drum major respectively.

• **Development efforts**

With their extensive facilities and nationwide presence, the Sultan's Armed Forces (SAF) are well placed to play a direct part in the country's development and do so with the taking on of projects such as road-building and the provision of health and other essential services in remote mountain and desert regions and other inaccessible areas.

In the aftermath of cyclone Gonu, the SAF and the Royal Guard of Oman helped open up roads, transport relief supplies, rescue citizens and residents and repair bridges and other installations. Their swift and efficient contribution was praised by Sultan Qaboos.

The SAF also run programmes to train civilians in navigation, communications and administration, and operate a military education scheme for school students. Other duties include search and rescue operations at sea and the prevention of illegal immigration.

• **SAF Veterans' Day**

Retired SAF and Royal Guard of Oman (RGO) personnel frequently join the private sector, where they are able to continue to contribute their valuable experience and skills to Oman's ongoing development process. In recognition of their role, 7th December has been designated SAF Veterans' Day.



The Royal Oman Symphony Orchestra receive a standing ovation at the 'Young-Euro-Classic' Festival in Berlin in August 2007.



Discipline, along with efficiency, is a trademark of the ROP.

The ROYAL OMAN POLICE (ROP)

The Royal Oman Police (ROP) plays a vital role in safeguarding the security of the Sultanate, its territorial waters and the safety and well-being of its citizens, with a range of efficient services. With its complement of well-qualified highly-trained Omani men and women – there have been Omani girls in the force since 1972 – the ROP is a model of a modern police service.

• New facilities

The ROP is constantly undergoing modernisation and change of its procedures and facilities to ensure citizens, expatriate residents and tourists to Oman are provided with the best available range of services. This year – 2007 – saw the opening of the new Directorate-General of Passports and Residence

building near Seeb airport. Contracts were signed for new police HQs to be built in the Batinah Region and in the Dakhiliyah Region, and new police stations were opened in Izki and on the Jabal al Akhdhar in 2006, as well as new vehicle inspection yards. Work has continued on the central prison project and on an illegal immigrants' detention centre in the Al Dhahirah region. Work also began on the construction of some border posts in the governorate of Buraimi.

Police Coastguard Command has been equipped with highly advanced fast patrol boats in order that the ROP can protect the Omani coasts, conduct its anti-smuggling operations and help prevent illegal immigration.

A Sea Rescue Group is in the process of being set up to respond promptly and efficiently to SOS calls.

A new headquarters – the "Oil and Gas Installations Command" – has been established to protect the Sultanate's energy sector-related installations. New police stations are also being built at Mina al Fahal in Muscat and at Port Sohar to protect the security of the oil and gas installations there. The Police Aviation Directorate's systems and equipment have been modernised and a helicopter fire-fighting service introduced for use in inaccessible areas. Several pilots have been trained abroad to man this service. The Police Aviation Directorate also boasts aircraft with medical equipment for use in the Flying Ambulance service, as well as aircraft equipped to provide support for other commands when required.

ROP aircraft made a major contribution to the rescue and relief operations following cyclone Gonu in June 2007, while the police played an important role in assisting citizens and residents and maintaining security during this cyclone.



With the latest craft, the Armed Forces and the Royal Oman Police can perform their duties efficiently.



Women, as well as men, have every opportunity for training with the Royal Oman Police.

• Training

ROP personnel at all levels are put through demanding education and training courses to ensure maximum efficiency.

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

• Services and facilities

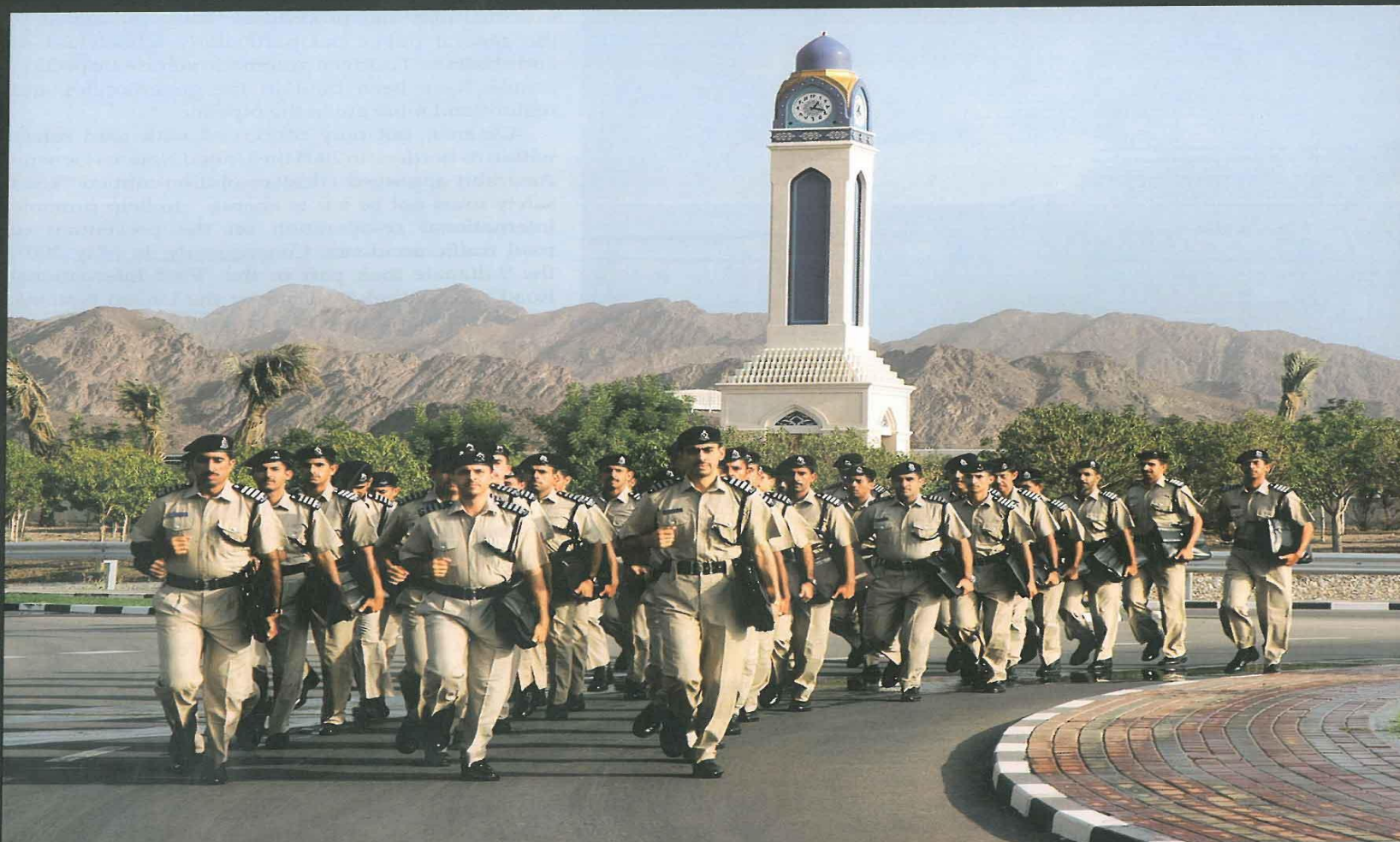
The ROP uses the latest technology to keep its services at the cutting edge of development. In addition to registering births, marriages, divorces and deaths, the Directorate-General of Civil Status issues Omanis with "Smart" multi-purpose ID cards that are both flexible and secure and can also be used as voter registration and health cards. Meanwhile, the Sultanate's expatriate residents and their dependants are issued with Residence Cards. In co-ordination with the Ministry of Manpower, and as a further step towards e-government in Oman, labour and residence cards have now been combined.

At the Earth Summit held in Tunis in 2005 the Civil Status Department of the ROP won 1st prize for the best e-governance, and in May 2007 at the 5th International Conference on Smart Card Technology in the Middle East and Africa, held in Cairo, it secured the award for implementing the best Smart Card project.

Citizens' and expatriate residents' passport and residence procedures can now be handled through Oman Post centres in all the governorates and this system is gradually being expanded.

ROP provides improved facilities for individual tourists and tourist groups at land, sea and air entry points. In view of the growing number of tourists visiting the country, a Tourist Security Police force is to be established as part of a joint scheme operated by the ROP and the Ministry of Tourism, to provide additional security in tourist areas.

Border entry posts, staffed by trained nationals, have been streamlined and offer a full range of services for tourists. The customs sections in all the regions have been upgraded to directorate status and a new computer system has been introduced to speed up customs clearance procedures. Customs clearance



The Sultan Qaboos Academy for Police Sciences provides courses and training at a high level.



The Royal Oman Police provide security at oil installations.

offices have also been opened at the overland border crossing points. New vehicle inspection and container equipment, more efficiently equipped to detect and identify prohibited substances and smuggled goods, has helped facilitate the free movement of goods between the Sultanate and other states.

- **Road safety**

The ROP attaches the utmost importance to road safety; motor vehicles are regularly inspected and campaigns organised to make all road users more aware of road safety issues. Speed detectors and road signs have been installed across the Sultanate's governorates and regions.

The Traffic Safety Institute opened in the governorate of Muscat in 2006 and trains traffic personnel and road users in improving road safety. The Institute runs courses in road accident

investigations and procedures. These are aimed at the general public but particularly schoolchildren and students. Fourteen automatic vehicle inspection centres have been built in the governorates and regions and more are in the pipeline.

Oman is not only concerned with road safety within its borders; in 2004 the United Nations General Assembly approved a draft resolution entitled "Road safety must not be left to chance," to help promote international co-operation on the prevention of road traffic accidents. Consequently, in May 2007, the Sultanate took part in the "First International Road Safety Week," staged by the United Nations. In recognition of its efforts in this field, Oman will host the "International Conference on Road Safety" in 2010.

On 27th February 2007 the Sultanate hosted the two-day 6th Meeting of the 'UN Road Safety Collaboration' at the Traffic Safety Institute with some 30 delegates from around the world taking part.

On 2nd March 2007 Prince Michael of Kent of England presented the ROP with his International Road Safety Award, launched in 2000, in recognition of the country's outstanding effort to promote global road safety issues at the United Nations.

In 2006 the Sultanate won an international prize at the First Global Road Safety Film Festival, organised by the UN in Geneva, for its documentary film "Pain and Hope 2" which will be stored in the UN library.

- **Ambulance and Civil Defence services**

The ROP's Ambulance Service has helped to reduce fatalities from traffic accidents. Its modern ambulances with their trained staff and advanced hi-tech medical equipment are specially designed to cope with accident victims and their efficient



Road safety is a priority of the ROP who organize campaigns to make all road users more aware of road safety issues.



The ROP's Ambulance Service has helped to reduce fatalities from traffic accidents. Here, a training exercise takes place.

transportation to hospital. Ambulance movements are co-ordinated through the ROP's telecommunications centre.

The Ambulance Service, which at present covers the governorate of Muscat, parts of the Batinah region and Dhofar governorate is due to be expanded to cover the entire country.

Meanwhile, the ROP has signed a contract for the delivery of a fully equipped mobile hospital to provide medical care and travel to wherever its services are required.

With regard to the protection of public and private buildings, installations and property, the National Committee for Civil Defence (headed by the Inspector-General of Police and Customs) played an critical role before, during and after cyclone Gonu in minimising the damage caused and in carrying out vital repairs without delay.

Civil Defence stations, which were increased in number in 2006, are being extensively modernised and supplied with state-of-the-art civil defence and fire-fighting equipment.

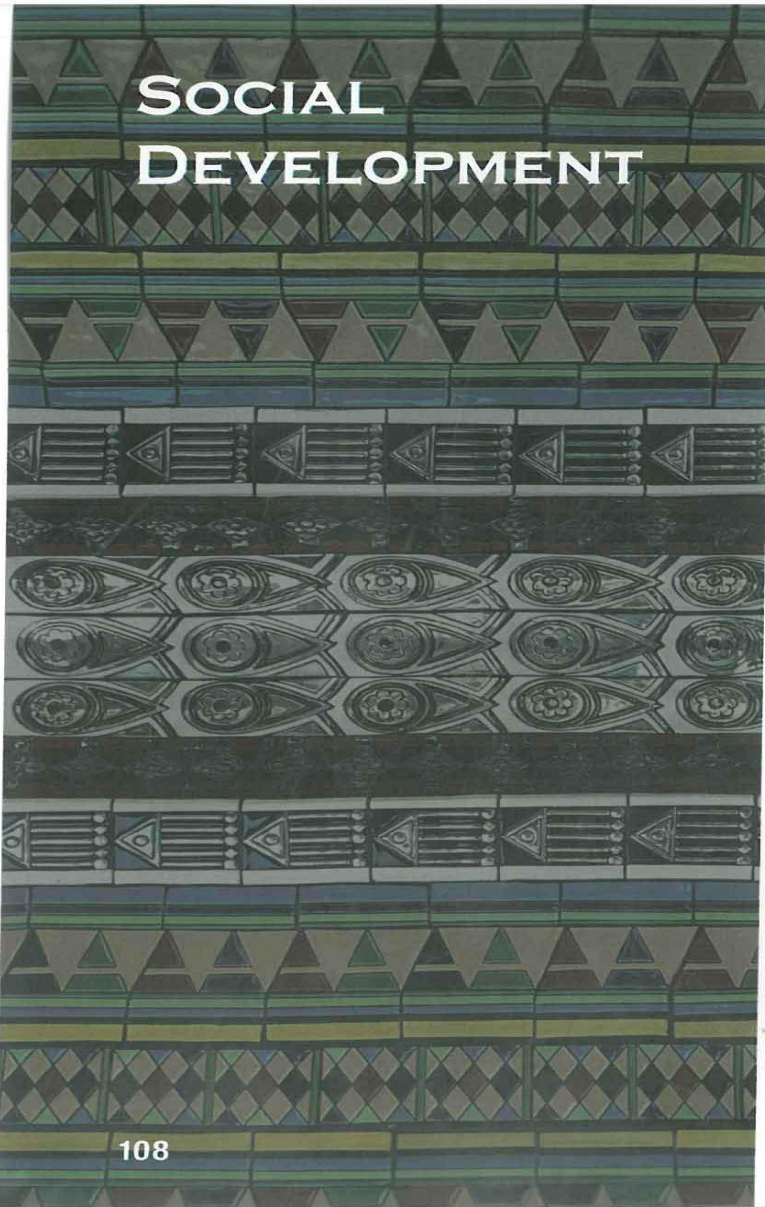
Public Relations

The ROP's media campaign entitled "We are all police" continues to raise public awareness of the police and their role in Omani society. In addition, there are lectures, seminars and a travelling exhibition on the dangers and damaging effects of drugs, and members of the public can contact a free telephone line on 4444, either to inform the police about drugs offences or to request information about the treatment and prevention of drug addiction. The ROP's internet website (www.rop.gov.om) is available to answer queries and provide a range of electronic services.

The ROP takes a keen interest in the welfare of its members both past and present and provides social services and health care for individual officers and their families should the need arise.



Civil Defence stations are being modernized and supplied with state-of-the-art civil defence and fire-fighting equipment.



SOCIAL DEVELOPMENT

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EDUCATION

The Sultanate's educational sector has made impressive progress, maintaining traditional values while embracing the science and culture of the modern world.

For more than three decades education has been a priority sector for the government, taking the Sultanate from the era of the kuttab (traditional Qur'an school) often conducted under the shade of a tree to the high tech university age.

Education is free and available to all Omanis. This school year, 2006–2007, there are 563,602 students in Oman's 1,053 government schools, staffed by some 39,993 teachers.

The Ministry of Education also regards the private education sector as being within its remit and monitors the country's private schools regularly to ensure they comply with standards and regulations. Today there are 169 private schools with 32,112 students and 2,484 teachers.

In the current school year seven new schools have been built in the governorate of Muscat at a cost of around RO4.5 million, thirteen in the Batinah region at a cost of over RO7 million, two in the Sharqiyah region at a cost of RO900,000, five in the Dakhiliyah region, which cost RO2.5 million, one in the Dhahirah region at a cost of RO500,000 and one in the governorate of Dhofar, on which RO300,000 was spent.

Computer facilities

Some 292 schools in various parts of the country are now equipped with a modern wireless system, giving students easy access to computer facilities and a computer network and creating links between students, teachers and the electronic course syllabus. Around 350 schools have internet facilities, some with ADSL/Broadband, and students can obtain their general certificate examination results via the internet.

The Ministry of Education took an important step in 2006 towards entering the digital age when it signed an agreement to set up an electronic learning portal which came online on Saturday 1st September 2007 with the commencement of the new academic year. The project will provide an electronic link between schools, the regional educational directorates and departments and the Ministry, enabling them to transfer and exchange plans, programmes, data and statistics. It is one of the biggest e-government initiatives in the Sultanate, initially covering 200 schools and over 100,000 students in Muscat and in Buraimi.

OMAN



Education is free and available to all Omanis. Computers are now an important part of the syllabus.



The learning difficulties programme is monitoring students in 178 Basic Education schools.

Health Education

Other programmes introduced by the Ministry include the anaemia prevention project, a programme to raise awareness among students about the dangers of AIDS, an anti-smoking campaign and a United Nations initiative to focus resources on an effective school health programme.

The School Environment Health and Hygiene Competition, initiated in 1991 by Sultan Qaboos, is supported by local schools who compete annually to win a much coveted cup. The competition focuses on hygiene and cleanliness, as well as every aspect of the environment, including the importance of making the best use of natural resources and recognition of the vital links between the environment, cleanliness and human health.

Education for All

The Ministry's strategy aims at making education available for all citizens, including adults who missed

out on the opportunity to gain an education during their childhood. The "educated villages project," which aims to increase literacy and general education among entire communities is well supported across the country. Originally set up as part of a literacy programme on an experimental basis, the scheme was inaugurated in the village of Muraisi in the wilayat of Barka. The success of the experiment encouraged its introduction a variety of locations in other parts of the country.

Oman's national literacy strategy is typified by the "Illiteracy-free South Batinah Project", which aims to eliminate illiteracy in the whole population of the South Batinah Region through a planned campaign that brings together every strand of the community including both public and private sectors. Another scheme – the Co-operative School Project – shares similar aims.

Special Needs Sector

Schools in the special needs sector include Al Amal School for the Deaf (with 279 students and 71 teaching staff), the Special Educational Needs School (340 students and 61 teaching staff), the Omar bin al Khattab Institute for the Blind (117 students and 40 teachers) and the al Wafa Technical Centre for the Blind.

Two years ago the Ministry embarked on a programme that attempted to place special needs students (hearing impaired and mentally handicapped) into two general education schools in two educational regions. The experiment, having shown encouraging results, was later expanded to cover five other educational regions.

The learning difficulties programme is monitoring students in 178 Basic Education schools rather than transferring them to the special needs schools, and students with psychological, social and learning problems are placed in mainstream classes.



Wherever possible 'special needs' pupils are integrated into the Basic Education system. However, for students with serious disabilities alternative schools, with highly-trained staff, cater to their needs.



Increasing numbers of skilled Omanis are being trained to replace the country's expatriate labour.

The National Committee for Education, Culture and Science

The Secretariat-General of this Committee has organised over 120 educational and cultural activities, programmes and projects in conjunction with the relevant authorities in the Sultanate and the competent international organisations in the year under review. (Further details, see page 52)

MANPOWER AND VOCATIONAL TRAINING

The Sultanate's manpower development strategy is designed to meet the local labour market's needs for trained, qualified nationals and the Ministry of Manpower is putting major efforts into opening up opportunities for Omanis to play their part in the economic life of the country.

The Ministry attaches particular importance

to upgrading technical education and vocational training to ensure colleges, universities and centres of learning produce Omani graduates with the specialist skills required by the evolving labour market.

A series of regulations have been introduced to control the recruitment of expatriate labour in line with the needs of the local labour market and the need for high-level and specialist professional expertise. Employee welfare is also a major priority under the Omani Labour Law (Royal Decree No. 35/2003).

Co-operation

The government and private sector work closely together on the Omanisation plans. They have helped boost the numbers joining the labour market and raised awareness among job-seekers of the importance of training to achieve the specialist skills demanded by the private sector. There are 154 private training institutes and centres, 22 of which are owned and operated by private companies to meet their own specialist requirements, as well as 37 establishments approved by the Ministry to operate government-funded training programmes.

At the end of September 2006, some 110,594 nationals – 91,920 males and 18,674 females – were employed in the private sector and registered on the books of the Public Authority for Social Insurance (PASI). According to the Ministry's statistics up to the end of October 2006, 44,763 nationals – 38,156 males and 6,607 females – were appointed to private sector positions. During the same period, 2,313 nationals appointed to positions were undergoing training – 1,894 males and 419 females.

Job opportunities are not limited to the domestic market and several hundred young Omanis have found jobs abroad; the neighbouring states of Qatar and the United Arab Emirates having provided particularly attractive opportunities.

Sanad

The Sanad programme is the key to providing nationals with the opportunity to set up small business projects. It has been so successful that last year a decision was made to raise the level of the projects to include medium-scale enterprises, by increasing the minimum funding limit from RO5,000 to RO20,000.

Up to the end of 2006 the Sanad programme provided 19,063 job opportunities for nationals in 9,595 enterprises countrywide. Out of 1,399 small projects that were approved during the same period, some 1,079 received funding. A total of 77 Sanad service centres were established, providing 170 jobs for nationals.

To further encourage Omanisation, ministerial decisions were issued on the Omanisation of certain types of employment in some wilayats, e.g. in the sale of fruit and vegetables.

As a result of the Omanisation of more than 50 commercial activities in various wilayats, around 4,000 nationals are now running close to 1,900 businesses.

Women have particularly benefited from the Omanisation programmes since the women's tailoring and dressmaking profession was Omanised in ten wilayats. The government supports training courses in other spheres for both on-the-job and off-the-job training to enable women to further make their mark in the labour market. Over 330 shops have been opened, providing employment for around 1,120 girls.

Injaz Oman

Injaz Oman, or Oman Achievement, is a government/private sector partnership project designed to provide job opportunities. Basically, it is a programme taught to 7th-11th year school students by volunteers from the private sector, with the aim

of promoting a business culture and highlighting the attractions of being self-employed. Some 212 students from three schools in Muscat governorate originally enrolled on the project, which started during the second half of the 2005-2006 school year with the participation of five private sector establishments.

During the year under review, the number of schools taking part rose to 14 – eight in Muscat governorate, two in the Dakhiliyah region and four in the Batinah – with the participation of 38 volunteers from 12 private sector establishments, who passed on their knowledge of work experiences to 1,968 boys and girls.

Intilaqaah

Intilaqaah Oman, which means 'take off' in English is a non-profit organisation modelled on a Shell petroleum-funded initiative called 'Live Wire' which is now running in 25 countries around the world. It was presented to the Sultanate on the occasion of National Day in November 1995. The programme is aimed at stimulating and encouraging 18-32 year old Omanis to consider the option of starting their own business, and providing assistance to those who wish to take up the option. An annual 'Best Young Entrepreneur Award' with valuable financial incentives is given to high achievers in the various courses. Intilaqaah is entirely funded by Oman's private sector.

Technical education

The Ministry of Manpower ensures that technical education programmes continue to be developed to meet the market's changing national manpower needs.

In 2006-2007 there were 9,803 male and female students at the country's technical colleges and 2,305 trainees at the four government vocational training centres in Seeb, Saham, Sur and Ibri.

'Sanad Nurseries' have recently been established



Women are actively encouraged to become valuable members of the Sultanate's workforce.



The government supports the private universities and colleges. Here Dhofar University, now under construction.

in which skills in refrigeration, air-conditioning, motor-car repairs and carpentry are taught, at government-funded vocational training centres, manned by graduates and trainees. Fishermen's training centres too have been established in the wilayats of Salalah and al Khabourah as part of a plan to Omanise the commercial fishing sector.

Sultan Qaboos University (SQU)

In the 2006-2007 academic year the College of Law became part of Sultan Qaboos University (SQU), bringing the total number of colleges at the University to eight.

This step comes as SQU's Cultural Centre nears completion. The Centre comprises a multi-purpose hall which can accommodate around 5,000 people, an extensive library and a Centre for Omani Studies.

The College of Engineering will acquire a new laboratory building with student and research laboratories and building work is in progress for

the Nursing Department at the College of Medicine and Health Sciences, which will include offices for academic and technical staff, lecture rooms and student and research laboratories.

SQU offers 111 academic programmes – 63 at Bachelor's degree level, five at specialist diploma level, 43 at Master's degree level and one is a Doctorate programme.

The University invites international experts, academics, examiners and assessors to evaluate its academic programmes on an annual basis. The most successful consequence of these initiatives was when the College of Engineering received academic accreditation for some of its programmes from the American Board of Engineering and Technology (ABET), and the University Hospital was granted an ISO9001 certificate in recognition of the quality of its medical services. The University Hospital, the only one in the Sultanate equipped to perform bone marrow transplants, has carried out over 100 successful such operations. As well as serving the community, the hospital provides an ideal learning environment for students of the College of Medicine and Health Sciences.

SQU's Centre for Community Service and Continuing Education was set up to act as a link between the University and the Omani community; it runs courses, workshops and a range of training programmes.

SQU has continued with its policy of recruiting Oman's top university graduates to work as lecturers and doctors on the academic and medical staff at its colleges, the Language Centre and the Hospital, while arranging for them to continue their studies and training for higher qualifications. This policy has enabled SQU to make significant progress with the Omanisation of its staff.

SQU has links with leading universities around the world and has signed memoranda of understanding with universities in Britain, Germany,



Checks are in place to ensure Oman's higher education establishments operate at international levels.

France, the Netherlands, Italy, the United States, Canada, Japan, China and South Korea, as well as several universities in the Arab world, which make provision for exchange programmes for academic staff, students and researchers

As a power-house of academic and scientific expertise, Sultan Qaboos University attaches great importance to research. In all, 1,090 SQU academic and scientific papers were published in local and international periodicals during the 2005-2006 academic year – an increase of 94 compared with the previous year – and some 438 papers were presented to conferences, compared with 255 the previous year.

HIGHER EDUCATION

With the swift pace of change around the world, excellence in higher education has never been more

vital, and the Accreditation Council (Further details, see page 54) was set up to maintain the quality of Oman's higher education establishments at internationally acceptable levels.

The government supports all the country's higher education institutions - the private universities and colleges as well as those in the government sector.

His Majesty has given grants of RO17 million to each of the private universities (Muscat, Dhofar, Nizwa and Sohar as well as to the Buraimi University project) which also receive additional government support in the form of land and exemption from certain categories of customs duties, as well as financial grants. Indirect government support for these establishments also comes in the form of 1,600 open grants a year to the sons and daughters of Omani families on social security.

The National Admissions Centre has been set up as a 'one stop shop' to regulate and co-ordinate procedures for admitting students enrolling in higher education, and to supply statistical data about student intake at institutions at home and abroad.

The Cultural Attaches' Offices at the Sultanate's embassies monitor Omani students who are studying at universities abroad. At present there are 6,792 male and female students at universities in the AGCC states, with 1,232 studying in other Arab countries and 2,251 studying in countries outside the Arab world. A Consulate-General was opened in Australia in 2006 to supervise and support Omani students there, as well as students in New Zealand and Malaysia.

SOCIAL DEVELOPMENT

The Sultanate's goal is to achieve sustainable social development with programmes designed to improve the quality of life, bolster the effectiveness of the social sector's institutions, enable individuals to develop their potential, raise awareness about



The number of skilled Omani nationals in the workforce is growing, following the introduction of a variety of specialist training courses.

social problems, support and develop the voluntary sector and involve a broader section of society in rehabilitation services and welfare programmes.

Monthly allowances are paid under the provisions of the Social Security Law to eight categories of social security cases - widows, orphans, divorced women, the elderly, unmarried girls, the disabled, families of prisoners and certain other categories who have no visible means of support. At the end of 2006 there were 49,452 cases receiving allowances totalling RO 31,768,857 in addition to Eid al Fitr and Eid al Adha grants, paid to each social security case recipient at a rate equal to 50% of their regular allowance. Over 150 eligible cases residing in other countries also receive regular social security allowances.

The Ministry of Social Development liaises with other ministries and government departments to enable families on social security to receive a range of other benefits; some 1,500 grants are provided every year for their sons and daughters to study at the Sultanate's private universities and colleges. Families receiving social security enjoy exemption from charges for public services.

His Majesty has recently ordered that 16,000 plots of housing and housing/commercial land should be set aside for families receiving social security in various parts of the country. Other benefits include grants for those wishing to perform the Hajj pilgrimage and emergency financial assistance.

Strategy

The strategy behind the Sultanate's social welfare policies is designed to provide families in need with the opportunity to become self-sufficient. In addition to study grants for their children, the government-supported livelihood projects – and in particular the Sanad programme – enable these families and others in similar situations to set up small businesses. Over the past three years several such projects have generated added value for the community as well as

the individual entrepreneur; up to the end of last year a total of 114 such projects had been set up across the country at a cost of RO361,300. Girls and women were the main beneficiaries of this scheme, accounting for 80 of the projects. As many 100 families a year - currently dependent on social security - are expected to become financially independent as a result of this aid.

Special Needs

Particular attention is given to those with special needs, who receive direct welfare services and every opportunity for education and rehabilitation to allow them to become fully integrated into the life of the community, including equipment and medical support is provided. Special needs programmes, including care for the disabled of all ages, are continually being improved and upgraded. In collaboration with the International Labour Organisation, the Ministry of Social Development has adopted a rehabilitation strategy for the disabled using the resources of their local communities and the combined efforts of the government, private and voluntary sectors.

The Sultanate's disabled sports teams have shown themselves capable of impressive achievements. Their most recent success was in April 2007 when the national sports team for the physically disabled came second in the 7th Gulf weight-lifting championship in Dubai, in the United Arab Emirates, returning home with five medals. In November 2006 the national team for the disabled won 20 medals of various categories in the 5th Middle East and North African regional Olympiad in the United Arab Emirates.

Local Associations

The Ministry is responsible for regulating charitable and voluntary work and oversees a large number of non-government voluntary organisations operating in a range of professional, economic,



Trained personnel take up jobs in the private sector.



The government supports all the country's higher education institutions - the private universities and colleges as well as those in the government sector.

cultural, environmental and social fields. Of these, the 50 Omani Women's Associations play a major role and hold courses, programmes and seminars to raise the level of women's awareness about economic and social issues. Other organisations include 19 professional associations, ten foreign community associations and 11 charitable associations; these, and other charitable organisations and friendship associations, have played an important role in promoting the idea of voluntary and charitable work and have helped forge stronger professional and social links between members.

Child welfare

The Ministry operates a number of specialist programmes on child welfare and family advice and guidance services for staff and volunteers and oversees 60 day nurseries across the country, as well as 48 children's schools for toddlers and 18 children's homes.

Youth and sports

The Sultanate provides its youth with a wide range of sporting infrastructure facilities. There are sports complexes in the governorates and regions, the latest being the RO44.4 million al Sa'adah Sports Complex (currently under construction in Salalah) which will offer extensive sporting opportunities. Most existing complexes are being upgraded. A new covered handball, basketball and volleyball hall with seating for 1,000 spectators has been added to the complex in Sur. Recent additions to the Nizwa sports complex include an Olympic-size swimming pool and accommodation for sports teams.

The Ministry of Sports Affairs has launched a number of youth projects to provide the country's young people with outlets for their energies and opportunities to develop their skills and talents. In 2006 some 12,000 boys and girls took part in the 'Summer of Sport' programme which was open

to all nationalities and visitors in Oman. In 2007 young people over the age of six years had the choice of 35 sporting activities, including traditional Omani sports as well as football, basketball, cricket, badminton, diving, sailing, horse-riding, billiards etc. Practice facilities were available at 252 training facilities across the Sultanate under expert coaches.

The 'Summer of Sport' programme also offered opportunities for those with special needs.

The Sultanate's enthusiasm for sports is reflected in its results:

Football: This year the Omani national football team was the runner-up in the 2007 Gulf tournament - an impressive achievement although, with its strong performance in previous matches, it had been tipped to win the championship.

Athletics: In 2006 the national team won nine medals (three gold, four silver and two bronze), and came third in the 10th Youth Athletics Championships in Riyadh.

Weight-lifting: The Sultanate won three gold medals in the Arab championship in Yemen and six silver and two bronze medals in the Arab Gulf Co-operation Council (AGCC) states' weight-lifting championship in Qatar in September 2006, while the Omani under-16s team won six bronze medals.

Bodybuilding: Haji al Balushi won a silver medal in the 75kg event in the Asian championships in China. Earlier he won a gold in Yemen.

Motorsport: Oman's first ever circuit racer, Ahmed al Harthy of Oman Racing Team (ORT) completed a full 12-race season in the 2007 Formula Renault BARC championships in England.

Tennis: Oman's Davis Cup team came second in the competition held in Sri Lanka in July 2007 and will therefore move up from the third to the second grade in 2008. An unprecedented achievement since



Sporting events cater for the interests of all.



the creation of the Oman Tennis Association more than 20 years ago.

Shooting and swimming: In 2006 these teams participated in various events around the world, returning with an impressive array of gold, silver and bronze medals.

Cricket: However, perhaps the most exciting result (in view of the fact that Oman is new to the game) was when our under-16s team came top in the cricket championship in Thailand in December 2006, especially since its fellow competitors included a number of well established Asian under-16s teams.

The government is committed to encouraging a strong ethos of sport and physical fitness into present and future generations of Omanis and the Ministry of Sports Affairs is currently drawing up plans to further improve Oman's performance in sports across the board.

Scouts and Guides

Royal Decree No. 41/2007 issued on 14th May 2007 established a Directorate-General of Scouts and Guides and thereby transferred all the properties and assets of the National Organisation for Scouts and Guides (NOSG) to be supervised by the Minister of Education.

The former NOSG staged a number of events in 2006/2007 which included over 160 activities attended by around 9,000 scouts, guides and their leaders. These included one-day and weekend camps, as well as various trips, visits, friendship rallies, courses, health education programmes and other educational activities. Various workshops and festivals were also held, including the annual celebration to mark Sultan Qaboos's induction as Chief Scout of the Sultanate in 1983, and the Omani scouting movement's Diamond Jubilee.

Over the past two years the Oman group has hosted the 7th AGCC Scout Camp in the Governorate

of Dhofar, as well as workshops in Muscat on developing scouting courses and written material in the AGCC states, and has had joint meetings with representatives of AGCC scout associations and organisations.

Beyond the Arab world, some 1,300 Omani scouts and guides took part in the 49th International Jamboree on the Air and the 10th Jamboree on the Internet, in which the then NOSG bagged the gold in the International Communications Competition, which required the group to make contact with 150 radio stations in 150 countries over a two month period in March and April 2007.

Other events included the Guides' seminar on Values-based Leadership in an International Setting, held at the International Guides' Centre at Pax Lodge in England in March 2007.

From 27th July to 8th August 2007 the 100th Anniversary of International Scouting was celebrated at the 21st World Scout Jamboree and to this Oman sent a contingent. The single theme for all events and activities held at this Jamboree in Chelmsford, England was "2007 – One World One Promise". The event brought together 28,000 young people aged between 14 and 17 years, and 12,000 adult leaders from more than 150 countries.

The Omani movement also made an active contribution to the international workshop on peer education organised by the United Nations Population Fund for the AGCC states in Bosnia-Herzegovina in June this year.

HEALTH SERVICES

The development plans implemented by the Ministry of Health and subsequent implementation of the 5-year plans starting in 1976 have provided health programmes and services which have vastly improved the general level of health in Oman.

The Seventh Five-Year Health Development Plan



Oman's scouts and guides provide a range of educational and recreational activities for the youth.

(2006-2010) has set priorities of public health policy in line with the GCC, regional and international directives, including the United Nations Millennium Declaration (2000), ratified by the Sultanate, which aims to achieve eight "Millennium Development Goals", over the years 1990-2015, three of which are associated with the development of health care.

Oman's health care system is composed of three integrated levels: primary care is effective and covers the entire Sultanate with good level of health care offered at centers across the country. The second tier involves secondary health care provided by regional and wilayat hospitals that provide more skilled and specialized care. The third level is specialist health care, and is offered by major hospitals in the Muscat governorate namely the Royal Hospital, Khoula Hospital and Al-Nahdha Hospital. The capital area's Ibn Sina Hospital specializes in psychiatric and mental health.

At present, there are 59 hospitals in the Sultanate, including 49 hospitals run by the Ministry of Health. The total number of beds in these hospitals is 5,319, representing 21 beds per 10,000 of the population. The number of Ministry of Health beds is 4,549, 86.3% of total hospital beds in the Sultanate.

During 2006, the numbers of outpatient-visits to Ministry of Health institutions was about 11 million.

With regard to Primary Health Care (PHC) services, the Ministry of Health – through its five-year plans – aims to support and develop high-efficiency primary health care institutions and considers PHC as the gateway to providing excellent health for the nation. The number of the PHC institutions will be expanded throughout the country and the drive to improve all areas of the service they provide is ongoing.

At present, the total number of PHC institutions in Oman number 194, including both health centres and clinics, 150 of which are administered by the

Ministry of Health.

Since the early 1970s, the Sultanate has maintained a leading position in the field of child health care, as highlighted by the decline in the infant mortality rate. Before 1970, 275 children out of every 1000 live births were expected to die before reaching the age of five; in 1980 the figure came down to 146 and was further reduced in 2006 to 11.02.

The improvement in these indicators was achieved by gaining more control of dangerous childhood diseases including TB (tuberculosis) and acute poliomyelitis (polio), diphtheria, whooping cough, tetanus, measles, hepatitis, rubella, mumps, thyroid problems and Haemophilus influenza type B (Hemovills flu).

A vaccination promotion of immunization against dangerous diseases has been underway since July 2003. The programme has made considerable achievements since its inception, increasing the rate of immunization coverage among children under the age of one year from 10% in 1981 to 99.0% in 2006, against polio, diphtheria, tetanus, whooping cough and 96% against measles. Because of that, the Sultanate has remained free of polio for the last 13 years. There has been no registration of any case of tetanus among newborns since 1995 or of diphtheria since 1992. The number of confirmed measles cases was 13 in 2006 compared to 68 in 1995.

The reported incidence of diarrhoea cases also decreased to 243 episodes per 1000 children under the age of five, compared to 497 episodes in 1995. This represents a decrease of about 51%. Meanwhile, the incidence of acute respiratory diseases was down by 44% in the same period. As a result of the continuing efforts of a national programme to control and eradicate malaria, adopted by the ministry in 1991, the number of confirmed cases of this disease decreased from 32,000 cases in 1990 to just 443 cases, all of which appear to have been brought into the country from other malarial areas.



Vastly improved levels of healthcare have led to a significant fall in infant mortality and an increase in life expectancy for all Omanis.



Colleges and Institutes train young people in the fields of healthcare.

The Ministry of Health depends heavily on the availability of adequate number of qualified manpower and specialists in different categories. By the end of 2006, the number of Ministry of Health personnel was 21,447 of which 14,367 are Omani, representing an Omanisation rate of 76%. Of the total number of 3,251 doctors, working in the country, 886 are Omani, representing an Omanisation rate of 27%. The number of Omani nationals increased in other areas of the health service, including dentistry, pharmacists and nursing staff, which together boast an Omanisation rate of 63%.

The Ministry of Health has continued to develop the policies and requirements of the health administration in order to upgrade the management process so as to be able to respond to the challenges imposed by the nature of the health system. The Ministry of Health in collaboration with Sultan Qaboos University has started a specialist course in health statistics at Bachelor of Science level, to provide trained operators and in order to further Omanise the country's Health Information System. A programme is also being implemented for the training of local managers specialized in the improving the quality of health services.

Dental and Oral Health

Oral and dental care is witnessing rapid development both in the public and private sectors in the Sultanate. As at end of 2006 there were 94 dental clinics in government primary health care establishments, in addition to the dental and oral surgery clinic at al Nahdha Hospital. Private clinics around the country also offer every type of treatment from orthodontics and implants to cosmetic dentistry.

The Oman Dental College was established in Muscat in 2006.

Oman Medical Speciality Board (OMSB)

The OMSB is responsible for training doctors in the different areas of medical specialisation in the Sultanate's hospitals and providing them with qualifications in line with the latest advances in the field of healthcare. (Further details, see page 56).

Hospitals and Clinics

1. The Governorate of Muscat

There are six government hospitals in the governorate of Muscat with around 1,300 beds. They include four specialist referral hospitals with high-tech equipment to cater for patients from all over the Sultanate. They are:

- The Royal Hospital has a modern oncology centre.
- Khoula Hospital
- Al Nahda Hospital
- Ibn Sina Hospital

All of the above are National Tertiary Care Hospitals.

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

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

Other health facilities in the governorate of Muscat include the Bausher Polyclinic, the Wattayah Polyclinic for gynaecological and maternity cases, and numerous health centres (some of which also have maternity beds).

There are also a number of private medical facilities as well as those specializing in Ayurvedic,



The ambulance service takes care of traffic accident victims before transporting them to the nearest referral hospital.

Chinese and homeopathy, along with chiropractor centres.

2. The Governorate of Dhofar

The governorate of Dhofar has six hospitals. The biggest of which is the Sultan Qaboos Hospital (450 beds) in Salalah, the governorate's referral hospital. There are also 27 health centres, 22 of which have maternity beds. In total, the governorate of Dhofar has 538 hospital beds.

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

3. The Dakhiliyah Region

The Dakhiliyah region has six hospitals with 547 beds. Nizwa Hospital is the regional referral hospital. Other facilities include three polyclinics and 15 health centres, five of which have maternity beds.

4. The Sharqiyah Region

The Sharqiyah region comprises ten hospitals with 787 beds in two health regions. They are:-

- The North Sharqiyah.

Ibra's new hospital is the referral hospital for this region, which also has 13 health centres including five with maternity beds. Ibra's old hospital has become a polyclinic.

- The South Sharqiyah.

The referral hospital is in Sur. This area also has two polyclinics as well as 14 health centers, including nine with maternity beds.

5. The Batinah Region

The Batinah region has ten hospitals with a total of 761 beds in two health regions. They are:-

- The North Batinah.

Sohar Hospital is the regional referral hospital for the North Batinah, which also has 4 polyclinics and 10 health centres including 3 with maternity beds.

- The South Batinah.

Rustaq Hospital is the referral hospital for this region, which also has two polyclinics and 8 health centres, all with maternity beds.

6. The Dhahirah Region

The Dhahirah region has three government hospitals with a total of 260 beds. Ibri Hospital is the referral hospital for this region. There is also a polyclinic as well as 9 health centres, six of which have maternity beds.

7. Buraimi Governorate

Buraimi governorate has two government hospitals with a total of 152 beds. The Buraimi Hospital is the referral hospital for this governorate. There are also three health centres.

8. The Governorate of Musandam

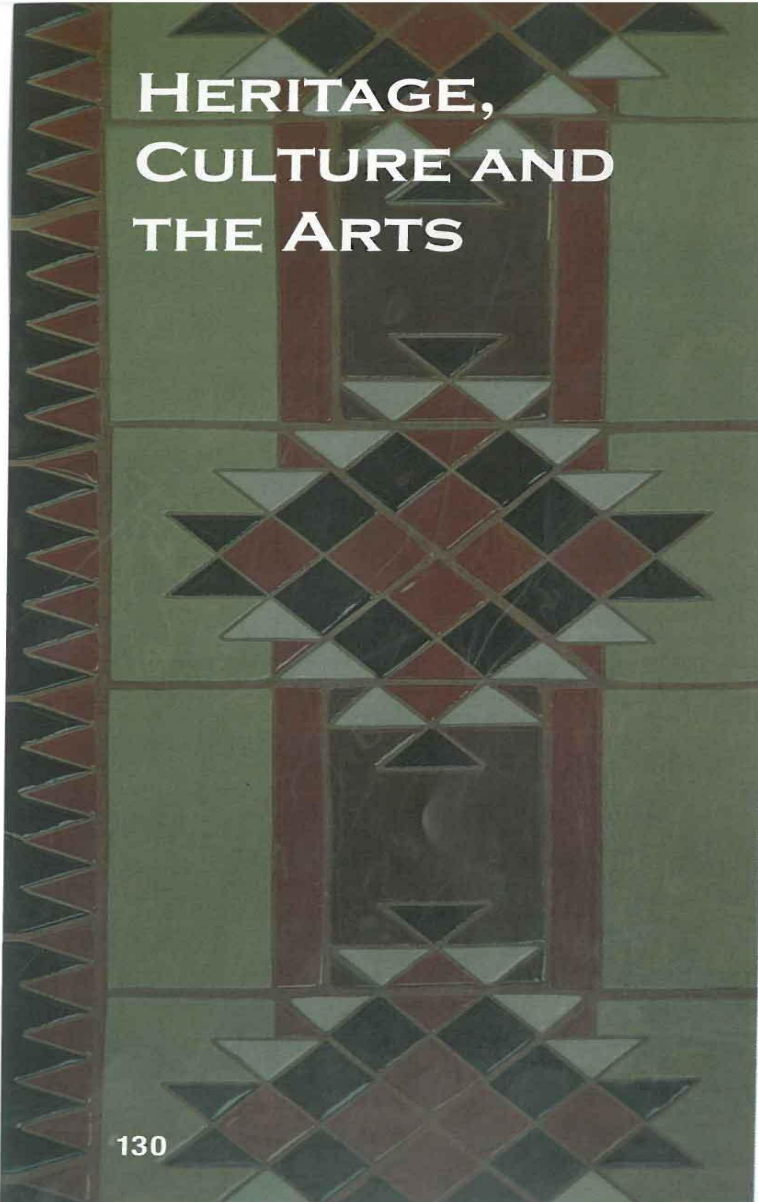
There are three hospitals in Musandam with a total of 156 beds. Khasab Hospital is the regional referral hospital. There are also three health centres all with maternity beds and an Extended Health Centre.

9. The Wusta Region

There are three hospitals in the Wusta region with a total of 72 beds, as well as five health centres including four with maternity beds.



Oral and dental care is witnessing rapid development both in the public and private sectors.



HERITAGE, CULTURE AND THE ARTS

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HERITAGE, CULTURE AND THE ARTS

Heritage, culture and the arts have long been an efficient method of building bridges between Oman and other nations. The Sultanate's heritage has evolved from more than its majestic old forts and castles, more than its intricately worked silver jewellery or expertly woven carpets and rugs, although each of these has their place in Omani heritage and culture. These, together with the less tangible aspects of the Sultanate, the hospitality and warmth of complete strangers, the smell of burning frankincense, the taste of cardamom flavoured coffee, the noisy, colourful hustle and bustle of the souq, the timeless serenity of the deserts and mountains, each plays a small, but vital, part in contributing to the Omani experience – a living, breathing culture and heritage.

From ancient times Oman has enjoyed good relations with countries stretching from China to South Asia, East and Central Africa Europe and the United States of America. These contacts with numerous and diverse peoples naturally led to an exchange of ideas and cultural influences through the centuries.

Muscat - Arab Culture Capital 2006

Last year was a proud one for Omanis everywhere when, in recognition of the Sultanate's global cultural role, UNESCO declared Muscat the 2006 Arab Culture Capital. The 'Muscat - Arab Culture Capital 2006' programme, which showcased the cultural movements across the Arab world, included art exhibitions, poetry recitals, lectures on literature, intellectual issues and the heritage, cultural competitions and printings of Omani manuscripts, as well as cultural weeks and exhibitions in other countries. The special year was further celebrated with the inauguration of the Omani Writers' and Scholars' Association on 8th October 2006.

Plans for the construction of a Cultural Complex were announced along with plans to lay the corner-stone of the Omani National Museum, which will form an important part in it.

UNESCO's World Heritage Committee selected five Omani aflaaj (water irrigation channels) to be added to its World Heritage List on 13th July 2006. They are Falaj Daris in Nizwa, Khatmin in Birkat al Mawz, Malki in Izki, al Jaylah in the mountains behind Sur and Maisar in Rustaq. Watchtowers built to defend the water systems form part of the listed property, as well as the mosques, houses, sundials and water auction buildings.

Excavations and archaeological sites

A number of digs were carried out by the Department of Excavations and Archaeological Studies of the Ministry of Heritage and Culture:

OMAN



(1) Copper ingot from Bahla dating from 2500 to 2000 BC. (2) Stone with inscriptions dating from 4000 BC. (3) Stone pestle and mortar from Habaroot in the Governorate of Dhofar dating from between 5000 and 3000 BC. (4) Fishhook from Ras al Jinz in the Sharqiyah Region dating from the 4th millennium BC. (5) 4th millennium BC shell necklace from Ras al Jinz in the Sharqiyah Region. (6) Thirty-seven stone and shell beads from the Ras al Hamra site in the Governorate of Muscat dating from the 4th millennium BC. (7) Palaeolithic flint cutting implement found in Wadi Rabkoot in the Governorate of Dhofar. (8) Flint cutting implement dating from 7000 BC found in the Sharqiyah Sands. (9) Fossilised ostrich egg from Jadirah in the Empty Quarter in the Governorate of Dhofar dating from the 7th millennium BC.

Bausher site

Experts from the AGCC antiquities departments took part in the joint AGCC dig on the Bausher site, marking the final stage in archaeological excavations that began there in 2004. This recovery operation was an example of constructive co-operation between the ministries and the authorities responsible for antiquities in the AGCC states, and enabled one of Muscat's most important archaeological sites to be scientifically documented and protected from the effects of urban sprawl.

Bat site

The German mission continues its work at the Bat site in conjunction with the Ministry of Heritage and Culture. Currently a survey and excavation work is being carried out at the site in collaboration with an archaeological team from Pennsylvania University. Excavations to date have revealed two round structures dating from the third millennium BC and containing a number of items such as earthenware pots, swords, stone pestles and cosmetic implements, and – for the first time – a lump of frankincense.

Surveys at archaeological sites

A French mission carried out an archaeological survey of the wilayat of Adam and the surrounding area, which revealed several Bronze Age sites.

In the village of Zakeet to the south of the wilayat of Izki an Italian mission made a number of discoveries at settlements overlooking caves from the Hafeet period and dating from the beginning of the early Bronze Age. An earthenware jar imported from Mesopotamia and dating from the Jumdat Nasr and Hafeet periods (3000 – 2700 BC) was discovered following last winter's survey.

The British mission continued its work on the Hajar Project in the Dakhiliyah Region. Most of its operations centred on two areas – Bisya in Wadi Bahla and Wadi al Ameri. The Hajar Project is currently

engaged on a multi-faceted exploratory programme designed to arrive at a proper understanding of the civilizations discovered in Wadi Bahla and Wadi al Ameri.

The al Wadi al Ameri site in the wilayat of Bahla, about four Kilometres from Bahla Fort, consists of tombs dating from the third millennium BC. It has been divided into two areas. A number of earthenware pots were found in the two tombs in Area No. 1, as well as beads and fragments of soapstone ware. In Area No. 2 there were 12 tombs containing skeletons and earthenware fragments.

Excavations carried out in the summer of 2006 on Bahla Fort (the Casbah) revealed four underground chambers beneath the fallen rubble from the unrestored walls of the fort surrounding the site of the excavation. Finds inside the chambers included fragments of gypsum moulds, a cannon ball, an earthenware jar, two coins and two statues of horses.

During the latest season a survey was carried out on a Stone Age site in the Wusta Region. The Swiss mission, which began surveying the Huqf and the Duqm areas in the Wusta Region in 2007, is aiming to explore the Sultanate's early Stone Age period on the basis of flint fragments scattered over the site and dating back over 5,000 years. The survey produced 230 sites.

The Ministry of Heritage and Culture carried out an exploratory dig on the site of Bait al Maqham Fort in the wilayat of Bausher which revealed the remains of the walls of a rectangular room with an oven in its centre which is thought to have been used for cooking. A large number of earthenware fragments were also found in the room.

The Ministry of Heritage and Culture carried out recovery digs on a site in the village of al Faiqain in the wilayat of Manah in December 2006, which was found to date from the late Copper Age/early Bronze Age (3200-2700 BC). The main finds from



(10) Model of Bronze Age tomb from Samad al Shaan in the Sharqiyah region. The Samad al Shaan period has been identified as being the 3rd century BC. (11) Copper ladle from the Salawt site in Bahla dating from the 10th century BC. (12) Earthenware jar from the Salawt site in Bahla dating from 1200 BC. (13) Earthenware vessel from Samad al Shaan in the Sharqiyah Region dating from 300 BC. (14) Bronze spearhead from Ibri dating from between 1000 and 400 BC. (15) Bronze arrow head from Bahla dating from between 3000 and 1000 BC. (16) Soapstone vessel from the al Wasit site in the Governorate of Buraimi dating from the 2nd millennium BC. (17) Earthenware jar from Samad al Shaan in the Sharqiyah Region dating from 300 BC.



The History Hall and the Maritime Hall, adjoining the Al Baleed Archaeological Park in the Dhofar, were officially opened in July 2007.

this site included bronze arrow-heads, soapstone containers, earthenware cups and a large number of pottery fragments.

In al Khubar in the wilayat of Sumail an exploratory dig on an ancient burial ground revealed a tomb containing fragments of earthenware jars and soapstone containers.

Recovery excavations on tombs in a rectangular stony area on the al Birain site in the wilayat of al Amerat showed that they dated from a number of different eras including the Lizq (1000-400 BC) and Samad al Shaan (late Iron Age – 300 BC-793 AD) periods. The main finds included bronze daggers, lances and axes, as well as a number of small glass, ivory and agate beads.

Land of Frankincense Sites

In ancient times Oman helped promote cultural contacts between civilizations through the

frankincense trade and the sites connected with that trade are of exceptional international value. The government attaches great importance to the country's archaeological and natural heritage and several of the sites connected to the frankincense trade have been added to UNESCO's World Cultural and Natural Heritage List, i.e. Shisr (Wubar), Khor Rori (Sumhuram), Al Baleed Archaeological Park and Wadi Dawkah (frankincense trees) were listed in November 2000 as Land of Frankincense Sites. The Office of Adviser to His Majesty the Sultan for Cultural Affairs is currently engaged in restoring and developing these sites in collaboration with a number of scientific and academic institutions, universities and UNESCO committees.

Al Baleed

The historic city of al Baleed is in the wilayat of Salalah on the coastal strip between al Dhariz and al Haffa. Recent excavations have shown that it originally dates from as far back as the pre-Islamic period and was a major population centre in the late Iron Age.

Al Baleed, like other coastal cities in Oman such as Sohar and Qalhat, was a port on the south-eastern shore of the Arabian Peninsula, and its layout, architecture and commercial activity show influences from the other major cities of the period. The Grand Mosque, built in the 4th century AH (10th century AD) and covering an area of 1,732 square metres (excluding the ablutions area on its eastern side), is one of the oldest mosques in the Governorate of Dhofar and one of al Baleed's most important buildings. Its style and columns reflect the great prosperity enjoyed by the city at that time. The main prayer hall consisted of rows of columns; 144 column bases have been excavated.

The Office of Adviser to His Majesty the Sultan for Cultural Affairs has established al Baleed Archaeological Park at the site, together with the



(18), (19) and (21) Late Iron Age finds from Ain Hamran in the Governorate of Dhofar including two figures – one of a human face and the other of a small bull - as well as a clay oil lamp. (20) Earthenware jar from Ain Hamran dating from 1000 BC. (22) Bronze snake from the Salawt site in Bahla dating from 1000-500 BC. (23) Glass bottle from Razat, east of Salalah in the Governorate of Dhofar dating from 200-700 AD. (24) Earthenware lid from the Salawt site dating from the 8th-9th century BC. (25) Bronze cooking pot from the Salawt site in Bahla dating from 900-800 BC. (26) Fragment of earthenware jar with snake design from the Salawt site in Bahla dating from 1200 - 1100 BC.



The city of Sumharum in the Khor Rori area is the most significant pre-Islamic site in the Dhofar region.

Museum of the Land of Frankincense comprising a History Hall and a Maritime Hall which were officially opened on 23rd July 2007. The contents include finds from different sites, models, maps, photographs, manuscripts and examples of traditional Omani ships. There are also a number of curio and handicraft shops in the Park which have been set up by the Public Authority for Craft Industries. The Park's other features include a viewing tower, a viewing platform for watching birds in Khor al Baleed lagoon and the neighbouring khors (lagoons), small boats for children and trips on the Khor, a pedestrian walkway along the Khor's northern bank and a nursery for frankincense seedlings. A botanic garden currently being established will contain examples of the trees and plants of the mountains of Dhofar. Two bridges have been built over Khor al Baleed to provide access to the archaeological site.

Khor Rori (Sumhuram)

The ancient city of Sumhuram in the Khor Rori area dates from between the fourth century BC and the fifth century AD and is the most significant settlement from the Governorate of Dhofar's pre-Islamic period. Situated in the middle of the frankincense-producing area, Sumhuram lies on the coastal strip between Taqah and Mirbat about forty kilometres east of Salalah. The khor is at the end of a wadi which descends steeply from the Dhofar mountains and the Darbat waterfalls that are situated to the north of the site. Excavations show that Sumhuram was a prosperous, well-defended town. Finds include earthenware cooking pots and preservation jars, some in the Roman style, as well as female cosmetic items.

There is a main gateway at the entrance to Khor Rori (Sumhuram), as well as a perimeter fence, access footpaths, site panels and a café and picnic area.

Shisr (Wubar)

The ancient city of Wubar is in the niyabat of Shisr at the southern edge of the Empty Quarter (Rub al Khali) desert about 170 kilometres north of Salalah and 90 Kilometres from the wilayat of Thumrait. Sources maintain that the city lies on the old frankincense trade route; excavations have revealed traces of settlement dating from the Iron Age and the Islamic eras, as well as evidence that frankincense was transported through the area to the southern side of the Empty Quarter or northwards to the oasis of Yabrin. Within Wubar's citadel are the ruins of an administrative building, as well as the remains of the main gateway, some round and square towers and a number of chambers. The layout of Wubar's citadel is similar to that of the ancient fort of Ain Hamran near the Salalah Plain which dates from the same periods. The Office of the Advisor to H.M the Sultan for Cultural Affairs is currently preparing a plan to develop the site and turn it into a major tourist



(27) Limestone incense burner from the 2nd century AD. (28),(29) and (31), Items of female adornment comprising a bangle, a bronze necklace in the form of a camel and an ornate stone necklace dating from between the 2nd century BC and the 2nd century AD. (30) Limestone incense burner from the 2nd century BC found in the outer temple. (32) Shell necklace dating from between the 3rd century BC and the 2nd century AD. (33) Hojari frankincense. (34) Two limestone fragments inscribed in the Southern script dating from between the 1st century BC and the 4th century AD.



(35) Sandstone chess pieces found at the Shisr/Ubar site. This is a rare find in the Arabian Peninsula and has been dated as being from between the 8th and 10th centuries AD. (36) Bone kohl applicator spoon dating from between the 9th and 16th centuries AD. (37) Earthenware fragment dating from between the 6th and 16th centuries AD. (38) Sandstone lamp dating from between the 10th and 13th centuries AD. (39) Glazed red ceramic pot dating from between the 12th and 15th centuries AD. (40) Silver Abbasid coins (dinars) dating from between the 8th and 10th centuries AD. (41) Clay lamp dating from between the 10th and 16th centuries AD. (42) Base of a vessel in the Persian style dating from between the 12th and 15th centuries AD. (43) Base of a vessel with three feet dating from between the 12th and 16th centuries AD.



(44) 1st century AD bronze spout in the form of a horse's head. (45) Bronze incense burner with three lion's feet dating from the 3rd century AD. (46) Inscribed bronze plate sheet dating from the 3rd century AD. (47) Bronze candlestick base dating from the 2nd century AD. (48) Bronze votive vessel inscribed in the ancient Arabic script dating from the 2nd century BC. (49) Bronze knob in the form of a lion's head dating from between the 1st and 3rd centuries AD. (50) Bronze bell dating from the 2nd century AD.



Wadi Dawkah now has over 1,200 mature frankincense trees. It is one of the four 'Land of Frankincense' sites on UNESCO's World Heritage List.

attraction.

Wadi Dawkah (Frankincense trees)

Wadi Dawkah is typical of the frankincense-growing area and was chosen because it is near Salalah - about 40 kilometres north of the city on the main road to Thumrait. The reserve, which covers an area of 14 square kilometres, is a semi-desert wadi filled with rocks and gravel in an area of small round hills and shallow depressions formed when the wadi flooded in ancient times. It has about 1,230 mature frankincense trees and around 5,000 additional trees are currently being cultivated.

Forts and castles

Oman's 500-plus forts, castles and towers are a priority of the government's building restoration plans. Restoration work has already been successfully completed on the forts of Qazah, Liwa, Bukha, al

Ma'mur, Yanqul, Hafeet and al Khabourah, as well as on Bait al Nadd in Madha, Yanqul's Bait al Marah quarter and Manah's al Bilad quarter. Meanwhile, the Ministry of Tourism has completed work on Taqah Fort - one of the most important forts in the Dhofar - and Khasab Fort in Musandam, both of which are now open to visitors.

In March 2007 President Musharraf of Pakistan was presented with the key of Gwadur Fort in Pakistan which Oman had restored. Restoration of the fort came as part of continuing bilateral co-operation between the two countries in various spheres.

Journal of Oman Studies (JOS)

JOS was launched in 1975 to become the first specialist scientific journal to be published in the Sultanate. JOS publishes scientific papers, studies and book reviews on the natural and cultural heritage of Oman and the Arabian Peninsula. Volume 14 is to be issued at end of 2007, along with an Arabic translation of Volume 13.

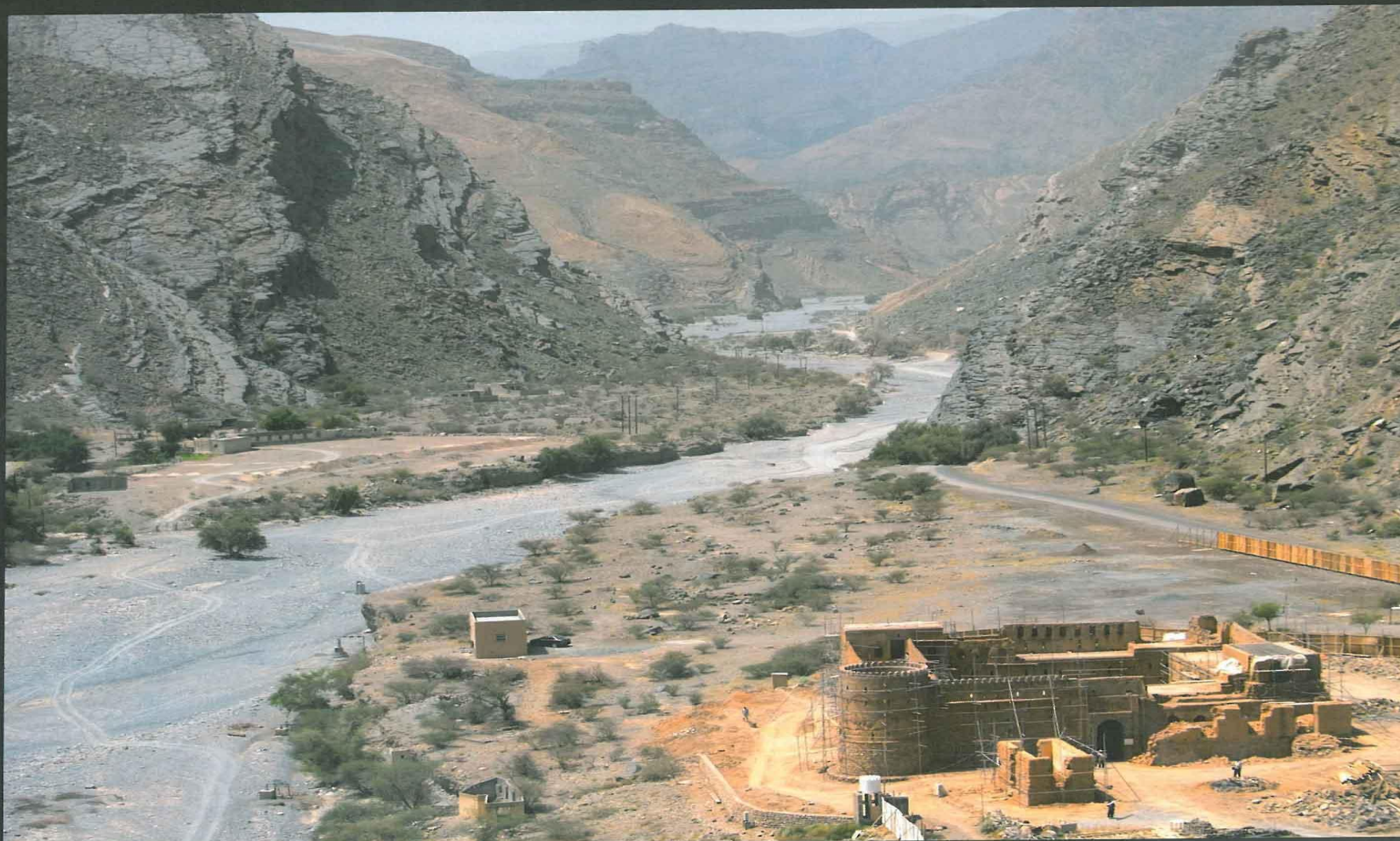
Cultural activities

The Sultanate hosted the Arab culture ministers' conference preparatory committee meetings in November 2006, followed by a meeting of the ministers responsible for cultural affairs in various Arab states. Discussions at this conference - which is held every two years and organised by the Arab League Educational, Cultural and Scientific Organisation in co-ordination with the member states - focused on cultural issues in the Arab world.

A special seminar was held on the late, and internationally renowned, Egyptian born writer Naguib Mahfouz in December 2006.

Arts and youth activities

The Ministry of Heritage and Culture supports the theatre, the cinema and the arts, and is involved in



Restoration of Oman's 500-plus forts, castles and towers are being given priority. Here al Awabi, Wadi Bani Kharous in the Batinah region.

the active encouragement of budding talents in these fields. The Ministry organises and funds cultural weeks and a range of other initiatives, including often offering prizes and financial incentives. Currently, the Ministry oversees 17 non-government theatre groups across the country, in addition to seven youth groups.

The Ministry of Heritage and Culture supports folklore troupes and encourages their performances at local festivals organised by the Ministry and other government departments, as well as at Omani cultural weeks abroad. Thanks to this policy, there are currently over 200 folklore troupes in various parts of the country.

In 2006, some 18 art exhibitions, workshops and courses were held in the Sultanate and the Ministry took part in an international art forum in India. In addition to these activities, seven national work camps in various regions of the Oman attracted 1,147 participants last year.

Some 60 people attended the summer centre in the wilayat of al Amerat in July 2006, while the Cultural Club hosted the finals of the nationwide chess competition in October 2006.

Smithsonian Exhibition

From June to mid-September 2007, the Sultanate took part in an international exhibition staged in Washington by the American Smithsonian group of galleries entitled 'Encompassing the Globe: Portugal and the World in the 16th and 17th Centuries.' The exhibition showed how over the centuries the Omanis carried their knowledge, culture and language to the many regions of the world they visited. An exhibition on 'The Indian Ocean: From Muscat to the Spice Islands' was held on the sidelines of the Washington event.

Literature and Arts Festivals

The Sultanate came second in the Arab Gulf Co-

operation Council (AGCC) states' youth clubs' Holy Qur'an and Hadith competition, held in December 2006. Omani representatives attended the Arab Youth Conference in Bahrain and the first AGCC girls' forum hosted by the Emirate of Sharjah. The Ministry of Heritage and Culture staged the AGCC states' Youth Literature and Arts Festival in Sohar in June 2006.

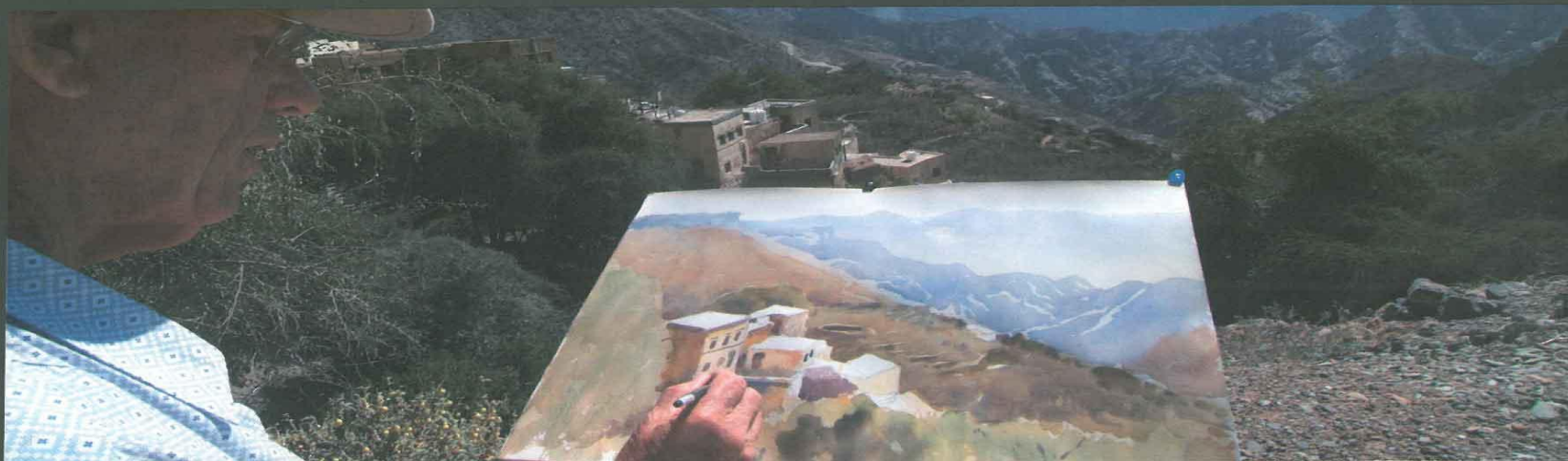
The Omani Poetry Festival, held in December 2006, was attended by around 70 Omani classical and vernacular poets in addition to a number of other well-known poets from around the Arab world. A number of Arab and international films were shown at the Muscat Cinema Festival, including 'Al Boum' – an Omani film about the relationship between Omanis and the sea.

There was lively competition at the Omani Song Festival in April 2006, which featured Omani entrants and judges, who took part in the event alongside singers and judges from other Arab states. The event generated intense interest in music and song in the Sultanate.

Other popular musical events included performances by the Royal Oman Symphony Orchestra and the recently-formed Oud Association.

The Ministry of Heritage and Culture hosted the Arab Youth Literature Forum in the governorate of Dhofar in August 2006 – a gathering devoted to poetry and fiction at which several Arab states were represented. The 12th Youth Literature Forum, held in Sur in July 2006, encompassed a broad spectrum of literary strands, including poetry and fiction.

The 12th Muscat International Book Fair was held in February 2007; some 27 states and 523 publishing firms took part, and around 100,000 titles were exhibited. The 41 exhibitors in the Omani section represented a range of both official and private establishments.



Artists from overseas delight in painting in the mountains and small villages.



Musical events and theatrical performances are lively occasions in the Sultanate of Oman.





A performance at the Al Fulaij Castle Theatre by a visiting musical troupe.

Cultural weeks

Several cultural events were celebrated in Oman in 2006, an Egyptian Cultural Week started the ball rolling in May 2006, followed by designated Brunei Cultural Days in July, an Algerian Week followed by a Moroccan Cultural Week in November, and two cultural weeks in December, one organised by the United Arab Emirates, the other by Yemen.

Omani Cultural Weeks organised by the Ministry of Heritage and Culture to present the Sultanate to other countries began with several Omani Cultural Days in Paris in 2006, followed by cultural weeks in Tunis in September, and in Riyadh in December. This year – 2007 – the Sultanate held an Omani Cultural Week in Algiers in April. The cultural weeks are held within the framework of cultural agreements and co-operation programmes.

The Sultan Qaboos Prize for Cultural Innovation

The Sultan Qaboos Prize for Cultural Innovation was announced during celebrations held to mark 'Muscat – Arab Culture Capital 2006' to encourage home grown creative talent. The prize covers the fields of literature and the arts. The literature section includes contributions of poetry, novels, short stories and scriptwriting, while the arts include photography, painting and sculpture. The winners were announced on 16th December 2006 and were presented with their prizes on 21st January 2007.

Al Fulaij Castle Theatre

The renovated Al Fulaij Castle Theatre in Barka opened in 1999 with the assistance of UNESCO. The theatre comes under the auspices of the Ministry of Tourism and presents a wide variety of performances during its annual season. Last season's programme included a selection of popular melodies from the 19th century onwards performed by the 'Danube Philharmonia Vienna' Austria on 5th December 2006; samba and traditional songs by a group from Brazil, songs from the repertoire of the late Egyptian singer Umm Kulthoum presented by the al Hafni Arab Music Group, Andalusian songs and an evening of Omani traditional songs presented in collaboration with Oman's own First Royal Traditional Folklore Group. The Iraqi Folklore Band also visited the Sultanate in February 2007 and gave a concert of folkloric music and dances.

The Oman Encyclopaedia project

The Oman Encyclopaedia is designed to be a comprehensive reference work on Oman and its people and will cover the country's history as well as its society, arts, literature, geology, climate, flora, fauna and other features.

During the preparatory stage from mid-2004 to the end of 2005, a working group carried out an initial survey of the subject headings that could be



The Omani Society for Fine Arts encourages local artists and photographers to display their work.



Prizewinners of the Sultan Qaboos Prize for Cultural Innovation awarded at the end of the year 'Muscat – Arab Culture Capital 2006'.

included in the Encyclopaedia and came up with around 8,000. The implementation stage involves recruiting researchers and specialist writers in the Sultanate and abroad to contribute material then collated and revised under the supervision of the Oman Encyclopaedia Committee. The project is due for completion in November 2010.

Art and Photography

The Oman Society for Fine Arts, established in 1993, provides facilities to enable Omani artists to develop their talents and contribute to the art scene at home and abroad, while keeping abreast of artistic movements in other parts of the world.

The Society, along with the Bait Muzna and Al Madina privately-owned art galleries, has hosted a number of exhibitions featuring works by international artists, including those from South Africa, England, the Netherlands, India, Pakistan,

Iraq and Sudan, as well as several displays of work by Omani individuals and groups. The Society has also taken part in exhibitions and festivals abroad including international competitions in Paris, and the 12th Bangladesh Asia Biennale.

The Society's Photography Club came sixth in the International Photography Association competition, hosted by China in 2006 and attended by 47 countries. The Omani photographer, Abdul Rahim al Hinai, won the silver award out of over 450 photographers from around the world.

The House of Musical Arts

On the instruction of Sultan Qaboos, it was announced in May 2007 that a 'House of Musical Arts' will be built by Royal Court Affairs (Royal Buildings) on an 80,000 sq.m. area in Qurm in the governorate of Muscat. This high-tech project is due for completion by the summer of 2010, and will have state-of-the-art lighting and sound systems and an expandable, moveable stage. The auditorium will be able to accommodate an audience of up to 1,100 people and will boast a 32-metre high tower capable of facilitating all kinds of theatrical wizardry to enhance performances.

Museums

Oman boasts several impressive museums showcasing culture and heritage. The Bait al Baranda Visitors' Centre on Muttrah cornice was opened in January 2007 to become one of Muscat's historic landmarks. It records the story of Muscat's past, from the earliest geological epochs to the present day, and complements the Muscat Gate Museum, which reveals how Oman's capital city has developed through the ages.

The Museum of Omani Heritage was re-opened after extensive modernisation in December 2006 and gives the visitor a picture of Oman's past and the features of its different regions; the National



An architect's concept design for the House of Musical Arts to be built in Qurm, Muscat governorate.



The inauguration in July 2007 of the Maritime Hall of the Land of Frankincense Museum.

Museum charts the Al Said dynasty; the Natural History Museum highlights some of the Sultanate's rich wildlife, its flora and fauna and a whale hall features the skeleton of a sperm whale; the Omani-French Museum contains photographs and historic documents on Omani-French relations; the recently renovated Children's Museum presents science and technology in a simplified form, including details of scientific history and development. The Sultan's Armed Forces Museum too was re-opened in September 2007 following renovation, and the Currency Museum at the Central Bank of Oman has an interesting display of coins and notes.

Meanwhile, the Bait al Zubair is a privately-owned museum in old Muscat, which contains items of personal adornment and examples of old weapons and coffee-pots, while Bait Adam Museum in Qurm (also privately-owned) has a unique collection of Oman's postal history.

In Salalah, the Land of Frankincense Museum,

housed in the Al Baleed Archaeological Park, was officially opened on 23rd July 2007 – it has a Frankincense Hall and a Maritime Hall. There is also a Culture Centre in this area, featuring photographs taken by the famous British explorer, Sir Wilfred Thesiger, in the 1940s and 1950s.

Museums have been opened in a number of the country's forts. The Sohar Fort Museum showcases the history of the city, its historic buildings and its relations with the outside world through history, while the Nakhl Fort Museum has an interesting display of historic guns. Bait al Safah in al Hamra is a 17th century 3-storey mudbrick mansion which is privately run.

National Documents and Archives Authority

Royal Decree No. 60/ 2007 issued on 2nd July 2007 established the National Documents and Archives Authority. The Authority, which is affiliated to the Council of Ministers, is an administratively and financially independent legal entity. The Authority is based in Muscat. The Minister of Heritage and Culture has been appointed to supervise the Authority for a foundation period not exceeding four years.

The Decree also stipulates that the historical documents held by the Documents Department at the Ministry of Heritage and Culture shall be transferred to the Authority, with the exception of the documents and archives of the Diwan of Royal Court, Royal Court Affairs and the Royal Office.

Before the Authority was set up, the Ministry of Heritage and Culture had already amassed a collection of around 4,500 historic Omani manuscripts covering a wide range of topics including astronomy, medicine, marine sciences, literature, fiqh (Islamic jurisprudence), the Arabic language, Sharia and other branches of knowledge.

The Ministry of Heritage and Culture offers facilities for scholars and post-graduate students to study the manuscripts. A five-volume index of



There are many interesting Museums in Oman, many recently renovated. (Top left) Old manuscripts are preserved in the Ministry of Heritage and Culture, (top right) Bait al Baranda on the Muttrah corniche and (bottom) the Omani Heritage Museum in Qurm, Muscat.

reprinted and published manuscripts can be accessed via the internet.

The manuscripts have also been transferred onto microfilm and stored on computer, enabling scholars and researchers to use them without physically touching the originals. The process of documenting and preserving them is ongoing. So far 750 issues have been published covering a range of subject matter.

Centres of literature and the sciences

The cultural associations, which include the Cultural Club and the Literary Association provide facilities to enable people to develop their literary and scientific talents, and over the course of the year, their programmes offer a range of activities.

The Cultural Club has published 12 titles by Omani writers, and continues to support and fund authors, encouraging them to produce new work.

The Literary Association, established in 1985, is one of Oman's major cultural institutions. It holds meetings, soirées for local poets and seminars to commemorate eminent writers and scholars, and also organises an annual competition for young Omani authors. It has also held seminars on Omani manuscripts and the city of Quriyat, and has published over 40 titles on various cultural topics.

Oman Centre for Traditional Music (OCTM)

The Oman Centre for Traditional Music (OCTM) at the Ministry of Information was set up in 1984 to collect traditional Omani music and songs. It hosts meetings attended by Omani, Arab and international performers. The Centre's most recent event was a major international forum on the oud, its history and its contribution to Arabic music, held for three days in December 2006 and attended by several of the world's top oud players and makers.

The OCTM has published a number of books, papers, compact discs and audiotapes illustrating

various examples of Oman's traditional music and instruments. For example in 2004 a book entitled 'Traditional Omani Musical Instruments' was published on traditional music, and the latest being a book in Arabic on the oud entitled 'The oud – scientific precision and artistic esotericism'.

Craft industries

The Public Authority for Craft Industries (PACI) has put a series of plans and programmes in place to promote and protect Oman's traditional crafts. Craft industries are registered and documented, together with details of the materials, methods and styles of every region, with ongoing research to identify the present and future needs of a range of Omani artisans. New economically viable crafts are also being introduced and advice and guidance services are offered to craftspeople, along with training opportunities and technical support.

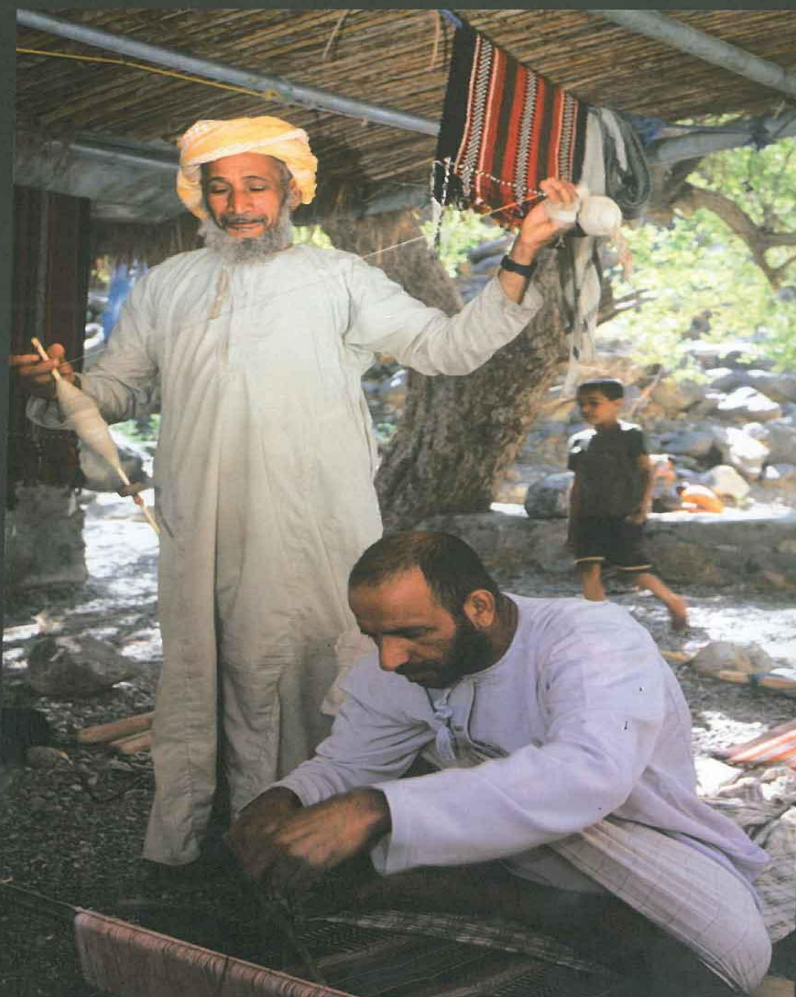
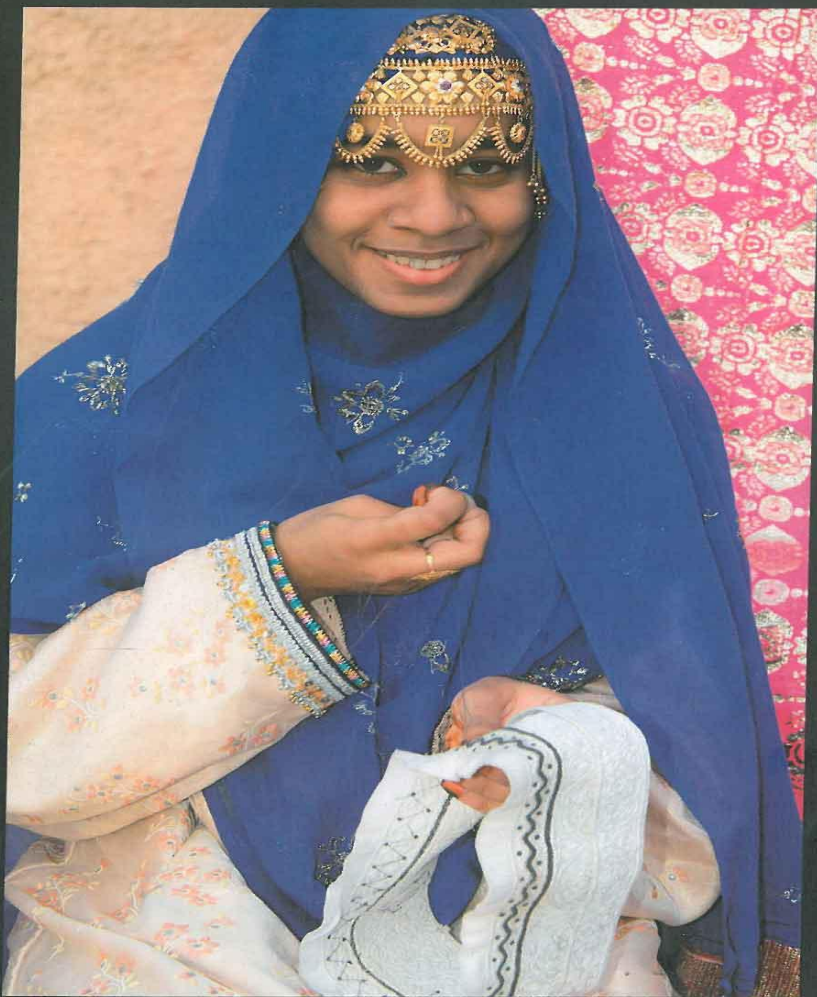
The Omani Craft House in Qurum (Muscat governorate) has proved its success as a channel for marketing handicrafts and attracting investment into the craft industry sector and PACI has opened branches in Sohar, Nizwa and Salalah. There are smaller sales outlets in Khasab (Musandam), the historic city of al Baleed (Dhofar), the Barr al Jissah Resort (Muscat) and al Hoota cave in al Hamra (Dhakiliyah), and there are plans to open further outlets at airports, seaports and overland border crossing points.

PACI's operations are also expanding and it is setting up training and craft production centres in various parts of the country, including a pottery and ceramics training and production centre in Bahla, a weaving and embroidery training and production centre in Sumail, and a carpentry and model ship training and production centre in Sur.

(Further details, see page 54).



The Oman Centre for Traditional Music brought together artists from around the world for an International Oud Forum in December 2006. It encourages displays of traditional music and songs.



A young lady enjoys designing the embroidery on the male cap, the kuma, while on the right traditional spinning and weaving of wool continues to produce popular rugs.



The younger generation learning the art of weaving palm leaves from the expert.

ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

A new era of industry

Oman's economic projects in the early 1970s were aimed mainly at creating an infrastructure, which would facilitate the launch of other major projects. The focus was on developing the electricity, roads, ports and the communications sector, exploiting natural resources such as petroleum, minerals and fish, setting up industries and providing assistance to enable the private sector to exploit its potential for the benefit the Omani community.

When Sultan Qaboos laid the foundation stone for the liquefied natural gas (LNG) complex in Qalhat, near Sur, Sharqiyah region in 1996, Omani industry entered a new era, one which would transform it from the age of small and medium-scale industries to one of heavy industry and huge economic projects. By this stage the Sultanate was economically capable of diversifying its sources of national income and providing improved employment opportunities for nationals, through a series of long-term projects. These schemes were not limited to industry but included other potentially profitable sectors such as tourism.

The Sultanate's latest industrial projects include the Sohar Refinery, the polypropylene project and the seawater extraction plant at Port Sohar with a range of other projects scheduled to begin commercial production either this year (2007) or next.

Port Sohar is currently one of the Sultanate's leading investment areas, with projects so far, exceeding US\$13 billion in value. These, together with the tourist schemes due to be set up in Muscat, al Sawadi, Yiti and Ras al Hadd – the LNG complex in Sur, the third LNG train at Qalhat and the Omani gas tankers project – mark significant steps towards the diversification of the country's sources of income.

Increased GNI

In 2005 contributions per head to the country's gross national income (GNI), rose by 19.6% to RO4,496 – up from RO3,760 in 2004. In 2005, the Sultanate's overall gross national income per capita increased to RO11.279 billion – up by 24.2% from RO9.085 billion, recorded the previous year.

The economy has been reinforced by the Sultanate's policy of boosting domestic and foreign investment and creating an attractive investment climate, while increasing government spending.

The Five-year Plans

Through its Five-year Development Plans, the Sultanate aims to generate prosperity by setting up projects across the country.



Port Sohar Industrial Estate where many of the country's heavy and petrochemical industries are located.

Under the Seventh Five-year Plan (2006-2010), the Sultanate is aiming for average annual growth rates of 3%+ in real terms, while improving living standards and keeping inflation to a minimum.

On the economic side, the Seventh Five-year Plan aims to ensure sustainable, controlled public spending while increasing non-oil revenues. Top priority is given to developing Omanisation and honing the Sultanate's national manpower skills to meet local needs. The Plan also aims to develop the tourist, fisheries and industrial sectors and support efforts to boost exports and promote Omani products in world markets. At the same time it aims to modernise the infrastructure facilities for exports, including the seaports and airports, and promoting partnership agreements with international economic blocs. It also seeks to encourage domestic and foreign private sector investment, speed up privatisation programmes, channel the government assets from the privatisation process into useful projects, establish an investment fund to finance further successful economic diversification and develop small and medium-sized establishments by providing them with funding and technical and administrative support.

Beyond all expectations

The Seventh Five-year Plan has much to live up to. The impressive achievements of the Sixth Plan (2001-2005) exceeded all the government's expectations. In real terms, average annual GDP over the years of the Sixth Plan grew by 4.6%, compared with the government's estimated target growth of 3%.

Performance was enhanced by the fact that throughout the years of the Plan, the General State Budget recorded an average annual surplus of around RO615.2 million, compared with a predicted annual deficit of about RO38.5 million. The government took advantage of the growth in oil revenues and subsequent General Budget surpluses to reduce the

size of the public debt and reinforce Oman's financial reserves.

The 2007 Budget

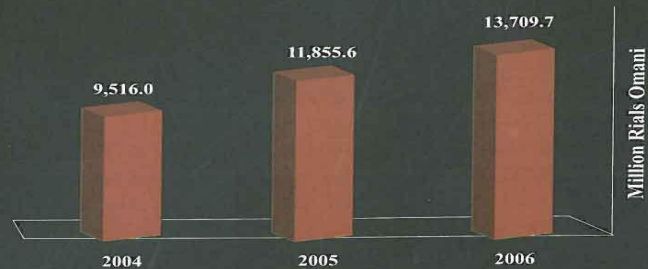
The 2007 Budget gave a further boost to development taking place across the country and made provision for an expansion in government services. Revenues were estimated at RO4.49 billion and expenditure at RO4.89 billion, producing an estimated Budget deficit of RO400 million. However, oil revenues were calculated on the conservative basis of a price of US\$40 per barrel (which has roughly doubled) and a production figure of 730,000 barrels per day.

Anticipated revenues in 2007 are some 25% higher than the 2006 Budget revenues of RO3.587 billion, while expenditure will be around RO653 million higher than the 2006 budget estimate of RO4.237 billion. The deficit in the 2006 Budget was estimated at RO650 million after calculation of oil revenues at a price of US\$32 per barrel.

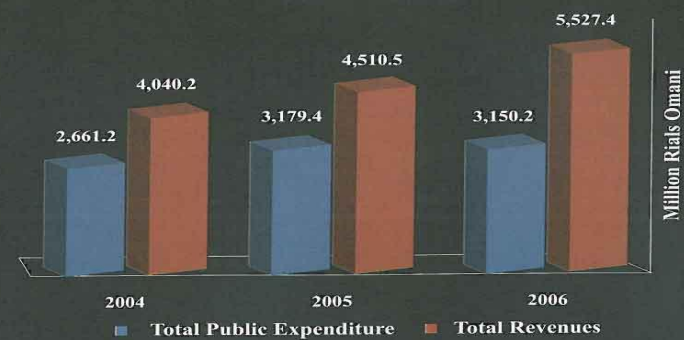
Oil and gas revenues represent 79% of total revenues while current and capital revenues account for 21%. Oil revenues are expected to total around RO3.015 billion and contribute 67% of total revenues, while gas revenues – at RO550 million – will account for 12% of the total. Current and capital revenues are estimated at RO925 million – an increase of 37% compared with the 2006 Budget figure.

Total public expenditure for the 2007 financial year will be around RO653 million – or 15% – higher than in 2006. Estimated current expenditure by the civil ministries and government departments is around RO1.62 billion – an increase of RO220 million, or 16%, compared with the 2006 estimates. Current expenditure accounts for 33% of total public spending and covers basic government services, the operating expenses of the ministries and government departments, the expansion in education and health services and the operating expenses of new projects.

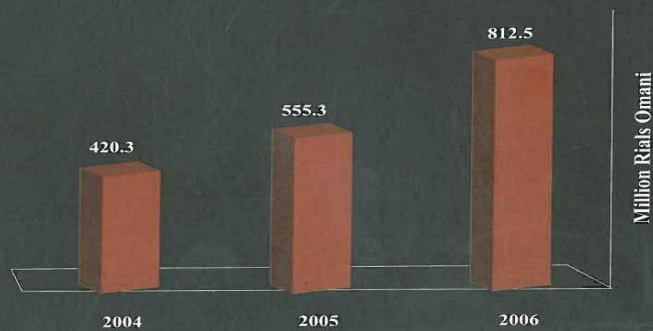
Gross Domestic Product(GDP) at Market Price



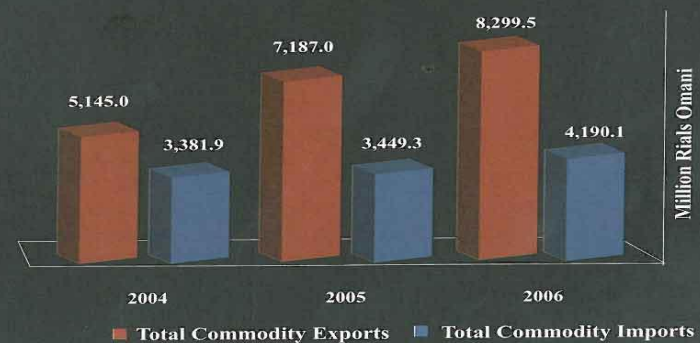
Public Finance



Oman's Non-Oil Exports



Summary of Recorded Growth





Oman has a stable, highly-efficient banking sector.

Education and health account for 50% of current expenditure, with current allocations for the educational sector totalling RO609 million. This is in addition to the development expenditure allocated for this sector, which is estimated to be around RO242 million.

The health sector's share – RO199 million – amounts to 12% of the civil ministries' total current spending, is RO12 million (6%) higher than the figure approved in the 2006 Budget.

Some RO30 million has been allocated for social security to cater for the 48,926 cases covered by the social security umbrella.

Estimated oil and gas production expenditure, at RO1,205 million, represents 25% of total public spending – a 32% increase on the approved 2006 Budget figure. An estimated RO135 million has been allocated as subsidies for the electricity sector – 7% higher than the approved 2006 Budget figure.

The estimated Development Budget allocations –

which at RO500 million are some 33% higher than the approved 2006 Budget figure – are designed to cover expenditure on new and on-going development schemes listed for the different sectors in the Seventh Five-year Plan.

Government revenues in 2006

In 2006 government revenues rose to RO5.527 billion, up from RO4.51 billion in 2005. Preliminary figures issued by the Ministry of National Economy show that net oil revenues rose to RO3.825 billion in 2006, compared with RO3.161 billion in 2005 as a result of the rise in the average price of oil from US\$50.26 per barrel to US\$61.69 per barrel.

Public spending in 2006 rose to RO4.469 billion compared with RO4.207 billion in 2005. Current expenditure totalled RO3.15 billion, investment expenditure RO1.135 billion and contributions and subsidies for the private sector RO184.6 million. The provisional surplus for 2006 was RO1.153 billion.

The Tender Board

The Tender Board, established in 1973, is responsible for inviting tenders, analysing bids and awarding all government tenders with a cost in excess of RO250,000. With the Sultanate's priorities focused on infrastructure spending, in 2006 the Tender Board invited 207 tenders for a range of infrastructural projects across the country at an estimated total cost of RO595.2 million. In the same year the Board awarded 328 tenders at a cost of RO864.1 million for projects, with the lion's share (RO314.5 million) awarded to the public utilities and services sector.

The Banking Sector

Oman has a stable, highly efficient banking sector capable of adapting swiftly to changing circumstances. In this connection, the Central Bank of Oman (CBO) plays a pivotal role in spearheading the sector's development, maintaining it as a cornerstone of the

national economy and safeguarding the stability of the Omani Rial's value at home and abroad.

The Omani banking sector comprises the CBO and a number of commercial and specialist banks.

At the end of 2006 there were 14 commercial banks operating in the Sultanate – including five national banks and nine branches of foreign banks – with a total of 338 branches in different parts of the country. There were also three specialist banks with 26 branches.

On 9th April 2007, Bank Sohar began providing services at its main branch in Muttrah business district in Ruwi. The Sultanate's sixth local commercial bank had a start up capital of RO100 million, RO50 million of which was paid up. Between 9th December 2006 and 7th January 2007 the Bank floated 40% of its capital for public subscription, comprising 40 million shares at a price of 520 baisa per share, including a 20 baisa issuing charge.

The Central Bank of Oman

The Central Bank of Oman is responsible for maintaining the stability of the national currency (the Rial Omani) and ensuring monetary and financial stability in a deregulated and open financial system. The capital base of the CBO which was one million Rial Omani (RO) at the commencement of operations in 1975, was strengthened over time and since April 2002 has remained at RO300 million. At the end of 2006, CBO's assets/liabilities totalled RO2131.2 million.

The Bank also administers and participates in the financing of a bank deposits insurance system, which ensures the highest possible level of security for deposits, while cushioning the effects of any adverse circumstances.

CBO has two branches, in Salalah and Sohar, and is pivotal to the Omani banking sector.

Regulatory and supervisory initiatives of the CBO sustained the financial momentum in 2006,

with renewed emphasis on adoption of evolving international best practices.

The CBO has permitted the establishment of wholly owned institutions in the Sultanate and raised the permitted level of foreign capital participation in licensed banks operating in the country to 70%.

It has also taken firm measures to prevent money laundering through the Money Laundering Prevention Law and co-operates closely in this regard with relevant international organisations.

With the finalization of the Basel-II guidelines, commercial banks in Oman have adopted a standardized approach for credit risk and market risk and the basic indicator for operational risk with effect from January 2007.

The CBO has put in place measures to absorb and inject liquidity; currently, the absorption of liquidity is done through weekly auctions of certificates of deposits (CDs) issued by the CBO. The weighted average CBO CD rate was lowered to 3,145 % in August 2007 compared to 4,156% in August 2006.

Omanisation in the banking sector

The Central Bank of Oman (CBO) regards the Omanisation of jobs in the banking sector as a major priority and, by the end of 2006, 92.4% of all positions in commercial and specialist banks were occupied by Omanis, including 85.8% of the higher and mid-level administrative posts, 99.8% of clerical posts and 100% of the non-clerical posts. Omanisation reached 51.3% in the Sultanate's exchange companies and 62% in the finance companies licensed by the CBO.

Commercial banking operations

At the end of 2006 the Omani banking sector was enjoying strong growth. In August 2007, total assets held by the commercial banks increased by 31.5% to RO 8.593 billion, up from RO 5.63 billion at the end of 2005. Banking credit – including loans and credit facilities– rose by 28.4% to RO5,517.9 million, up



At the end of 2006 the Omani banking sector was enjoying strong growth. Above is the magnificent door of the Oman International Bank, and (right) the Central Bank of Oman which plays a pivotal role in spearheading the sector's development.

from RO3.896 billion at the end of 2005.

On the liabilities side, deposits held at the commercial banks operating in the Sultanate totalled RO5,712.2 million at the end of August 2007, compared with RO3.761 billion at the end of 2005. Private sector deposits at the year's end amounted to RO3.851 billion, or 82% of the total held. The commercial banks' main capital, reserves and undistributed profits reached RO742.5 million.

Specialist Banks

Currently Oman has three specialist banks. Two – the Oman Housing Bank and the Oman Development Bank – are government-owned, while the third – the Alliance Housing Bank – is a public joint stock company.

•Oman Housing Bank (OHB)

Since it was set up in 1977 the Oman Housing Bank (OHB) has been providing nationals with loans to enable them to purchase, build or complete their homes. In 2006, the Bank advanced loans totalling RO32 million.

At the end of 2006 the OHB's assets totalled RO 163.8 million.

•The Oman Development Bank (ODB)

The Oman Development Bank (ODB) was established by Royal Decree No. 18/97 of 09/04/1997 in a merger between the Development Bank of Oman (established in 1979) and the Oman Bank for Agriculture and Fisheries (established in 1981).

The ODB provides funding for development projects in various economic sectors, including small and medium-sized businesses and craft projects, up to a maximum of RO1 million per project and at a maximum annual rate of interest of 3%. Uniquely, the Bank provides interest-free loans for small investors who are occupied full-time in running their operations.

By the end of 2006, the Bank had advanced loans totalling RO33.5 million. It had assets of RO56.1 million and paid-up capital of RO20 million.

•Alliance Housing Bank (AHB)

The AHB was established in 1997 and is a publicly held institution listed on the Muscat Securities Market. It was formed to create a niche as a specialised housing bank and provides long term 'value for money' loans for Omanis who want to buy land or build/improve their homes. The bank, which also provides re-mortgage loans for housing-related projects operates through a network of seven branches and was recently approved by the CBO to become a commercial bank. In July 2007 the Alliance Bank signed a memorandum of understanding with a Bahraini bank for the purchase of a 35% stake in the Manama-based institution.

The Capital Market

Muscat Securities Market (MSM) is part of the capital market overseen by the Capital Market Authority (CMA) and was set up under Royal Decree No. 53/88, issued on 21 June 1988. After a decade of steady growth in MSM's activities and in response to new developments in the financial sector at home and abroad, it was recognized that there was a need to split the regulatory from the executive activities of the market so as to improve the effectiveness of the monitoring process and ensure greater protection for investors. Existing legislation and regulations were amended to bring them into line with MSM's needs and put the market on an equal footing with other securities markets around the world. Accordingly, the securities market was restructured in 1998, under Royal Decrees Nos. 80 /98 and 82 /98, which established three main separate bodies: the CMA, MSM and Muscat Depository and Securities Registration Co. (MDSRC).

The CMA regulates, licenses and monitors the

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

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

The Capital Market Authority (CMA)

The Capital Market Authority (CMA) seeks to ensure a fair, efficient and transparent capital market that protects investors from unfair and unsound practices while providing opportunities for investors that also serve the interests of the national economy.

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

In 2006 the CMA issued rules and legislation with the aim of further tightening up the regulation of the securities and insurance sectors. In the insurance sector the Authority's main focus was on amending the Insurance Companies Law and Regulations and the Vehicle Insurance Law.

The CMA aims to ensure the highest possible degree of transparency and has issued a new standard set of regulations on disclosure for companies listed on MSM. Royal Decree No. 52/007, issued on 31st

January 2007, amended the Capital Market Law and granted the CMA the power to impose fines on companies listed on MSM that failed to disclose the financial and other information required under the provisions of the Capital Market Law. (Further details, see page 52)

Muscat Securities Market (MSM)

Muscat Securities Market (MSM) performed well in 2006 and the Muscat 30 Index – the Market's main index – closed at 5581.57 points at the end of the year. This – MSM's highest ever annual closing figure – was 14.5% higher than the 4875.11 points recorded at the end of 2005. In fact, MSM was the only Gulf market to end 2006 on a high.

There were 12 new issues in the primary market in 2006, up from eight in 2005, while foreign capital holdings in public joint stock companies listed on MSM at the end of December 2006 stood at 23.28%, up from 16.15% at the end of December 2005. By the end of 2006 the market value of listed securities had risen to RO6.22 billion, compared with RO5.878 billion at the end of December 2005. However, the volume of shares traded in 2006 fell to RO1.128 billion, down 19.8% from RO 1.407 billion in 2005.

In 2006, MSM successfully introduced the new Euronext electronic trading system, which is helping improve performance and boost investor confidence. The system, which offers a range of advanced features, enables trading to take place over the Internet. It is highly flexible and will be able to handle the future demands of the marketplace, including a range of new investment instruments.

The French trading system was chosen in preference to the trading system in use since 1998, because it has been successfully introduced in over 22 advanced bourses in Europe, America, Asia and the Middle East.

In 2006, MSM introduced the Real Time Gross Settlement (RTGS) system for trading operations



The busy central business and banking district in Ruwi, with the Muscat Securities Market in the foreground.



The Euronext electronic trading system was introduced by the Muscat Securities Market in 2006.

between brokers. The system is linked to the Central Bank of Oman in its capacity as a settlement bank.

In a radical new departure, at the start of 2007 MSM began trading on the Internet. The new system enables investors to buy and sell from any location – whether at home or abroad – without involving brokers in the operation.

MSM keeps itself fully up-to-date with the Arab Gulf Co-operation Council (AGCC) Secretariat-General's efforts to promote co-operation between the Gulf financial markets for the benefit of all AGCC member states. MSM has been given the task of preparing a study on the best way to link the Gulf financial markets.

Muscat Depository and Securities Registration Co. (MDSRC)

The Muscat Depository and Securities Registration Co. (MDSRC) was established by Royal Decree No.

82/98, issued on 25th February 1998, as an Omani closed joint stock company. The Company's licensed capital is RO2 million and its issued capital is RO1 million, divided into a million shares. Muscat Securities Market (MSM) owns 40% of the Company's capital, while the remaining 60% is owned by banks, brokerage firms and investment companies.

Up to the middle of October 2006, MDSRC had electronically distributed a total of RO32.691 million directly into shareholders' bank accounts on behalf of the public joint stock companies listed on MSM. This figure represented 62% of the total sum of RO52.55 million distributed to shareholders on behalf of the public joint stock companies.

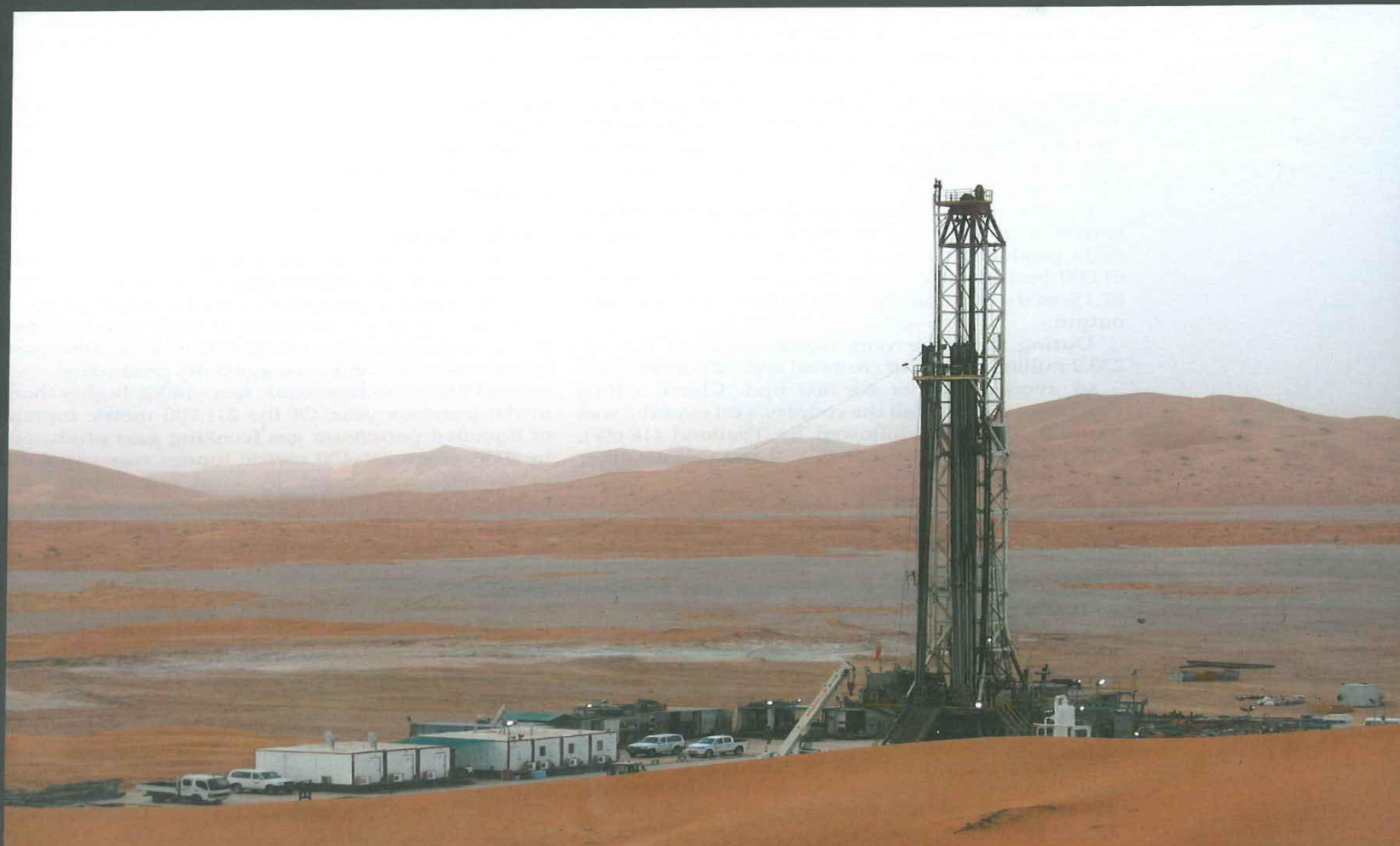
Oil and natural gas

Oil and gas revenues represent the greater part of the General State Budget revenues. Oil and gas revenues in the 2007 Budget were estimated at around RO3,565 million, or some 79% of the estimated Budget revenue total of RO4,490 million. At around RO3,015 million, oil accounts for 67% of total revenues with natural gas, at RO550 million, representing a further 12%. Non-oil revenues, at RO925 million, make up 21% of the total. Oil revenues were calculated on the basis of an average daily production figure of 730,000 barrels and a price of US\$40 per barrel.

The Oil Sector

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

In 2006, the government signed eight oil exploration agreements with international companies covering eight separate concession areas. Investment in the first phase will reach over US\$270 million and



In 2006 the government signed a number of oil exploration agreements with international companies.

will be followed by further investment in the second and third phases. In 2006 19 companies were engaged in exploratory operations in 33 concession areas. In 2006 Petroleum Development Oman (PDO) completed an exploratory programme and discovered 13 productive new wells. In addition the company has identified three new oil fields, which, after being developed, could produce as many as 84.7 million barrels.

In 2006 the Sultanate produced 269.2 million barrels of crude oil and oil condensates at an average daily production rate of 737,600 barrels, including 61,000 bpd of oil condensates. PDO accounted for 87.1% of the Sultanate's crude oil and oil condensate output.

During the same year, Oman exported around 233.2 million barrels of crude oil and oil condensates – an average rate of 638,800 bpd. China, which purchased 39.5% of all the country's oil exports, was the main customer followed by Thailand (18.6%), South Korea (14.6%), Japan (9.8%) and various other countries.

In 2006 the price of Omani crude fluctuated between a low of US\$56.21 per barrel in October and a high of US\$69.59 in July, averaging US\$61.69 a barrel over the year.

In 2006 Oman Oil Refinery Co. was supplied with around 31 million barrels – about 85,000 bpd – to refine into a range of oil products, mainly for domestic consumption with the surplus being earmarked for export. The refinery also imported around 5.8 million barrels.

Sohar Oil Refinery was officially opened in April 2007, although it had started operations on an experimental basis in 2006. In 2006 it was supplied with around 15 million barrels and its first shipment of 500 cubic metres was exported on 23rd July 2006. Most of the refinery's output will be exported to the world markets. On 23rd September 2007 Royal Decree No. 99/2007 established The Omani

Refineries Petrochemicals Co llc (ORPC) merging Sohar Refinery Co llc (SRC) with the Oman Oil Refinery Co llc (ORC).

The Oman Oil Company (OOC) is a commercial company, 100% owned by the government. It was created in 1992 in order to provide the government with a vehicle for pursuing investment opportunities in the energy sector both inside and outside the Sultanate.

The Gas Sector

Petroleum Development Oman (PDO) spent US \$ 817 million on gas-related projects in 2006. Over the year the Sultanate produced around 1,068,888 million cubic feet of gas, comprising 243,052 million cubic feet of associated gas and 825,836 million cubic feet of non-associated gas. Average daily production was around 2,928.5 million cubic feet –16.5% higher than in the previous year. Of the 211,700 metric tonnes of liquefied petroleum gas (cooking gas) produced in 2006, some 116,400 metric tonnes was supplied to domestic consumers by local gas distribution companies and 95,000 metric tonnes was exported.

Oman Liquefied Natural Gas (Oman LNG) was established in 1994. Since then it has progressed from a project under construction to a world-class company, liquefying natural gas in its plant at Qalhat and exporting it to markets all over the world. In 2006 it exported around 6.8 million metric tonnes to South Korea, Japan, Taiwan and India in 106 consignments. A further 290,000 metric tonnes of gas liquids was exported to the United Arab Emirates in 37 consignments.

Qalhat LNG (QLNG), which operates the third natural gas train, was established in 2003, its first shipment took place in December 2005, with the plant inaugurated in March 2006. It is 46.84% owned by the Government, 36.8 by Oman LNG, 7.36% by Union Fenosa Gas, and 3% each by three Japanese companies. It's present capacity is 3.3 million tonnes



Oil and gas are mainstays of the Sultanate's economy.



Omani goods are now exported to over 100 countries worldwide. Here customers choose their frankincense and perfumes.

per annum (mtpa) but there are plans to increase capacity to 3.7 mtpa. Starting with a planned schedule of LNG deliveries to only two customers in Japan and Spain, the company ended up supplying LNG to almost 13 buyers in five countries, viz Korea, Japan, Taiwan, India and Spain, and more recently, China. At the Petroleum Economist Awards ceremony in London in September, Qalhat LNG bagged the prestigious "Energy Company of the Year 2006" award to become not only the first Omani company, but also the first Arab energy company, to achieve the international recognition.

Oman Gas Company SAOC(OGC) was established as a closed joint stock company in August 2001 by the Oman Oil Company. OGC owns and operates the country's gas transportation facilities, which mainly supply power generation plants and other, smaller, consumers.

Trade

The government sees trade as a corner stone of the Omani economy and has exploited the Sultanate's geographical location to make the country a vital trading link between the Gulf region and the rest of the world. It is an active member of several economic blocs including the Arab Gulf Co-operation Council (AGCC), the Greater Arab Free Trade Zone, the Indian Ocean Rim Association for Regional Co-operation (IORARC) and the World Trade Organisation (WTO), and enjoys close, cordial relations with numerous other states.

Statistics show that over the first nine months of 2006 global trade increased by 20.2% compared with the same period in 2005, with exports rising by 20% and imports by around 22%.

During the first nine months of 2006 the volume of trade rose to RO9.223 billion, compared with RO 7.671 billion over the corresponding period of 2005, producing a trade surplus of RO476.1 million.

While the United Arab Emirates, India, Saudi Arabia, Iran, Qatar, China, South Korea, Japan, Germany and the USA are among the Sultanate's main trading partners, Omani goods are exported to the more than 100 countries worldwide.

The Free Trade Agreement (FTA) with the USA

An FTA with the United States of America, which came into force in 2007, marked an important step in the development of Oman's foreign trade and investment programme and reinforcing the fast developing role of the private sector. The agreement was also very much in line with the Sultanate's policy of promoting economic freedom and integrating Oman's economy with the world economy. The country's policy of economic openness was a major factor in helping the two sides reach agreement, which laid the foundations for closer economic co-operation based on the removal of investment restrictions and limitations on the trade in services, while at the same



The government sees trade as a cornerstone of the Omani economy. Above, Port Sultan Qaboos in Muscat.



The industrial sector is an important feature of Oman's long-term development strategy.

time protecting intellectual property rights.

The agreement includes provisions guaranteeing the Sultanate's right to take preventive measures in situations in which its interests might be damaged or threatened.

While designed to open up trade between the two countries, there are a number of sensitive sectors that will remain off limits to investors from the United States, including: printing, publication and small-scale photographic services, radio and TV transmission services, news agency services and air transport services.

Investment

The Ministry of Commerce and Industry is constantly working to improve its services to investors. Its focus is on speed, transparency, simplifying procedures and delegating authority. A one-stop facility has been set up and developed to

operate as a single channel for all the government departments involved in investor services. The Commercial and Industrial Register databases have been modernised and brought into line with international criteria and the Ministry has amended laws and regulations on investment, including those designed to facilitate and encourage foreign capital inflows.

International economists have identified the Sultanate as an attractive country for investment and business. The World Bank's "Ease of Doing Business" report for 2006-2007 places Oman 55th out of 175 states in this category and classes it as the second most business-friendly Arab state after Saudi Arabia.

Industry

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

Under the Seventh Five-year Plan the Sultanate aims to maintain an annual added value growth rate of 14% in the manufacturing industry sector.

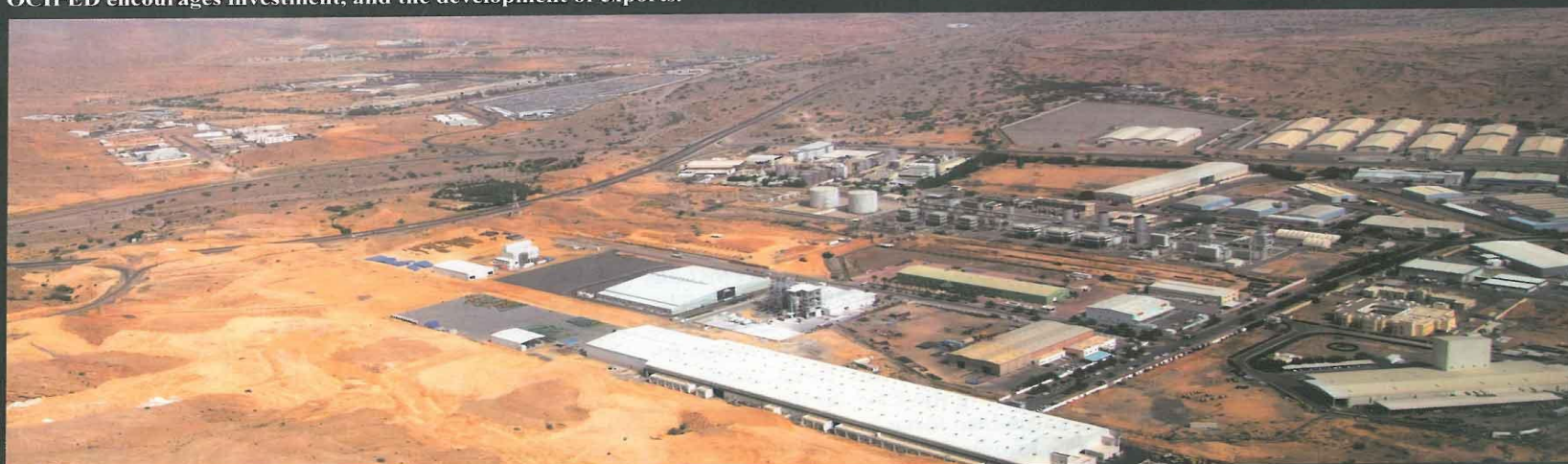
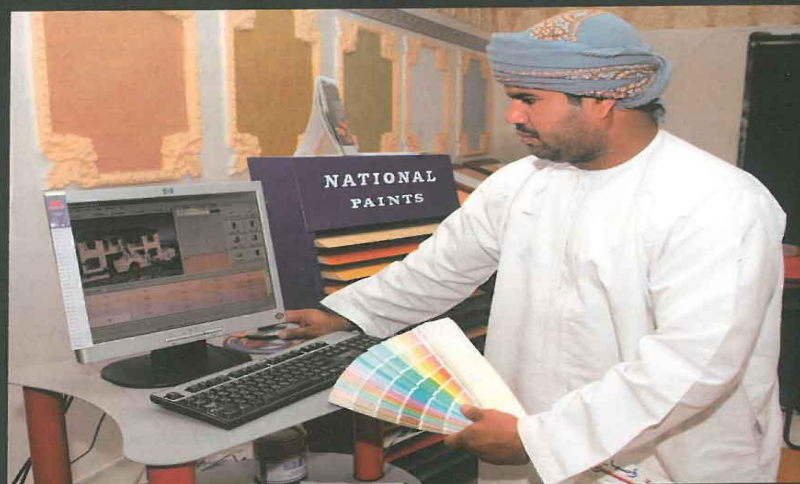
In 2005 the industrial sector achieved GDP growth of 23.5%. This was due largely to the government's efforts to help it improve its performance, which included offering soft loans, exemption from customs duties on certain imports and support for the export of goods of Omani origin.

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

The Sultan's Cup is awarded annually to the top five Omani factories, while five others receive



OCIPED encourages investment, and the development of exports.



There are several industrial estates in the Sultanate, aiming to attract quality industries which depend – as far as possible – on local raw materials.

certificates of merit. This event is designed to encourage Omani factories to keep abreast of the latest technology, comply with quality control specifications and increase the number of Omani nationals in their workforce.

Mineral resources

The Sultanate's minerals sector has expanded steadily over recent years. Surveys and technical studies indicate opportunities exist for several major operations including a salt and soda production project with an investment value of up to RO13.5 million. Following a series of surveys and studies, a project to produce magnesium from dolomite, which is expected to attract RO20 million in capital, is planned along with a number of limestone, silica and marble-based industries. Preliminary studies have shown there are some 15 million tonnes of copper reserves at concentrations of between one and two per cent and around one gramme of gold per tonne in the Ghaizeen area.

Mining output has increased significantly in response to the growing demand generated by the region's building boom, and revenues from the mining sector in 2006 were around 18% higher than in 2005.

Oman's soil is rich in economically and industrially exploitable mineral resources; copper has been mined in the country for over 5000 years. The government continues to map and evaluate the country's mineral deposits and work to attract private sector investment to this vital sector is ongoing. The Mining Law, promulgated under Royal Decree No. 27/2003 on 16/04/2003, created opportunities for a range of new initiatives in this field, while the regulations implementing the Law on the Control of Precious Metals came into force.

The Sultanate's known mineral resources include chromium, limestone, marble, silica, lead, gypsum, iron and dolomite. Oman works closely with various

bodies involved in minerals exploration, including the Japanese International Co-operation Agency (JICA).

Oman Chamber of Commerce and Industry (OCCI)

Oman Chamber of Commerce and Industry (OCCI) held elections in May 2007 to select 14 board members, who will serve between now and 2010. Seven were chosen to represent the governorate of Muscat, while the other seven will represent the rest of the country – one member per governorate or region. A further seven members, including the president, are appointed by Royal Decree, bringing the total membership of the OCCI's board of directors to 21.

OCCI organises training programmes for national manpower, promotes Omani products, tourism and investment maintains links with its affiliates and members.

Chamber representatives also hold meetings to keep the private sector informed about economic developments, publicising all new trade agreements signed by the Sultanate and their benefits to local business and industry.

The Chamber maintains a close watch on problems facing the private sector and senior officials from the country's leading economic and investment institutions as well as the local business community hold regular discussions on economic and investment-related topics as a means of preventing rather than curing any problem areas.

In 2006 the OCCI held or participated in 16 exhibitions and fairs at home and abroad, where promotion of the Sultanate's tourist industry and foreign investment in it, were a top priority. The Chamber continues to play a leading role in promoting close economic co-operation with other countries and during 2006 the Omani Businessmen's Council held meetings with counterparts in the

Sudan, Russia, Iran, the United Arab Emirates and India. An agreement was signed to establish a joint Omani-Yemeni Businessmen's Council and memoranda of understanding to encourage trade and investment co-operation were signed with chambers of commerce and industry in Istanbul, Athens and also with the Arab-American National Chamber of Commerce. The Chamber belongs to over 200 associations and joint Arab and European chambers.

Information technology (IT)

The Sultanate attaches great importance to information technology (IT) and is committed to establishing an infrastructure for IT and telecommunications-based industries. An IT complex – Knowledge Oasis Muscat (KOM) – has been set up and is attracting investment for the development of knowledge-based industries, upgrading the technologies of Omani businesses and supporting young inventors.

The Information Technology Authority (ITA)

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

Through the Digital Oman initiative, the ITA seeks to create an integrated infrastructure that will ensure the reliable provision of e-government services for the public and the Sultanate's business community, create the conditions for knowledge-based industries to thrive, provide new job opportunities for young Omanis, attract foreign investment and enable IT and telecommunications to be used effectively.

All government departments and institutions will eventually be linked to a secure data network, supply e-government data and services through a



system of multiple outlets, creating an operational framework for e-administration and laying down the criteria and regulations for the country's IT and telecommunications infrastructure, including the data and network security system.

The ITA has launched several initiatives aimed at developing the community's IT and telecommunications skills, including a Digital Oman Society awareness campaign. At the start of 2007 it introduced the trial phase of an IT training programme for civil service personnel in Muscat, Nizwa and Sohar.

In April 2007 the ITA signed the national e-payment gateway agreement with MasterCard Worldwide and Bank Muscat to provide highly efficient e-commerce facilities that will allow secure online payments (e-payments). It will be operational along with the e-government services portal – the Ubar Portal.

The ITA aims at developing Oman's IT and telecommunications skills.



Agriculture provides employment and a healthy source of non-oil income.

Agriculture - making an effective contribution to food security

Agriculture, livestock and fisheries are enormously important sectors providing the main source of income for a large section of the population, as well as being Oman's main source of food.

The agricultural sector produces most of Oman's food needs, making an effective contribution to the country's food security while at the same time accounting for the greater part of the Sultanate's non-oil exports. It also provides employment for the growing local workforce.

Following the issue of Royal Decree No 91/2007 earlier this year, the government department previously known as the Ministry of Agriculture and Fisheries is now a dedicated Ministry of Agriculture.

The current Five-year Plan (2006-2010)'s target for the agriculture sector envisages an annual rise in productivity of around 2.6%. The plan aims to

develop and safeguard the Sultanate's agricultural resources, increase productivity, improve the living standards and incomes of rural farming families, encouraging them to stay in their own areas and create additional employment opportunities in agriculture for nationals. Omanisation of the agricultural sector workforce is predicted to increase at an average 3.5% annually.

According to the 2004-2005 Agricultural Census, the Sultanate has an area of 72,600 hectares under crop cultivation and produces around 1,202,000 tonnes of crops. Around 1.227 million Omanis – 66% of the population – are engaged in agriculture in one form or another. Over 200,000 nationals, as well as a number of expatriates, work on over 194,000 farms and allotments and in related occupations.

Oman is now around 93% self-sufficient in dates and fruit and 64% self-sufficient in vegetables. Agriculture also accounts for some 37% of the total value of the Sultanate's exports.

The Agriculture Months Competition is an annual event between the wilayats that highlights the contributions made by the Sultanate's farmers, stockbreeders and fishermen to the national economy and their efforts to achieve food security and self-sufficiency.

Fisheries

Royal Decree No 91/2007 established a dedicated Ministry of Fisheries, which has taken on the fisheries responsibilities of the now defunct Ministry of Agriculture and Fisheries.

Oman attaches great importance to the fisheries sector and has drawn up a strategy to transform fishing from a traditional-style occupation to a modern industry. The strategy seeks to give fishing a greater role in providing food security, boosting exports and creating job opportunities for Omanis. The private sector will be encouraged to play a part in helping increase the fisheries sector's annual



Rose petals collected on the Jabal al Akhdhar, ready for distillation into rose water.

OMAN 2007
2006



Over 60 varieties of dates are grown, making Oman 93% self-sufficient in dates and fruit.



Fresh fish bought daily from local markets remains the choice of most Omanis.

growth rates and contribution to GDP.

With its geographical location overlooking the Arabian Gulf, the Gulf of Oman, the Arabian Sea and the Indian Ocean, the Sultanate is one of the region's main fish producers, in terms of both quality and quantity, and the fishing industry is at the forefront of the country's non-oil sectors in its contribution to the country's national income.

In 2005 the Sultanate landed over 157,000 tonnes of fish with a value of RO84 million, with exports that year standing at around 84,000 tonnes with a value of over RO59 million.

In 2007 a RO7.89 million agreement was signed to build a fishing harbour in the wilayat of Seeb in the governorate of Muscat. At the end of 2006 there were 15 fishing harbours along the Omani coast. Over recent years the government has invested more than RO60 million in building fishing harbours and landing facilities in the coastal areas.

Livestock

Oman's livestock sector employs a large and growing section of population. The latest figures show that annual domestic production totalled 12,000 tonnes of red meat, 19,790 tonnes of poultry, 172 million eggs and 45,800 tonnes of milk.

There are 62 government veterinary clinics in the wilayats as well as a number of private clinics helping ensure the country's livestock remain disease-free. A national immunisation programme has succeeded in preventing the spread of epidemics, leading to increased productivity and further progress towards self-sufficiency in meat and animal products.

The Livestock Production Research Centre and its research stations have carried out studies into ways of improving local strains of cattle, sheep and goats and making them more productive. There has also been other research into ways of producing animal feed from local raw materials with the aim of reducing the costs for stock rearsers. The results and recommendations of these programmes have been adopted by the private sector, and a number of factories are now manufacturing feeds from local agricultural and fish waste.

Regional agricultural and veterinary quarantine centres were upgraded between 2001 and 2005 as part of a programme to protect the country's consumers, animals and plant life from imported diseases. New quarantine stations were established at the border crossings at Khatmat Malahah, Wadi al Jizzi, Shinas, al Mazyunah and Teebat, and the seven existing centres were modernised and staffed with technically qualified nationals.

In 2006 some 1.6 million head of livestock were immunised and over 609,000 received veterinary treatment.

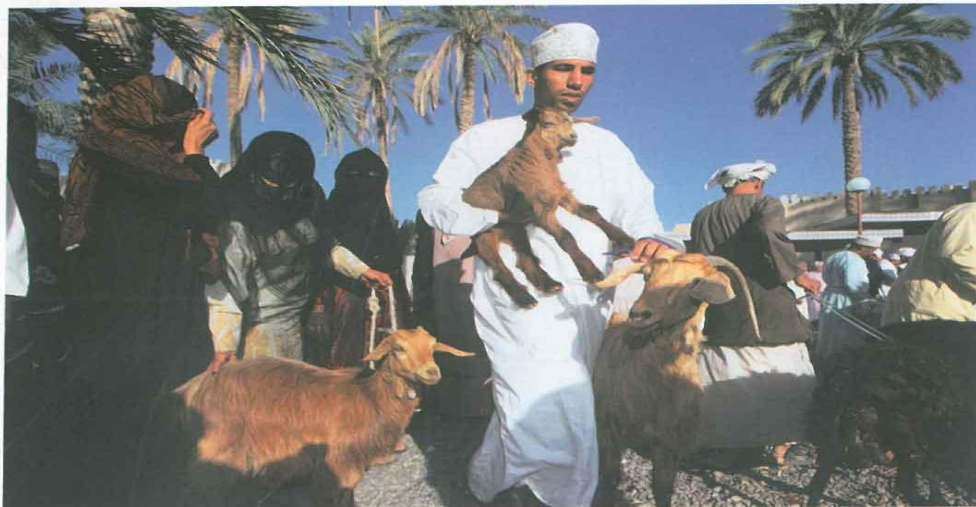
The project to reduce wild camel numbers in Dhofar is the second stage of the national strategy to improve natural pastures and ensure the sustainable development of the governorate's livestock.



Oman's fisheries sector is gradually changing from a traditional to a modern industry with the private sector playing an important role.



A yellow-fin tuna is the catch of the day.



Small-scale animal husbandry is widespread among Omani families in rural areas.

In response to His Majesty Sultan Qaboos bin Said's instructions, a two-day seminar on the sustainable development of the agricultural sector and the regulation of its labour market was held at the Royal Camp at Seih al Rasiyat in the wilayat of Sumail (Dakhiliyah region) in February 2007. The aims of the seminar included the study and evaluation of the economics of the agricultural sector, including an examination of incentives to attract national manpower to the sector, water conservation ensuring sustainable development by establishing a balance between available stocks and consumption.

The seminar recommended that policies be adopted to enable the agricultural sector to become more productive through embracing the latest technology such as greenhouses, modern bee-keeping methods and modern food industries recommending that a study should be made of the institutional and legal aspects of agricultural development with the lessons of Oman's farming history and traditions taken into account when adopting modern farming methods.

Water resources – solutions for overcoming the water shortage

Situated in the world's arid belt with limited rainfall (averaging around 100 mm annually), Oman suffers from a chronic water shortage and the problem has been exacerbated by an increase in pumping from its groundwater stocks. Most of the Sultanate's regions have traditionally depended on the aflaj (plural of falaj, i.e. irrigation channels), springs and wells for their water supplies.

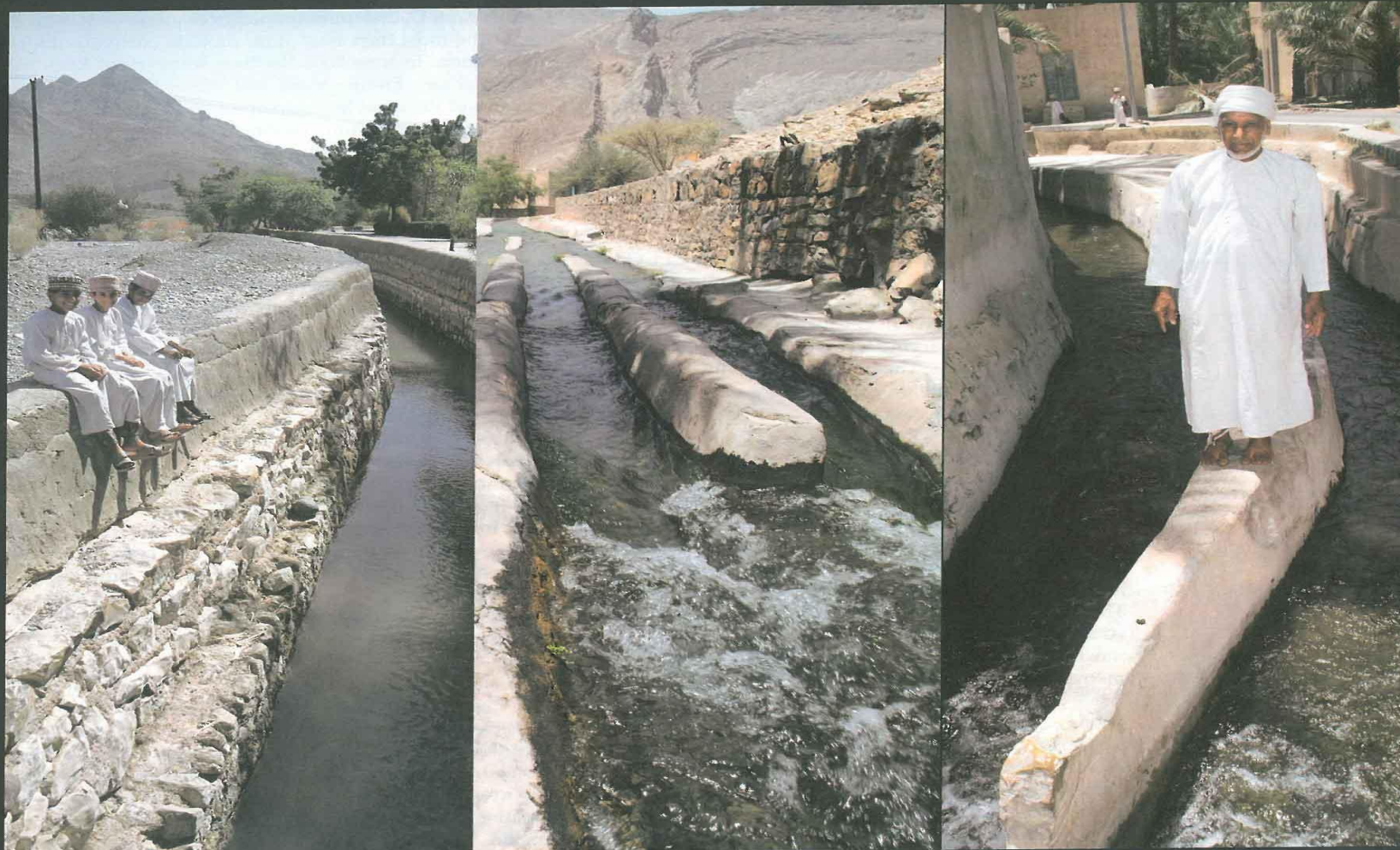
Under its water resources management programmes the government maintains the aflaj and digs auxiliary wells to feed them. It builds and maintains dams, monitors the water situation, operates water exploration schemes to search for new sources, implements projects to exploit non-traditional water sources and raises awareness on the importance of conservation.

In 2006 the evaluation and development of the Sultanate's water resources continued in every part of the country. This included studies, exploratory operations, dam construction and the maintenance of aflaj, springs and drinking water sources.

Aflaj, wells and springs

In recognition of the Sultanate's maintenance work on its traditional irrigation system and its efforts to conserve its heritage, in 2006, five Omani aflaj, including Falaj Dareez in Nizwa, Khatmin at Birkat al Mauz, Malki in Izki, Maisir in Rustaq and Jaylah in the Eastern Hajar – were added to UNESCO's World Heritage List. Oman's ancient falaj system consists of a main well in a mountain area and several subsidiary wells linked to each other by a network of sloping underground channels which allow water to flow from the first well to the last. The channel then continues to flow towards the surface of the ground. The water in the channel is basically groundwater produced by rainfall that has remained trapped in the earth's strata.

The government operates an annual falaj maintenance programme. Along with the aflaj, wells provide another vital source of water for the population and are found in all



Five Omani aflaj were added to UNESCO's World Heritage List in July 2006.

Oman's towns and villages. People frequently depend on well water in areas where there are also aflaj, particularly when there has been little or no rainfall.

The National Well Inventory project, which was carried out in 1991, provided a wealth of detailed information which continues to be utilised today. Hydrological data collected and processed under the project included details of the locations of wells and water quality, water requirements and water use. The results showed there are around 127,000 wells in the Sultanate, although not all are in use.

Springs are another basic source of water in Oman. Some are hot, some are cold, in some the water is potable, while others are highly saline or alkaline but when mixed with wadi water often suitable for agriculture. Other types of springs contain varying levels of mineral salts and have medicinal properties. The hot springs produce an average flow of around 8 million gallons a day, while water flow from the cold springs averages some 15 million gallons a day.

Most of the springs rise in the mountains and they vary considerably in temperature, quality and the quantity of water they produce. They include the springs of Ghala village in the governorate of Muscat and Ain al Kasfah and Ain al Thuwwarah in the Batinah region. In Dhofar there are around 360 springs in the mountains as well as a few in the Nejd. Most of the springs flow throughout the year. The best-known springs in Dhofar are at Ain Sahannawt, Ain Eshent, Ain Hamran, Ain Tubruq and Ain Razat – the most copious – which produces around 5.52 million cubic metres a year.

Dams

Dams play an important part in the development of water resources. Currently there are 31 groundwater recharge dams and 58 surface storage dams – with three under construction – in various parts of the country, as well as 12 flood protection dams. Feasibility studies and plans have recently been completed on a number of future dam projects and tenders will be invited shortly.

The Wadi Daiqah dam in the governorate of Muscat is one of the most important dam projects currently under construction. In June 2006 the then Ministry of Regional Municipalities, Environment and Water Resources (now Ministry of Regional Municipalities and Water Resources) signed an RO45 million agreement for the project, which will take four years to complete. The project aims to make use of the water which currently flows into the sea. When it is completed the project will supply around 35 million cubic metres of water a year.

Groundwater resources

The groundwater reservoirs discovered in the South Batinah, Dhahirah, Sharqiyah and Wusta Regions are among the most vital sources of those areas' potable water requirements. Water suitable for agricultural use has been discovered in the Nejd in Dhofar, while potable groundwater stocks have been found in Wadi Rawnab in the Wusta Region.

Renewable energy

Oman enjoys sunny weather throughout the year as well as monsoon winds, providing conditions that can be used for energy generation. Both solar and wind energy are eco-friendly, renewable sources and both have been successfully used – in water desalination, pumping and lighting, particularly in rural areas. Solar energy has also been successfully used to power parking meters and this practice is gradually being expanded.

Tourism

Oman enjoys a strong cultural heritage, hospitable and friendly people, examples of fine traditional Arabic architecture and breathtaking and diverse natural scenery from the serenity of its secluded beaches, to the wide expanse of its desert sand dunes. The Sultanate is well positioned to be a major tourism destination within the region.

The tourist sector has undergone radical transformation in recent years. In its early stages the



Situated in the world's arid belt, Oman's rainfall averages 100mm annually.



Dams play an important part in the development of water resources. More are to be built.



A number of resort-style tourism projects are planned during the 7th Five-year Plan. Here the concept design for the Blue City on the Batinah coast.

focus was on building tourist hotels in various parts of the country, but lately the Sultanate has been building complete tourist towns.

Tourism Projects

The Oman Tourism Development Company SAOC, known as OMRAN, is spearheading efforts to expand the tourism sector. Formed in 2005, OTDC with its partners, develops and facilitates construction of a host of tourist developments, including resort villas, conference facilities, leisure resorts, golf courses and hotels as well as the refurbishment of some of the existing hotels. Currently, the company, independently and through joint ventures, is developing more than 10 resort-style complexes with a project value in excess of US\$5bn, scheduled for completion within five years. These include two developments in Dhofar governorate and one in Sifa, Muscat governorate, and the Yiti Resort.

Construction work began on The Wave Muscat (al Mawj Muscat) in 2006 and it is expected to be completed

by 2013. This ambitious project covering an area of 2.5 million sq.m – will offer a wide range of facilities, including a resort with residential properties for 4,000 owners of all nationalities apartments in apartments, villas and condominiums, an 18-hole golf course designed by international golf champion Greg Norman, a 300-berth marina, four luxury hotels and numerous restaurants.

Blue City (al Madinat al Zarqa), at al Sawadi, is set to be the Sultanate's biggest tourist project. With an investment value of US\$15 billion, it will be built in stages over a 5 – 10 year period and will comprise a number of luxury hotels and residential resorts, a golf course with club house, a museum and a large swimming pool.

The Ministry of Tourism and several Omani companies are engaged in promoting the Sultanate and its attractions and events, particularly the Muscat and Khareef Salalah festivals.

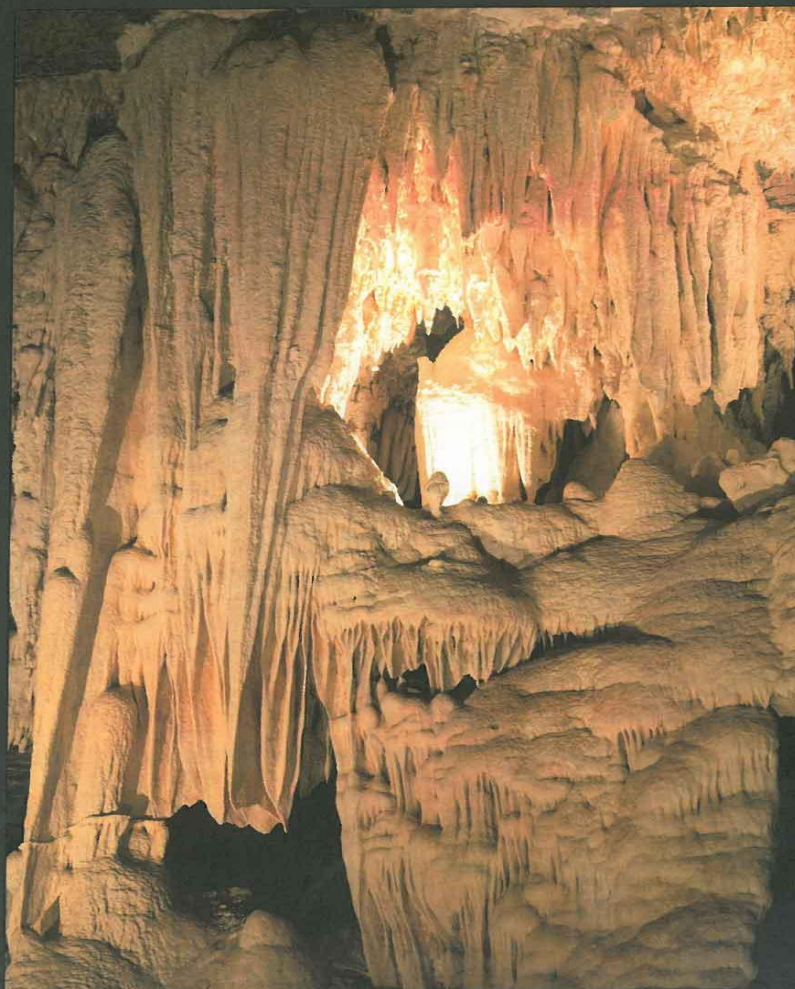
The Sultanate's success in promoting itself abroad yielded tangible results when the Omani section won prizes for its exhibitor stands at the 2006 World Travel Market in London and Germany's International Tourism Exchange in March 2007.

With the rising numbers of tourists visiting the country, Oman is planning to increase the number of hotel rooms in the country from the current 8,000 to 16,000 by 2010. New hotel projects include the RO2.4 million Golden Tulip Hotel in the governorate of Musandam at Diba. This beach-side hotel, which opened in February 2007, has 56 units, two suites, a health club and a swimming pool. The Golden Tulip Hotel in Mirbat, Dhofar governorate, and the Crowne Plaza Hotel in Sohar, Batinah region, are due for completion in 2008.

Al Hoota Cave in the wilayat of al Hamra in the Dakhiliyah Region was opened to the public in December 2006. This vast and beautiful cave, which is quite unlike any of the Sultanate's other tourist projects, contains rock formations in various shapes and colours and can be easily reached via the country's road network.



Museums - interest in the coins at the Currency Museum of the Central Bank of Oman.



The beauty of Al Hoota Cave, near Nizwa in the Dakhiliyah region.



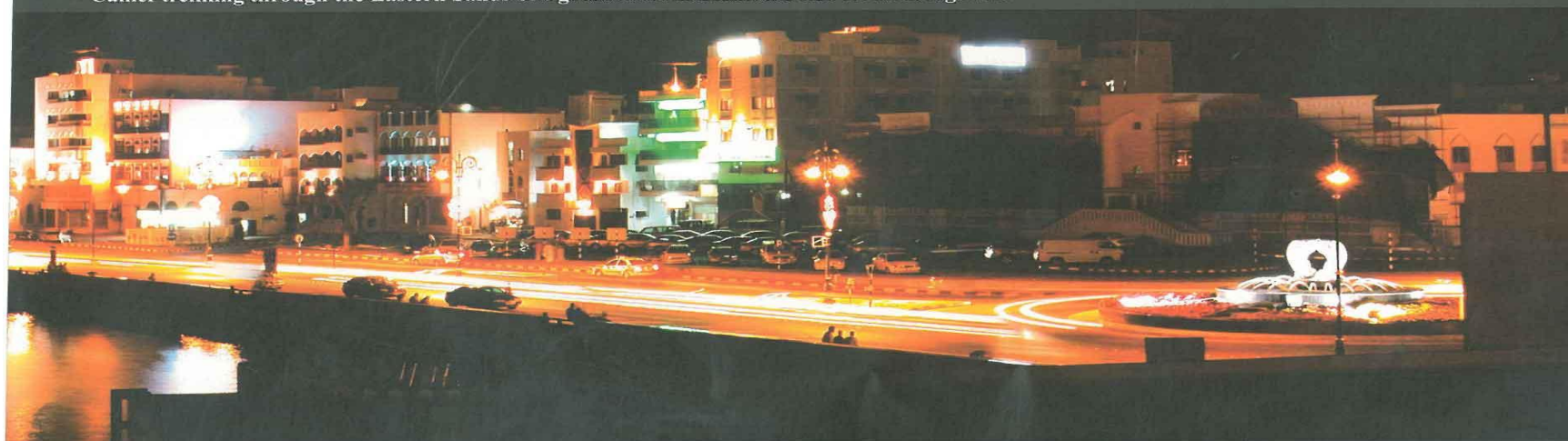
Watching bottlenose and spinner dolphins, a popular tourist activity. The Sultanate's seas are home to 20 species of whales and dolphins.



Tourists love to stroll along the Mutrah corniche, Muscat governorate.



Camel-trekking through the Eastern Sands brings different nationalities and cultures together.





The beauty of Muscat – a city which combines the modern with the traditional.

Muscat

With its strategic location on the Gulf of Oman and its access to the Arabian Gulf, the Arabian Sea and the Indian Ocean, Muscat has been a major trading centre from the early days of the Islamic era. Muscat is a city that combines simplicity with cleanliness, tranquillity and modern architecture, while retaining the flavour of a past that goes back hundreds of years.

The governorate of Muscat comprises six wilayats: Muscat, Mutrah, Bausher, Seeb, al Amerat and Quriyat.

Muscat Municipality is engaged on a number of new construction projects, including the restoration of many historic buildings. In 2006, Muscat Municipality put several projects out to tender under its building development plan, including the expansion of the Hayy al Mina district in Mutrah where Port Sultan Qaboos is located.

This project is part of an integrated two-phase scheme designed to improve the appearance of the area's existing buildings, modernise its services and highlight its attractions for tourists, visitors and shoppers. The scheme will also involve the demolition of certain constructions and the addition of a number of modern buildings.

Phase One will include seven main features: conversion of the ring road linking the port with the roundabouts, improvements to the frontage of buildings, building a new 200-metre long wall to replace some of the structures overlooking the sea, creating a public square with fountains, greenery and paved areas, renovating the fish harbour and constructing a new car park.

Under Phase Two the tourist, hotel and service facilities will be developed in the fish market area. The three main features of this phase will be the construction of a five-star hotel with input from the private sector and, in coordination with the competent authorities, construction of shops and seafood restaurants overlooking the shore and the public square, and resiting the fish market. The new fish market will be modern both in its building style and in the way in which the fish are displayed and sold.

Muscat Festival

The annual Muscat Festival offers a rich feast of culture and the arts as myriad opportunities for recreation. The first Muscat Festival, was in 1998 and has since become a significant item on the annual Arab festival calendar. The 2007 Muscat Festival, which ran for 33 days from 1st January to 3rd February, had over 500 different events and attracted over 2.3 million visitors. It was held at several different locations, the main ones being the Festival Ground in Adhaibah, Qurm Natural Park and Bahja Beach in Seeb.



Muscat – on the left is Al Mirani fort and centre is Al Alam palace. This area has recently been pedestrianised.



The Port Sultan Qaboos area. Left, as it is now and on the right the concept design for future development.



Riyam Park in Muscat which is popular with families.



Marine sports are becoming increasingly popular. Here the Marina Bandar Rowdha with the Marine Science and Fisheries Centre in the background.



Muscat at night.



The rugged coastline of Dhofar.

Dhofar

With its attractive climate, particularly during the khareef season, the governorate of Dhofar is a popular destination for domestic and foreign tourists. During the khareef, or monsoon season, which lasts from June to September, the land is covered with a mantle of greenery; clouds obscure the sun on most days and a gentle drizzle falls in temperatures that never rise above 22°C and may even drop below 15°C in the mountains.

The khareef season draws over 250,000 visitors a year from within the Sultanate and abroad, particularly from the Arab Gulf Co-operation Council states.

The annual Khareef Salalah Festival, which runs from mid-July to the end of August, is the Sultanate's leading festival and renowned across the Arab world. With its lively programme of recreational, cultural and artistic events – including activities for children such as competitions and plays – it is highly popular. In 2006 around three million visitors (both locals and tourists) visited the Centre and the Global Village.

As well as its natural beauty and exceptional summer climate, Dhofar also has many other tourist attractions. These include the water-spouts at al Mughsail, about 40kms from Salalah and natural springs such as Ain Razat, Ain Hamran, Ain Athoum, Ain Sahannawt and Ain Garziz, as well as waterfalls gushing in full spate after the rains. Wadi Darbat is a popular green, well-watered natural park.

Dhofar also boasts several sites of religious and historical importance, including the region of al Ahqaf (the Rolling Sand Dunes) mentioned in the Holy Qur'an, the tombs of the Prophets Hud, Job and Saleh, the ruins of the city of al Baleed, the port of Sumhuram at Khor Rori – which was famous for the export of frankincense – the city of Wubar, ancient remains at al Mughsail and the citadel of Hamran in the Salalah area.

The government is upgrading Dhofar's tourist facilities to keep pace with the ever increasing numbers of tourists visiting the governorate.



A shopkeeper displays his finest grade one, Hojari, frankincense.



The beautiful Desert Rose (*Adenium obesum*) is one of the most bizarre but attractive plants in Dhofar.



The Dragon's Blood tree (*Dracaena serrulata*). This unusual and distinctive tree is restricted to the high and dry area where the monsoon rains do not reach.



Oman's traditional heritage celebrated in music, dance and song during the 'Khareef Festival' held in Salalah in July/August each year.



ENVIRONMENT AND SERVICES

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ENVIRONMENT

Sultan Qaboos, a keen proponent of natural science and history, has led from the front in his approach to maintaining a clean and healthy environment. Regulations concerning pollution of the environment are stringent and keenly upheld throughout the public and private sector, in order that the beauty of the Sultanate is maintained and its natural resources preserved.

Sound eco-management remains a major priority in Oman's development plans, which aim to ensure that a proper balance is maintained between development and the environment.

On 9th September 2007 Royal Decree No.90/2007 was issued instructing that all environment-related work, allocations and assets would be transferred from the Ministry of Regional Municipality, Environment and Water Resources (MRMEWR) to a newly established Ministry of Environment and Climate Affairs (MECA).

Oman Environment Day, observed every 8th January since its institution by Sultan Qaboos in 1996, provides an opportunity for citizens and residents to join forces and celebrate the Sultanate's achievements in the field of environmental conservation. The event also serves to help raise levels of awareness and support for the government's efforts to protect the environment and prevent pollution. A programme of events including quizzes, sports competitions and voluntary public clean-up and tree-planting campaigns are always well supported.

In 2006 the main focus of environmental efforts was placed on monitoring and inspection, with particular emphasis on industrial estates, protection of the marine environment, the issue and renewal of environment licences for development projects and management of nature reserves and nature conservation projects for the protection of wildlife, bio-diversity and natural resources.

Sultan Qaboos has continually championed the need to make the best and most efficient use of Oman's natural resources for the sake of present and future generations. Environmental factors are taken into account at every stage of the state's development projects – from planning to implementation – and the government promotes close co-operation between the public and private sectors at home as well as working with myriad regional and international organisations.

Wildlife and nature conservation

The Sultanate's 15 reserves offer examples of the country's rich and unique bio-diversity on land and at sea that needs to be protected as part of the world's natural heritage.



Ras al Ruwais in the Sharqiyah region - where the sand meets the sea.



A mangrove nursery in Qurm, Muscat governorate.

Turtles

Turtles are protected in the Sultanate by law. Five species are common to the country, four of which nest on Oman's shores, i.e. the Loggerhead, Green, Olive Ridley and Hawksbill. Masirah Island is one of the world's main nesting grounds for the Loggerhead, while the Green is the most common nesting turtle in certain other coastal areas, particularly at the Ras al Hadd reserve, where around 13,000 come ashore every year, attracting scientists, students and tourists from across the world.

Oman has operated an active turtle-tagging programme since the late 1970s. It started on Masirah Island and at Ras al Hadd in the Eastern region. This programme now covers most of the active turtle nesting grounds in the Sultanate.

In summer 2006, satellite-tracking devices were mounted on 20 Loggerheads from Masirah Island. Others were mounted, in 2007, on Hawksbills from

the Daymaniyat Islands. The aim of the satellite-tracking project is to study the nesting, foraging and migratory habits of Oman's marine turtles. The ultimate goal of the project is to accumulate sufficient data to launch sustainable conservation programmes for Oman's turtle population.

Mangroves

Since launching the mangrove programme in 2000, more than 380,000 saplings have been transplanted from the mangrove nurseries in Qurm (Muscat governorate), Sur (Sharqiyah region) and Khawr Qurm Al-Kabir in Salalah (Dhofar governorate), to various coastal areas. Mangroves now cover an area of approximately 85,000 sq.m. An Environmental Information Centre is planned on the 74-acre Qurm site, where a special study to examine the progress of the mangrove programme will be conducted by MECA in cooperation with Japan's International Cooperation Agency (JICA).

The Oman Botanic Garden

The Diwan of Royal Court is to establish a botanic garden that will rank among the world's most important botanical institutions. The facility, to be established on a 425 hectare site near Muscat, will ensure that the flora of Oman is valued and preserved. The exhibits will be displayed as natural habitats, including those of both northern and southern Oman, grown and exhibited in especially designed conservatories. Incorporating the culture of Oman, the botanic garden is expected to become an important research facility, an important tourist attraction and a unique conservation project for the Middle East.

Flora and Fauna

Working with a number of government and private sector establishments as well as members of the local communities, the government has



A high-profile satellite-tagging programme, involving the attachment of satellite transmitters to nesting turtles and subsequent tracking, via satellite, of their movements over the 9-12 months of the transmitter's battery life.



Protecting wildlife and maintaining their natural habitat – (left to right) the Nubian ibex, the gazelle, Arabian tahr, and the Arabian oryx.



Approximately 486 species of birds have been seen in Oman. (Left to right) The adult male African Paradise Flycatcher (*Terpsiphone viridis*), the male Ruppell's Weaver (*Ploceus galbula*) which is unmistakable from February to March with his bright yellow and black appearance, and the Kestrel (*Falco tinnunculus*) which is a winter visitor to the Sultanate.



The Whale and Dolphin Research Group of Oman have been carrying out regular surveys of whales since 2000. Here the humpback whale.

undertaken a project to cultivate native Omani plants and shrubs in various areas to address the deterioration in indigenous varieties of ground cover resulting from over-grazing and tree felling. Efforts continue to control the fast-spreading *Prosopis juliflora* (which is not indigenous to Oman), since studies have proved that it is having a negative impact on native trees and shrubs.

The Sultanate's land-based flora is a significant part of its bio-diversity; its pastures and woodland contain over 1,200 different plant species and a large number of trees and grasses have been recorded across its varied terrain. The Royal Botanic Garden Kew, England is expected to publish a book on the wild plants of Oman early in 2008.

Animals

Mammals native to Oman include the Arabian and Reem gazelle, wolves, striped hyenas, Arabian

leopards, the Nubian ibex, Arabian oryx, sand foxes, lynx, Arabian tahr and numerous other animal species. Over 75 species of reptile have been identified as native to the country as well as thousands of species of invertebrates.

Gazelles

The Ministry of Environment and Climate Affairs (formerly the Ministry of Regional Municipalities, Environment and Water Resources) operates a gazelle numbering and registration project, which aims to catalogue information on all captive breeding gazelles in the Sultanate, for storage in a national database. The aim of the project is to regulate the captive breeding of gazelles as well to protect gazelles in the wild. The scheme is expected to run until 2008.

Birds

Approx 480 species of birds have been observed in Oman and detailed information on their status can be found in the Oman Bird List, an official list published by the Oman Bird Records Committee. A website (www.omanbirds.com) gives the latest sightings of birds, together with a pictorial gallery.

Marine Life

The Sultanate has nearly 3,165km² of beautiful beaches with a stunning range of topographical features including the 500-metre-high rocky cliffs and long narrow inlets in the governorate of Musandam, the lagoons of the Batinah region, the jutting promontory in the governorate of Muscat, the sand dunes of Mirbat and the towering bluff at al Mughsail in Dhofar. Offshore Oman has a rich variety of marine and coastal wildlife, including over 20 species of whales and dolphins. The country's coral reefs feature 108 different types, as recorded in the publication 'Reef Corals and Coral Reefs of the Gulf of Oman', published in 2006.



Oman has an enormously varied marine environment, including over 1,000 species of fish, 100 types of coral and over 200 types of algae and other marine plants.

The Sultan Qaboos Prize for Environmental Conservation

The Sultan Qaboos Prize for Environmental Conservation reflects the importance His Majesty attaches to the environment.

The prize was instituted following Sultan Qaboos's visit to UNESCO's headquarters in 1989. It is awarded by UNESCO every two years to experts and institutes around the world for studies on the environment and natural resources, training and educational activities in the environmental field and work in support of conservation projects and world natural heritage sites.

On 5th October 2007 it was announced by UNESCO's Man and Biosphere Programme that the Award this year had been won by Prof. Julius Ozaliani, Director of the Institute of Forest Ecology at the Slovak Academy of Sciences, and by the Institute of Biological Diversity Protection in Addis Ababa, Ethiopia. The Award will be presented to them on 10th November 2007 on the occasion of World Sciences Day in Budapest.

Environment Society of Oman

The Environment Society of Oman (ESO) is a non-governmental organisation that endorses the conservation of Oman's environment through a wide array of activities and projects. Omanis representing different regions and diverse professional backgrounds founded the ESO in March 2004.

SERVICES

Regional municipalities

Last year (2006) was a busy one for the municipalities sector, particularly for service and development projects, urban development, public health, sewerage systems, souq construction, improvements to the aesthetic appearance of the towns, cities, public parks and gardens, and in the

issue of building permits and certificates.

In 2006 seven wastewater treatment stations were opened in the Sultanate and three sewerage systems were installed; work on others is currently underway in various parts of the country.

During the 2007 Royal Tour Sultan Qaboos authorised RO36 million worth of new projects for the Dakhiliyah and Wusta regions, to be spent on roads, lighting, power, water and healthcare.

Housing

The housing sector, including building planning and housing projects, is becoming increasingly regulated. Land is distributed for different uses under a series of laws that take into account the need for standard criteria and specifications, while the town planning strategies are designed to ensure balanced development in the governorates and regions.

New planning areas laid out across the country in 2006 provided 77,422 plots of land for various uses.

The process of granting land for various uses was accelerated in 2006 through a new procedure which enabled the public to register their applications with the Ministry through local post offices; some 46,427 land applications were registered in this way.

Real estate is registered under the Real Estate Register regulations for ease of transfer, to protect the citizen's rights and encourage investment. Under Royal Decree No. 21/2004 citizens of the Arab Gulf Co-operation Council (AGCC) states may also own land in the Sultanate.

To encourage tourism, under Royal Decree No. 12/2006 foreigners from countries outside the AGCC may own real estate in self-contained tourist complexes.

Land sales contracts in 2006 came to a total of over RO1.9 billion; 3,017 real estate owners were AGCC citizens and 70,901 new plots of land were registered for the first time for various uses. Over 294,000 real estate transactions were registered in total, 214,771

title deeds were issued and 53,229 sales contracts were processed.

The social housing programme

The government offers facilitates loans and land purchase through the Oman Housing Bank. It also provides suitable housing and financial assistance for people on limited incomes and families on social security. The government's social housing programme is designed to provide suitable healthy housing with essential services. In 2006 1,229 social housing units were built at His Majesty's expense.

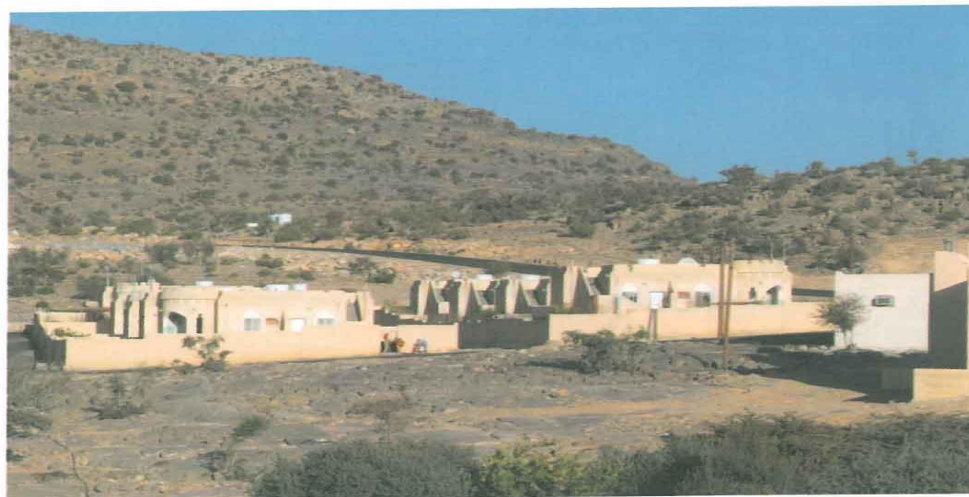
The housing benefits programme

Under this programme the state provides housing grants of RO10,000 to families whose monthly incomes do not exceed RO129, as well as families on social security. In 2006 some 91 families received grants totalling RO1.129 million. In November 2006 His Majesty issued instruction for the construction of 1,000 housing units for beneficiaries of the housing benefits programme in various parts of the country, out of funds over and above the allocation approved in the current Five-year Plan.

The soft housing loans programme

His Majesty also issued an order exempting families on limited incomes from repayment of outstanding housing loans of RO3,000 or less within the remit of the Ministry of Housing. A total of 139 families benefited from this full exemption, while a further 2,720 families were granted partial exemption from repayment of 50% of their outstanding loans, which totalled over RO13.3 million.

The housing loans programme, introduced in 1991, is aimed at those whose monthly incomes are between RO130 and RO250 at the time of applications and not more than RO 300 when they become eligible for benefit. Loans, up to a maximum of RO15,000, are used for building, house purchase or expanding



an existing dwelling. In 2006 there were 100 families benefiting from loans totalling RO1.251 million.

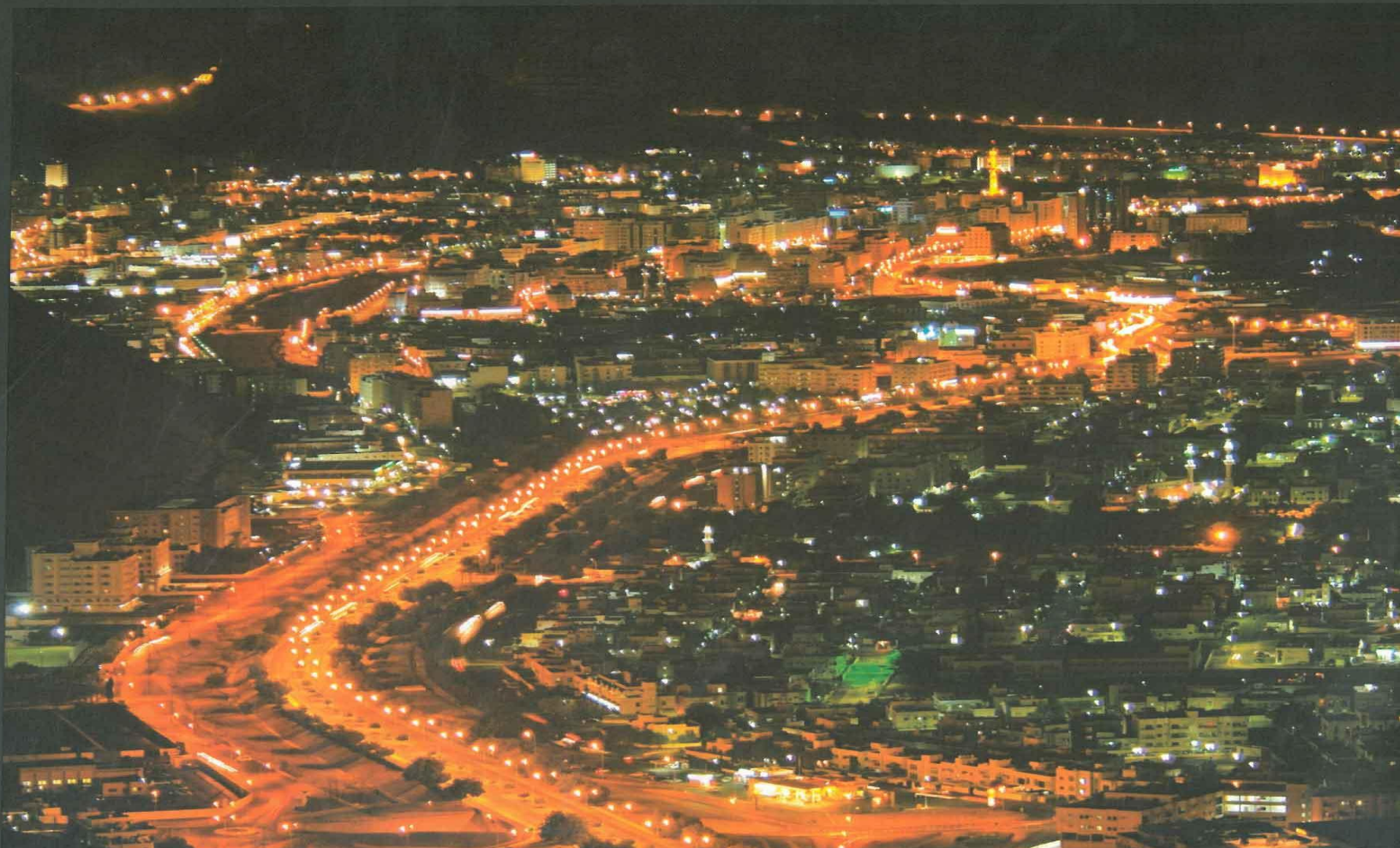
Housing projects

The Ministry of Housing completed the construction of 303 housing units in various parts of the country at a cost of RO5.237 million. Currently 800 housing construction projects are being implemented across the country at a cost of over RO16.6 million.

Geographic Information Systems

Muscat Municipality has created a Geographic Information Systems (GIS) database. A survey, using the new technology, covered 2,800kms of road, which brought under its review residential areas, public utilities, such as hospitals, schools, commercial centres and shops. The number of premises surveyed was in excess of 64,000. The information collated

Various housing schemes are available to assist those on limited incomes. Here social housing on the Jabal al Akdhar.



The government is committed to supplying power to every town, city, village and areas of population within the Sultanate.

is expected to provide a useful tool for transport, municipal services and, in the event of unforeseen circumstances, for example the cyclone Gonu, the emergency services.

Water

The government is proceeding with its plan to supply potable water services to the greatest possible number of population centres. Tanker filling stations are gradually being replaced by mains water supplies wherever possible, while water from desalination plants is slowly replacing groundwater stocks, which will be held as a strategic reserve.

Royal Decree No. 92/2007 issued on 9th September 2007 established the Public Authority for Electricity and Water, and its scope of work, allocations and assets related to electricity and water transferred to it from the Ministry of Housing, Electricity and Water. It is on track with operations to install water supply systems to cater for the expansion of building development and the country's rising population.

The Sultanate's water production in 2006 touched 26,296 million gallons, an increase of 8% on production in 2005. The quantity produced by desalination plants was 18,286 million gallons in 2005, compared to about 19,272 million gallons in 2006, an increase of 5%. Other sources of water in Oman are wells and natural sources such as those at Wadi Shaab in the Sharqiyah region.

Electricity

Electricity remains a high priority sector with the government committed to supplying power to every town, city, village and population centre in the Sultanate.

The privatisation of the electricity sector has been highly successful.

In 2006 13,585 gigawatts per hour of electricity were generated and power supplies totalled 13,126 gigawatts per hour. Royal Decree No. 78/2004

placed responsibility for regulating the power industry in the hands of the Public Authority for Electricity and Water and a number of government-owned companies were set up to run the sector. These include the Electricity Holding Company, the al Ghubrah Power and Desalination Company, the al Rusayl Power Company, the Wadi al Jizzi Power Company, the Mazoon Electricity Company, the Muscat Electricity Distribution Company, the Majan Electricity Company, the Oman Electricity Transmission Company, the Oman Power and Water Procurement Company and the Rural Areas Electricity Company.

Oman's Ports

Oman's ports are developing and expanding, particularly in terms of the range of services they provide and the contribution they make to the national economy.

The country's ports have helped boost trade between Oman and the rest of the world. According to the 2006 figures exports rose to RO8.299 billion, compared with RO7.187 billion in 2005, while imports rose to RO4.196 billion, up from the 2005 figure of RO3.394 billion.

In 2006 ports accounted for 64% of the overall value of imports (RO2.685 billion) and 58.5% of their volume (3.428 million tonnes).

• Port Sultan Qaboos

Port Sultan Qaboos is the Sultanate's main seaport and the bulk of the country's seaborne imports and exports pass through it. Since it opened in 1974 it has been extensively modernised and expanded to cope with demand, and in 1984 it began handling containers.

In 2006 1,702 ships berthed at Port Sultan Qaboos. Loaded and unloaded goods rose 44.6% to 2,108.4 tonnes by the end of June 2007, against 1,458.3 tonnes during the same period in 2006.



Oman's ports are developing and expanding. Here students at the International Maritime College of Oman see the facilities first-hand.

Muscat Municipality recently began work on a 2-phase project to develop the areas which flank the port. It will include the construction of a public square, and 5-star hotel with shopping outlets.

• Port Salalah

Port Salalah is one of the region's world-class ports in terms of its efficiency and speed in handling containers. In addition to its excellent location, it offers extensive facilities for receiving the world's largest container vessels, including second and third generation ships.

In 2006 some 2.4 million containers passed through the port including more than 2.3 million destined for re-export, reflecting the port's growing importance in the region's trade. Last year Port Salalah received 2,490 ships, its 5th berth, which opened in 2007, continues being upgraded with an additional berth under construction and its storage

areas are being expanded to handle more traffic. The port also has a general cargo terminal with 11 berths and an oil pier with facilities to handle most types of cargo including general cargo, bulk, oil, roll on/roll off, project cargo and warehousing. Salalah is also a regular port of call for some of the world's largest cruise vessels.

Work is currently in progress on Phase One of the Salalah Free Zone. On 20 June 2006 Royal Decree No. 62 / 2006 laid down guidelines for the establishment of Salalah Free Zone and appointed the Salalah Free Zone Company SAOC as its operating authority. The aim is to increase the volume of transport and trade passing through Port Salalah, which has earned an enviable reputation as one of the region's most efficient ports.

• Sohar Industrial Port

Sohar Industrial Port is one of the Sultanate's most inspiring enterprises. The port houses three clusters: logistics, petrochemicals and metals. Work on the infrastructure started in 1999; operational terminals and industries now occupy a large part of its 2,000 hectares. In 2010 the area will be fully operational.

The Port of Sohar is a world-class port, capable of receiving ships up to 16.5 m draught (18 m by the end of 2008). The port's three terminals handle all kinds of cargo: liquid bulk, dry bulk, containers and general cargo. Sohar will be visited by around 750 seagoing vessels in 2007 reaching close to 1000 in 2008; a figure expected to rise steeply as the surrounding area is developed.

Most of Sohar's industries use natural gas as source of energy, provided by the local refinery, which processes 116,000 barrels of oil per day. Some industries, for instance the methanol and fertiliser plants, use natural gas as feedstock. The petrochemical cluster consists of plants producing polypropylene, aromatics and formaldehyde. The



Port Sultan Qaboos in Muttrah - developing and expanding, particularly in the range of services it provides.



Sohar Industrial Port, expanding daily. The port houses three clusters: logistics, petrochemicals and metals.

metals cluster is built around steel plants and an aluminum smelter which is expected to launch Oman into the league of metal producing countries.

One of Sohar Port's trump cards is its location: close to energy resources and accessible to the booming economies of the Middle East and the Indian subcontinent. The port has attracted over US\$12 billion in investments in infrastructure, utilities and mega industrial ventures – making it one of the biggest industrial port developments in the world. With all its industries fully operational, the Port of Sohar anticipates employing 8,000 people directly and over 30,000 people indirectly.

The Port forms the centerpiece of a much larger development. Already operational in the area is a 220 hectares Sohar Industrial Estate, which houses small and medium scale industrial units. A special economic zone of 3,000 hectares is envisaged, which will host value-added parks, downstream industries, food processing clusters and other commercial activities.

The management of the industrial port is the responsibility of Sohar Industrial Port Company (SIPC), a 50/50 joint venture between the Omani government and a Dutch port.

• Port Khasab

This port, in the governorate of Musandam, was opened in 1983. In view of its strategic location and the growing demand for its services, it has been expanded to handle cargo vessels and cruise ships, as well as pleasure boats, yachts and fishing boats. Its handling areas and other buildings and facilities have all been upgraded as part of an expansion and modernisation project, completed in February 2007.

• Port Duqm

In April 2007 work began on Port Duqm - a port in the Wusta Region in a strategic location on the Arabian Sea. When completed it will comprise two breakwaters, both more than 2.5kms in length. The

harbour basin will be dredged to a depth of 16m and the entrance channel will be dredged to a depth of 17m. It will comprise commercial jetties of 700m in length and government jetties more than 3.5m long, as well as a ship repair dock.

• Other mooring facilities

The Sultanate's other commercial and passenger mooring facilities include Kumzar in Musandam, which is used by the local community and coastguard units. A new mooring facility, due to be constructed at Shannah, will be able to handle 12 ferries operating between Shannah and Masirah Island.

A new mooring facility and road system on the Hallaniyat Islands in Dhofar is currently at the early planning stage. The preliminary study is now complete, along with the topographical, hydrographic and soil surveys of the proposed sites.

Roads

The government has built an extensive network of modern roads across the country and work on upgrading and maintaining this vital network is ongoing. Multi-lane highways criss-cross the country, cutting across once impassable desert and mountain terrain ensuring people and products are no longer restricted to a particular area. At the end of 2006 there were 16,551 kms of paved/asphalted roads. By the end of 2006 the total length of the Sultanate's graded roads was 48,864. kms.

In 2006 the Ministry of Transport and Communications completed 34 vital road projects and currently a further 39 are currently being implemented across the country.

Air transport

The civil aviation sector is expanding the volume of air traffic between the Sultanate and the rest of the world by taking steps to increase air transport



The government is building an extensive network of modern roads, crossing once impassable desert, mountains and wadis. Here the road from Quryat to Sur.



The concept design of the new road network for Seeb airport.

rights, enabling Omani carriers to operate more flights to global destinations and encouraging foreign carriers to fly to Oman. In 2006 the Sultanate took part in discussions with a number of civil aviation authorities, subsequently several memoranda of understanding were signed between Oman and other states, on the regulation of air transport services and strengthened co-operation in issues of civil aviation and meteorology.

The purchase, installation and operation of cutting edge technology in all areas of training and functions remain a priority of Oman's civil aviation sector.

In 2006 the Directorate-General of Civil Aviation and Meteorology successfully implemented steps to join several international civil aviation agreements. These included the agreement on the liberalisation of air transport between Arab states, the agreement on standardising some international air transport rules (Montreal 1999).

Seeb Airport in Muscat and Salalah Airport in Dhofar are currently being upgraded; the government will be establishing an airport, alongside construction of its dry dock project, at Duqm as part of the development of the area. Studies have also been carried out on the construction of an airport at Ras al Hadd and the preliminary plans and tender documents for this project have been drawn up.

The Ministry of Transport and Communications has completed a study with a view to expanding air transport services to other areas of the Sultanate and the Directorate-General of Civil Aviation and Meteorology - in collaboration with other government departments - has identified a suitable site for an airport in Sohar, for which preliminary studies are already complete.

This airport will carry passengers and goods between the Batinah and other regions. Sohar is one of the Batinah's most densely populated wilayats and Oman's fastest-developing economic area as a result of major economic projects such as the Sohar Refinery, Port Sohar, the aluminium and petrochemicals factories and other industrial enterprises.

Oman Air

Oman Aviation Services (OAS), established in 1981 has come a long way in a quarter century of operations. The Sultanate is no longer a partner in Gulf Air and will in future be concentrating its efforts and expertise on its national carrier Oman Air. The airline already flies to 21 destinations, and in November 2007 will begin non-stop flights to London (Gatwick). Oman Air has signed an agreement to hire three Airbus aircraft - A330 and A310 - as part of its new plan to launch direct flights to Europe and the Far East. Plans are afoot to include ten Boeing 737 -800s in its fleet by the end of 2009.

To ensure the successful growth of Oman Air and the Sultanate's aircraft industry, Oman Air Management is currently preparing an interim

five year plan. A 20-year development schedule, drawn up with the cooperation of an international consultancy firm, is in the pipeline.

In the first six months of 2007, Oman Air carried 643,724 passengers and operated 6,727 flights to various destinations. In the same period in 2006 it carried 601,161 passengers and 506,545 in 2005.

Telecommunications

The telecommunications sector has seen rapid growth in recent years in line with the pace of advances around the world.

Telecommunications services in the Sultanate are provided by three companies - Oman Telecommunications Company (Omantel), Oman Mobile Communications Company (Oman Mobile) and the Omani-Qatari Telecommunications Company (Nawras).

Omantel, which became a public joint stock company in 2005, is one of the leading telecommunications companies in the Sultanate and the Arab Gulf Co-operation Council (AGCC) region. In addition to providing fixed-line and internet services, it also plays a significant role in the development of the telecommunications sector as a whole. In recent years it has upgraded its technology and services and has made a major contribution to the national project to convert Oman to a digital society where transactions are carried out electronically.

At the start of 2007 Omantel introduced the easy learning service in collaboration with the Ministry of Manpower and the Emirati Telecommunications Academy. This project, is designed to broaden the horizons of electronic learning, particularly for the younger generation and consists of a series of educational and training courses and programmes which can be accessed on the internet by a pre-paid smart card.

Although the innovative scheme is still in its infancy, it is hoped that it will improve the level of teach-yourself courses available to members of the community and internet users, providing them with an opportunity to

acquire useful technological and information technology (IT) skills.

Omantel and the IT Authority have signed an agreement to establish a single government network linking all government departments. The network will enable data to be exchanged electronically and electronic transactions to be carried out speedily and efficiently. Omantel is providing the infrastructure for the project's government sites and setting up a centre to manage and support the network.

Following an agreement signed with the Omani E-trading Company, Omantel also helps promote e-commerce by providing solutions for electronic purchases and trading over the Internet and reducing the costs of purchasing from suppliers.

In March 2007 Omantel signed an RO7 million agreement with the Chinese company Huwawi to provide between 100,000 and 180,000 new high efficiency, high-speed, multi-purpose ADSL broadband lines across the country.

Omantel has also set up Wi-Fi internet wireless hot lines in a number of shopping complexes and cafes.

In 2006, Omantel installed around 1,850 WLL fixed telephone wireless system lines to provide coverage for the more inaccessible rural and mountain areas, bringing fixed telephone services to over 160 villages in various parts of the country.

Oman Mobile, a subsidiary of Omantel founded in 2004, specialises in providing GSM (Global Systems Mobile) services.

The Omani-Qatari Telecommunications Company (Nawras) is the Sultanate's second mobile telephone operator. Since it went into operation early in 2005 it has helped bring about major advances in the Sultanate's telecommunications sector alongside Omantel and Oman Mobile.

At the end of June 2007 the fixed line telephone service stood at 257,235 subscribers (a fall of 5.2% on the June 2006 figure), whereas subscribers of billed and prepaid GSM mobile services provided by Oman



First Day covers and special issues of stamps are popular.

Mobile and Nawras rose by 17.5%, to number 2,135,539. Subscribers of the Internet service provided by Omantel stood at 65,611, showing a 2.8% rise over the previous year. Statistics showed that 6,532 persons subscribed to the Pager service during June 2007, 480 subscribers to Internet voicemail service, 152 to Telefax and 3,276 to leased special circuits. The number of public telephones countrywide stood at 6,855, a 0.4 per cent rise on the June 2006 figure.

Telecommunications Regulatory Authority (TRA)

The telecommunications sector is overseen by the TRA (Further details, see page 53). In 2006 it implemented the Mobile Number Portability (MNP) system in the hope that it will encourage competition amongst operators. It also published the National Frequency Allocation and Assignment Plan which will support a large number of communication services, particularly for aviation, shipping, defence, and public safety etc. The TRA's

Logo was launched at the end of November 2006.

Oman Post

In a move towards the privatisation of the postal sector, under Royal Decree No. 48 / 2005, the Oman Post Company SAOC was established with a licensed capital set at RO6.5m with issued capital of RO3.5m. The company will establish branches within the Sultanate and abroad to provide a range of postal, financial and commercial services. The Decree stipulates that responsibility for all assets, personnel and liabilities shall be transferred from the Director-General of Posts to the new company, to be completed in 2008.

In addition to the traditional postal services the company is offering an increasing number of government services through its post office network. These include acceptance and processing of commercial and company registrations for the Ministry of Commerce and Industry, Oman Chamber of Commerce membership renewals, tax transactions, passport applications and renewals and the replacement of official documents including work and residence visas. Oman Post processes over 20 services for the Ministry of Housing and the Public Authority for Electricity and Water. These services save the applicants the trouble and expense of travelling to the various Ministries in Muscat or their regional offices.

Postage Stamps

Omani stamps have become very collectable. Special Issues brought out during the year under review include those on the launch of Oman Post, the 36th National Day, the Sultan Qaboos Prize for Cultural Innovation, the Tourism Enriches programme, and 40 Years of PDO.



Over 100,000 additional multi-purpose ADSL/Broadband lines are being provided around the country.

CYCLONE GONU

Cyclone Gonu

The weather in the Indian Ocean sometimes causes tropical climatic conditions to extend out beyond their normal limits to the Omani shores but no one was prepared for the powerful cyclone Gonu, that formed in the west of the Indian Ocean and reached Oman at 7 am on 5th June 2007 bringing wind speeds of over 70 knots (130 km/hr) torrential rain, violent winds and high waves.

Gonu caused massive devastation, including loss of life and damage to property and the infrastructure, particularly in the Sharqiyah Region and the governorate of Muscat. There was damage to power lines, water supplies and communications in some areas, as well as to roads and flyovers. According to the Ministry of National Economy's initial estimates, the cyclone caused between RO1.25 and 1.5 billion worth of damage and more than 70 people lost their lives.

In view of the trail of destruction and human losses left by the cyclone Gonu, the immediate focus was naturally on helping those worst affected and repairing the damage. An objective assessment is also being made of the lessons that might be learned from the tragedy, so that preventive measures, such as defensive dams can be put in place; these additional measures will complement the groundwater



Cyclone Gonu formed in the west of the Indian Ocean and reached Oman at 7 am on 5th June 2007 bringing wind speeds of over 70 knots (130 km/hr) torrential rain, violent winds and high waves.



On 30th June 2007, Sultan Qaboos addressed the nation from Bait al Barakah, thanking military and civilian personnel for their performance in the aftermath of the cyclone Gonu which hit the Sultanate during the first week of the month.

In the Name of God the Compassionate, the Merciful

We praise God, Glory be to Him, the Most High, and we offer Him our gratitude; and we ask Him to bestow success upon us and grant us His care and protection.

Dear Citizens.....

It was the will of the Almighty that over the past days our dear country experienced exceptionally violent climatic conditions with results that are known to you all.

These extraordinary storms proved - may God be praised - the strength of this country and the strong bonds of unity and cohesiveness between its people.

This was clearly demonstrated in numerous admirable examples of solidarity and collaboration.

Loyal Citizens....

As we stand here today, we should like to express our appreciation and pride in all the efforts that have been made for the sake of this proud and generous nation, as well as the sacrifices in providing assistance and support to those in need.

In honouring - in the name of Oman and in your names - the military and civilian personnel who performed their duties, and indeed exceeded the call of duty, we should also like to declare to you all that we are proud of you and express our boundless appreciation of your loyal efforts and noble deeds, which deserve the utmost praise and commendation.

We should also like to express our thanks and appreciation to all brothers and friends for extending Oman their noble support.

May God protect Oman and continue to bestow His bounties upon it and upon all the countries of the world.

May He grant us and you success in that which He loves and which pleases Him. He is the One Who hears and responds.

And may peace be upon you and the Mercy of God and His Blessings.



Seas lash the Mina al Fahal rock in Qurum, Muscat.

recharge dams that exist at present.

In the immediate aftermath of Gonu the government began providing emergency assistance to the people who had been affected by the cyclone, particularly those who had lost their homes or sole sources of income. Over 200 ready-built houses were made available and additional assistance was provided by government departments such as the Ministry of Social Development, as well as the Oman Charitable Organisation (OCO). At the same time, members of the Omani public responded with selflessness and a strong determination to play their part.

Working in collaboration with the National Committee for Civil Defence, the Ministry of Housing, Electricity and Water, the Ministry of Regional Municipalities, Environment and Water Resources, Muscat Municipality and other authorities – the ROP,

the SAF and the RGO – showed real heroism in the rescue operations and in bringing relief to the victims. Their work included plucking stranded individuals from overflowing wadis and the rooftops of houses submerged under water, reopening the roads and restoring the infrastructure. There were also impressive voluntary efforts by citizens, particularly young people and university students, who helped ferry assistance to those in need and cleared up waste from the areas affected by the cyclone. Some 280,000 tonnes of waste was collected and removed as part of the mammoth clean-up operations.

The Ministry of Information was among a number of bodies singled out for their sterling efforts in the face of the cyclone. The Ministry was praised for its exceptional achievement in keeping people aware of events; anticipating new areas of concern and constantly coordinating with the relevant services on the ground to make sure information was disseminated swiftly and efficiently. Television and radio stations launched around-the-clock services, supported by the tireless efforts of presenters and engineers to keep the viewing and listening public abreast of events. The Ministry's commendable efforts certainly saved lives.

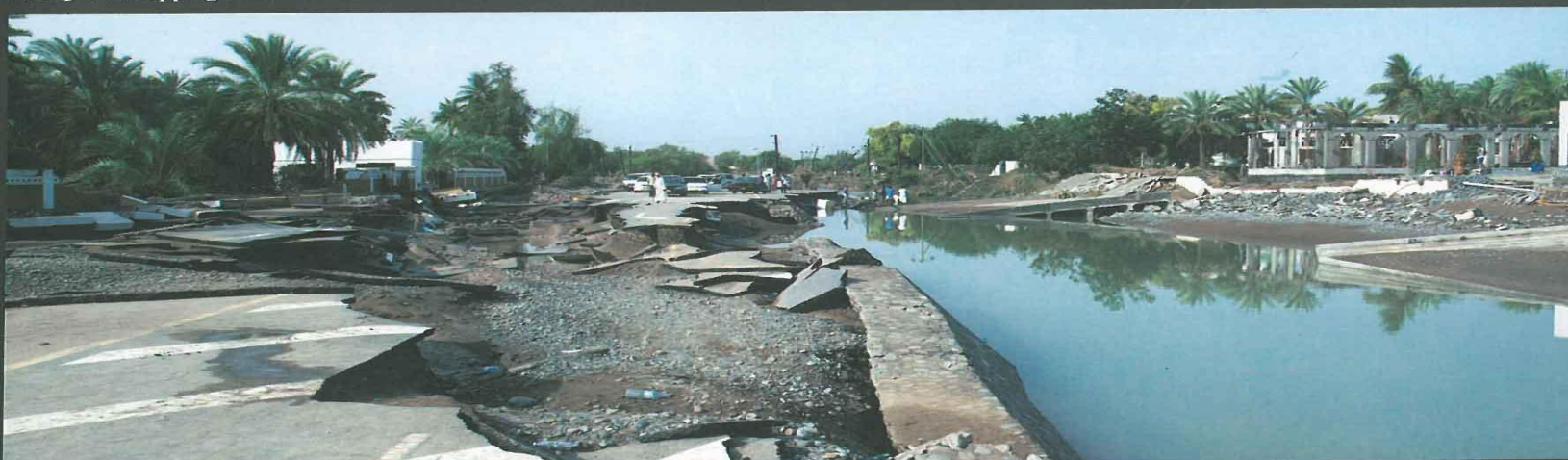
Thanks to the close co-operation between the government and the public, a large part of the damage was successfully dealt with within around 10 days of the cyclone. Naturally, rebuilding the damaged roads and bridges will take longer, but services and telecommunications links were restored and the movement of traffic was soon back to normal; in fact, by the end of June 2007 over 90% of the service networks and systems had been restored.



The cyclone destroys a palm garden laden with the season's dates.



The Qurm shopping area in Muscat.



Gonu caused severe damage to the infrastructure, but repairs were soon carried out.



A torrent of water crashed through roads, housing and gardens.



Qurm Natural Park was destroyed, and roads were washed away on the Qurm corniche.



Hundreds of cars were washed away, and houses flooded.



The Sultan's Armed Forces immediately moved into action to carry supplies to those worst affected.



Sultan Qaboos University students use their fisheries research vessel to transport water and other supplies to badly affected coastal towns.



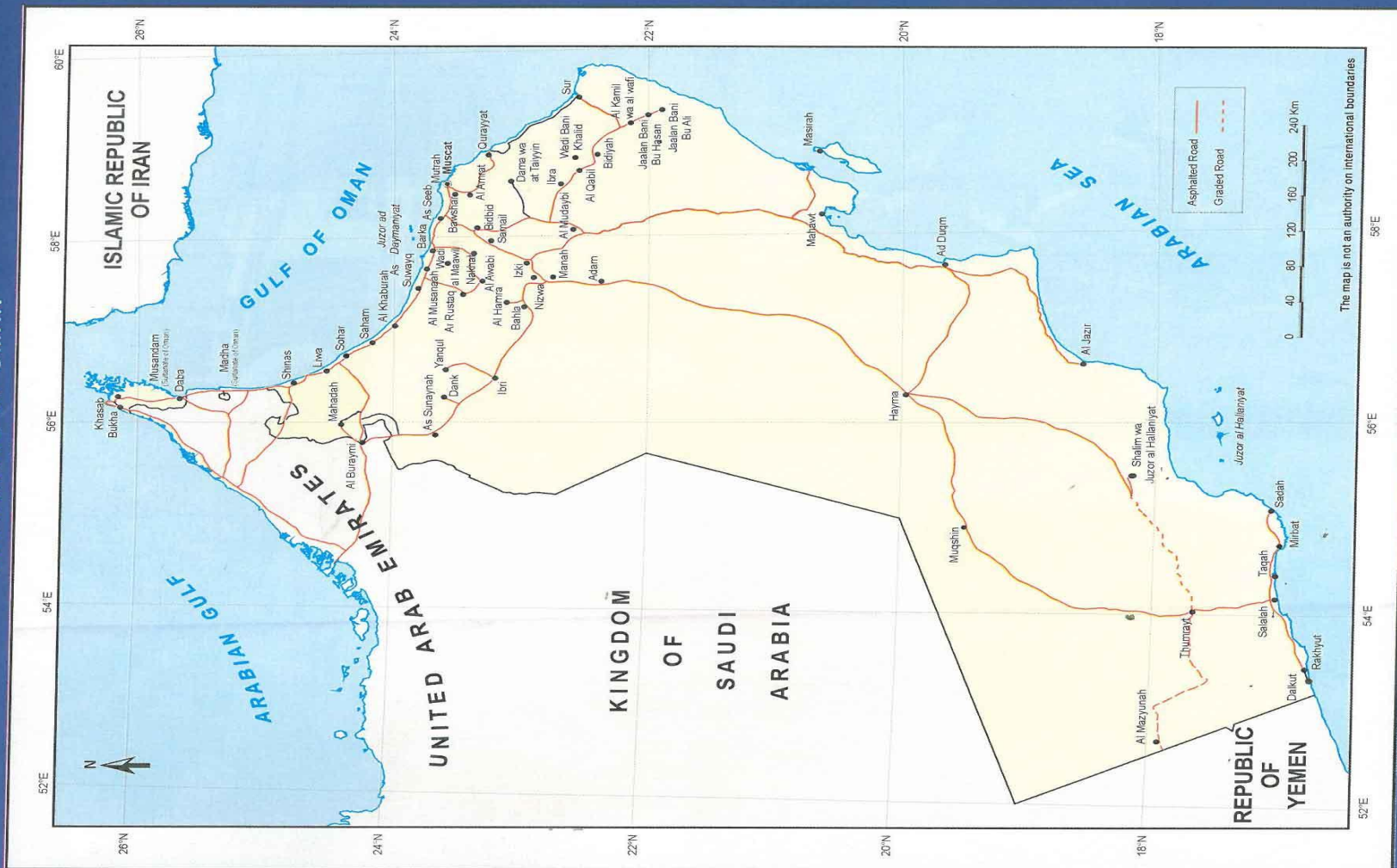
The whole country united in their efforts in helping to clear up after cyclone Gonu had passed through the Sultanate.



Women too were enthusiastic in helping to clean up the beaches.



SULTANATE OF OMAN



OMAN IN FACTS AND FIGURES:

Area	309,500 Square Kilometres
Capital	Muscat (Population: 718,917)
Religion	Islam
Official language	Arabic (English is widely spoken in the economic and education sectors)
Time	GMT + 4
Currency	Omani Rial = US\$ 2.60 (387 baizas to the US Dollar)
Climate	Temperate (30°C) from October to March, but hot (up to 50°C) and humid from April to September, except in Dhofar where it rains during the monsoon/khareef season from mid-June to end-August.
National Day	18th November

ECONOMIC INDICATORS:

	Unit	2006
Gross Domestic Product (GDP) at current prices	Million RO	13,709.07
Total government revenues	Million RO	5,527.4
Total public expenditure	Million RO	4,469.8
Average daily oil production	Thousand barrels	738
Average price of oil over the year	US\$/barrel	61.69
Total commodity exports	Million RO	8,299.5
Non-oil exports of Omani origin	Million RO	812.4
Total commodity imports	Million RO	4,190.1

SOCIAL INDICATORS

	Unit	2006
Total population	Thousands	2,577.062
Omani	Thousands	1,883,576
Expatriate	Thousands	693,486
Crude birth rate	Per thousand population	24.17
Infant mortality rate	Per thousand live births	10.25
Hospitals	Number	59

Health centres, units and clinics	Number	926
Hospital beds	Number	5,319
Doctors	Number	4,579
Male and female nurses	Number	9,615
Life expectancy at birth	Number	74.29
Schools	Number	1,056
Students	Thousands	565
Students per class	Number	28
Students per teacher	Number	14
Civil Service employees	Thousands	139
Omanis registered with the Public Authority for Social Insurance	Thousands	114
Expatriates employed in the private sector	Thousands	511
Paved roads	Km	16,551
Internet subscribers	Thousands	64
Hotels and accommodation	Number	172
Electricity output	GW/H	13,585
Electricity distribution	GW/H	13,127
Water output	Million gallons	33,158
Water distribution	Million gallons	33,107

WEBSITES

State Council (Majlis A' Dawla)	-	www.statecouncil.gov.om
Consultation Council (Majlis A' Shura)	-	www.shura.om
Royal Oman Police	-	www.rop.gov.om & www.ropomanet
Diwan of Royal Court	-	www.diwan.gov.om

Ministries:

Agriculture and Fisheries	-	www.maf.gov.om
Awqaf and Religious Affairs	-	www.maraoman.net
Civil Service	-	www.mocs.gov.om
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Other organizations:

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Capital Market Authority	-	www.omancma.org
Central Bank of Oman	-	www.cbo-oman.org
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National Organisation for Scouts and Guides	-	www.oman scouts.gov.om

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Oman Chamber of Commerce and Industry	-	www.chamberoman.com
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Port Services Corporation/Port Sultan Qaboos	-	www.pscoman.com
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Public Establishment for Industrial Estates	-	www.peie.om
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Royal Air Force of Oman	-	www.rafo.gov.om
Salalah Port Services	-	www.salalahport.com
Sohar Port	-	www.portofsohar.com
Sports Oman	-	www.sportsoman.com
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Times of Oman	-	www.timesofoman.com
The Wave	-	www.thewavemuscat.com
The Week newspaper	-	www.apexstuff.com
Whale and Dolphin Research	-	www.whalecoastoman.com

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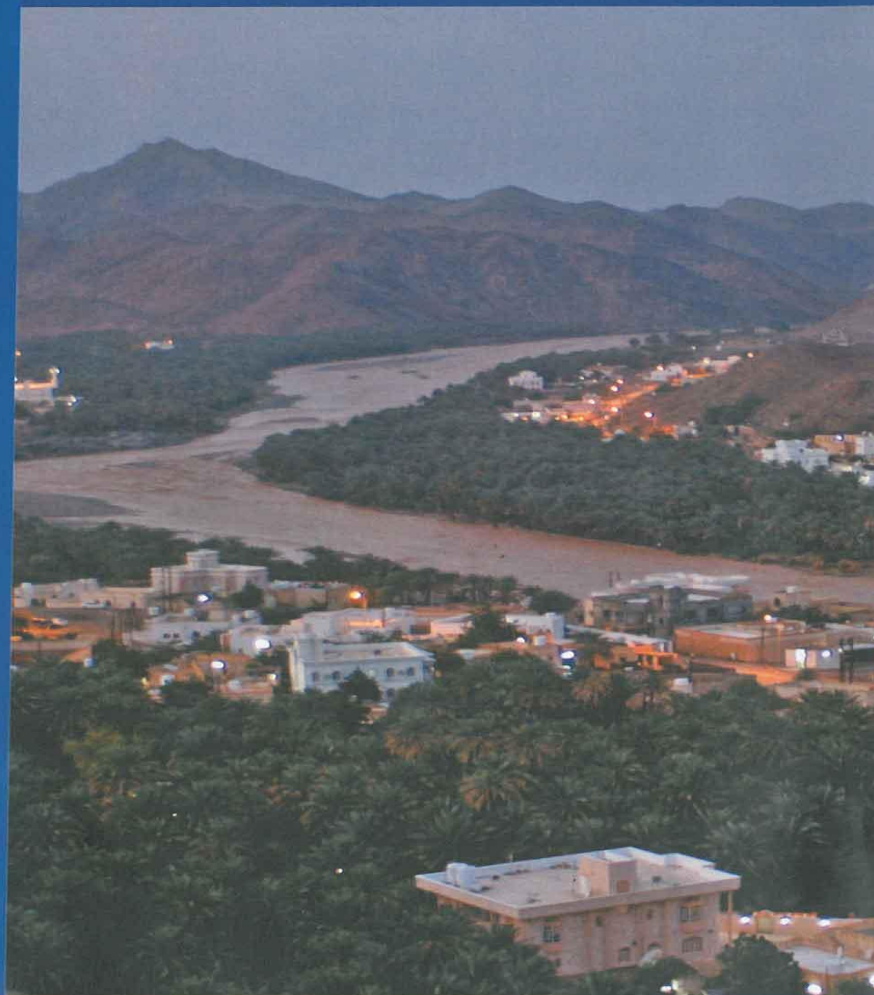
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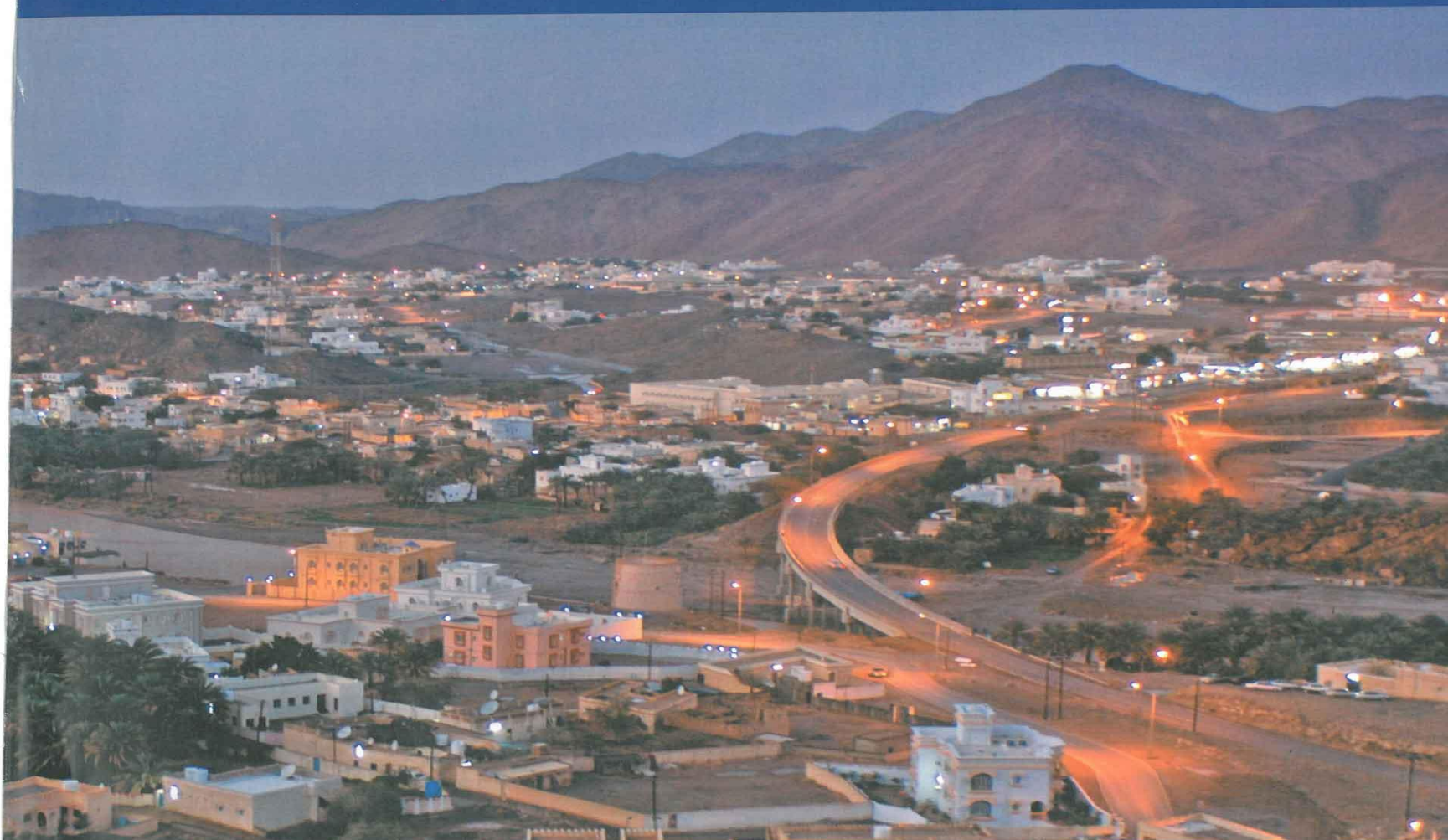
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