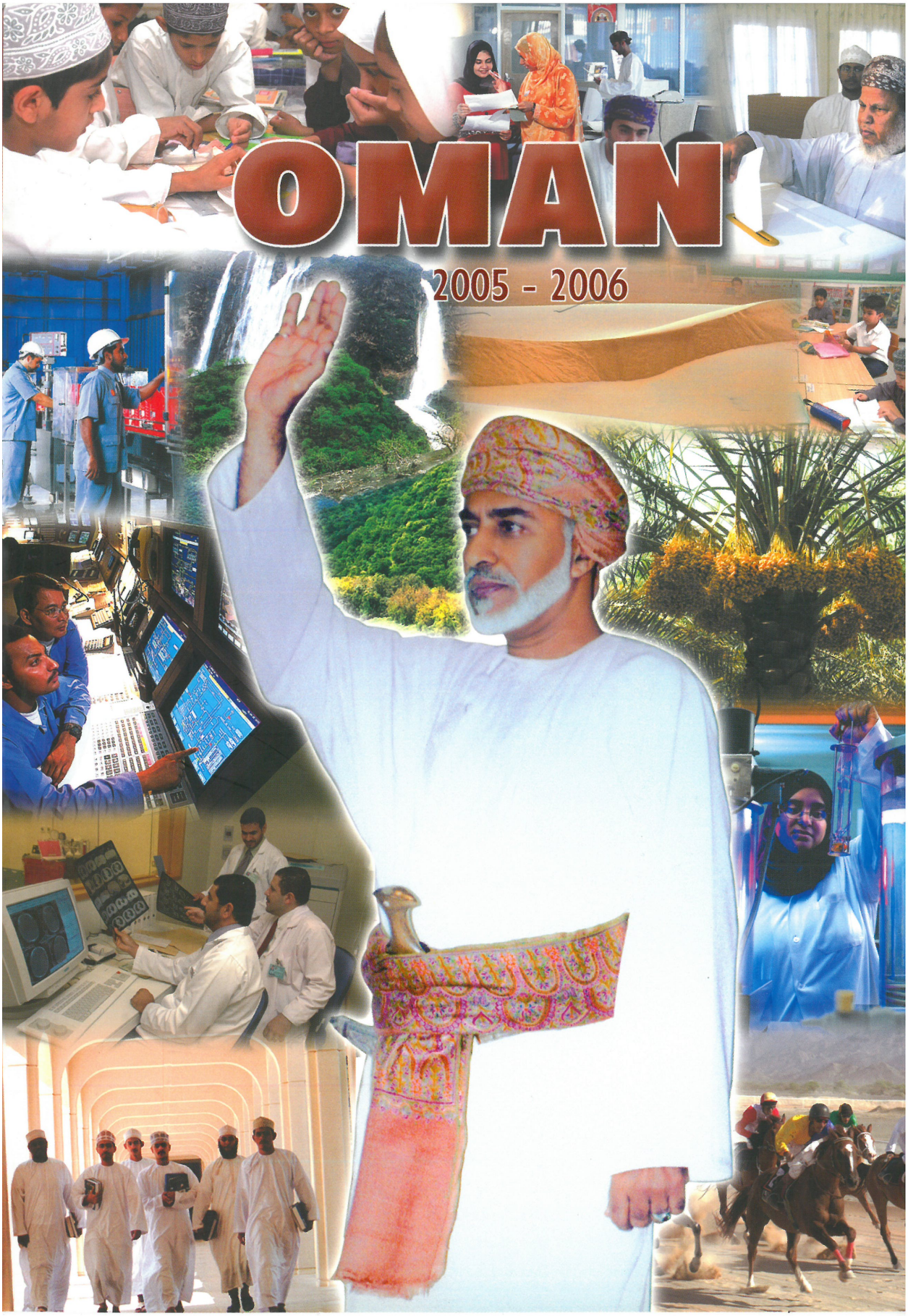

OMAN
2005 - 2006

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His Majesty Sultan Qaboos bin Said

Excerpts from the Speeches of His Majesty Sultan Qaboos bin Said

"Our determination to move forward with confidence, towards the broader horizons of comprehensive, sustainable development, remains undiminished. While committed to preserving our own values and identity, we are enthusiastic about developing international relations to reinforce the advances already made. Further progress, we believe, can best be achieved through hard work and the pursuit of knowledge, which will prepare Oman and its citizens for dealing with the emerging realities of the modern age.

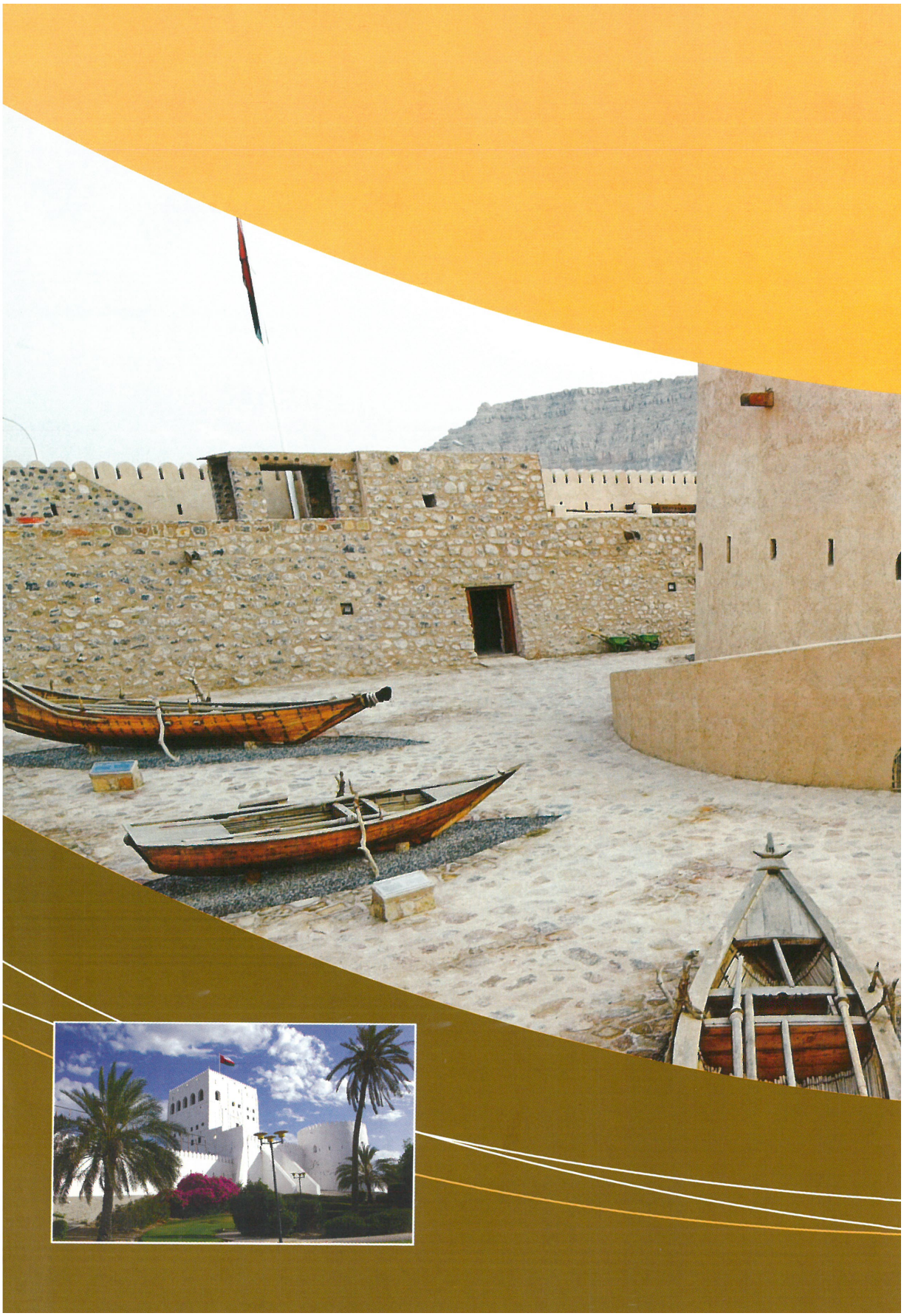
"Through the implementation of a succession of national development plans we have successfully completed laying the foundations of a modern state and will continue to build on this achievement; improving living standards and implementing programmes which aim to boost economic growth through the diversification of sources of national income and the development of human resources.

"The success of the human experience is the result of constant endeavour, commitment, will and a sense of responsibility. No nation can realise its goals unless its people work together to build its future and develop its potential. We are confident that all of you - both men and women - will play your part in developing and building up this Omani enterprise, reinforcing its roots and raising its structure.

"We continue to stand against injustice and darkness and remain on the side of justice, light and harmony. Mankind will only enjoy happiness and a sense of security if there is justice and respect for all those qualities that guarantee human beings their legitimate rights. First and foremost among these being their right to dignity, liberty and independence.

In the area of international relations, our foreign policy is based on firm foundations and principles: support for right and justice and a desire to work together with other peace-loving countries of the world to resolve international conflicts through dialogue and negotiation, so that everyone can enjoy security and stability and all the peoples of the earth can reap the benefits."

Qaboos bin Said



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

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

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

The Hajar mountain range forms a great arc extending from the north-west of the country towards the south-east. Their highest point, which is in the Jabal al Akhdhar area, reaches an altitude of 3,000 metres. The mountains soar to a height of 1,800 metres above sea level in Musandam, where the Strait of Hormuz lies between the Omani and Iranian coasts.

Geology

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

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

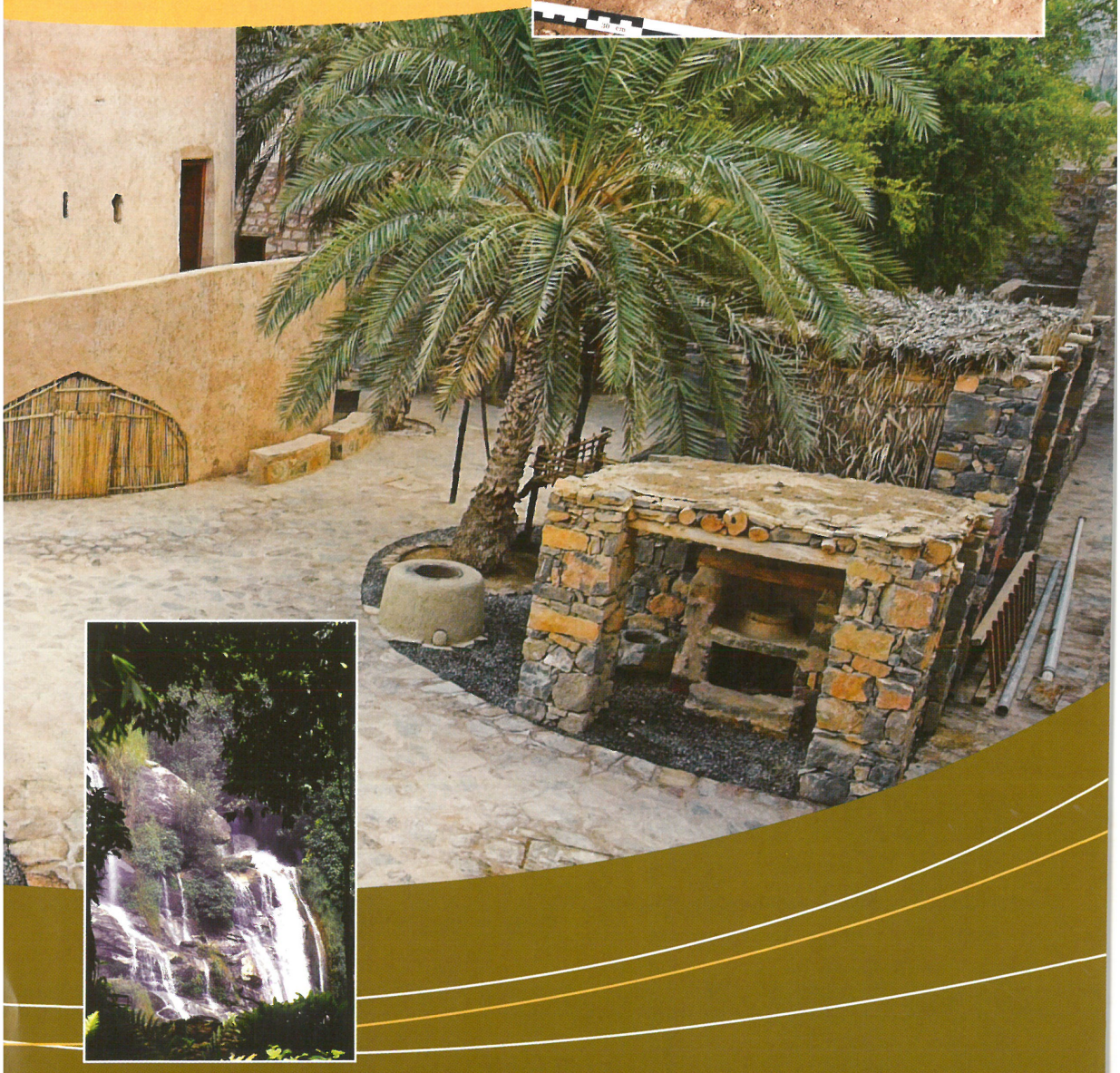
In its geologically recent past it also lay at the margin of an ocean and the discovery of dark coloured Samail ophiolites, which are volcanic rocks from that ocean, locally rich in copper and chrome, confirm this.

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

Jebel Misht and its surrounding deep-ocean sediments and ophiolites (upper right), now occurring hundreds of kms inland

GEOGRAPHY AND HISTORY









The Al Khuwair area, Muscat Governorate

Climate

The country's climate, like its topography is diverse, with humid coastal areas and a hot, dry desert interior. It is among the world's semi-arid regions that depend heavily on rainfall for their water supply. Oman's rainfall is irregular at an average of 100 mm but around 80% of this evaporates, while approximately a further 5% flows into the sea. However, Dhofar province in the south catches the Indian Ocean monsoon that falls between June and September. In the interior summer temperatures can soar to 130°F (54°C). Most tourists visit during the more temperate months between October and April.

The Governorates

The Sultanate of Oman has three governorates - Muscat, Dhofar and Musandam - and five regions - the Batinah, Dhahirah, Dakhiliyah, Sharqiyah and Wusta. These governorates and regions comprise a total of 59 districts, or wilayats.

Muscat

The governorate of Muscat is Oman's political, economic and administrative centre. Situated on the Gulf of Oman, it extends from Seeb, home of Oman's international airport, in the north, to the fishing port of Quriyat, in the south. This governorate is the most densely populated region in the Sultanate with a population of more than 632,000, spread throughout six districts - Muscat, Mutrah, Bausher, Seeb, Amerat and Quriyat.

Muscat is a clean, elegant yet vibrant city, which, while keeping pace with 21st century advances has lost none of its traditional charms. A visitor will find neither concrete nor glass skyscrapers towering above the streets of this city, despite its rise in stature as a regional and international centre. Instead, Muscat's architecture combines Arab and Islamic culture and heritage with a true appreciation of classical contemporary style. Urban areas are meticulously planned with new buildings designed to

incorporate traditional elements.

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

Walls enclose the centuries old city of Muscat, while its gates display a fascinating mixture of ancient and contemporary styles. Muscat will be the Arab Cultural Capital in 2006.

Muttrah Souq, opposite the waterfront at Port Sultan Qaboos, is a well-preserved traditional market that has become a popular tourist attraction, selling an alluring mixture of Arabian herbs and spices, fragrances and handicrafts, including Omani silver jewellery and artefacts, as well as clothes, shoes and household goods. An ambitious scheme to update the souq has drawn mixed responses; while some are keen to see a new, improved shopping area, others fear the traditional atmosphere could be damaged or even lost forever with the refurbishment.

Muscat's many facilities include Sultan Qaboos University, various colleges and training institutes, schools, major commercial banks, the stock market, an industrial estate, shopping complexes, specialist hospitals (both government-run and private facilities), sports associations, youth clubs, museums, and cultural and arts centres. The city's international class hotels, scenic beaches, imaginatively-designed parks, historic and contemporary buildings, an abundance of trees and floral displays, all set against an imposing backdrop of mountains and fertile wadis, contribute to a pleasing atmosphere for those living in, or simply visiting, Muscat. The city is also the seat of government and the country's administrative headquarters. It is administered by the Minister of State and Governor of Muscat.

Dhofar

The governorate of Dhofar has played a major role in the Sultanate's ancient and modern history. With a sweeping coastline on the Arabian Sea and an arid interior flanked by mountains, Dhofar is comprised of nine districts - Salalah, Thumrait, Taqah, Marbat, Sadah, Rakhiyout, Dhalkout, Muqshin, and Shalim and the Hallaniyat Islands and has a population of around 216,000.

The Dhofar mountains form a narrow girdle, at most 23 kms wide, that extends for 400 kms east to west, from the Hallaniyat Islands to the Yemen border, with the highest peak reaching 2,500 metres.

Situated in the far south of the country Dhofar's regional capital, Salalah, is situated on the coast around 1000 kms from Muscat. The monsoon rains that make the area so fertile fall between the months of June and August on a 75 km stretch of mountains and an 8 km wide plain surrounding Salalah, transforming the area into a mass of lush greenery during the months of July and August. Meanwhile, Dhofar's coastal plain is



Salalah during the khareef/monsoon

thickly planted with vegetables, bananas and coconut palms.

With a container port, free trade zone, modern roads, electricity, water, telecommunications services and excellent hotels, Salalah has developed a thriving tourist industry in recent years, thanks partly to its exceptional summer climate, which makes it a magnet for tourists, particularly Gulf and other regional visitors keen to escape the searing summer heat at home. The one-month long Khareef Festival of cultural, artistic and leisure activities is credited with spreading knowledge of this area's charms outside of the region.

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

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

Musandam

The Musandam Peninsula, which covers an area of around 3,000 sq. kms has four districts - Khasab, Bukha, Daba al Baiya and Madha - and is home to more than 28,000 people, and is the Sultanate's smallest and most northerly region. Musandam is of immense strategic importance, because of its rocky headland, which juts out into the Strait of Hormuz - the most important international shipping lane for oil exports and trade between the region and the outside world. Around 90% of Gulf oil exports pass through this Strait, which is also the eastern gateway for shipping and trade to and from the Gulf littoral states.

The magnificent Hajar mountain range dominates the Musandam landscape,

continue well into the 21st century.

Dhahirah

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

Today, a mainly agricultural region, centuries ago Dhahirah lay on several vital caravan routes, making it an important transit point to other parts of the Arabian Peninsula. With numerous oil and gas fields the region has been the beneficiary of a range of development projects. And preparations are currently afoot to build an industrial estate in the district of Buraimi, adjacent to the border with the United Arab Emirates. The area is also home to a number of archaeological sites at Bat, Al Khutm and Al Ayn, all of which are recognised by UNESCO.

Dakhiliyah

Dakhiliyah is a major transit point between the other regions, bordering, as it does, the Sharqiyah region to the east, the Dhahirah region to the west, the Wusta region to the south and the governorate of Muscat and the Batinah region to the north.

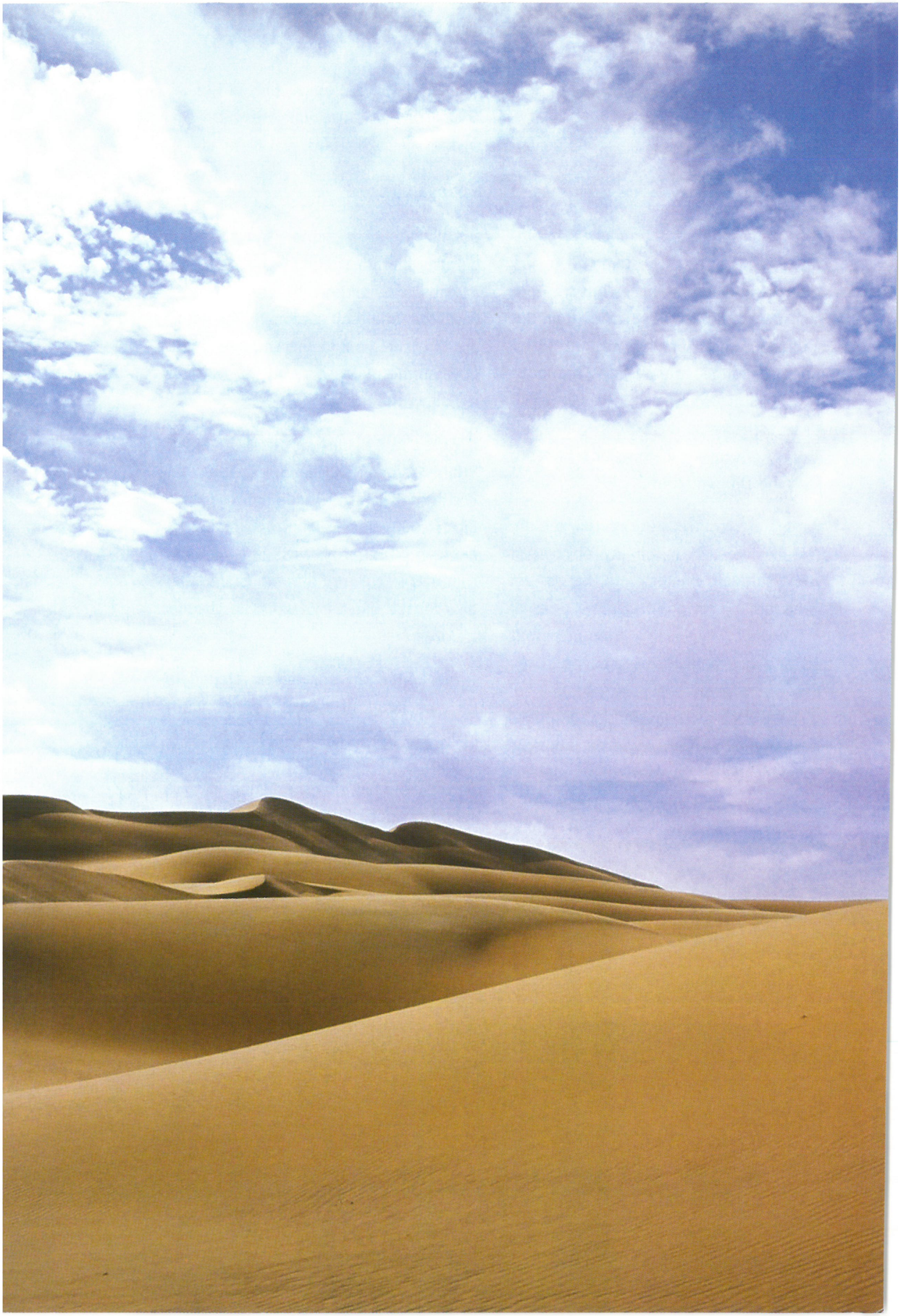
It has eight districts - Nizwa, Sumail, Bahla, Adam, Al Hamra, Manah, Izki and Bidbid and a population in excess of 267,000. The Dakhiliyah Region is renowned not only as one of the country's main agricultural areas, but also for the place it occupies in Oman's history

Nizwa – the city sometimes referred to as "the pearl of Islam" attracts many visitors to its circular restored 17th century fort and its impressive souq, with carved wooden doors opening onto a range of shops and courtyards. Nizwa is

Sunset at a wadi near Sumail, Dakhiliyah region

Bibi Maryam's tomb and the water tank in Qalhat, Sharqiyah region, which is being restored





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

The Regions

Batinah

The Batinah region, also known as the Batinah Coast, is a coastal strip between the Hajar mountains and the Gulf of Oman. Both geographically and economically it is one of the Sultanate's most industrialised, urbanised and, with more than 653,000 inhabitants, highly populated regions. Lying along the southern shore of the Gulf of Oman, it has 12 districts - Sohar, Rustaq, Shinas, Saham, Liwa, Khabourah, Suwaiq, Nakhl, Wadi al Maawil, Awabi, Musana and Barka.

In addition to being one of Oman's historic maritime and commercial outlets to the outside world, via the Gulf and the Indian Ocean, the Batinah also has the Sultanate's most fertile plain (the Batinah Plain), up to 25 kms wide in places, as well as extensive mineral resources which have started to provide the basis for a range of vital heavy industries. The Port of Sohar, which is currently under construction, is one of the Gulf region's most ambitious mega-projects and the Sohar Industrial Estate is already attracting a number of large-scale industrial and manufacturing enterprises including fertiliser, petrochemicals and aluminium projects.

Because of its location, economic resources and high population density, the Batinah has traditionally played an important role in Oman's social and economic history and this looks set to



The spectacular scenery of the Musandam peninsula



particularly popular with visitors to its silver souq, which contains many fine examples of Omani jewellery, and to the Friday cattle souq.

A referral hospital was opened in Nizwa in 1998, and the city has been radically restructured over recent years, with its utilities upgraded. Main road junctions have been revamped and Phase Two of the Rusayl-Nizwa dual carriageway project is now complete. Work has begun on upgrading the town's industrial estate and the Manah power station's generating capacity has been expanded in preparation.

Nizwa's private university has opened its doors to students, along with the Sultan Qaboos Academy for Police Sciences. Oman's Higher Institute of Jurisprudence will be established in the town, to complement the Law College at Sultan Qaboos University in Muscat and provide training for positions in the judicial and related legal fields.

Sharqiyah

The Sharqiyah region, in the north-east corner of the Sultanate, is bounded by the Arabian Sea to the east; the eastern Hajar mountain chain to the north; with Dakhiliyah to the west and the Sharqiyah Sands to the south. The districts of Sur, Ibra, Al Mudhaibi, Bidiyah, Al Qabil, Dima wa Al Tayeen, Al Kamil wa Al Wafi, Jaalan Bani Bu Ali, Jaalan Bani Bu Hassan, Wadi Bani Khalid and Masirah Island make up this region which is home to a population of about 314,000.

The ancient port and seafaring town of Sur played a vital role in the development of trade between Oman, East Africa and India. For centuries it was one of the major shipbuilding centres of the region and remains an active shipbuilding centre to this day. Dhows are constructed directly on the beach and although construction can take as long as a year to complete, the finished vessel has an estimated lifespan approaching 100 years.

Sharqiyah is an area of contrasts, from the fertile wadis and dramatic gorges in the eastern Hajar, to the beautiful unspoiled coastline of Tiwi, Sur and Ras Al Hadd in the east, right down to Barr Al Hikman and Masirah Island in the south. Its coastline abounds with wildlife, with dolphins and turtles a common sight. A necklace of coral reefs stretches along the coastline where the sea, rich with fish, provides a living for coast dwellers. Meanwhile, the vast Eastern Sands, traditional home of the Bedouin, has one of the largest areas of lithified sand dunes in the world.

Industrial development is currently underway in the region. A third liquefaction train from the Qalhat Liquefied Natural Gas (LNG) facility is scheduled to come on stream in 2006, in addition to other development plans orchestrated by Oman LNG. A urea and ammonia fertiliser plant is also nearing completion as is Phase One of the Sur Industrial Estate, designed to accommodate small and medium scale industries.

The Eastern Sands, a favourite with the tourists



Whales & dolphins can be seen on the coastline of the Wusta region

Wusta

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

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

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

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

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

The government has given Wusta high priority status for increased economic development. An efficient road system has been constructed to facilitate this expansion. The region already has numerous productive oil and gas fields.



Rock art found next to tombs from the 3rd millennium BC in Shannah, near Kabil, Eastern/Sharqiyah region

HISTORY

Oman's Names

Archaeologists have shown that civilisation flourished in the area of modern day Oman at least 5,000 years ago and probably before. The country has been known by various names over the course of its history, the best known being Majan, Mezoun and Oman.

Sumerian tablets refer to a country called Magan, a name thought to refer to Oman's ancient copper mines. Mezoun is derived from the word "muzn", which means clouds and abundant flowing water (as compared to other Arab countries), while Oman is believed to originate from the Arab tribes who migrated to its territory from the Uman region of Yemen, whilst others say it owes its name to Oman bin Ibrahim al Khalil, the Prophet Abraham. Many tribes settled in Oman to make a living by fishing, herding or stock breeding and many present day Omani families are able to trace their ancestral routes to other parts of Arabia.

Advent of Islam

The Omanis were among the first people to embrace Islam voluntarily in around 630 AD when the Prophet Mohammed sent his envoy Amr ibn Al As to meet Jaifar and 'Abd, the sons of Al Julanda bin Al Mustakbar who were the joint rulers of Oman at that time - to invite them to accept the faith. In accepting Islam, Oman became an Ibadhi state, ruled by an elected leader, the Imam.

During the early years of the Islamic mission Oman played a major role in the Wars of Apostasy that occurred after the death of Mohammed and also took part in the great Islamic conquests by land and sea in Iraq, Persia and beyond. However, its most prominent role in this respect was through its extensive trading and seafaring activities in East Africa, particularly during the 19th century, when it



Khasab Fort, in the Musandam, which has recently been restored

propagated Islam in many of East Africa's coastal regions, and certain areas of Central Africa. Omanis also carried the message of Islam with them to China and the Asian ports.

Middle Ages

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

The Ya'ruba and the expulsion of the Portuguese

In the early 16th century, in 1507 to be precise, the powerful Portugese trading empire sought to extend its influence and reduce Oman's control over the thriving Arabian Sea and Indian Ocean routes. Portugese troops invaded Oman and captured some of the coastal areas, occupying them for up to 150 years before being defeated by Sultan bin Saif Al Ya'rubi. During the Ya'ruba period (1624-1744) Oman entered an era of prosperity at home and abroad, and many of the Sultanate's historic buildings and forts date from this time. However, expansion ended when civil war erupted between rival Omani tribes over the election of a new Imam. Persian forces seized the opportunity to invade and some coastal areas found themselves under foreign occupation once again.

Al Busaid Dynasty

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



Nizwa with the suq in the foreground, and the mosque and circular fort beyond

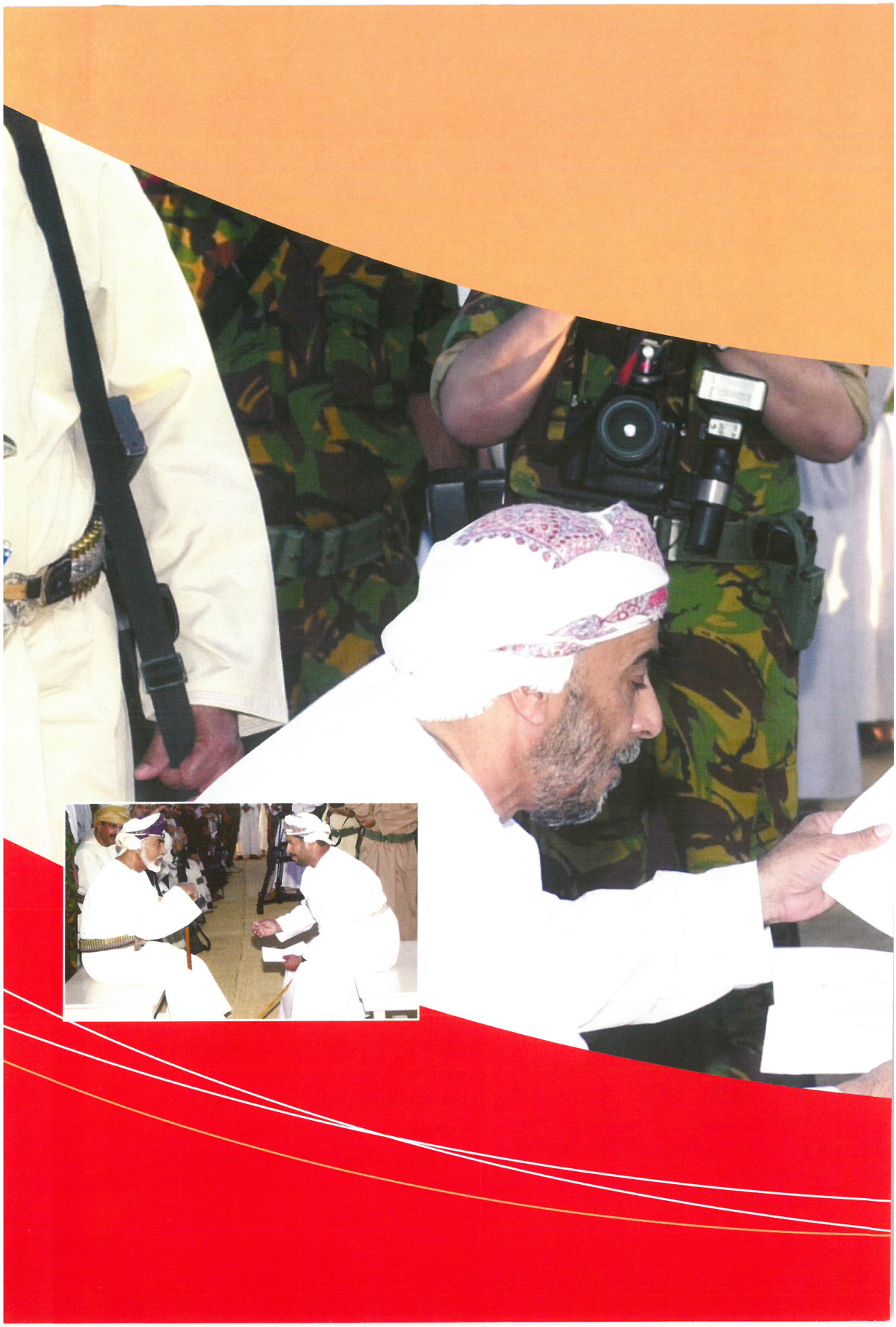
northern Gulf, where he broke the Persians' siege of Basra, following a request for assistance from the Wali of Baghdad.By the time of Imam Ahmed's death in 1783 in Rustaq, the then capital city, Muscat had become one of the foremost cities of the Arabian Gulf and some years later the capital was officially moved from Rustaq to Muscat, where it has remained ever since. His Majesty Sultan Qaboos bin Said is a descendent of the same Al Busaidi line.

19th Century to 2005

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

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

When Sultan Qaboos came to power in 1970, Oman was lacking all but the most basic roads, there were few schools and little in the way of medical care; its people were poor and disadvantaged. Many of Oman's wealthy and educated had left the country to seek their fortunes abroad. One of the first challenges His Majesty faced was to reverse this "brain drain", to encourage expatriate Omanis to return home and throw their weight behind the creation of a strong, educated, unified nation. Thirty-five years later that transformation is complete.



The leader of Oman, His Majesty Sultan Qaboos bin Said, acceded to power on 23rd July 1970 and, with the beginning of his rule, came the start of a new and exciting era in Oman's history; one that would transform the country, fitting it for a place at the heart of the region and the modern world.

Sultan Qaboos was born in Salalah, the most southerly city of the Sultanate, 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 Ahmad bin Said.

Apart from his role as ruler, Sultan Qaboos is a man of diverse interests; an enthusiastic horseman since childhood, he also enjoys tennis and a range of outdoor pursuits including walking. Military training left Qaboos with a keen interest in weaponry and military equipment; he is an accomplished marksman and proud of the Omani shooting team's numerous international successes. He has studied a variety of subjects ranging from religion to astronomy and the environment, languages, literature and history. A lifelong passion for music led Sultan Qaboos to establish the Royal Oman Symphony Orchestra in 1985.

Much has been said and written about the total regeneration of the Sultanate from a sleepy Gulf backwater to the thriving, economic and social accomplishment that is 21st century Oman, but the achievement is no less impressive for the rhetoric. Over the past three and a half decades the transformation of Oman, sometimes referred to as its "Renaissance", has seen the establishment of a comprehensive infrastructure, including roads, schools, hospitals, services and industries which, in turn, has produced generations of educated, ambitious young Omanis, capable of playing an effective part in their nation's continued development.



The Royal Guard of Oman has infantry, armoured and artillery units

QABOOS THE LEADER









Sultan Qaboos presides at the military parade on the occasion of the 34th National Day in 2004

A framework for development

The idea of sudden, unplanned change or imported "quick fix" ready-made models, was never a serious consideration; instead, Sultan Qaboos and his government have worked relentlessly to empower Omani citizens, across the length and breadth of the country, by providing education, healthcare, efficient communications systems and the opportunity to work together for the common good.

Despite the problems and challenges of the early years of his reign, Sultan Qaboos, was able to establish the basis of national unity that has proved to be a foundation stone of Oman's development over more than three decades.

His was the vision that would reinforce and broaden the scope of citizen participation in every field and at all levels. Three and a half decades ago His Majesty recognized the pressing need for Omanis to have access to the widest possible opportunities for education and training and made fulfilling this need a top priority. Consequently, the development of human resources has been, and remains, a cornerstone of Oman's development strategy. "Passive patriotism is not enough. Love of one's

The RAO parade on the occasion of the 34th National Day in 2004



country, and loyalty to it, must take the form of constant hard work and endeavour, and this is the duty of every man and woman," Sultan Qaboos reminded his people. "As far as domestic policy is concerned, our plan is to build our country and provide all its people with a prosperous life... That will only be achieved when the people share the burden of responsibility and help with the task of construction."

The contribution of youth and women

Much emphasis is placed on the duty and responsibility of Omani youth to continue the drive towards further consolidation of the new forward-looking Sultanate. The younger generations are a major priority in modern Oman, for it is with them that the long-term future of the country lies.

This is equally true for young women. Indeed, over the years Oman has proved itself something of a regional trailblazer in the way it has opened up all areas of opportunity to women, an approach that today, can be seen to be paying dividends.

From the early years of Sultan Qaboos' reign, great importance was attached to the education and training of Omani women, and ensuring they would contribute to their country's development, alongside their male counterparts.

Omani women were the first in the region to enjoy political rights. There have been women in the State Council (Majlis A'Dawla) ever since it was first established, and women have had the right to vote and stand as candidates for the Consultation Council (Majlis A' Shura) for several years.

There are also women members of the Council of Ministers, among them the Ministers of Higher Education, Tourism, and Social Development. The President of the Public Authority for Craft Industries too is a position which carries with it the rank of minister.

Omani women also occupy numerous other senior posts in the administrative apparatus of state, including positions as ministry undersecretaries, and Ambassadors (e.g.one is an Ambassador in The Netherlands and at the end of 2005 another lady is to be Oman's Ambassador in Washington), while in September 2005 another lady took up the post of Oman's Cultural Attache in London. They are also chairpersons of boards of directors, board members of the Oman Chamber of Commerce and Industry (OCCI), the Businessmen's Council, Muscat's Municipal Council and many other vital bodies that contribute to the smooth running of the country. They have also proved their worth in various other fields including voluntary work in the Omani Women's Associations and on numerous civil bodies.

Women play a particularly influential role in development and social affairs, partly because they form half the community and partly because of their vital role within the Omani family, which traditionally is a tightly-knit, cohesive unit.



Before Sultan Qaboos Dr Sharifa bint Khalfan al Yahya' eyah swears an oath of allegiance on her appointment as Minister of Social Development

Since the 1970s Sultan Qaboos has been unambiguous: women are expected "to contribute to the movement for economic and social development, each according to her capacity, expertise, skills and position within the community. The nation needs everyone to make an effort for the sake of continued progress, growth, stability and prosperity," he observed.

Today, around 12% of the senior posts in the state are occupied by women, as well as 31% of positions in the Civil Service sector and 56% of the teaching positions in the government schools. Half of all first degree university students in Oman are women and 35% of those studying for higher degrees at Sultan Qaboos University are currently female. *(See Social Development p.106)*

Vision 2020

In his speech at the opening of the Council of Oman's fourth term on 12th October 2004, Sultan Qaboos emphasised the need for commitment and a determination to work towards: "broader horizons of comprehensive, sustainable development." Referring to the achievements of the current Five Year Development Plan (2001-2005) and looking to the priorities set out in the Seventh Plan (2006-2010), particularly the greater emphasis placed on human development, social welfare programmes, enhanced educational opportunities and the development of the investment sectors, His Majesty said he was optimistic the upcoming Plan would boost attempts towards attaining sustainable development across the country, as well as contributing to the further overall expansion, envisaged by Royal Decree No. 54/2005, issued on 22nd June 2005, which established the Scientific Research Council. This legislation reflects official recognition of the importance of scientific research both for the national economy and the

further development of Oman's resources.

The Seventh Five-year Plan (2006-2010) will continue to implement the policy of steady and comprehensive development as was made clear at a Council of Ministers meeting presided over by Sultan Qaboos on 25th April 2005, when His Majesty demanded an evaluation of progress achieved, to ensure it was in line with present-day needs. Sultan Qaboos also suggested that greater attention should be given to developing the potential of the country's youth to prepare it for the next vital stages of development.

Oman today, is a prosperous country whose people enjoy a high standard of living. To ensure this happy situation continues for future generations, the state's administrative, executive, parliamentary and judicial institutions are constantly being developed and modernised in line with the principles of the Basic Law of the State, under the watchful guidance of Sultan Qaboos. "We have a duty not to forget that our thoughts and plans should be focused on the future. Major targets and many challenges lie ahead of us and the road is long. We are therefore required to arm ourselves with knowledge, a firm will and a readiness for hard work, and to seek success from God," he advised.

Law

Omanis have been living in a climate of security and stability for over three decades now, within a distinctly Omani system based on justice, equality and the rule of law and respect, as dictated by the country's time-honoured values and traditions.

While democratic debate is encouraged in Oman, the society as a whole strongly rejects anti-social acts which are not intended to serve the greater good. However, accepting that such acts will sometimes occur, the leadership



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



strives to respond in a measured and civilized manner. One recent example of this was demonstrated in June 2005 when 31 civilians were convicted of being members of a banned secret organisation with aspirations to overthrow the government by force. These religious extremists, it was discovered, had illegally obtained weapons and were conducting recruitment and training sessions in secret. After hearing the evidence the State Security Court sentenced the 31 on trial to between one and 20 years in prison. However, Sultan Qaboos later pardoned those concerned, expressing the hope that they would use the opportunity to become useful Omani citizens, working for their country under the established rules of democracy, law and justice.

Basic Law of the State

All state institutions are being developed and expanded in line with the principles laid down in the Basic Law of the State, issued by Royal Decree No.101/96 on 6th November 1996. The independence of the Omani judiciary is guaranteed in Articles 60 and 61 of this Basic Law, which also defines the prerogatives, functions and responsibilities of Sultan Qaboos bin Said and all state institutions, and seeks to co-ordinate, harmonise and integrate the activities of all government departments. These state institutions are further protected by the Sultan's Armed Forces and the Royal Oman Police.

Oman's consultative institutions continue to operate effectively and develop their democratic character in parallel with the Sultanate's social and economic progress and the aspirations of its society. Every Omani citizen aged 21 or above can exercise his or her political rights, including the right to vote for candidates for the Consultation Council (Majlis A'Shura).

Meanwhile, the State Council (Majlis A'Dawla) debates all development-related topics to ensure maximum co-ordination and awareness between the state's parliamentary and executive institutions and between the government and the private sector, in line with Sultan Qaboos's directive that "mutual understanding and enlightened thought provide the cornerstones for Oman's progress and the service of its people on sound foundations."

There is also close co-ordination between the Council of Ministers and the State and Consultation Councils, and the State Council and Consultation Council offices, with the aim of ensuring a continuing degree of harmony between the executive and legislative authorities.

Working for peace and harmony

Ever since Sultan Qaboos took over the reins of power in 1970, Oman's foreign policy and principles have been clear and consistent. The Sultanate's top priorities remain development at home, domestic security, stability and prosperity and the revival of Oman's traditional role in the region and the wider world. Within a framework of mutual respect, Oman seeks to reinforce relations and expand co-operation with other



Sultan Qaboos has an interesting conversation with one of his people during a Royal Tour

Sultan Qaboos addresses the Sheikhs and other dignatories during a Royal Tour

countries. Sultan Qaboos has devoted generous resources to building up the Armed Forces and the Royal Oman Police to defend the nation in the knowledge that efficient and effective development flourishes best in an atmosphere of security.

Endowments

The Sultan Qaboos Prize for Environmental Preservation was instituted by Sultan Qaboos at the Earth Summit in Brazil in 1989. It demonstrates his personal commitment to the environment not only in Oman, but also across the world. It is the first Arab prize to be awarded by UNESCO for international efforts on behalf of the environment. *(See Environment Services p.179)*

University Chairs

In March 2003 the Sultan of Oman's Chair of Arab and Islamic Studies at Melbourne University in Australia was estabilished. Australia was then celebrating its 150th anniversary.

This was followed by the establishment of the HM Sultan Qaboos Chair of International Relations was established on 7th April 2004 at the John F. Kennedy College for Government Studies at America's internationally respected Harvard University, as part of a strategy designed to promote academic relations and mutual understanding between the Sultanate and Western and international academic institutions.

In July 2004 it was announced that a Sultan Qaboos bin Said Fellowship was to be established at the Oxford Centre for Islamic Studies (which is attached to Oxford University), England. The Fellowship aims to enable its holder to carry out research in any discipline in the fields of the arts, humanities or social sciences designed to increase understanding of the Islamic world.

In July 2005 Sultan Qaboos presented an endowment for a permanent Chair at the prestigious University of Cambridge in England. This endowment, to be



A poet recites his poem, and gives a copy of the verses to His Majesty

known as the "Professorship Chair of His Majesty Sultan Qaboos bin Said", will support the teaching of modern Arabic in the Faculty of Oriental Studies. Additionally, Sultan Qaboos provided another grant to Pembroke College at the University of Cambridge which will help finance educational projects over a 10-year period through fellowships (in Arabic and Islamic studies) provided to candidates from Middle East universities.

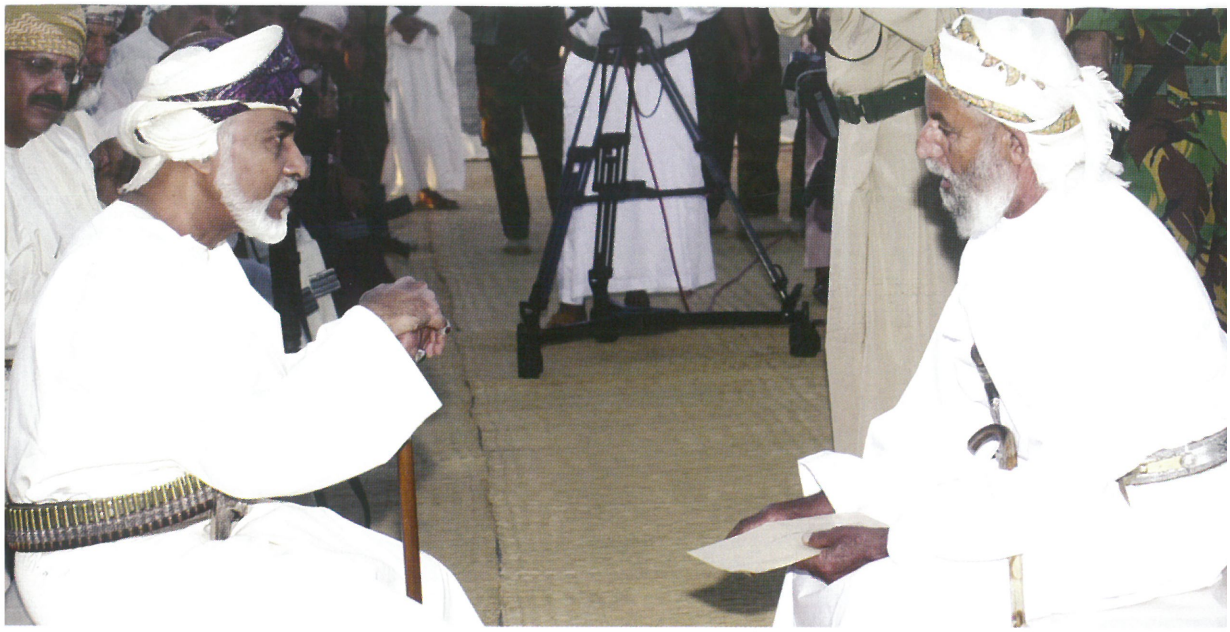
Sultan Qaboos has established several other chairs for Arab and Omani studies in various Arab and foreign universities. These include: The Sultan Qaboos Centre for Advanced Hydroponic Agriculture, inaugurated at the Arabian Gulf University in Bahrain in October 2003 under the aegis of the His Majesty the Sultan's Chair of Desert Agriculture at that university.

Grants

On His Majesty's orders a grant was presented to the Islamic Cultural Centre in the Republic of Mauritius on 20th April 2005 to help the Centre in its mission of serving Islam and the Muslim community. In November 2004 Sultan Qaboos ordered that US$300,000 be donated to the Islamic Education, Scientific and Cultural Organisation (ISESCO) to help fund the construction of its permanent headquarters in Rabat.

As part of a personal commitment to retaining Omani traditions, Sultan Qaboos awarded the Oman Equestrian and Camel Association a grant of RO1 million (US$2.58 million) to be spent, over a 4-year period, on the camel sector, with a view to assisting breeders and the development of race training tracks around the country.

On the occasion of the 35th National Day, Sultan Qaboos granted social security families in all the districts 16,000 residential or residential/commercial land plots, i.e. a land plot for each family.



On a Royal Tour of the regions, His Majesty discusses local problems with one of his people

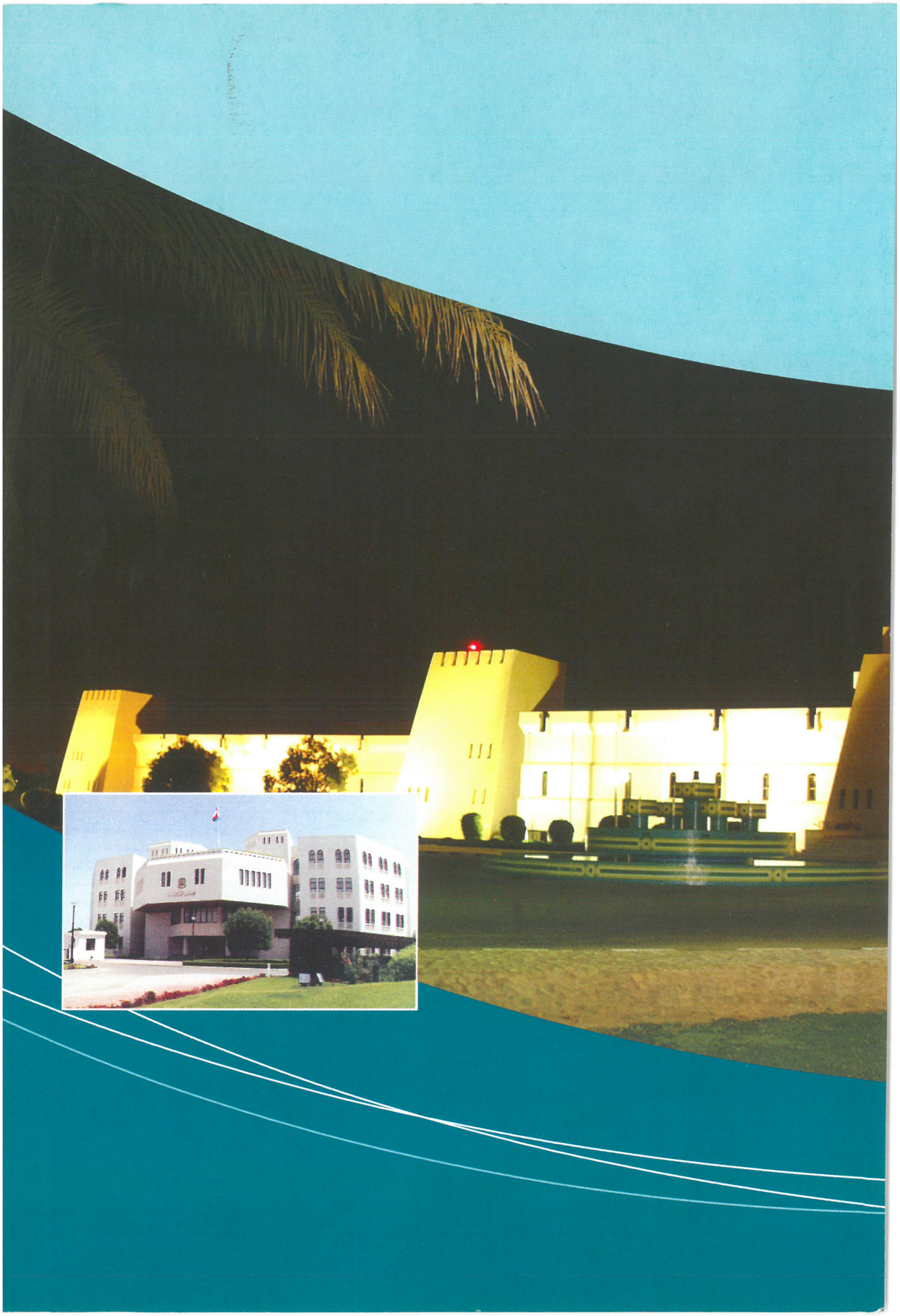
The Royal Tours

The annual Royal Tour of the regions is a uniquely Omani institution that affords Omani citizens an opportunity to meet face-to-face with the head of state and senior members of the government as they travel around the various parts of the Sultanate. During the course of these tours open, spontaneous debates are held between Sultan Qaboos and local sheikhs, dignitaries, judges, State Council and Consultation Council members, and ordinary members of the public. Such informal discussions enables national priorities to be identified and helps ensure the benefits of development are spread evenly throughout the regions.

The people look forward to Sultan Qaboos' annual tours, which they see as an opportunity to demonstrate their affection as well as to air their grievances in frank and open discussion. While based in tradition, the Royal Tours are an important element in the modern political process, cutting out much red tape and promoting greater understanding between the people and the leadership.

This year's Royal Tour commenced in Muscat in mid-January 2005, going on to Rustaq (in the Batinah region) and finishing in Manah (near Nizwa in the Dhakiliyah region) at the beginning of March. During the tour Sultan Qaboos ordered the implementation of a number of road, power, health, communications, social housing and tourist projects in the towns and villages and approved extra funding for these projects in the General State Budget.

In addition to the annual Royal Tours, Sultan Qaboos also goes on - frequently impromptu - field tours to check on the progress of certain projects, visit work sites, meet the people for unscheduled discussions or join the local population on various festive occasions.



THE GOVERNMENT AND STATE INSTITUTIONS





The Sultanate's advances over the past three and a half decades have not been restricted to the economic, social and political spheres; these essential developments have been accompanied by the creation of an institutional structure that has helped pave the way for Oman's advancement and continues to direct the course of progress in a way that best serves the national interest.

Until 1970 the state had no clear system or organisational framework; there were no laws or regulatory structures to define the functioning, principles and goals of institutions, or the rights and duties of employees. However, in his first historic declaration to the people on 23rd July 1970, Sultan Qaboos made a pledge: "I promise you the first obligation I shall impose upon myself is to begin creating a modern government as quickly as possible."

Laying down a legal system from scratch can be no easy task, especially when such a system must take account of a country and people emerging from long years of isolation, as Omanis were, while at the same time anticipating a leap into the modern world that lay beyond the Sultanate's borders.

By July 1975, Sultan Qaboos had endorsed Royal Decree 26/75, introducing laws to regulate the administration in a way he hoped would meet existing and future requirements. The Decree set out the Council of Ministers' and other governmental bodies' powers and responsibilities, in conjunction with the Civil Service Law of Royal Decree 27/75, which outlines civil servants rights and duties.

Omani Shura (Consultation)

Although Oman's approach to Shura (consultation) is derived from the country's oldest traditions, it has been honed and refined to respond to present-day requirements. While retaining a distinctly Omani character, it has developed significantly to ensure that every citizen over the age of 21 years can play a part in shaping and directing the course of the nation's development through the three Omani consultative councils – the Council of Oman (Majlis Oman); the State Council (Majlis A' Dawla) and the Consultation Council (Majlis A' Shura) – as laid down in the Basic Law of the State.

The Basic Law of the State

Royal Decree 26/75 was the early forerunner of The Basic Law of the State, promulgated on 6/11/1996, which comprises 81 articles, laying down the legal framework governing the functions of the different authorities and separating their powers, while defining the principles and scope of their functions. This document also sets out Oman's system of government and the guiding principles behind the state's policies in various fields, and details public rights and duties. It contains specific provisions covering the Head of State, the Council of Ministers and the judiciary, and includes references to the



A meeting of the members of the State Council/Majlis A'Dawla

basis of a majority vote.

The State Council (Majlis A' Dawla)

The State Council or Majlis A' Dawla is a financially and administratively independent legal entity. As an Omani consultative institution it plays a vital role in national development by acting as a link between the government and the Omani people. Its president and members are chosen by Royal Decree from Omani nationals. He/she should be of not less than 40 years of age, of good social standing and reputation, and known for their expertise, knowledge, achievements or skills, frequently former ministers, ambassadors and under-secretaries. The number of State Council members must not exceed the number of Consultative Council members, and a member is not permitted to combine membership of the State Council with membership of the Consultative Council or public office, unless a particular member is selected on the basis of his or her practical experience in a particular field. The State Council has an annual session with duration of not less than eight months. It reviews matters referred to it by His Majesty, draft laws before promulgation, prepares studies on development-related issues, including human resources, and proposes ways of

All men and women over the age of 21 years were able to cast votes for their Consultation Council/Majlis A'Shura representatives in October 2003





His Majesty the Sultan during the annual meeting of the Council of Oman /Majlis Oman, 2004

specialist councils, financial affairs and the Council of Oman. It is simple yet succinct.

For example, Article One states: "The Sultanate of Oman is an independent, fully sovereign, Arab, Islamic state. Its capital is Muscat." Article Two records: "The state's religion is Islam and the Islamic Sharia is the basis of legislation." Governance in the Sultanate is based on justice, consultation and equality, and according to Article Nine, citizens have the right to take part in public affairs in accordance with the law.

The issue of succession is addressed in Article Five, which clearly 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."

State Institutions

The State's organisational structure comprises His Majesty Sultan Qaboos bin Said, as the Head of State, the highest and final authority in the land and the Supreme Commander of the Armed Forces and the Royal Oman Police.

The Council of Oman (Majlis Oman)

As laid down in Article 58 of the Basic Law of the State, the Council of Oman (Majlis Oman) is made up of both the State Council (Majlis A' Dawla) and the Consultation Council (Majlis A'Shura). It assists government in drawing up the state's general policies. It meets when summoned by His Majesty to do so, discusses the matters put before it by him, and then takes its decisions on the



encouraging investment and improving the performance of established government institutions and departments. Membership of the State Council is for a four-year term and renewable. In 2005 it has 58 members, nine of whom are women.

The Consultation Council (Majlis A' Shura)

The Consultation Council or Majlis A' Shura was established in 1991 to replace the State Consultative Council, in operation for a decade between 1981-91. The structure of the Majlis A'Shura, its compositions, functions and prerogatives have continued to evolve over the years in line with the consultation process.

Oman's Consultation Council is an elected consultative institution comprised of elected representatives of the districts (wiliyats). During its fifth term (2004-2007) the Council has 83 elected members, including two women.

Districts with a population of 30,000 or below elect one representative, while 30,000 people or above are represented by two. Omani citizens – men and women – are eligible to stand as candidates for the Consultation Council provided they are Omani nationals, not less than 30 years of age, of good social standing and have a reasonable standard of education. Membership of the Council is for a period of four years and renewable under normal electoral rules. A member may not combine membership of the Consultation Council with membership of the State Council or public office.

The Council's annual sessions extend over at least eight months of every year, when it debates and recommends on a wide range of legislative, economic and social powers and prerogatives. These include reviewing draft laws, drawn up by various ministries and government departments and proposing amendments to existing economic and social laws, to the Council of Ministers.

The Consultation Council, which assists in preparing the Five-Year Development Plans, in negotiation with the Minister of National Economy and his department, currently has a working group of its members involved in preparing the final draft of the Seventh Five-Year Plan (2006-2010) before it is approved and promulgated. The Consultation Council also takes part in Arab, Islamic and international parliamentary union activities and exchange visits with parliamentary and Consultative Council representatives from Gulf, Arab and foreign states with the aim of reinforcing international relations and promoting international parliamentary efforts to tackle issues of mutual concern.

Council of Ministers

Recently, His Majesty has stressed the importance of developing economic and human resources at meetings of the Council of Ministers, noting that the aim continues to be to "complete the foundations of a modern state and improve living standards throughout our beloved country on the basis of specific



The Council of Ministers is headed by His Majesty the Sultan. Its members in 2005 are:

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

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

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

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

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

HE Sayyid Badr bin Saud al Busaidi
Minister Responsible for Defence Affairs

HE Sayyid Saud bin Ibrahim al Busaidi
Minister of the Interior

HE Yousuf bin Alawi bin Abdullah
Minister Responsible for Foreign Affairs

HE Sheikh Mohammed bin Abdullah al Hinai
Minister of Justice

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

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

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

HE Dr. Ali bin Mohammed bin Moosa
Minister of Health

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



HE Maqbool bin Ali bin Sultan
Minister of Commerce and Industry

HE Mohammed bin Ali al Alawi
Minister of Legal Affairs

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

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

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

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

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

HE Hamed bin Mohammed al Rashdi
Minister of Information

HE Yahya bin Saud al Sulaimi
Minister of Education

HE Juma bin Ali bin Juma
Minister of Manpower

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

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

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

HE Dr. Rajiha bint Abdulamir bin Ali
Minister of Tourism

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

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

and carefully studied programmes", while focusing on increased economic growth, diversification of the sources of national income and the development of the tourist sector. The true significance of these goals is expected to become apparent with the implementation of the seventh Five-Year Development Plan (2006-2010), next year.

According to Article 53 of the Basic Law of the State, "Members of the Council of Ministers may not combine their ministerial positions with the chairmanship or membership of the board of directors of any public joint-stock company."

Co-ordination between the Councils

His Majesty continuously calls upon members to ensure a "common understanding" and harmony between the state's different legislative and executive institutions in the interests of the nation and its citizens. On His Majesty's instruction, joint meetings are held between all the members of the Council of Ministers, the State Council and the Consultation Council to encourage more extensive contacts and exchanges between members. As a further step to improving coordination on matters of public concern, a ministerial committee has been formed under the chairmanship of the Minister of Legal Affairs to liaise between the Council of Ministers and the Consultation Council.

Specialised Councils, Higher Committees and Public Authorities

Article 56 of the Basic Law of the State stipulates that: "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 subsidiary councils and public authorities, each of which is responsible for managing or overseeing a specific sector, producing an overall vision and liaising with other relevant bodies including ministries, with the aim of serving the public interest and ensuring the smooth running of, and co-ordination between, the different authorities operating within the same sector. The membership of these committees, councils and authorities includes ministers and leading figures in the relevant specialist areas.

The Financial Affairs and Energy Resources Council

This Council was first established in 1974 as the Financial Affairs Council by Royal Decree No. 44/74. It was restructured several times and in 1996 was named the Financial Affairs and Energy Resources Council by Royal Decree No. 60/96. It is responsible for drawing up the state's fiscal policies and other financial and monetary matters. It also issues guidelines for the preparation of the annual General State Budget. The Council is headed by His Majesty and its meetings are usually chaired by the



A meeting of the Main Higher Committee of the seventh Five-Year Development Plan

Deputy Chairman, the Minister of National Economy and Supervising Minister of Finance.

The Defence Council

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

The National Security Council

Royal Decree No. 63/2003 was issued on 23rd September 2003 amending the name of the National Security Committee to the National Security Council. The Council considers all questions related to national security and holds its sessions at His Majesty's direction (either under his chairmanship or his chosen representative). 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, the Head of the Communications and Co-ordination Department at the Royal Office, and others.

The Supreme Judicial Council

The Supreme Judicial Council was formed by Royal Decree No.93/99 on 21st November 1999. It draws up general judicial policies, ensures the independence of the judiciary and monitors its development. It is responsible for overseeing the work of the courts and the Public Prosecutor's Office, monitoring the development of the courts and facilitating legal procedures, ensuring those involved in



legal actions have the appropriate access. It also considers judicial appointments and promotions, proposes and considers draft laws on judicial issues. Additionally, the Council gives its opinions on draft judicial co-operation agreements between the Sultanate and other states. This Council is headed by His Majesty and it includes in its membership the Minister of Justice, the State Adviser for Justice Affairs, the Inspector-General of Police and Customs, and others.

The Main Higher Committee of the Seventh Five-Year Development Plan

Members of the Main Higher Committee of the seventh Five-Year Development Plan (2006-2010) include the Deputy Prime Minister for the Council of Ministers, the President of the State Council, the President of the Consultation Council, and a number of ministers and undersecretaries. Its brief is to draw up the general principles of the Seventh Five-Year Plan within the framework of His Majesty's directives, set out the Plan's financial parameters, prepare estimates of future oil prices, oil resources and anticipated expenditure over the years of the Plan, and allocate the expenditure to every area of development.

Scientific Research Council

Royal Decree No.54/2005 established this Council on 22nd June 2005. The Decree says it will organise scientific research affairs and encourage and support the same by various materials and means. The Council shall be considered the competent authority in this field and will undertake responsibility for coordinating between authorities and establishments concerned with scientific research. It is chaired by His Highness, His Majesty's Adviser.

The Civil Service Council

The Civil Service Council was formed in the early-1980s but was restructured by Royal Decree No. 17/2002. It is responsible for drawing up general Civil Service policies and considering civil Service related decisions, laws and measures designed to boost the employment of greater numbers of nationals as opposed to expatriates (Omanisation), and improve the efficiency of the state's administrative apparatus. It is chaired by the Minister of the Diwan of Royal Court.

Higher Education Council

The Higher Education Council was set up on 27th September 1998 under Royal Decree No. 65/98. The Council prepares the general policies for higher education and scientific research in the Sultanate's universities and higher institutes of learning in line with the country's needs. It is chaired by the Minister of the Diwan of Royal Court.

Sultan Qaboos University (SQU) Council

The SQU Council was formed at the same time as the opening of the Sultan

Qaboos University in 1986, but restructuring took place in the spring of 2005. It seeks to maintain and improve university education standards and ensure maximum co-ordination between SQU's course disciplines and the national Development Plan's needs for university graduates. The SQU Council is chaired by the Minister of Higher Education.

The Accreditation Council

The Accreditation Council, established under Royal Decree No. 74/2001, issued on 27th June 2001, complements the functions of the Higher Education Council. It is responsible for producing studies and research on criteria for approving higher education institutions and programmes.

The Supreme Committee for Town Planning

The Supreme Committee for Town Planning was set up in 1985 and restructured under Royal Decree No. 31/2005, which was issued on 21st March 2005. It prepares general town planning policies within the context of the development plans. It follows up the implementation and development of approved planning programmes and sets out the principles for valuing land that has been expropriated for public utilities under the law. It also endeavours to remove any practical or financial obstacles to the implementation of approved plans. It is chaired by the Minister of National Economy and its Technical Secretariat comes under that Ministry.

Public Authority for Craft Industries (PACI)

The Public Authority for Craft Industries (PACI) was set up under Royal Decree



Oman Handicrafts House, a PACI project in Qurm, Muscat, displaying local handicrafts for sale to the public

No. 24/2003 on 3rd March 2003. PACI is an independent legal entity overseen by the Diwan of Royal Court. Its responsibilities encompass every aspect of the craft industry sector with the aim of ensuring the survival and growth of Oman's traditional crafts and trades sector. It is headed by a lady President who is equivalent to a Minister.

Oman Charitable Organisation (OCO)

The OCO was formed by Royal Decree No.6/96 on 9th January 1996. It performs a range of charitable works with the aim of helping those in need at home and abroad. Its Board of Directors is chaired by the Minister of Legal Affairs.

The OCO makes regular donations, for example to Palestinian organisations over recent years, and offers emergency assistance in situations requiring aid in coping with disasters or cases of individual or collective distress, such as the victims of the December 2004 tsunami disaster and the earthquake in Pakistan in October 2005. It also supports social welfare projects, programmes and related activities for children, orphans, the handicapped, the disabled and others.

Economic Co-ordination Council (ECC)

The ECC, established by Royal Decree No. 94/99, issued on 22nd November 1999, examines and considers all economic issues, including any problems adversely affecting economic development. It proposes appropriate ways of stimulating the national economy in general. The Council has a Secretariat-General at the Ministry of National Economy, which reviews matters of concern to the Council and collects and studies data and statistics.

Capital Market Authority (CMA)

The CMA was set up as part of the process of restructuring the securities market under the Capital Market Law promulgated under Royal Decree No.80/98 on 9th November 1998.

The CMA, headed by the Chief Executive Officer (equivalent to an Under-Secretary) and its Board of Directors is chaired by the Minister of Commerce and Industry. It has a monitoring role to help ensure maximum transparency in the securities market's dealings and takes all necessary steps to improve the performance of the capital market, protect investors and raise their confidence in the market's operations.

Companies trading on the Muscat Securities Market (MSM) are obliged to comply with Article 5 of the Capital Market Law and submit regular reports on their activities and trading results to the CMA, including details of their financial positions. The CMA also plays a critical role in overseeing MSM and regulating and monitoring the issue and trading of securities, including adopting measures or decisions aimed at safeguarding the interests of investors

and the national economy. *(See Economy p.145)*

The National Information Technology (IT) Committee.

Following a Council of Ministers decision in 1998, the National Information Technology (IT) Committee was set up to solve the Y2K issue, to oversee the development of the Sultanate's IT sector and to work towards the e-government initiative. It is headed by the Secretary-General of the Ministry of National Economy.

The Committee has set up a technical action group comprising representatives of the competent departments and bodies and a Technical Secretariat has been created at the Ministry of National Economy.

The National IT Strategy was launched on 7th May 2003 and Knowledge Oasis Muscat (KOM) was opened at the Rusayl Industrial Estate on 27/9/2003 to play a major role in this field.

Public Establishment for Industrial Estates (PEIE)

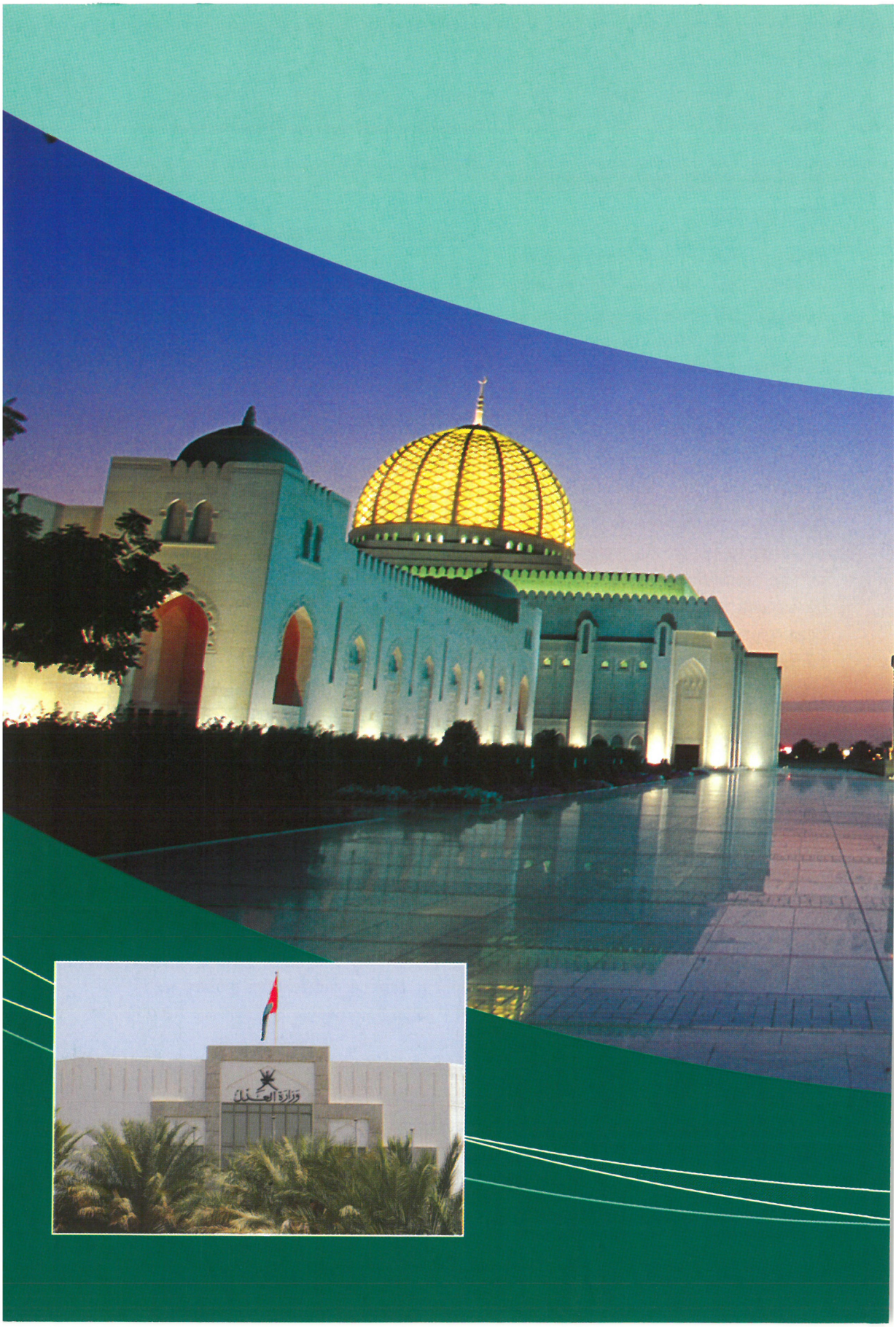
The PEIE was established by Royal Decree No. 4/93 on 3rd January 1993. Its Board of Directors is chaired by the Minister of Commerce and Industry. It is responsible for developing and managing the following industrial areas: Rusayl, Raysut, Sohar, Nizwa, Buraimi, Sur, the Mazyunah Free Trade Zone and the Knowledge Oasis Muscat (IT) Park.

Oman Centre for Investment Promotion and Exports Development (OCIPED)

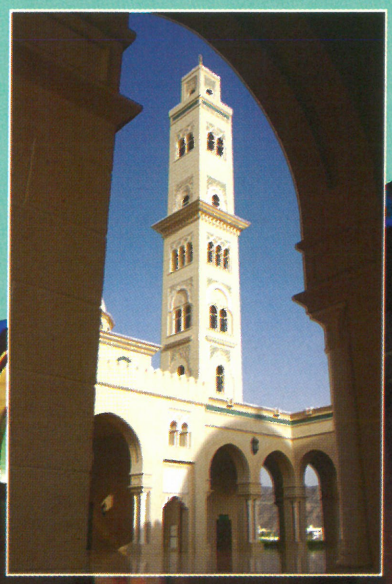
OCIPED is a quasi-public sector organisation whose objective is to promote investments in the Sultanate and promote non-oil Omani origin exports. It was formed by Royal Decree No. 59/96 on 26th June 1996. *(See also Economy p.158)*

The Businessmen's Council

His Majesty regards the private sector as having a vital contribution to make to the Sultanate's economic development; accordingly the Businessmen's Council was set up under Diwan Decision No. 3/99, issued by the Minister of the Diwan of Royal Court on 22nd November 1999. The Council, which has 16 members including one woman, liases closely with the government and the private sector in every field related to the country's economic development, including the promotion and expansion of trade, industry, tourism and investment. It proposes ways of seeking out new investment opportunities, developing Omani manpower, overcoming problems in the commercial, industrial, tourist and other sectors, and helping expand public participation in all related economic activities; its proposals and recommendations are forwarded to the Ministry of National Economy. Membership is for a three-year period and is renewable for a further period or periods.


وزارة العدل

RELIGION AND THE LAW





The Sultanate of Oman runs on an Islamic system with the basis of its legislative structure rooted in Islamic Sharia law. In Islam, religion and the law are inextricably bound together. There are five tenets, or pillars of Islam, which are the foundations of Muslim life, these are faith in the oneness of God and the finality of the Prophet Mohammed, daily prayer, zakat or almsgiving, self purification through fasting, especially during the Holy month of Ramadan and pilgrimage to Mecca for those who are able.

Oman was one of the first countries to accept the teachings of the Prophet Mohammed when, in 630 AD, in his mission to spread the faith, the Prophet sent his emissary Amr ibn Al As to meet Jaifar and 'Abd, the two sons of al Julanda and joint rulers of Oman. For centuries, tolerance has been a feature of Omani society, to Muslims and non-Muslims alike, and religious conflicts are not an issue.

Basic Law of the State

In 1996, Oman passed the Basic Law of the State, containing more than 80 articles intended to clarify every aspect of the state apparatus and the fundamental rights and responsibilities of Omani citizens. The Basic Law guarantees the equality of all citizens before the law, freedom of religion and of speech, a free press, the right to a fair trial and the right to create and enjoy membership of national associations. It lays down a legal framework for future legislation and, as His Majesty Sultan Qaboos has no children, clarifies the rules of succession.

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 religions other than Islam who reside in Oman are free to practise their faith in their own places of worship. His Majesty has warned against: "extremism, whatever name it may go under, fanaticism whatever form it may take and subversion whatever its motives or origins," and also pointed out the need to "keep in step with the times through up-to-date Islamic thinking based on modern interpretative judgements." Islam, he emphasised, is a liberal religion and he condemned the fanaticism rooted in lack of knowledge that leads some of its followers to violence and hatred.

Oman's Ministry of Awqaf and Religious Affairs follows a similarly moderate approach which while upholding the country's values and traditions, defends the religious tolerance that has been a central feature of Omani culture throughout history. The Sultan Qaboos Grand Mosque, the Sultan Qaboos Centre for Islamic Culture and the Ministry of Awqaf and Religious Affairs play a major role in promoting this line and have hosted lectures by experts, including specialists and academics from Europe and America, as well as a number of seminars and symposiums. In March 2005, a two-day symposium on the development of Fiqh (Jurisprudence)



Sultan Qaboos at the Eid al Fitr prayer in the Zulfa Mosque, Seeb in November 2004

Sciences in Oman attracted Arab and Muslim intellectuals and fiqh experts from around the world. The government works to promote Arab and Islamic studies and dialogue with other cultures through its links with prominent universities including Harvard in the US, Cambridge in the UK, and Melbourne University in Australia.

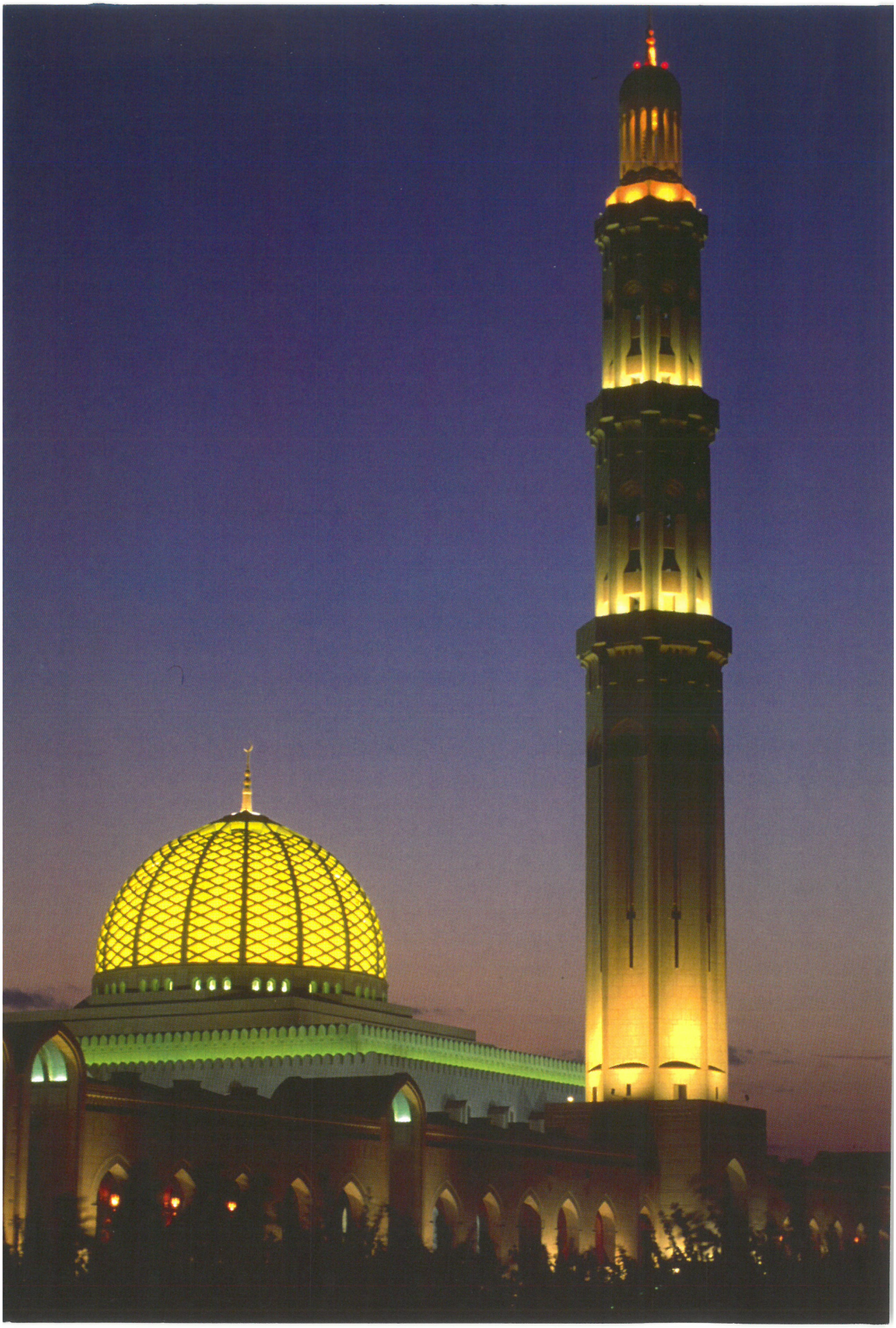
One of the main functions of the Ministry of Awqaf and Religious Affairs is the construction and maintenance of the country's mosques of which there are currently more than 13,000, displaying a range of Islamic architectural styles. However, the most prominent among these is the Sultan Qaboos Grand Mosque in Muscat, opened in 2001. This exceptionally beautiful mosque features five minarets, representing the five pillars of Islam, and can accommodate up to 16,000 worshippers.

The Ministry of Awqaf and Religious Affairs also makes the necessary arrangements for Omani pilgrims wishing to perform the Hajj and the 'Umrah, as well as sponsoring and monitoring Quran study and memorisation schools in the districts and regions. Other Ministry departments provide women with advice and guidance, issue sharia fatwas, publish religious books and research papers, and distribute the quarterly magazine Al Tasamuh (Tolerance), which began publication in early 2003.

The Institute of Sharia Sciences, which trains imams and preachers in a new complex opened in 2005, is overseen by the Ministry whose other functions include the development and investment of awqaf (religious endowments) and Bait al Mal (Treasury) funds and the conversion of awqaf into productive investment projects. The Ministry also receives charitable zakat payments and distributes them to eligible recipients.

The Law

Justice and equality are the principals that form the basis of Omani law and decree how the country's state institutions operate. Article 59 of the Basic Law of the State stipulates: "the sovereignty of the law shall be the basis



OMAN AND THE WORLD

While giving top priority to the development and the empowerment of Omanis at home, the leadership has also sought to give the Sultanate a constructive and influential role in the Gulf, Arab and international arenas.

The Sultanate has established close and cordial ties with other countries, and its clear, credible and candid policies are based on a commitment to work for peace, security and stability in the region and the world, earning it widespread admiration and respect.

Foreign policy

Oman lived in a state of isolation before 1970. However, during the past 35 years, it has established strong and fruitful relations with numerous states and international and regional organisations, enabling it to regain its traditional role and make a solid contribution to improving international relations.

Oman's foreign policy is based on clear principles set out by His Majesty Sultan Qaboos. At the opening of the Council of Oman's fourth session on 12th October 2004, Sultan Qaboos observed: "Our foreign policy is based on firm foundations and principles which are well known and to which we remain committed. These are support for right and justice and a commitment to working together with other peace-loving countries of the world to resolve international conflicts through dialogue and negotiation."

The main principles of Omani foreign policy include: respect for the national sovereignty of other countries, non-interference in the internal affairs of other states and the fostering of neighbourly relations, including co-operation for the sake of common interests. It is these principles that determine and guide the country's approach to developments in the Gulf, as well as the broader Arab and international arenas.



His Majesty leading the Sultanate's delegation at the AGCC Summit in Bahrain in 2004

FOREIGN AFFAIRS AND MEDIA









His Majesty receives a delegation from the American Congress, chaired by William M. Thomas

The Sultanate enjoys a special relationship with the Arab Gulf Co-operation Council (AGCC) states, which seeks to promote ties between the countries of the Arabian Peninsula. It actively supports all moves towards integration between the AGCC states, as well as with the Republic of Yemen and other Arab countries - either on a bilateral basis or within a broader context - in the interests of greater progress and prosperity for all.

Since the 19th century Oman has benefited from its relations with the world's influential powers, particularly the United States, the United Kingdom and France. Oman was the first Arab country to establish diplomatic contact with the US in the first half of the 19th century and the bicentennial of the treaty relationship with Britain was celebrated in January 2000. In recent years the Sultanate's relations with the US and the countries of Europe have gone from strength to strength. In March Sultan Qaboos welcomed the then German Chancellor Gerhard Shroeder on an official visit to the Sultanate and later that month met General John Abizaid, Commander of the US Central Command for discussions on bilateral relations.

The economic dimensions of foreign policy

While Omani diplomacy has been active in expanding and developing the Sultanate's cordial relations with other

His Majesty receives Gerhard Schroeder, the then Chancellor of Germany, in March 2005





His Majesty discusses matters of mutual interest with His Highness Sheikh Khalifa bin Zayed al Nahyan, President of the UAE

states in the region and around the globe, it has always recognized that economic and technical co-operation are among the most important ways of promoting common interests with the outside world and helping to boost development at home. Traditionally, trade provided Oman with a means of access to other countries and civilisations for centuries, from China in the east to the United States of America in the west.

Since the 1970s the Sultanate has consistently worked to promote co-operation between the Gulf states; this has contributed significantly to the creation and development of the AGCC, and aided integration in the economic, defence, security and information fields and other areas. An example of this integration is the electric power link being set up between Oman and the United Arab Emirates (UAE) as part of the power grid between the AGCC states. A feasibility study has also been carried out on establishing a water supply link, based on a proposal put forward by the Sultanate.

Oman has been a staunch supporter of the implementation of the AGCC

His Majesty during his visit to Bahrain, with HM Hamad bin Issa al Khalifa, King of Bahrain





His Majesty the Sultan in discussions with His Highness Sheikh Hamed bin Khalifa al Thani, Emir of Qatar, in March 2005

Supreme Council's decisions on the AGCC Customs Union, Gulf citizenship and other issues.

In addition to attending the 25th GCC summit – the Zayed Summit – in the Bahraini capital of Manama in December 2004, Sultan Qaboos also made official visits to the UAE in February 2005, to Qatar and to the Arab Republic of Egypt in May, Saudi Arabia and Kuwait in June of this year.

Omani-Iranian relations are also continuing to expand; the Omani-Iranian Joint Committee meeting in Muscat in June 2004, coincided with a visit by Dr. Mohammed Reza Aref, First Vice-President of the Islamic Republic of Iran, during which several bilateral agreements were signed. In October the same year, Iran's President Sayyid Mohammed Khatami travelled to Oman to meet His Majesty.

Other esteemed visitors from the region included King Abdullah II of Jordan in September 2004 and again in March 2005; Palestinian President Mahmoud Abbas in December 2004; the UAE's Sheikh Khalifa bin Zayed Al Nahyan on 8th January 2005; followed in March 2005 by both Sheikh Hamad bin Khalifa al Thani, Emir of Qatar, and the Crown Prince of Dubai and the UAE's Defence Minister General Sheikh Mohammed bin Rashid Al Maktoum. In mid-June Dr Hassan Rohani, Secretary-General of the Supreme Council for National Security in the Islamic Republic of Iran and at the end of June Sheikh Saud bin Saqr al Qasmi, Heir Apparent and Deputy Ruler of Ras al Khaimah (UAE) visited the Sultanate. In September 2005 Sultan Qaboos met Hamdan bin Zayed al Nahyan, Deputy Prime Minister and Minister of State for Foreign Affairs of the U.A.E; the Tunisian Prime Minister, Mohammed Ghannoushi; and Prime



His Majesty listens to President Hosni Mubarak of the Arab Republic of Egypt during a meeting in Sharm al Sheikh

Minister Recep Tayyip Erdogan of Turkey. The Sultanate actively promotes inter-Arab co-operation through its membership of the Arab League and via the Greater Arab Free Trade Zone. It champions inter-Arab cooperation in the economic, commercial and information sectors at all levels. Joint committees between Oman and other states play a vital part in reinforcing and fostering bilateral co-operation across the board.

Support for peace and stability in the Arab region

Oman has long sought to create a better climate to enable the states and peoples of the region to work for a better future, and has consistently supported efforts to achieve peace in the Middle East on the basis of international legitimacy, the relevant Security Council resolutions and other points of reference, including the US-sponsored Road Map and the Arab peace initiative, approved at the Beirut Summit and re-affirmed at the March 2005 Algiers Summit. The Sultanate also backs the Palestinian National Authority under the leadership of President Mahmoud Abbas. Oman continues to support all efforts by the United Nations and other international bodies to support world peace and security through dialogue and on the basis of international agreements.

Iraq

With regard to Iraq, Oman welcomed the 30th January 2005 elections, the formation of the Iraqi National Assembly and the establishment of a transitional

His Majesty warmly welcomes His Majesty King Abdullah al Thani II of the Kingdom of Jordan during one of his visits





His Majesty has friendly discussions with two members of the Palestinian Authority - President Mahmoud Abbas and the Prime Minister, Ahmed Qurei

government that led to the creation of the Presidential Council, as significant steps towards restoring security and stability in Iraq and safeguarding its territorial integrity and unity.

The Palestinians

Both inside and outside the context of the United Nations and its organisations, Oman has steadfastly condemned Israel's repressive treatment of the Palestinians. In his speech at the opening of the Council of Oman's fourth session His Majesty the Sultan appealed: "yet again for relief from the daily sufferings, which the Palestinian people have to face, and for them to be given the opportunity to achieve their goal of an independent Palestinian state."

Relations with the states of the Indian Ocean, Asia & Australasia

The importance Oman attaches to developing its relations with the countries of Asia is inspired to a large extent by historical ties. The Indian Ocean has always been the Sultanate's

His Majesty discusses matters of mutual concern with the Prime Minister of Pakistan, Shaukat Aziz, at an Audience at Hisn al Shamoukh in March 2005





His Majesty gives an Audience to the Prime Minister of Tunisia, Mohammed Ghannoushi

key means of access to the outside world and its gateway to establishing ties and common interests.

The Sultanate played an effective role in setting up the Indian Ocean Rim Association for Regional Co-operation (IORARC) in 1997 and held the presidency of the Association from April 2001 to April 2003. It actively supports steps to promote economic co-operation between IORARC member states, particularly in trade, tourism and marine transport. The Association's Fisheries Support Unit was established in Oman in 2005 to develop co-operation between IORARC states in the fisheries sector.

The Sultanate has been an active participant in the "Asian Co-operation Dialogue" (ACD) since joining on 22nd June 2003. On 22nd April 2005, during the Bandung 50th Anniversary Asian-African Summit in Jakarta, Oman signed a declaration on a new partnership strategy between Asian and African states.

Relations between the Sultanate and Asian countries are expanding day-by-day, thanks to factors including exchange visits and the signing of a series of bilateral agreements. In December 2004 the Indian Minister of External Affairs, Natwar Singh, visited the Sultanate. In 2005 His Majesty gave Audiences to: the Pakistani Prime Minister Shaukat Aziz in March; and in early-April to the Foreign Minister of Azerbaijan, Elmar Mammadyarov, and later that month to Dr. Thaksin Shinawatra, Prime Minister of Thailand. Diplomatic relations were established between the Sultanate and the Laos People's Democratic Republic on 9th March 2005.

Relations with Australasia are also expanding - in this connection Dame Silvia Cartwright, Governor-General of New Zealand, visited the Sultanate in October 2004 and was given an Audience with Sultan Qaboos at Bait al Barakah.



Before His Majesty Hunaina bint Sultan al Mughairy swears an oath of allegiance on her appointment as the Sultanate's Ambassador to Washington

The relationship with Africa

Oman's relations with Africa have a long history and reflect centuries of common interests, particularly with the coastal states of East Africa and Central African nations.

Oman played a major role in African affairs, particularly during the first half of the 19th century, when Sayyid Said bin Sultan (1806-1856) made Zanzibar his second capital in 1832. The Omani presence there continued for over a century. Contacts between Oman and several African states continue up to the present era avenues for improved relations and co-operation have been opened up with Tanzania, Zanzibar, South Africa, Mauritius, Senegal, Ethiopia, Kenya, Zambia and other countries.

An active particpant

The Sultanate enjoys cordial relations with over 140 countries around the world. It is a member of over 105 regional and international organisations and the Islamic Educational, Scientific and Cultural Organisation (ISESCO) awarded His Majesty the ISESCO Shield in March 2004, in recognition of contributions to joint Islamic action.

In August 2005, a cooperation agreement was signed between Oman and UNICEF, the United Nations children's agency. UNICEF plans to spend around RO3 million in the Sultanate, providing technical support to the government in developing national

His Majesty welcomes the Turkish Prime Minister, Recep Tayyip Erdogan of Turkey, during a visit to Muscat





programmes and policies towards achieving the child-related goals of Oman's Sixth Five-Year Development Plan and meeting the commitments made at the 2002 UN General Assembly's special session on children. The government has agreed to cover most of the budget of the programme's activities as well as some operational costs and has already seconded government officers from various ministries to work as part of the team in the UNICEF offices in Muscat.

Oman is an enthusiastic supporter of the United Nations and all international and regional organisations concerned with achieving peace, security and stability across the globe, and believes this can best be achieved by exercising "respect for international law and the principles and conventions upon which it is based, together with the promotion of a spirit of tolerance between communities and races."

His Majesty gives an Audience to Li Zhaoxing, Minister of Foreign Affairs of the People's Republic of China

His Majesty has friendly discussions with the Prime Minister of Thailand, Thaksin Shinawatra



for the Omani media opening up enormous opportunities for the private sector in establishing independent radio and television stations. It will, for the first time, offer private investors an opportunity to set up, own and manage radio and TV transmission stations in the Sultanate. Articles 11 and 12 of this Law, and other relevant rulings, provide for all these operations and will, under the terms of the latest legislation, be regulated by a "Committee for Private Radio and TV Establishments". Approval has already been obtained for the establishment of a number of Omani private sector newspaper and magazine publishing businesses as well as radio and TV stations.

Sultanate of Oman Radio

When Sultanate of Oman Radio first began broadcasting from Muscat with a 1Kw transmitter on 30th July 1970, it covered only a few areas of Muscat and then just for a few hours a day. However, from that date on it expanded rapidly, and for several years now it has been possible to receive its satellite and internet transmissions around the clock and around the world.

Sultanate of Oman Radio broadcasts three simultaneous services - the Arabic general service, the foreign-language service which is broadcast in English, and the Arabic-languageYouth programme Sultanate of Oman Radio's programmes are transmitted to every continent via the Arabsat, Nilesat and Hotbird 4 satellite systems. They can also be received on the internet at www.oman-radio.gov.om

Arabic Service

Local productions account for over 85% of the transmitted material; an impressive quota considering programmes are transmitted 24 hours daily. There are four three-month programme schedules a year as well as special schedules on occasions such as the month of Ramadhan, National Day, Eid al Fitr and Eid al Adha.

Over the past year the news bulletins have been upgraded and their duration and content expanded. In addition to the main bulletins, headlines and summaries are also broadcast regularly.

Over the year under review there have been broadcasts of Sultan Qaboos's meetings with sheikhs, dignitaries and the public, as well as the statements delivered by ministers to the Consultation Council (Majlis A'Shura) and the subsequent discussions with Council members, opening up the political debate for Omanis in the cities and the mountain villages alike.

The radio also broadcast the Seminar on the Employment of National Manpower which was attended by members of the Omani private sector, graduates and representatives of ministries and other relevant bodies, and provided coverage of numerous other national and religious events. In addition to its programmes with mass appeal, there are also discussions, dramas, programmes



Oman Radio's programmes are transmitted via satellite to all continents

THE MEDIA

The Omani leadership has long been aware of the importance of a functioning media and although it would be inaccurate to describe press, television and radio as being totally free of any form of censorship, genuine efforts are being made to open up the media to informed discussion and debate from different sides of the political, economic, cultural and religious spectrum.

The Omani media shuns sensationalism and exaggeration in its approach to all issues, be they domestic or foreign. Instead, it aims to present the facts with clarity, candour, credibility and objectivity. Describing the role of the media in the lives of nations, Sultan Qaboos commented: "We are aware the media is a mirror which reflects what is happening in the country. This mirror must be clear and pure – truthful to itself and truthful to others."

Private sector involvement

Recently steps have been taken to offer the private sector more opportunities to play a part in the Sultanate's media.

Royal Decree No. 87/2004, issued on 3rd August 2004 amended some provisions of the Law on Printed Matter and Publication, specifically those dealing with the establishment of press and publication businesses and advertising agencies. These amendments apply specifically to Articles 38, 39 and 53 of the Law, which deal with the publication of daily, weekly, fortnightly, monthly and quarterly newspapers and periodicals, as well as press establishments and the nature of those companies and establishments, which should be owned by Omani nationals.

Days later, Royal Decree No. 95/2004, issued on 10th August 2004, promulgated the Law on Private Radio and Television Establishments. This measure marked a significant advance



line which can be used in the event of microwave transmissions being disturbed. Collaboration with the Arab Gulf Co-operation Council (AGCC)'s Joint Programme Production body is also being expanded.

Programmes, announcers and news bulletins are exchanged with a number of Gulf, Arab, Asian and European countries, e.g. with the AGCC countries, Egyptian, French, German, Swedish, Indian, Malaysian and Pakistani radio stations.

Prizes

The Omani national radio station won several prizes at the Radio and TV Festival in Bahrain in January 2004. Its programme Ishraqat mion kitabi'Ilah (Illuminations from the Book of God) was awarded gold, while the programme Jidran min waraq (Walls of paper) took the bronze. The children's programme Huquq al sighar (Rights of the young) was awarded a certificate of merit. The

An architect's concept design for the new Oman TV Studios

A news reader at Oman TV



on economic, social and cultural issues, as well as coverage of topics including technology, sport and heritage.

Foreign Service

Sultanate of Oman Radio first launched its foreign service in 1975 for two hours a day, gradually increasing it until has it reached today's 18 hours of English language FM and short wave broadcasts daily. The programmes are targeted at non-Arabic-speaking audiences around the world and non-Arabs resident in the Sultanate; they are broad-based in content and designed to promote dialogue as well as familiarising listeners with Oman's progress and development. Some 76% of the broadcast material was produced locally in 2004, when a total of 6,588 hours of foreign language programmes was transmitted. The news bulletins are broadcast four times a day – 0700, 1400, 1800 and 2000 hours with headlines and summaries in between. The English service can be found on the FM band at 90.4 in Muscat and on 91.3 in Salalah.

Youth Programme

The Youth programme began broadcasting in Arabic on 23rd July 2003 on the FM band. It is aimed at the country's younger generation and includes material on a wide variety of cultural, scientific, social and general entertainment topics. Originally broadcasting for seven hours a day, since 23rd July 2004 it has been on air for 11hours a day, from 1 pm to midnight. It attracts a large audience and reaches over 80% of the Sultanate's governorates, regions and districts. The Youth programme can also be received by satellite and over the internet.

Expansion

The number of radio reporters covering events abroad and in the regions has also been increased.

Oman Radio's studios in Muscat and Salalah are being modernised, upgraded and linked to a telephone hot



The Ruwi Heights tower which transmits Oman TV and Radio programmes



Special programmes for children are high on the agenda for Oman TV

number of news highlights and summaries in addition to its main bulletins in Arabic and English, with terrestrial transmissions generally running for between seven and 10 hours daily. The news in English can be seen daily at 2000 hours.

Awards

In 2004 Sultanate of Oman TV was awarded a certificate of merit at a competition organised by the Arab States' Broadcasting Union for its documentary film "Wadi Shaab" and also won an award for a television song at the Tenth Cairo Radio and Television Festival in June 2004.

Like Oman Radio, Oman TV is increasing its network of domestic and foreign correspondents as well as expanding its collaboration with Arab and foreign TV channels. The modernisation of its studios has led to significant improvements in technical performance and in 2004, some 322 members of staff attended a total of 79 training programmes at home and abroad to upgrade their qualifications and professional skills. Today 96% of its personnel are Omani nationals.

Two graphics i.e. non-linear digital, editing units, have been installed in the Operations Department, a portable electronic field production unit has been purchased, and a recording unit has been redesigned, the news system in the news editing departments has been modernised and a stand-by digital satellite transmission station has been installed on Ruwi Heights.

Upgrades and the introduction of state of the art is equipment are ongoing across the board. Computers are playing



play Sijn bila qudhban (Prison without bars) won a gold award, as did the Youth programme Jarrib hadhdhak (Try your luck) at the 10th Cairo Radio and TV Festival in June 2004.

Sultanate of Oman TV

When Sultanate of Oman TV first started broadcasting in 1974, it was on air for only a few hours a day. Today it operates around the clock and in 2004 transmitted for a total of 8,784 hours.
Oman TV has made tremendous advances, not only in terms of the area covered by transmissions, which now reach every area of the country as well as the outside world, but also in the content of its programmes and its expanded educational and public information role.

Oman was one of the first Arab countries to use satellite for domestic and overseas transmissions, which began in the 1970s and it continues to utilise the latest telecommunications technology. Oman TV can also be viewed on the internet at www.oman-tv.gov.om and can also be received from the FM Radio website at www.oman-radio.gov.om

In addition to its round the clock satellite service, in 2002 Sultanate of Oman TV started transmitting additional terrestrial programmes offering viewers in the Sultanate a greater choice of coverage of events at home and abroad, including Consultation Council (Majlis A'Shura) debates, sports programmes – including horse and camel racing — and football tournaments and championships at home and abroad. Programmes on development and other topics, as well as Omani, Arab and foreign serials, have all proved popular. It presents a

sections of society that many unsung heroines are drawn. For example, members of the 45 Omani Women's Associations (OWAs) around the Sultanate make a vital contribution to the voluntary work which enriches and improves the lives of many Omanis.

The Ministry of Social Development has drawn up a national strategy in collaboration with various government departments and academic bodies to promote the role of women in public life. Over 3,000 women volunteers are already involved in mother and child care programmes and a range of advice and survey projects.

The Law on Associations and Social Clubs has allowed numerous non-government and professional associations to be opened in the Sultanate, as well as several friendship associations and foreign community social clubs. At the end of 2004 there were 11 professional associations, as well as six foreign social clubs and a number of charitable associations. In April 2004, a symposium entitled "Women in Focus", which aimed to encourage the networking of information and resources, attracted more than 1,200 Omani and other Gulf women to Muscat. *(See Qaboos, the Leader p.28)*

Health services

Omani citizens are fortunate in having access to a free, three-tier, first class public health service, taking care of them from the cradle to the grave. At the first level high quality, effective primary health care is available at health centres, polyclinics, outpatient clinics and hospitals operating in every region. Secondly, there are a variety of health services provided by the specialist referral hospitals; these hospitals handle more complex problems and offer skilled and specialised care. Finally, there are the hi-tech specialist health services available at hospitals equipped for a particular purpose. Health care is provided for inhabitants of Oman's remoter regions by the Flying Doctor service. In 2000 Oman was classed as the top country in the world for the efficiency of its health system and in 2004 it was awarded a certificate of merit by the World Health Organisation (WHO) and UNICEF for effective vaccine store management.

In cooperation with several other countries, the Sultanate raised the issue



"Sanad" one of several youth schemes which assists Omanis to set up their own enterprises

of road safety at the United Nations General Assembly resulting in the adoption of Resolution No. A/Res/58/9 in November 2003, and the publication of a joint WHO/World Bank publication 'The World Report on Road Traffic Injury Prevention" in which the initiative of Sultan Qaboos is mentioned in the preface.

One of the most widely recognised health care indicators is the rate of immunisation against dangerous infantile diseases. In 2004 some 99% of the target group were immunised against polio, diphtheria, tetanus and whooping cough and 98% against measles and German measles, (rubella) compared with only 10% in 1981. No cases of neo-natal tetanus have been recorded since 1995 and the Sultanate is now in its 10th polio-free year. There have been no cases of diphtheria since 1992, cases of measles fell from 68 cases in 1995 to 18 confirmed cases in 2004 and confirmed cases of malaria plummeted from 32,000 in 1990 to a mere 616 cases in 2004. The provision of secondary and tertiary health services go hand in hand with the Sultanate's social and economic development and the consequent advances which have resulted in a much improved disease management and higher overall rates of life expectancy.

Hospitals

Some 87% of the Sultanate's hospitals and 90% of its outpatient and maternity services are in the government sector, including 49 hospitals with over 4,500 beds, 13 referral hospitals, 124 government health centres and 12 polyclinics. The Royal, Khoula and Al Nahda hospitals in the governorate of Muscat are referral facilities providing high-level specialist care for patients from all areas of the Sultanate. Ibn Sina Hospital, also in Muscat region, is a major specialist hospital for mental and nervous diseases. The private sector also plays an increasingly important role in providing advanced health services



The major hospitals are equipped with the latest scanners

under the supervision of the Ministry of Health. In 2004, 10 million patient visits were recorded at Ministry of Health run outpatient clinics, while 217,000 cases were treated at hospital inpatient departments, including over 85,000 surgical operations. Of 19,217 people on the Ministry of Health payroll at the end of 2004, some 12,405 - or 65% - were Omani, of 2,700 male and female doctors, 736 (or 27%) were Omani; there were also 137 pharmacists and 7,457 male and female nurses, representing an Omanisation level of 56%. Ibra's new hospital, which opened in April 2005, is equipped with four operating theatres, modern laboratories and diagnostic and treatment departments. Health centres and clinics are also being built around the country, many following in the wake of Sultan Qaboos's Royal Tour of the Batinah and Dhahirah regions.

The Governorate of Muscat

This Governorate contains more hospitals than any other region and boasts a total of more than 1,400 beds, as well as 24 health centres, some with beds, and two polyclinics. Private clinics in Muscat total 399. The main hospitals in the governorate of Muscat are:

The Royal

The Royal Hospital is a hi-tech specialist referral facility with state-of-the-art equipment. In addition to its departments, which cover a range of specialist disciplines, the Royal also performs surgical operations and medical interventions requiring advanced modern medical technology.



Dental treatment is provided by both Omani and foreign dentists.

These include nuclear medicine, organ transplants such as kidney and bone marrow transplants, cardiac and other operations. Last year saw the opening of the National Oncology Centre at the 632-bed hospital, for the treatment of all kinds of tumours in children and adults, including those needing chemotherapy and radiotherapy.

Khoula

Khoula Hospital is the Sultanate's main referral hospital for neurosurgery, orthopaedic cosmetic surgery and burns. The 433 facility also provides maternity services, treatment for gynaecological problems and physiotherapy.

Al Nahda

The 96-bed Al Nahda Hospital is a specialist treatment centre for ear, nose and throat surgery, eye ailments and related surgery, dental and jaw surgery and skin diseases.

Ibn Sina

Ibn Sina Hospital is a 62- bed specialist hospital for mental and nervous diseases.

Other Hospitals and Health Center

in the governorate of Muscat include the 24-bed Rahmah Hospital, the 40-bed Quriyat Hospital, the Police Hospital, the Defence Hospital and the Sultan Qaboos University Hospital. The Bausher Polyclinic, the Watteyah Polyclinic for gynaecological and maternity cases, and 24 health centres, three of which have maternity beds. As well as two private hospitals, the 35-bed Muscat Private and the 30-bed Al Shatti, the capital area has numerous privately run clinics and polyclinics.

The Governorate of Dhofar

The Dhofar region has six hospitals and 25 health centres, including 21 centres with maternity beds. In total, Dhofar's hospitals have 538 beds. There are 64 private clinics in this region.

The 450-bed Sultan Qaboos Hospital in Salalah is the governorate's referral hospital. It has departments for internal diseases as well as gynaecology, obstetrics, paediatrics, general surgery, orthopaedic surgery, dermatology, eye, ear, nose and throat, dental and other departments. The hospital also has an intensive care unit, an accident and emergency department, an artificial kidney unit and a burns and cosmetic surgery unit. The other hospitals in the governorate of Dhofar - in Taqah, Tawi Ateer, Rakhyut, Sadah and Madinat al Haqq - are smaller and have between 6 and 28 beds each, depending on the size of the populations they serve.



Goverment hospitals and clinics provide Omanis with medicines free of charge

The Dakhiliyah Region

The Dakhiliyah region has six hospitals - in Nizwa, Sumail, Bahla, Adam, Izki and on the Jabal al Akhdhar. The 301-bed Nizwa Hospital, the region's referral hospital, was rebuilt, re-equipped and reopened in 1998. In total, the Dakhiliyah region has 547 hospital beds. Other health facilities include Nizwa Polyclinic and 13 health centres, including five with maternity beds. There are 54 private clinics in this region.

The Sharqiyah Region

The Sharqiyah region has 10 hospitals and 23 health centres, including 14 with maternity beds, a total of 724 beds in all. The hospitals are located in Sur,



Government & private hospitals, health centres & polyclinics provide medical facilities throughout the Sultanate

Ibra, Ja'alan Bani Bu Hassan, Ja'alan Bani Bu Ali, Sinaw, Masirah, Wadi Dima wa'l Ta'een, Wadi Bani Khalid, Samad al Shaan and Bidyah. The Sharqiyah is divided into two health regions - the North Sharqiyah and the South Sharqiyah – the former has 30 private clinics and the latter has 29. The new 191-bed Ibra Hospital, the referral hospital for the North Sharqiyah, was officially opened in April 2005. The North Sharqiyah also has 10 health centres including six with maternity beds. The new 243-bed Sur Hospital is the referral hospital for the South Sharqiyah, which also has two polyclinics - one in Sur and another in Ja'alan Bani Bu Ali - as well as 13 health centres including 8 with maternity beds.

The Batinah Region

The Batinah region has 10 hospitals - in Sohar, Rustaq, Saham, Wadi Bani Ghafir, Wadi al Sarmi, Wadi Mistal, Wadi al Hawasinah, Wadi al Haimli, Wadi Bani Kharus and Wadi Hibi - as well as six polyclinics and 18 health centres including 11 with maternity beds. In the Batinah Region (North and South) has 773 hospital beds. There are also 125 private clinics in Batinah North, and just 42 in Batinah South. The Batinah is divided into two health regions - North and South; the new 363-bed Sohar Hospital is the referral hospital for the North Batinah, which also has 4 polyclinics and 10 health centres including 3 with maternity beds. Meanwhile, the 235-bed Rustaq Hospital is the referral hospital for the South Batinah, which also has two polyclinics and eight health centres, all with maternity beds.

The Dhahirah Region

The Dhahirah region has five hospitals - in Tan'am, Ibri, Buraimi, Yanqul and Wadi al Jizzi - with a total of 407 beds. The 240-bed Ibri Hospital is the referral hospital for the region, which also has a polyclinic (in Ibri) and 12 health centres

including six with maternity beds. There are 72 private clinics in this region.

The Governorate of Musandam

The Governorate of Musandam has three hospitals - in Khasab, Bukha and Daba al Bay'ah - in addition to three health centres including two with maternity beds. The governorate has a total of 156 patient beds, 100 of which are at the Khasab Hospital. Musandam also has 11 private clinics.

The Wusta region

There are three hospitals in the Wusta Region - in Haima, al Duqm and al Jazer - as well as six health centres including four with maternity beds. There are 72 beds in all in the Wusta region's hospitals which also has six private clinics.

Youth activities

The younger generation represent the hope of tomorrow, as well as forming the biggest sector of Omani society and it is entirely in the nation's interest to focus on the development of the youth sector. Sultan Qaboos has noted: "while we call upon all to pay attention to our young people and foster their aspirations and ambitions, at the same time - and with equal emphasis - we renew our call to the youth themselves to be aware of the great role they are destined to play in developing the nation."

The Ministry of Sports Affairs, which was established under Royal Decree No. 112/2004, is the body chiefly responsible for youth welfare and developing sporting potential in the young. It works closely with other authorities and organisations across the country to aid and encourage the younger generation in every area of their lives.

Sports

The Ministry of Sports Affairs prepares plans for the development of sports activities and provides facilities to



For the frist time Oman's football team reached the final of the 17th Gulf Cup Toumament in Doha



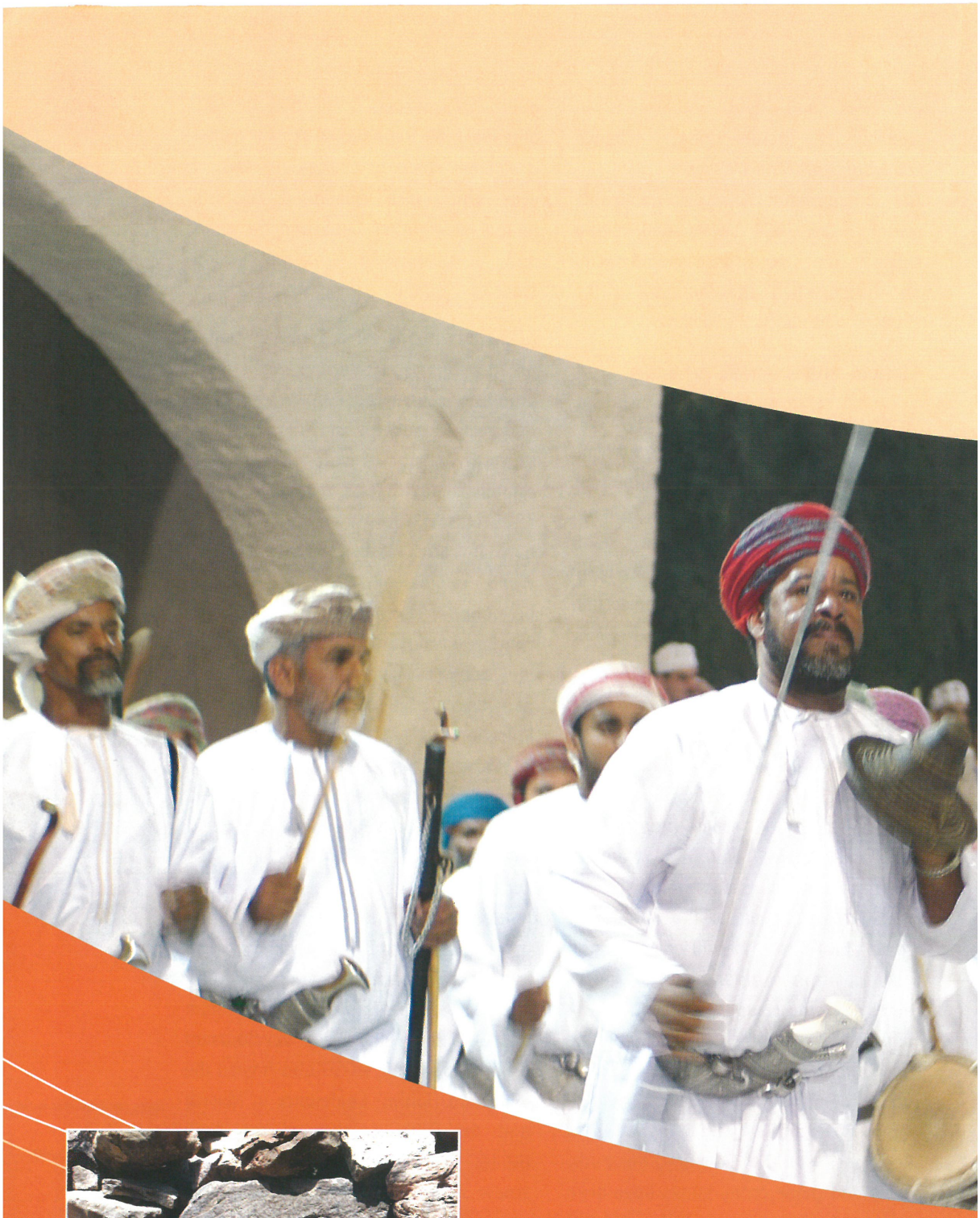
enable the country's most talented young sportsmen and women to develop their potential. It supports sports organisations at home and abroad with the aim of raising Oman's sporting profile internationally. A two-day seminar on the future of Omani sports, held in Muscat in April 2005, was attended by around 500 people, including sportsmen, experts and representatives of sporting associations from Arab and Islamic states. The event produced a raft of useful recommendations on ways of developing the Omani sports sector, including proposals on a sports strategy for women and other sectors of society such as those with special needs. The role of the private sector and how it could play a bigger role in supporting sporting activities is also under review.

In 2004 a total of 121,520 people were involved in sporting activities. Sports teams from Arab and friendly countries also hold training camps in the Sultanate, where they are able to make use of the excellent facilities available at the many clubs and complexes across the country, especially the well-equipped Sultan Qaboos Sports Complex in Bausher.

Other developments include the launch of the new Oman Cricket Club, the signing in May 2005 of an agreement to extend the Sur Sports Complex and the completion of the 90,000 square metre sports stadium project in Seeb. In 2004 Omani sports teams won 102 medals, including 20 gold, 46 silver and 36 bronze. For the first time, the National Football Team reached the final of the 17th Gulf Cup tournament in Doha, while the National Beach Handball Team won the Asian Beach Handball Championship, to qualify to represent Asia at the World Cup Championship in Egypt in November 2004. Omani referees took 3rd place for the Best Referees in the Handball Championships in Germany in July 2005. The Sultanate's swimming team won 40 medals of various international categories during 2004, while the tennis team won 10 medals, the athletics team 19 medals and the volleyball team won three – one gold, one silver and one bronze. Another 49 medals were awarded to Omani athletes in other events such as body-building and weight-lifting.Track and Field athletes have also distinguished themselves during the year under review and in September 2005 took part in the 16th Asian Athletics Championship in South Korea.

The Oman Olympic Committee

The Oman Olympic Committee organised a number of "Olympic days" in 2004. The handball, basketball, hockey, volleyball, athletics, swimming and tennis associations all took part in competitions, which attracted more than 3,340 sports enthusiasts. Other events such as bowling, weightlifting, fencing, rowing and body-building were also well supported. Omani athletes attended the 28th Olympics in the Athens in 2004, where they took part in track, field and marksmanship events. Oman was also represented in the 10th Arab Games in Algeria in 2004, where it took part in





the track and field, marksmanship, swimming, weight-lifting, beach volleyball and tennis events.
The International Olympic Committee awarded the 2004 sports and media shield to the Omani sports media sector for distinguished contributions to the Olympic and sports movement.

Cultural and scientific activities

Oman's Youth Theatre, the Youth Art Studio and the Oman Society for Fine Arts each make their own contributions to enriching the cultural lives of Omani youth. Meanwhile, the Science Club organises a full programme of national and international competitions and events for those of a more scientific persuasion.

Scouts and Guides

Although operational in a small way since 1932, the Omani scouting movement did not become broad-based and fully active until the National Organisation of Scouts and Guides (NOSG) was set up in the mid-1970s. There are now 25,000 scouts and guides, from around 900 packs throughout the country, who take part in a range of scouting activities at home and abroad. A strategy has been drawn up for the development of the movement up to 2012 and to help the movement keep pace with ever changing demands, scout and guide commissions have been computerised and maintenance work has been carried out on the utilities and services at permanent camps in Al Mukhaileef, Nizwa and the governorate of Dhofar, which often hosts scouts and guides from abroad. Scouts from the UAE and the Arab Republic of Yemen visited a summer camp in Dhofar in 2005, a year which also celebrated the 8th annual meeting of Cubs and Brownies and a competition to select the top scout and guide.

NOSG has published a series of books on developing leadership skills and organises courses on scouting for male and female students at Sultan Qaboos University and private educational establishments. It also took part in the 2005 Muscat Festival activities, as well as Gulf Traffic Week, Civil Defence Day, World Environment Day, the tourism promotion campaign ("Tourism Enriches") and other events, including the annual celebration to mark the anniversary of His Majesty the Sultan's induction as Chief Scout of the Sultanate. A magazine "The Omani Scout" has been published since 1992. During 2004 and 2005 NOSG took part in several regional events, including the 16th meeting of heads and representatives of AGCC scouting associations and organisations in Muscat, a forum of AGCC scouting strategy planners in Muscat and a forum of AGCC leadership skills development officials in Kuwait. NOSG also hosted the 17th Arab Guides' Conference in Muscat and the 38th meeting of the Arab Guides' Committee in Muscat. Over 1,200 scouts and guides from the Sultanate participated in the Geneva-based World Scout Movement's organisation of two Jamborees in October 2004: one on the air and another on the Internet which ran consecutively over a 48-hour period.

There are now 900 scout and guide packs throughout the country

HERITAGE, CULTURE AND THE ARTS









Heritage and culture is an essential part of life in the Sultanate; it has evolved over centuries and, as much as it nurtures and protects, it empowers and inspires Omanis. The Sultanate's heritage does not only consist of forts, castles, ancient buildings and other material symbols; it also exists in the abstract sense including the nation's customs, traditions, science, literature and the arts. All these form the basis of Omani consciousness and culture and it is these features - as much as any others - that the Ministry of Heritage and Culture, the Adviser to Sultan Qaboos on Cultural Affairs and other public bodies such as the Public Authority for Craft Industries (PACI) are committed to preserving and promoting. Oman is also concerned with maintaining the historic sites of the region as a whole and is an active member of UNESCO's World Heritage Committee.

Archaeology

With numerous ancient sites, significant not only for their relevance to Oman's history and civilization, but also to the heritage and civilization of mankind, Oman – as might be expected — features prominently on the World Heritage List.

The government is responsible for protecting and maintaining the Sultanate's sites of historic interest and ensuring suitable facilities are available for visitors. It also carries out surveys and excavations in collaboration with Sultan Qaboos University's Department of Archaeology in the College of Arts, and a number of European and American archaeological missions. This research has led to the discovery of some important sites; several of which enable us to learn more about Oman's distant past, while others are important for the light they throw on the part played by the role of frankincense and the old trade routes that were established between the civilizations of the ancient world, as many thousands of tons of it were exported to different lands.

The "Land of Frankincense" sites

Frankincense plays a vital role in the Sultanate's history. In ancient times it was highly prized with the finest in the world produced in the Dhofar region. For many years the frankincense routes – the sites from which it was harvested and the towns and harbours from which it was exported – have been a subject of fascination for scholars and travellers. The development of the "Land of Frankincense" sites is the sole responsibility of the Adviser to Sultan Qaboos on Cultural Affairs.

Ever since these four sites were added to UNESCO's World Cultural and Natural Heritage List in December 2000, Oman has been working on a series of excavation, maintenance and conservation programmes in collaboration with overseas universities, while at the same time setting up tourist facilities at the sites, which include:



The ruins of Sumharam, Khor Rori - one of the UNESCO's 'Land of Frankincese' sites

Khor Rori is mentioned in two Greek texts dating from the 1st and 2nd centuries AD. Inscriptions show the settlement was known as Sumhuram. Periplus, the Greek historian and author of a book on sea voyages, refers to the port of Khor Rori.

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

In 2003 a small temple was discovered outside Sumhuram's walls, possibly an adjunct to a burial ground. A number of votive objects were found scattered on the ground inside a temple located within the city walls, including bronze bells and the base of a bronze candlestick. Several items of personal adornment, including a bronze bracelet, a ring and necklace with a camel-shaped pendant were discovered alongside metal coins, a bronze incense burner, a complete stone jar, a sacrificial altar and several seashells that were once used as oil lamps.

A bronze vessel with an inscription around its rim states that it was dedicated to "the God Seen in his temple in Sumhuram in the Land of Sakalan". Evidence from utensils, coins and pottery found at the site suggests Sumhuram was an Arab city which at that time enjoyed strong maritime links with the countries of the Mediterranean region, India and the Gulf.

Charcoal and wood samples were taken from various locations at the site, analysed and carbon-dated — the results revealed the site dates from between the 4th century BC and the 5th century AD.



Wadi Dawkah where more frankincense trees are being planted

The historic city of Al Balid

The ancient city of Al Balid is on the coastal strip between Dahariz and Haffa in Salalah. Rectangular in shape and covering an area of 640,000 square metres, Al Balid was one of the most important Islamic cities on the Arabian Sea during the Middle Ages. After studying evidence from the site, which include earthenware and organic material, scholars concluded that although it dates from the Islamic period, it was probably first settled as long ago as the late Iron Age (325 BC).

The city was re-established during the Manjawi era in the fourth century AH (10th century AD), then rebuilt in the seventh century AH (13th century AD) during the Habudhi period in an architectural style similar to that of the other major Islamic cities of that time, with massive walls and strong fortifications. The city prospered from the frankincense trade as a result of its links with the ports of China, India, Sind, Yemen, East Africa, Iraq and Europe. It was visited by several travellers, who wrote of its buildings and commercial prosperity. The Grand Mosque and Al Balid fort are among the most important buildings at the site.

Excavations have turned up a large number of finds including earthenware, coins, glass, bones and shells. Some red earthenware fragments have been discovered patterned with round dots and dating from the late Iron Age (325 BC), indicating there was human settlement at the site during that period. A large number of other pottery fragments of various shapes and types have also been discovered, most of them dating from the Islamic period.

The Khor Rori site

Khor Rori is on the coastal strip between Taqah and Mirbat, about 40 kms east of Salalah. Studies indicate the site dates from the 1st century AD and that it continued to be inhabited over a succession of periods. The harbour of

Wadi Dawkah

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

The frankincense *(Boswellia Sacra)* trees, which grow in abundance over a 5 sq kms area of the wadi, produce the best quality frankincense in Oman.
Some 5,000 additional trees have recently been planted as part of a programme to increase the number of frankincense trees in Wadi Dawkah and counter the adverse environmental effects that have led to a decrease in their density in parts of the wadi. A number of conservation measures have also been put in place and the boundaries of the wadi reserve have been delineated.

The Shisr/Wubar archaeological site

The Shisr (Wubar) site lies in the Niyabat of Shisr on the southern side of the Empty Quarter (Rub al Khali) desert, about 170 kms north of Salalah and 90 kms from the district of Thumrait. Centuries ago, a frankincense trade route passed through Wubar and on to Baghdad via the Empty Quarter.

When the site was discovered a programme of excavations was started to establish its identity, architectural features and explore what artefacts lay below its surface. The excavations revealed traces of a citadel which confirmed the site had been settled in the Iron Age between 325 BC and 650 AD. On the basis of the implements, earthenware vessels, glass and incense containers found there, the date of the building was identified as ranging from the 1st century BC to the early and middle Islamic periods. Other evidence suggested that the site was inhabited from the Stone Age (5,000 BC) and continued to be settled during the Neolithic period and up to the second century BC. Carbon-dating techniques established that the site was contemporaneous with the Greek and Roman periods and remained settled up to the 5th century AD. The most recent evidence of settlement at the site dates from the 13th – 16th centuries AD.

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

Ongoing Archaeological work

Excavations have been carried out to further explore several aflaj (water channels), one of them 2.4 metres deep, in the Hajar oasis settlement of Bisya (Dakhiliyah region) that had been discovered in 2004. The aflaj

apparently date to the 3rd millennium BC. This important find establishes that the Arabian Peninsula was one of the birthplaces of the aflaj channels in use from ancient times, and that the inhabitants of the Hajar oasis settlements were already highly skilled in creating irrigation systems more than 5,000 years ago. An investigation of the Late Ice Age in the interior of Oman led to the discovery of 31 Paleolithic sites across an area extending from the north of the governorate of Dhofar to the Wusta region. Excavations are also ongoing at Bat (Dhahirah region), which is already listed on the World Heritage in Danger List, with the aim of developing the ancient settlement there as a major tourist attraction.

Ras al Hamra (Muscat Governorate)

This comprises a number of shell mounds dating from the 4th millennium BC. Finds include hunting implements such as hooks made from seashells, weights for fishing nets, hammers, stone axes and personal adornments. Some ancient tombs have also been found in which the skeletons showed the dead had been buried crouched on their sides and facing the sea. Most of the skeletons wore shell jewellery and beads. Excavation work continues at the Ras al Hamra site.

Suwaih (Sharqiyah region)

The Suwaih site, which dates from between the 6th and 4th millennia BC, lies to the north of the village of Suwaih in the district of Ja'alan Bani Bu Ali. Its discovery has led to a reappraisal of the history and chronology of flint implements.

Ra's al Jinz (Sharqiyah region)

Four settlement periods dating from between the 4th millennium BC and the middle of the 2nd millennium BC have been established at the seaside site of Ra's al Jinz, where excavation work continues in collaboration with an Italian-French joint mission. The southern section of the site's perimeter wall has been excavated and a large quantity of animal remains found, as well as around 6,000 chlorite and smooth soapstone beads, some ceramic ware, cornelian, silverware, conical gold beads, and a small round chlorite or marble jar.

Ra's al Hadd (Sharqiyah region)

Excavations at Ra's al Hadd, which is 25 kms north of Ras al Jinz revealed several sites dating from the 3rd, 2nd and 1st millennia BC as well as various Islamic periods. The most important finds include several types of glazed pottery dating from the Islamic-Sasanian period, in addition to earthenware from East Africa, Chinese porcelain, some fragments of worked flint and a number of stone and cornelian beads.

The excavations also revealed some round, stone tombs dating from the 3rd millennium BC and a number of oval-shaped Iron Age tombs, containing earthenware and bronze fragments, as well as a number of copper items such as bracelets, a blade, fish hooks and

Oman's forts are being restored. Here Nahkl Fort which some date to the pre-Islamc period



some beads. These finds are indicative of significant economic and trade links between this area and the civilizations of the ancient world such as those in the Sind Valley and Mesopotamia.

At the Ra's al Hadd site, which dates from the Sultanate's pre-historic period, excavation work is being carried out in collaboration with the Greek archaeological mission. The site covers an area of around 60 sq.m and includes a number of chambers and an adobe mastaba (burial chamber) around 30 centimetres thick and surrounded by a thick wall. Diverse archaeological finds indicate the site was used for various craft activities.

Wadi Shab (Sharqiyah region)

The Wadi Shab site is in the district of Sur and consists of a number of circular fishermen's huts dating from the 4th millennium BC. There are also other indications of fishing activity as well as a number of implements and ornaments made of smooth soapstone.

Ain Hamran (Dhofar Governorate)

This site is on the northern part of the Salalah plain and comprises a citadel with a number of oval towers set in the external wall of the site, as well as several other thick walls.

A bronze pot found during an archaeological dig at Bahla, Dakhiliyah region

Other Sites

Archaeological surveys are currently being carried out in the sandy desert area of Mahawt district in the Wusta region. The search concentrates on stone implements and forms part of a study on early human migration from Africa to Asia through Oman.

Excavations are also ongoing at several other sites, including Al Hazm Fort in Rustaq, the Safri village burial ground in the district of Yanqul, the Hayy al Azizi burial ground in the district of Dhank, several burial grounds in Bausher and at the village of Mahliya in the district of Al Mudhaibi. An ancient treasure trove has been discovered in the village of Su'al in the Nizwa region, consisting of an earthenware jar – discovered in the wall of a mud house,

Excavated tombs at Mahliya, near Mudaibi, Sharqiyah region







Oman's traditional silver jewellery is popular with the tourist

in Muscat in September 2004 and featured a number of independent theatre companies; the 4th Omani Poetry festival was held in Sur in December 2004 and the Muscat Cinema Festival staged in January 2004. In 2004, at the Omani Society for Fine Arts, there were a number of photography and art exhibitions of works by Omani, Arab and foreign artists.

The Sultanate hosted the 7th Gulf Poetry Forum in January 2004 and took part in the 10th Cultural Village Festival in Kuwait, as well as the 14th Sharjah Theatre Festival, the Doha Culture Festival and the 7th Kuwaiti Theatre Festival. The Mezoun independent theatre company took part in the Philadelphia Theatre Festival in Jordan in May 2004. Meanwhile, the Salalah theatre company took part in the World Culture Festival, in Germany in September 2004 and the Damascus Theatre in November 2004.

In June 2005 the Sultanate participated in the 39th Smithsonian Centre for Folklife and Cultural Heritage's Festival, the largest cultural event held in Washington and was the first Arab country to do so. Omani songs, dances, fashions and way of life were all featured and proved extremely popular.

The Royal Oman Symphony Orchestra performed in Paris in October 2005 on the occasion of the 33rd General Meeting of the UN

Some 32 Gulf, Arab and foreign countries took part in the 10th Muscat International Book Fair, from 22nd February to 4th March 2005. Around 100,000 titles were on display from over 500 publishing companies and the event attracted 752,815 visitors. The Sultanate also attended book fairs in Egypt, Morocco the United Arab Emirates, Tunisia and Libya as well as the Frankfurt International Book Fair in Germany.

The government actively supports cultural clubs and centres in the Sultanate including the Cultural Club, the Oman Society for Fine Arts, the

which was found to contain 456 silver dirhams showing various Hijri dates.

Magan Boat Project

A 3rd millennium "Magan Boat" project is being undertaken by the government and visiting archaeologists. The proposed vessel's hull will be constructed from bundles of reed - coated in bitumen – and bound by nearly 540 kms of handmade date-palm fibre ropes. It will make its maiden voyage from Sur in the Sharqiyah region to India to verify Oman's position among the world's first maritime nations and traders with India from as long ago as 1000 BC.

Journal of Oman Studies

The Journal of Oman Studies was launched in 1975 as a vehicle for archaeologists and historians to publish academic articles about the Sultanate and its neighbours in the Arabian Peninsula. It was later expanded to include natural history and now attracts worldwide recognition. Volume 13 was published at the end of 2004 and included articles on the indigenous flute of the Eastern Hajar mountains, the flora and vegetation of the Hallaniyat islands, and on the world of a dhow port among others.

Forts and castles

Numerous old forts, castles, towers, walls, houses and mosques can be found across the country which chart Oman's past and demonstrate the contribution the Sultanate has made to human civilization.

A number of trained Omanis are involved in a programme designed to restore Oman's forts and castles in order to conserve the country's heritage and make it easily accessible to visitors. Following the Sultanate's success in restoring Bahla Fort, the World Heritage Committee has removed the fort from its list of World Heritage in Danger sites.

This year, 2005, work has begun on restoring several forts in collaboration with a number of restoration teams from Morocco and Tunisia, e.g. Bait al Barah in Yanqul (Dhahirah region) and Bait al Nad in Madha (Musandam Governorate). Renovation work is also expected to be completed on Al Hazm fort by mid-2006 when it will open to the public with a world class display of artillery.

The Ministry of Heritage and Culture is currently preparing national cultural and natural heritage lists, an inventory of Oman's archaeological sites and a register of protected historic buildings, all of which are recognised as important tourist assets. The Sultanate has over 500 forts, castles and other historic buildings.

Culture

The government supports Omani artists, intellectuals and writers, particularly among the country's youth, and prints and edits Omani manuscripts and documents that reflect the Sultanate's contribution to the development of mankind over the centuries.

The 1st Omani Theatre Festival was held



cultural clubs of Arab and foreign communities' resident in the Sultanate and a number of independent theatre companies. The licences of five theatre companies were renewed bringing the total number of independent theatre companies to 17. Four new non-government libraries have been opened bringing the total number of independent libraries to 48, while a new band was launched, making a total of 46 music groups. There are also 23 music institutes and centres in the Sultanate.

The Literary Society holds seminars on intellectual topics as well as hosting lectures, poetry and awards evenings. The Society has also published a number of books.

There is close co-operation between Oman and a number of relevant Arab and international organisations - including the World Intellectual Property Organisation (WIPO) - on measures to prevent piracy and tighten up the application of the intellectual property and copyright law. In 2004 some 48,480 items were confiscated and destroyed for being in breach of the law.

Arab Culture Capital 2006

Through its committees and in co-operation with other relevant government departments, work is taking place to prepare for Muscat's celebrations as 2006 Arab Culture Capital. The Sultanate has numerous cultural institutions, including theatre groups, associations and clubs ideally placed to host the 2006 Culture Capital events; its latest addition is the Salalah Theatre. There are also plans to print and publish a number of books by Omani authors on literary, intellectual, research and academic topics in smart new editions bearing Muscat's Culture Capital logo.

The logo of Muscat as Arab Culture Capital 2006

Manuscripts and documents

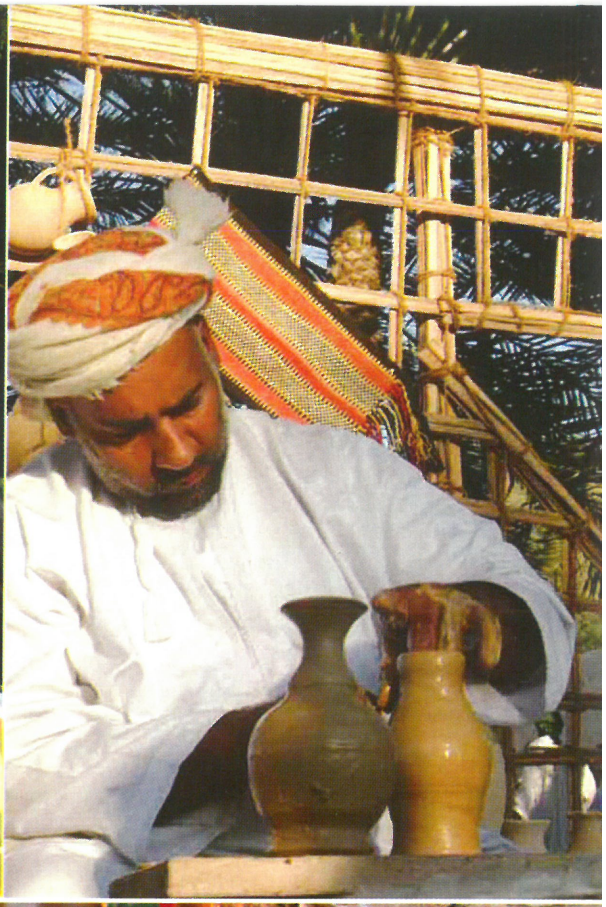
A Ministry-sponsored scheme to collect, edit, publish, catalogue and restore manuscripts and documents recognised as being of immense importance for the country's intellectual and cultural history. The Department of Omani Manuscripts and Documents has a stock of over

One of many old manuscripts which have been put on microfilm.

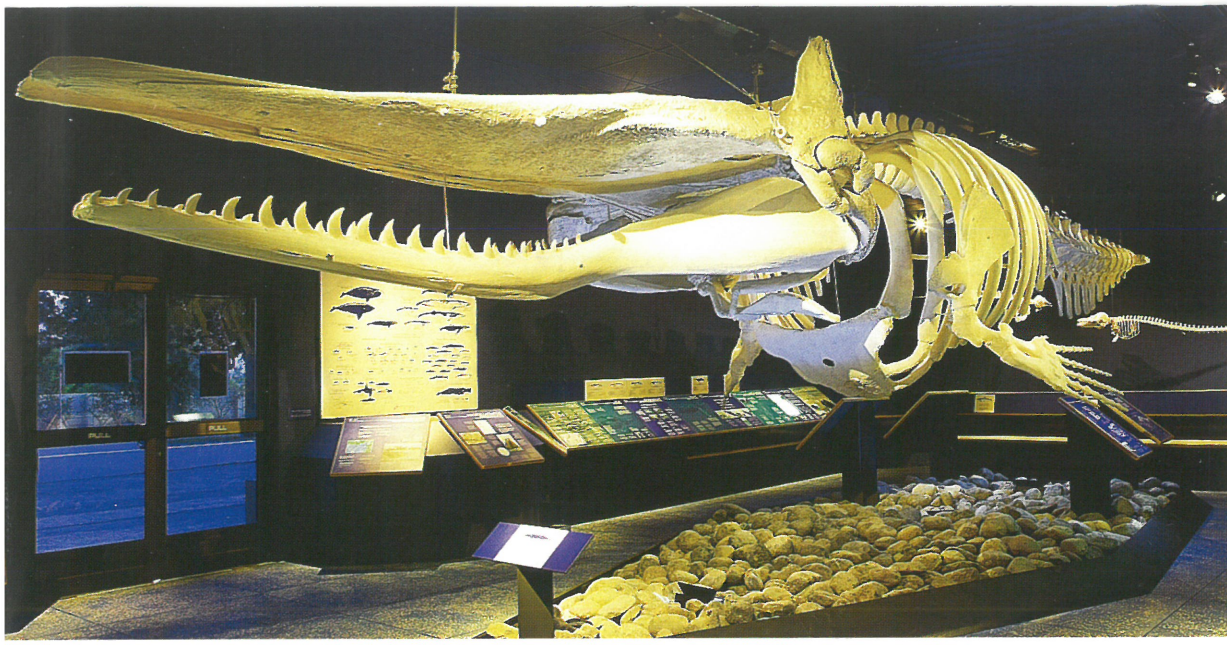












The Whale Hall of the Natural History Museum is interesting for the young and old alike

4,300 manuscripts and documents, the oldest of which dates from the year 617 AH. Several classified indexes of these papers covering a range of subjects including Arabic language, literature, marine sciences, astronomy and mathematics, have been published in collaboration with Sultan Qaboos University. They can be accessed on the Ministry of Heritage and Culture's website. Copies of the manuscripts and documents are also held on computer and microfilm so that they can be viewed and copied for research purposes without endangering the originals. The originals are restored and treated to prevent them from deteriorating further. The Sultanate works diligently to repatriate Omani manuscripts and documents held abroad and encourages its own citizens to hand over any such papers in their possession to the department, to help preserve the country's history.

Museums

There are a number of museums in the Sultanate, housing the country's cultural treasures. They include: the National Museum (which is to be completely renovated early in 2006), the Oman Museum, and the Natural History Museum (which during the year has produced two guides - one on beetles, butterflies and moths and the other on mangrove crabs. This Museum is also to be expanded to accommodate the large number of artefacts presently in warehouses). There is also the Sultan's Armed Forces Museum, the Children's Museum (due to be renovated with the expertise of a renowned Canadian company), the Muscat Gate Museum, the Omani-French Museum (which has an interesting stamp collection), and the Currency Museum (attached to the Central Bank of Oman), the privately-owned Sur Maritime Museum, and Bait al Zubair which holds several exhibitions a year, including one in 2005 entitled "50 years of Diplomatic Relations

between India and Oman."

The Salalah Museum has a permanent display of photographs taken by the late British explorer and writer, Sir Wilfred Thesiger. Sohar fort too contains a museum, Nahkl fort has an interesting display of guns, whiht Al Hazm is being renovated to accommodate a world-class display of artillery. Small museums too are being installed in several venues of historical significance as part of a scheme to provide more information on Omani history through the ages.

The Oil and Gas Exhibition Centre and Planetarium has a permanent display featuring a wealth of information on oil and gas, as well as a planetarium which stages weekly presentations in both English and Arabic. The Marine Sciences & Fisheries Centre has a recently renovated aquarium containing unusual species and a new museum on the "Land of Frankincense" sites will open in Salalah at the end of 2005. The museums also organise and take part in lectures, festivals, workshops and exhibitions. There has been a noticeable increase in the numbers of visitors to the various museums and in 2004 this figure totalled almost 100,000.

Traditional crafts

The Public Authority for Craft Industries (PACI) was set up in March 2003 with its president awarded ministerial rank. *(See Goverment and State Institutions p.47)*

A national strategy is being drawn up to support traditional crafts in a more methodical manner, drawing on recent studies and tailored to the needs of the people employed in this sector. The first traditional craft competition has been staged, and in February 2005 PACI held a seminar entitled "Protecting Oman's Craft Industries", in collaboration with the Ministry of Commerce and Industry and the World Intellectual Property Organisation (WIPO). In mid-2005, PACI began registering and documenting Oman's craft industries across the country in an initiative designed to preserve these creative skills for posterity.

While measures are being taken to develop the craft industries, examples of traditional Omani handicrafts are also regularly put on display at festivals and other public events at home and abroad. Several outlets have been established for the exhibition and sale of Omani craft products at various tourist locations.

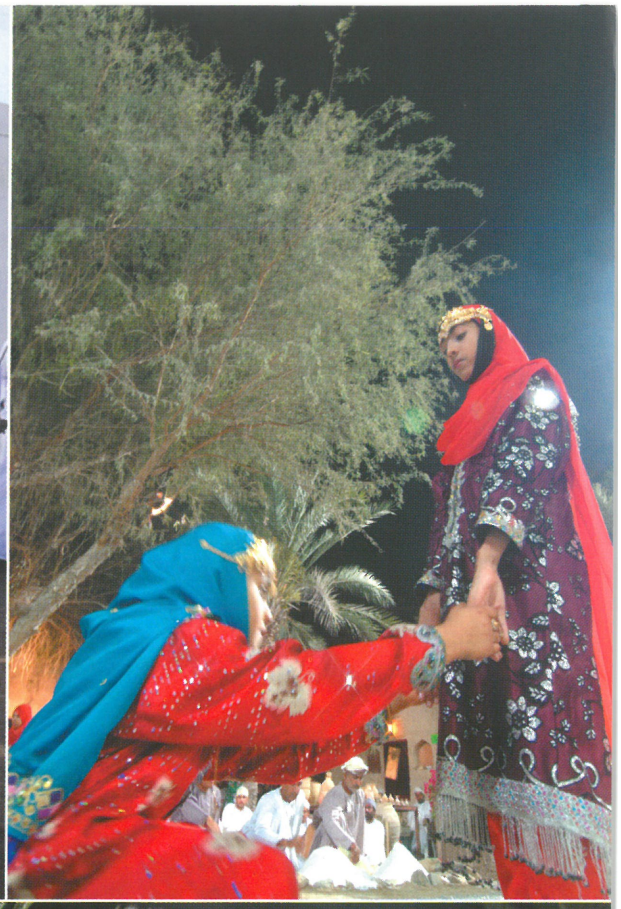
Oman's traditional crafts include textiles, pottery, khanjars, or ceremonial daggers, swords, silverware, copper work, Omani halwa, incense, woodwork and numerous other products, among them traditionally crafted horse and camel saddles.

Many of the Sultanate's crafts are sold in the markets of Arab countries, Europe, Asia, the United States and other parts of the world. The Sultanate is currently working with UNESCO to develop its traditional industries and crafts with plans to establish modern training centres in Sur, Bahla and Sumail.

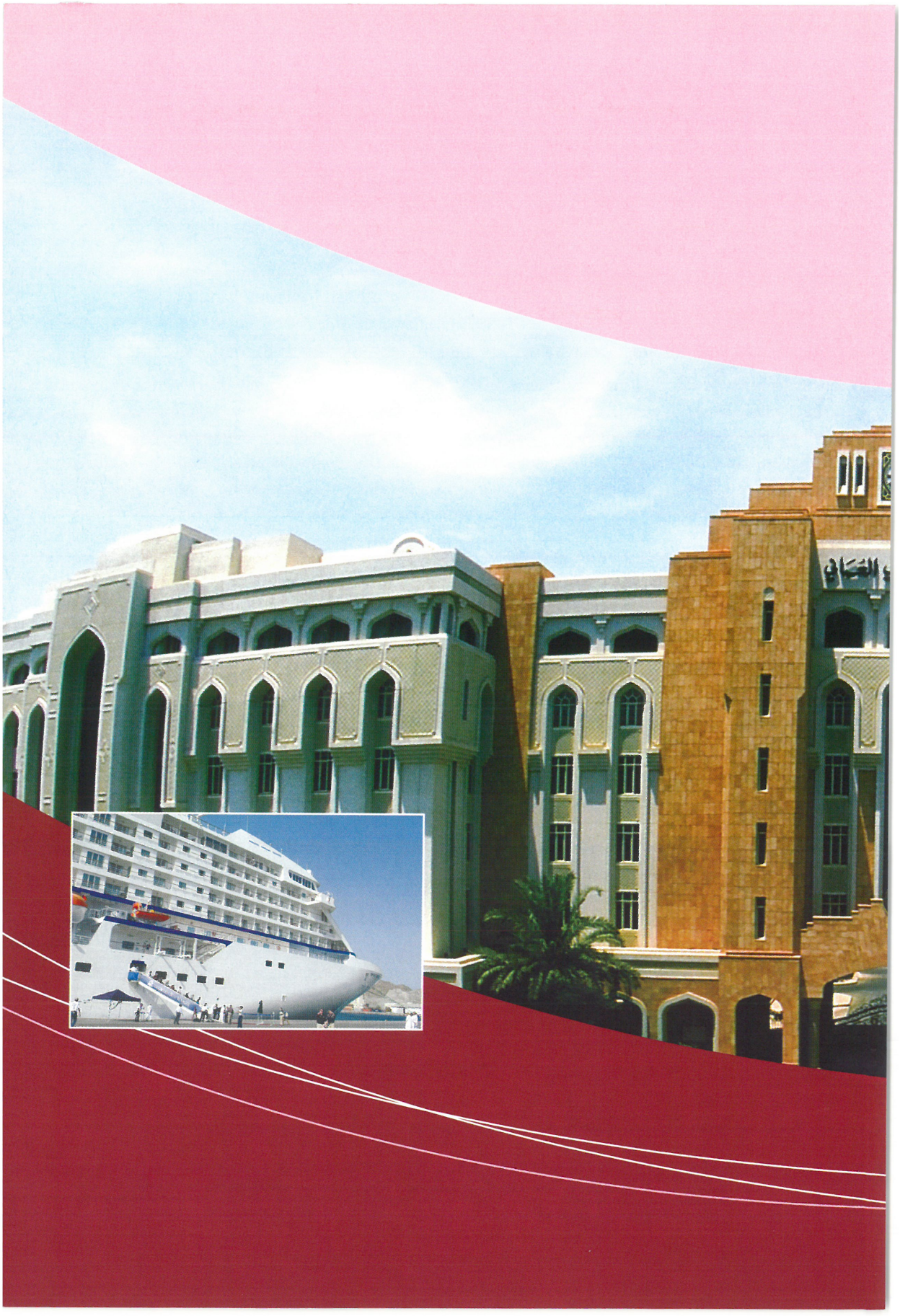
Traditional crafts are encouraged by the newly-formed Public Authority for Craft Industries

It is worth noting that an impressive









boxed set of books in two volumes entitled "The Craft Heritage of Oman" (ISBN No. 1860631576) was published in 2004 under the auspices of the privately-funded Omani Craft Heritage Documentation Project.

Oman Centre for Traditional Music (OCTM)

The Oman Centre for Traditional Music (OCTM) was set up at the Ministry of Information in 1984 to conserve the Sultanate's music and folklore by collecting, recording and cataloguing the different forms of traditional Omani music, song and dance.

The OCTM has a vast archive of photographs, slides, audio and video tapes and handwritten field documents, all of which have been entered onto a computerised database to enable them to be accessed for research purposes and research to obtain more information about this important part of Omani history continues.

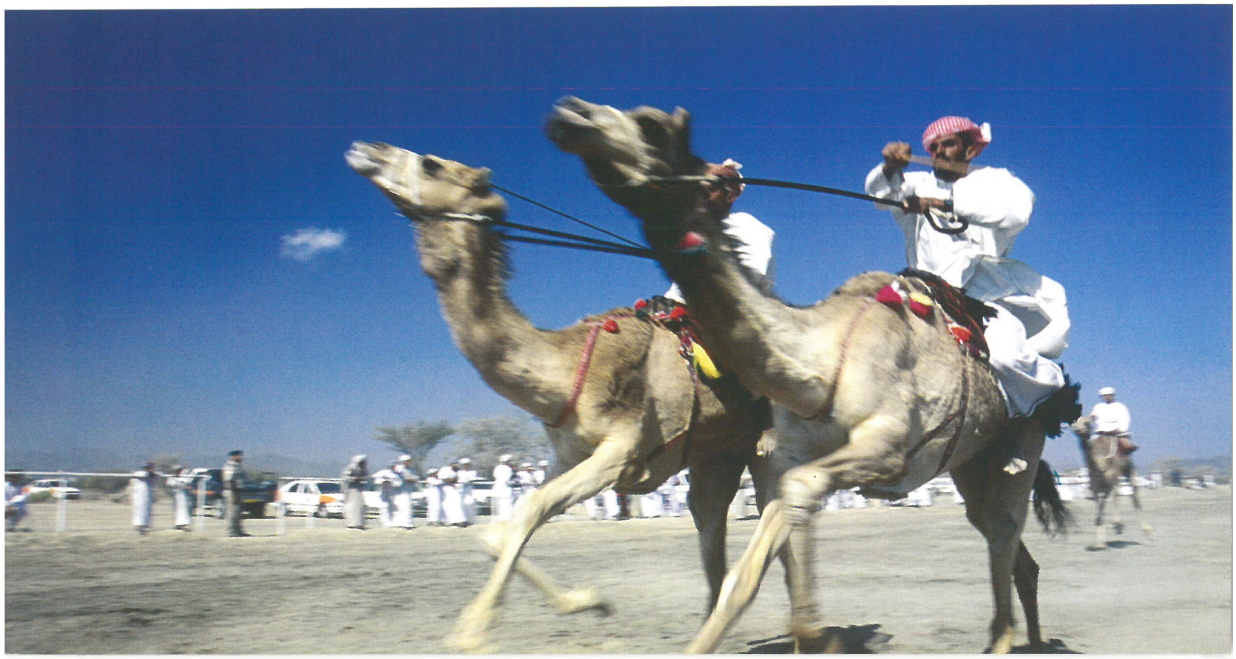
In collaboration with the International Music Council the OCTM held an international conference on "Present Trends and Future Perspectives in Arabic Music" from 11th to 14th December 2004, which was attended by a large number of delegates from the region and beyond.

The OCTM collaborates with the Ministry of Education and provides recordings of traditional folklore as aids for the teaching of music in the schools at the Basic Education level. In also issues cassette tapes and publishes books on Oman's musical instruments and traditional music, accompanied by compact discs. Its most recent issue, on Omani musical instruments, coincided with the international music conference in Muscat and included a DVD and CD of Omani traditional music.

The OCTM has been a member of UNESCO's International Music Council since October 2003. It's website, www.octm-folk.gov.om, is well worth a look.

Traditional chants and dances are performed on every occasion, whether it be a family occasion or for a festival

Two-by-two racing is a tradition



Five-Year Plans and Vision 2020

A series of well-researched Five-Year Development Plans were compiled to make the best possible use of available resources and create an Omani economy capable of achieving growth under its own steam. The first of these Plans began in 1976. This year – 2005 - will see the completion of the sixth Plan (2001-2005), with the seventh (2006-2010), due to commence at the beginning of 2006. Each Plan is designed to ensure continuity with the Plan that preceded it; in this way the foundations of modern Oman were laid and –over the past 30 years – have been built upon, for the benefit of present and future generations.

Vision 2020: an overview of Oman's Economic Future

The first 25 years on Oman's road to development (1970-1995), saw major economic growth through the implementation of successive Five-Year Development Plans. However, by the mid-1990s the need for a long-range economic forecast of the second phase of sustainable development, over the quarter century 1995-2020, was recognised. Accordingly, on the instruction of Sultan Qaboos, a scientific projection was made of Oman's economic future, using studies of its different sectors, in order to map out priority areas of economic development up to the year 2020. His Majesty noted: "We need to develop our economic, natural and human resources to attain a strong, diversified economy that interacts with the world economy. Our plan for the future will be based on achieving harmony between income and expenditure in which a proper balance is maintained."

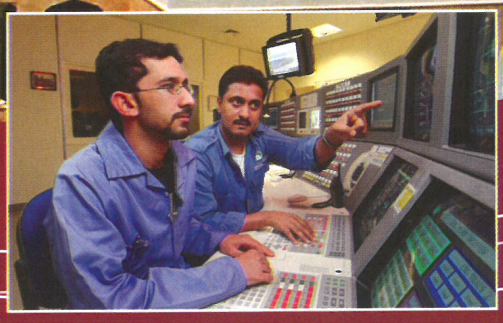
Vision 2020 aims to provide an ongoing and comprehensive framework for the Omani economy, one which will enable the diversification of sources of national income by increasing the economic role of natural gas, industry and tourism;

HH Sayyid Fahd bin Mahmoud al Said leads a delegation of officials and businessmen to China, Thailand and South Korea in September 2005 with a view to boosting trade with the Sultanate



ECONOMY





reducing dependence on oil, expanding the role of the private sector, promoting privatisation policies, developing human resources and attracting greater investment within a context of sustainable development, leading to further integration in the world economy, and responding to the demands of globalisation, particularly in the wake of Oman's accession to membership of the World Trade Organisation (WTO).

The 6th and 7th Five-Year Development Plans

During the course of this year (2005) the last of the current sixth Five-year Plan (2001-2005) agreements have been signed for a number of massive industrial projects - with a total investment value of some RO4.65 billion (US$12 billion), particularly on the Sohar Industrial Estate.

The sixth Five-Year Plan (2001-2005) aimed to ensure stability in actual average per capita income by achieving an annual growth rate of not less than 3% of GDP, creating around 100,000 jobs over the years of the Plan, promoting privatisation and encouraging the private sector to play a bigger role.

Many of the sixth Plan's economic goals have been achieved; GDP grew by 6.9% in fixed-price terms in 2003 and by around 12.5% in 2004. This picture is reflected in the economic figures for 2005, which reveal significant growth in various sectors, and are expected to contribute to a rise in GDP of over 9%.

At the end of 2004 additions and amendments to the sixth Five-year Plan totalled around RO983.6 million; this figure was channelled into the roads, ports, electricity, water, housing, health, education and youth sectors, thereby boosting the Plan's overall economic performance.

As Oman prepares to embark upon the first year of its seventh Plan in 2006, a government committee has already started work on preparations for the eighth Development Plan. Sultan Qaboos has instructed that between 2010 and 2014 maximum priority should be given "to evaluating and streamlining development to meet the community's growing demands," particularly with regard to youth, scientific research and the performance of the different economic sectors.

The 2005 General State Budget

Despite sterling efforts and considerable success in its attempts to achieve a more diversified economy, Oman remains dependent on its oil earnings, a situation that looks set to continue for some time. Recent oil prices have achieved record highs on world markets. However, the oil trade can be fickle and as all producers know, what goes up will inevitably come down, if not this year, possibly next.

Despite optimism on the international oil price front, an acknowledged need to enhance output and further diversify the economy led the government to formulate a somewhat expansionary budget for 2005. Its objectives included



the adoption of a sustainable financial policy focusing on rationalising public spending, enhancing public revenues, especially non-oil revenues, consolidating state financial reserves, creating employment opportunities for young Omanis, keeping the public debt within safe and internationally acceptable limits, improving investment efficiency and providing citizens with good basic services.

In cash terms, the government approved expenditure totalling RO3,680 million - an increase of RO255 million, or around 7.5%, on the 2004 budget figure.

Government revenues in the 2005 budget totalled RO3,140 million - an increase of 7.3% compared with 2004. Oil revenues, which amounted to RO2,041 million, were calculated on the basis of a price of only US$23 per barrel and an average daily production figure of 753,000 barrels; some 25% lower than the estimated volume of production in the sixth Five-Year Plan, while the price is US$5 a barrel higher than that approved in the Plan.
Oil revenues fell from 74% of the total revenues over previous years to 65% due to dwindling oil production. However, at the same time the contribution made to total revenues by natural gas rose to 9%, or RO273 million - a 47% rise on the 2004 figure. Revenues from other sectors (current and capital) amounted to RO826 million - a 7% rise on 2004 - accounting for 26% of total revenues in the 2005 budget.

As far as the expansion of education and health services are concerned, the combined allocations for these two sectors totalled RO627.6 million, or 44% of total current expenditure for the civil ministries and a 12% rise on the allocations approved in the 2004 budget.

The 2005 Budget also allocated RO24.6 million for social security cases - an increase of RO300,000 compared with last year - as well as RO330 million for the civil ministries' development projects, and RO66 million for soft loans to the private sector for projects and operations in the agriculture and fisheries industries, tourism, education sectors and subsidies to specialist banks such as the Oman Housing Bank and the Oman Development Bank.

Particular importance was attached to the development of human resources and RO546 million, or 15% of total expenditure, was allocated to cover the requirements of government departments involved in this area, particularly education, vocational training and the employment of national manpower.

The budget also allocated RO238.2 million for new projects, particularly in health, roads and other areas.

The government records an estimated deficit of RO540 million in the 2005 budget, amounting to 17% of overall revenue. In view of Oman's determination not to exceed the ceiling it has set for foreign loans, it depends mainly on the General State Reserve Fund to finance any budget deficit.

However, increased oil revenues resulting from significantly higher oil prices should amply cover the deficit in the new budget.

Integration into the world economy

Oman has a liberal economy and over the years has succeeded in boosting its own potential as well as its ability to respond to developments in the region and beyond. While encouraging the private sector and seeking to provide the best possible climate for encouraging and attracting domestic and foreign investment, the Sultanate is determined to ensure that Omani products are of consistently high quality and comply with international specifications and standards to make them competitive in domestic, regional and international markets.

As a member of the WTO Oman aims to strengthen its economic relations with other economic powers and blocs, through the Arab Gulf Co-operation Council (AGCC), the Arab League or the Indian Ocean Rim Association for Regional Co-operation (IORARC), as well as on a bilateral basis.

At the same time active steps are being taken to implement the policy of privatisation and open up the electricity sector, as well as communications, ports, industry, tourism and other areas to increased foreign investment.

The Tender Board

The Tender Board, established on 30/4/1973 is responsible for opening and studying bids for all government tenders with a value in excess of RO 250,000, including those dealing with projects and purchases, with the exception of defence unit contracts and projects and other tenders stipulated as exceptions under the Tender Law and Regulations. During the first three months of 2005 56 tenders were



Doing business in one of Oman's many banks

awarded at a cost of RO 87,348,818 over the same period. During the second quarter of 2005, (April ˆ July), tenders worth a total of more than RO328 million were awarded. There has been an increase in the number of tenders invited and awarded in 2005 for the implementation and completion of production and service projects as the sixth Five-Year Development Plan (2001-2005) comes to an end.

Privatisation Policies

During the first phase of national development (1970-1995) the government played an essential and pivotal role in the development process, establishing an infrastructure and laying the foundations for transforming Oman from a country with a primitive economy to one capable of developing and growing under its own steam. All the Sultanate's energies were channelled into producing a major transformation in every economic sector, leading to the emergence of a liberal economy with a thriving private sector.

The direction of the second phase of national development (1996-2020) was mapped out by the 2020 Vision of Oman's Economic Future, the main features of which are diversification of the sources of national income, a growing role for the private sector in development projects and the creation of a suitable climate for attracting greater foreign investment.

The private sector's contribution to the Five-Year Development Plans' investment programmes rose from 37.7% of overall investment in the fifth Five-Year Plan (1996-2000) to 53.9% in the sixth Five-Year Plan (2001-2005).

The Privatisation Law was promulgated under Royal Decree No. 77/2004 on 14/7/2004, while the law regulating and privatising the electricity and water sector was issued under Royal Decree No. 78/2004 on 20/7/2004. Royal Decree No. 17/2005, issued on 19/2/2005, granted a category one licence to Nawras, the Omani-Qatari Telecommunications Company SAOC, for the provision of mobile telecommunications services in the Sultanate for a period of 15 years. Meanwhile, Oman Telecommunications Company - Omantel - offered 30% of its shares for sale to the Omani public in June of this year.

The private sector is also involved in electric power generation and distribution, the ports sector, communications, sewerage services, higher education, information technology and the production and transport of Omani gas, as well as a number of other fields. It has also signed agreements to set up mega-projects in the industrial and services sectors in Qalhat (near Sur), Salalah, Sohar and other parts of the country. *(See Industry p.153)*

The Banking Sector

The Omani banking sector is stable, highly efficient and able to adapt quickly to regional and international

developments, including the growing trend towards freeing up financial services within the framework of the World Trade Organisation (WTO).

The sector comprises the Central Bank of Oman (CBO) and the commercial and specialist banks operating in the Sultanate. It is committed to ensuring financial equilibrium and economic stability, while encouraging confidence and transparency in banking operations in every sector of the Omani economy.

The Central Bank of Oman (CBO)

The Central Bank of Oman (CBO) first began its operations on 1st April 1975 with a capital of RO1 million. This figure was gradually increased and, by April 2002, stood at RO300 million. At the end of 2004 its assets/liabilities totalled RO1,497.5 million (US$3,894.7 million).

The CBO has two branches: one in Salalah and the other in Sohar and is pivotal in the development of the Omani banking sector giving it a greater role in promoting sustainable development and maintaining the stability of the Omani Rial - the national currency. In this connection mergers have been encouraged between the national banks to improve their effectiveness and efficiency, while local and foreign commercial banks have been required to raise their minimum capital to RO20 million and RO5 million respectively.
A high level of financial solvency has been attained; in 2004 the banks' average capital efficiency ratio was 17%, which is far above the 8% ratio laid down by the Basle Commission for the Bank of International Settlements

The CBO 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. The CBO also operates an early warning system, which enables it to predict possible financial crises and take preventive action if required.

The Central Bank has permitted the establishment of wholly foreign-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 the relevant international organisations.
At the end of 2004 there were 14 commercial banks, with 330 branches operating throughout the Sultanate. Of these, five were national banks and nine were foreign owned. There were also three specialist banks with 26 branches.

Omanisation

Omanisation in the banking sector is at a very high level, with training programmes and the College of Banking and Financial Services (formerly the Institute of Bankers) playing vital roles in preparing nationals for banking careers. Omanisation had reached an encouraging 88.8% at CBO and

91.8% in the commercial and specialist banks at the end of 2004. In banking generally, Omanisation had increased to 85.3% in senior and middle-ranking administrative grades, 99.6% in clerical grades and 100% in non-clerical grades by the end of 2004, while the percentage of Omanis in foreign exchange and finance companies licensed by the CBO was 51.1% and 61.3% respectively.

Commercial banking operations

By the end of 2004 the banking sector had achieved good rates of growth, with the value of the combined assets/liabilities of the commercial banks operating in the Sultanate rising to RO4,891.9 million - an 8.3% increase compared with the end of 2003. Total banking credit, including loans and facilities provided by the commercial banks to the private sector, individuals, public corporations and the government, rose by 6.1% over the 2003 figure, to achieve RO3,510 million.

As far as liabilities were concerned, in 2004 total deposits in Oman's commercial banks rose by 7.9% over the 2003 figure, to RO3,078.2 million. Private sector deposits totalled RO2,500 million.

Investment banking licences were granted to nine of the commercial banks operating in the Sultanate, including five national banks and four branches of foreign banks. There are 57 licensed foreign exchange companies operating through 64 branches throughout the country; these include 12 companies dealing in precious metals and the issue of money orders, as well as the buying and selling of foreign currency.

A further 6 companies have been granted licences to provide non-banking financial services such as funding for consumer activities, rental sales and purchases, debt collection, etc.

Specialist banks

At the end of 2004 there were three



Banks and foreign exchange companies give the customers a choice

specialist banks with a network of 26 branches operating in Oman. Two are public sector banks: the Oman Housing Bank and the Oman Development Bank, while the other specialist bank, Alliance Housing Bank, is privately owned.

The Oman Housing Bank

Established in 1977, the Oman Housing Bank (OHB) provides finance by way of long-term soft housing loans to enable Omanis to construct suitable homes. The granting of unsubsidised loans to maintain properties and building work has become an additional activity. The total assets of OHB stood at RO166.4 million at the end of 2004, of which mortgage loan accounts amounted to RO164.6 million. The share capital remained at RO30 million at the end of the year while shareholders' equity as a whole comprising capital, reserves, dividend and retained earnings amounted to RO72 million at December 2004.

The OHB charges a limited service fee for its subsidised loans in response to directives from Sultan Qaboos. In this way the financial burden on loan applicants is minimised. Under certain conditions, the bank also extends non-subsidised loan facilities to other applicants.

The Oman Development Bank

The Oman Development Bank (ODB) was established in April 1997 as an Omani public joint-stock company in a merger between the Development Bank of Oman (founded in 1979) and the Oman Bank for Agriculture and Fisheries (founded in 1981).



The Oman Development Bank grants loans for small projects

The ODB provides loans to development projects, including activities directly related to local agriculture and fisheries by granting loans, administering grants and subsidies, participating in share capital and providing technical assistance to companies. In accordance with its objectives, interest on loans and advances is subsidised by the government. In addition, ODB also acts as an agent on behalf of the Government for:

- the disbursement and collection of Government soft loans;
- the operations of the Export Credit Guarantee Agency;
- the disbursement of amounts from the Fisheries Research Fund;
- the disbursement and collection of Sanad Fund loans.

At the end of 2004, the total net loans and advances including staff loans stood at RO16.7 million. The share



At work in the Muscat Securities Market - the Euronext eletronic trading system is being implemented

capital of ODB remained at RO20 million.

Alliance Housing Bank

The Alliance Housing Bank (AHB) was incorporated in 1997, and began operations at the beginning of 1998. It was the AGCC's first publicly held housing loan institution with shares listed on the Muscat Securities Market. The primary objective of AHB is to help the local housing market by providing Omanis and AGCC citizens with long-term loans to purchase, build or improve housing.

The AHB operates through a network of seven branches and has expanded its operations with its mortgage loan portfolio, which increased significantly from RO71.8 million in 2003 to RO102.5 million in 2004, a rise of 43%. The share capital of AHB stood at RO21 million at end of 2004. The bank listed its first Corporate Bond for RO6 million which was fully subscribed. In the latter part of the year, AHB raised RO15.4 million (US$40 million) through syndication, in which local, regional and international banks participated.

Muscat Securities Market (MSM)

Muscat Securities Market (MSM) continues to expand its operations, following the steps taken by the government to improve the investment climate in the Sultanate. These include the separation of the monitoring authority from MSM's executive body, streamlining MSM's performance and ensuring transparency and compliance with the rules on disclosure, listings and the regulation of brokerage firms. These improvements have boosted and restored confidence in the performance of Oman's economic sectors in MSM's trading activities, and consequently

attracted more investors. Such developments have led to a rise in the MSM 30 Index and by the end of 2004 it stood at 3,375.05 points - a 24% increase on the figure at the end of 2003.

From June 2004 MSM changed its index calculation basis from 100 points to 1000, bringing it into line with practices in other stock exchanges around the world. During the first quarter of 2005 the MSM 30 Index rose to 4,275.43 - an increase of around 900 points compared with the end of 2004.

The year 2004 saw issues of four newly formed companies listed on the market with a value of RO30.8 million and eight new closed joint-stock companies with a value of RO152.9 million, as well as seven bond issues with a value of RO261.3 million. Some 26 public joint-stock companies restructured their capital over the course of the year. Trading performance at MSM has improved significantly over the past five years, rising to RO759 million in 2004 compared with RO592.8 million in 2003 - a 28% increase.

Following the increase in MSM's activity and the improvement in Oman's economic performance as a whole, the public joint-stock companies listed on MSM recorded profits totalling RO221.8 million in 2004, up from RO120.5 million in 2003 - a rise of over 84%.

In April 2005, MSM signed an agreement with Europe's leading IT solutions provider, Atos Euronext, to implement the Euronext trading system in Oman by November-December 2005. This RO1.3 million new electronic trading system, will replace the existing one, which has been in operation since 1998. The new system can integrate markets and provide users with more flexibility in the way it is able to facilitate information dissemination and surveillance systems. The agreement covers training, implementation and maintenance of the system. MSM is the first Gulf securities market to adopt the system.

Capital Market Authority

The Capital Market Authority (CMA) is responsible for regulating, licensing and monitoring the issue and trading of securities, overseeing MSM and developing the Omani capital market sector's legislative and regulatory structure. Royal Decree No. 90/2004, issued on 3/8/2004, assigned it responsibility for monitoring and developing the Sultanate's insurance sector to enable it to play a bigger role in the national economy. The Authority's initial steps in this regard included a study and upgrade of the current legal framework and the preparation of a professional code of conduct for insurance companies and brokers.

The CMA has also issued new rules and criteria for commercial bond issues, investment funds and the auditors of companies subject to its monitoring regulations. It looks into any violations that might occur and takes the necessary legal steps to deal with them.

(See also Government and State Institutions Chapter, p.48)

Oil and natural gas resources.

Oman's oil revenues, account for RO2,041 million, or 65%, of the estimated 2005 General State Budget's revenues of RO3,140 million. This Budget was prepared on the basis of an average oil price of US$23 per barrel of crude. Meanwhile, natural gas revenues - at RO273 million - account for around 9% of budget revenues. The government policy of diversifying sources of national income is paying off as highlighted by the fact that the non-oil sectors currently provide around 26% of total public revenues. This year, the non-oil sector's contribution to the budget is seven per cent higher than it was in 2004.

During 2004 the average price of Omani oil was US$34.4 a barrel. Intensive efforts are being made to offset the fall in the Sultanate's production levels, both through the use of more advanced technology in the production process and through prospecting operations in new areas. The results have been positive.

The Oil Sector

Oman first began exporting oil in 1967 when Petroleum Development Oman (PDO) was established. It is the major exploration and production company in the Sultanate, accounting for more than 90% of the country's crude-oil production and nearly all of its natural gas supply. PDO is 60% owned by the government of Oman, the Royal Dutch/Shell Group (34%), Total (4%) and Partex (2%).

The Oman Refinery Company llc (ORC) was established as a limited liability company in 1982, with an initial refining capacity of 50,000 bpd. Today the company operates 24 hours a day to process 85,000 bpd. ORC is the single supply source of petroleum products in the country. These products are created out of Omani crude oil, which is received from PDO and supplied after refining, to the marketing companies.

Production levels topped 956,000 barrels per day (bpd) in 2001, but declined gradually during 2002 and 2003 because of a drop in the productivity of some wells. Steps are currently being taken to offset this. In 2004 average daily production was 779,700 bpd including 50,300 bpd of oil condensates.

Average oil production showed a steady rise during the first quarter of this year (2005), increasing from 763,000 bpd in January to 771,000 bpd in February and to 773,000 bpd in March 2005. However, average crude production during the



PDO is continuously carrying out maintenance as well as exploration work

first quarter of 2005 was around 19,000 bpd, below the figure for the first quarter of 2004.

In 2004 average exports of crude oil were around 720,200 bpd. Most of it (some 40.4%) went to China, while the remainder was shipped to various other countries, including Thailand, Japan and South Korea.

The Sultanate's total reserves of crude oil and oil condensates stand at around 4,803.2 million barrels, 92.4% of which are owned by PDO.

The government is involved in extensive exploration work, both onshore and in Oman's territorial waters. In this connection an agreement was signed in 2004 with Hunt Oman Musandam Co. for exploratory operations to be carried out in Concession Area 40 in the governorate of Musandam. A second prospecting agreement, signed with the Chinese company Sinopec covers Areas 36 and 38 in the south of the Sultanate. In 2005 a Concession Agreement was signed with the Irish oil company, Circle Oil plc, for Area No.49 in Dhofar, for the exploration of hydrocarbon resources.

PDO is also engaged in exploratory operations and in 2004 the company drilled 16 exploratory wells, which added a further 4.09 million barrels to its reserves. Occidental Oman Co. was able to add 4.4 million barrels to its reserves, while EnCana, Hunt, Novis and around 10 other companies continue with their surveys and exploration. Last year they drilled 11 exploratory wells, which are currently being assessed.

Work is continuing on the RO503.876 million (US$1,300 million) oil refinery project in Sohar, which is due to go into operation in 2006 with a 116,400 bpd refining capacity. In 2004 Oman Oil Refinery was supplied with about 78,200 bpd for refining, while PDO began using steam injection technology in several wells to increase their productivity.

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 Oman. Through participation in energy and energy-related projects, OOC plays a critical role in the Sultanate's efforts to diversify the Omani economy and to generate Omani and foreign private sector investment. It acquired a 49% stake in BP Oman in December 2002 and as a result a new brand, Omanoil, was officially launched in October 2003 with retail sites renovated in 2004 in the new colours of turquoise, green and white.

The Gas Sector

The natural gas sector is one of the Omani economy's most promising sectors and its contribution to the Sultanate's national income is continuing to grow. Natural gas revenues in the 2004 General State Budget rose by 11.8% over the 2003 figure, then soared by 187% in the 2005 budget. This year's gas revenues come to a total of RO273 million, compared with RO95 million in the 2004 budget, and make up 9% of the 2005 budget's



Extensive exploration work, both onshore and in its territorial waters, is undertaken by both the government and private sector

total revenues. Oman's natural gas is set to make an increasing contribution as its production continues to rise, and as its supplies increase to the growing number of industries - in Sohar, Salalah and Sur - that depend on it.

The natural gas sector is expanding steadily. In 2004 the Sultanate's annual production was 852,856 million standard cubic feet (mmscf), comprising 287,642 mmscf of associated gas and 565,214 mmscf of non-associated gas. Average daily production of natural gas was around 2,330 million cubic feet. The Sultanate has proven reserves of 24.2 trillion cubic feet (tcf) and expected reserves (associated and non-associated) estimated at 33.8 tcf.

In 2004, 110 shipments of liquefied natural gas (LNG) - 6.91 million metric tonnes - were exported to the Far East, Europe and the Atlantic Basin. A total of 27 shipments of natural gas liquids (NGLs) - 216,000 metric tonnes - were also exported from the plant at Qalhat.

Work is progressing at a rapid pace to complete the construction of a third LNG train at Qalhat, near Sur. When it starts operating on a commercial basis at the beginning of 2006, the new train will boost the Sultanate's annual LNG production from 6.6 million tonnes to 9.9 million tonnes. Qalhat LNG owns the third train and a long-term agreement has been reached for the export of approximately 50% of its annual production to the Spanish company Union Fenosa Gas, while much of the remainder has been sold to a number of Japanese companies.

Several industries - in Qalhat Sur (the Omani-India Urea Fertiliser Co.), Salalah (the Industrial Estate projects.) and Sohar (the petrochemicals, methanol,

ethylene, etc. industries) - are dependent on local natural gas, supplied by pipeline to the industrial estates in Sohar and Salalah.

The Northern Oman Joint Gas Project was launched on 9th March 2005 with net stocks of 400 billion cubic feet of gas and 1.9 million barrels of liquids. This project, which is near Ibri in the Dhahirah region, is the biggest private sector gas production joint venture (Occidental Oman and Mitsui Co). It will export gas to the UAE by pipeline, thereby establishing the first gas pipeline link between AGCC states.

On 3rd March 2005 PDO began operating the Seih Nihayda gas station, which treats the condensate-rich gas from Oman's deep gas reservoirs. The US$150 million station supplies the LNG plant in Qalhat with its natural gas requirements via a 48-inch-diameter pipeline and will also supply the third Qalhat LNG train when it goes into operation.

Oman Oil Co. has purchased a 7.5% stake in Union Fenosa and Union Fenosa Gas - subsidiaries of the Spanish company Sagas, which is currently operating an LNG regasification project in the Spanish city of Valencia. This marks a new milestone in Oman Oil Company's investment operations in Spain. Moreover, since Union Fenosa owns part of Qalhat LNG it will further strengthen the Omani economy and contribute to further diversification of the Sultanate's sources of national income.

The Oman Gas Company SAOC (OGC) was established as a closed joint stock company in August 2001 by the Oman Oil Company, which owns a 20% share and the government, represented by the Ministry of Oil and Gas, which holds an 80% stake. OGC owns and operates the country's gas transportation facilities, which mainly supply power generation plants and other, smaller, consumers.

Shipping

The Oman Shipping Co. SAOC (OSC) is



"Muscat LNG" loading at Oman LNG'S plant at Qalhat



Gas complex at Saih Rawl from where gas is transferred

80% owned by the Ministry of Finance, with the Oman Oil Company SAOC taking the additional 20% share. The company plays a vital role in transporting Omani liquefied natural gas to export markets around the world. OSC currently has a fleet of two LNG vessels in commission, Muscat LNG and Sohar LNG. To deal with increasing demand, two new vessels – Nizwa LNG and Salalah LNG – are scheduled for delivery by the end of 2005, and by mid-2006 a further two vessels – Ibra LNG and Ibri LNG - will join the OSC fleet. A seventh LNG vessel (as yet unnamed) is expected to go into service in 2008.

Mineral resources

The mining and quarrying sector has played an important role in Oman's economy since ancient times. To enhance its role, the government has embarked upon an intense programme of geological research and exploration in order to maximise development of the Sultanate's mineral resources, including copper, chromite, nickel, iron, gold and silver. Oman also possesses deposits of many non-metallic minerals, among them gypsum and limestone, which are being exploited for the production of cement.High quality marble is also quarried and sold in domestic and foreign markets.

The minerals sector, which comprises mining and quarrying, contributed around RO12.4 million to the Sultanate's GDP over the first nine months of 2004 - an increase of 24.8% compared with the same period in 2003. Oman's gold production reached 5,680 ounces in 2004, while silver production stood at 1,479. The entire gold and silver production was exported to the UK.

The mining and quarrying sector, which operates with considerable support from the private sector, aims to achieve an annual 3.3% rate of growth during the current Five-Year Plan (2001-2005) and to raise the sector's contribution to GDP by 0.3% annually, with the rate of Omanisation enhanced by 10% annually.

Trade

For centuries Omanis have been trading with countries around the world, from China in the east to the United States in the west. While boosting the export of Omani products and leading to the import of a variety of exotic goods, centuries of trading also facilitated cultural and intellectual contacts with other civilizations, the effects of which can be seen in Oman society to this day.

The Sultanate's strategic location remains as important to world trade and shipping routes in the 21st century as it did hundreds of year's ago. Keen to capitalise on this advantage, the government is forging ahead with schemes and programmes to help it further improve Oman's international trading links, through its membership of various Arab and international economic blocs.

Other initiatives include the setting up of joint economic committees with regional and other countries, and bilateral free trade agreements. A recent example of this is a Free Trade Agreement with the USA which is to be signed by the end of the year, and which will come into effect early in 2006. Measures to improve the quality and competitiveness of Omani goods are also being taken, thus helping them to find new markets around the world.

To enable the Sultanate to benefit from its strategic geographical position, Oman's ports are being expanded and modernised with steps taken to ensure the best possible climate exists for increased investment, trade and export of Omani goods.

Work began on the RO4.4 million first phase of the Salalah Free Zone infrastructure in March 2005, and other phases will follow during the first quarter of 2006, and more free trade zones will be set up in selected locations under the seventh Five-Year Plan (2006-



Oman LNG's site at Qalhat - here the gas cooler

2010). A number of existing laws are under review and new laws are being introduced. Among those recently finalised are the laws dealing with the Commercial Register, commercial companies, real estate brokerage and foreign capital investment, as well as regulations controlling market saturation in the AGCC states and laws on consumer protection and the protection of intellectual property.

By the end of September 2004 the trade sector was growing at an annual rate of 26.8%, with its added value rising to RO931.2 million, compared with RO734.5 million in September 2003. In September 2004 it contributed 13% to the Sultanate's GDP.

The AGCC as a trading bloc has been negotiating with the European Union (EU) for many years, and recently the first round of negotiations between the AGCC and China for a free trade zone took place. An Omani trade office was opened in the Iranian city of Bandar Abbas at the end of 2004.

Foreign trade

Foreign trade rose to around RO6,988.4 million between the end of October 2003 and the end of October 2004 - a rise of 22% on the RO5,727.5 million recorded between the previous 12-month period. The value of crude oil exports rose by 17%, while the value of exported goods of Omani origin, including natural gas and refined oil, were up by 22.8%. Over the same period the value of re-exported goods fell by 8.5%. The value of exported goods of Omani origin totalled RO 896.1 million at the end of October 2004, compared with RO730 million, a year previously.

Table showing foreign trade between the end of October 2003 and the end of October 2004: -

Item	End October 2003 (million RO)	End October2004% (million RO)	change
Crude oil exports	2,455.6	2, 887.4	17.8
Exports of goods of Omani origin *(including natural gas and refined oil)*	730	896.1	22.8
Re-exports	498.6	456.2	-8.5
Total goods exported	3,684.3	4,239.6	15.1
Total goods imported	2,043.2	2,748.8	34.5
Total trade	5,727.5	6,988.4	22

With the overall value of Omani exports (including oil exports, goods of local origin and re-exported goods) rising to RO4,239.6 million by the end of October 2004, representing a 15.1% rise on the figure of RO3,684.3 million recorded at the end of October 2003. Meanwhile, total imports showed a 34.5% rise at the end of October 2004 to RO2,748.8

million, reflecting a solid improvement in oil prices on the world markets and the implementation of a number of new productive and service projects in various parts of the country.

Over 200 local industrial establishments exported their products in 2004. Most of these - apart from oil exports - went to the United Arab Emirates and other AGCC states. Some 20% of goods of Omani origin are exported to Asian markets and about 18% to the United States, while others go to the markets in Europe, or other countries around the world. When making purchases, Omani organisations, establishments and government departments usually give priority to Omani products, and intensive efforts are also made to encourage all Omani consumers to follow suit.

Omanisation plans are being implemented across the board, with the result that end of 2004 showed a 4.2% fall in the number of expatriates employed in the trade sector, down to 97,380, compared with 101,630 at the end of 2003.

Industry

Oman's light and heavy industries have both made impressive progress in recent years. There has been a significant increase in investment in industry, along with a corresponding rise in its contribution to the Sultanate's GDP. Priority has been assigned to the exploitation of Oman's national resources with the aim of co-ordinating and integrating industrial operations across the regions.



Omanisation is on-going across the board

The Rusayl Industrial Estate - the Sultanate's first industrial estate – is home to around 140 factories as well as Knowledge Oasis Muscat (KOM), the nucleus of the Sultanate's information technology (IT) industry.

Sohar Industrial Estate, a new jewel in Oman's industrial crown, has undergone huge and rapid development. The Sohar Industrial Port is a landlord port under the authority of the Sohar Industrial Port Company. Operations at the port began in April 2004. Mega projects, backed by massive international investment, include the Sohar Refinery Company, Sohar International Urea & Chemical Industries, Oman Methanol Company, Sohar Power Company and the $1 billion Sohar Aromatics Company. Other projects include an aluminum smelter, an iron foundry, polypropylene, polyethylene and steel plants.

The Sohar Port is being supported by Oman's first maritime college, the





The private sector is being given every encouragement to expand and export

International Maritime College Oman, which will concentrate its first year Foundation Programme on increasing English language skills for those who intend to work at the port, or pursue a maritime career.

In Qalhat (Sur), the Omani-India fertiliser project began production this year (2005), and the third natural gas train of Qalhat LNG is expected to start early in 2006. These schemes, together with other industrial projects in Salalah, Nizwa and elsewhere, will give a tremendous boost to the Sultanate's industrial sector, reflecting the enormous investment made (over RO4.65 billion/US$12 billion in Sohar alone), and the exploitation of the latest available international technology as well as the country's burgeoning IT industry and local raw materials. Many of these industries are dependent on Omani natural gas as a feedstock, which will help increase their added value in the long term.

At the end of December 2004 industrial production showed a rise of 21.9% to RO1,226.2 million, compared with RO1,006 million at the end of the previous year. In 2003 the number of medium and large-scale industrial establishments rose to 446, while the manufacturing industry sector's contribution to GDP that year accounted for 8.3% of the total. It is anticipated that GDP will reach 15% by the end of the seventh Five-year Plan in 2010.

The industrial sector's contribution to GDP totalled RO690.2 million by the end of 2003 and by the end of 2004 it had risen to RO776.7 million.

The government offers the industrial sector low interest investment loans; between January 2001 and November 2004 around RO37.5 million was disbursed in this way. National manpower employed in industry rose

from 11,138 men and women in the year 2000 to 12,198 in 2003 - an increase of 9.5%. This figure is set to rise significantly with the launch of the projects currently under construction, some of which are due to begin production by the end of 2005. Omani industry's compliance with standard product specifications enables it to compete effectively in the domestic and world markets and cope with the challenges of globalisation.

There are currently approximately 4,700 industrial establishments in the country. In 2004 Omani standard specifications were issued on a number of products, including motor vehicles (general requirements), Omani halwa and internal combustion engine oils. Meanwhile, regulations were introduced for Omani quality testing laboratories that apply quality control regulations in accordance with international specifications (ISO 17025).

A certification section was set up at the Ministry of Commerce and Industry's Directorate-General of Specifications and Standards. Omani factories are encouraged to abide by these and Omanisation levels in their work force. All factories are monitored with any that experience problems assisted by the Ministry of Commerce and Industry.

Youth Schemes

Every effort is made to provide young Omanis with a widening range of training and job opportunities, in both the traditional and non-traditional sectors, and including small and self-employed projects. In this connection several government departments are working together to promote economically and socially important schemes such as the Sanad programme, the Youth Projects Development Fund and the Intilaaqah Oman initiative. These schemes aim to provide young people with the financial and technical assistance they need to establish



KOM (Knowledge Oasis Muscat) IT Park is steadily expanding



Young Omanis are encouraged to start up their own businesses - assistance is offered via three schemes

themselves in their own projects. This assistance comes in a variety of forms including soft loans or capital participation, which provides projects with the initial small investment they need as a kick-start, after which they can then continue to grow under their own steam.

The Sanad programme was started in 2001 at the instigation of Sultan Qaboos, whose desire that all young Omanis should play a useful part in society and nation building is well documented. Sanad now has committees in all regions.

Meanwhile, the scope offered to young people by the Sanad programme has been expanding continuously into new areas with 147 occupations being Omanised over recent years, e.g. lorry driving was 100% Omanised on 1st June 2005. One of the main projects currently underway is the Omanisation, by May 2006, of all the small grocery shops that dot the length and breadth of the country.

Around 8,000 jobs have been created for young men and women through Sanad projects around the country, with 522 young entrepreneurs being funded. Practical steps are also being taken to increase Sanad's annual budget and to provide additional back-up for young people who encounter problems in running their projects, are under review. Plans for Omanising new areas of employment are ongoing.

The Youth Projects Development Fund, which began operating in early 1999 with a registered capital of RO25 million and issued capital of RO5.3 million, supports projects by taking shares in their capital. Over 30 such projects have so far been funded, with approval granted to a further 80 projects.



Members of the OCCI welcome foreign Chambers to Muscat

Intilaaqah Oman was launched in November 1995 by the Shell International Group of Companies. Intilaaqah is one of Shell's social investment programmes in the Sultanate and modelled on a Shell-funded initiative called "LiveWire", which aims at encouraging young, unemployed Omanis to consider the option of starting their own businesses. A further incentive is the annual presentation of the "Best Young Entrepreneur Award" with four prizes totalling RO8,000. Since its inception, private sector companies have joined Intilaaqah as partners.

Oman Chamber of Commerce and Industry (OCCI)

Since its establishment by Royal Decree on 15th May 1973, the Oman Chamber of Commerce and Industry (OCCI) has been active in representing the interests of the Omani private sector, which plays an increasingly important role, alongside the government, in directing the course of economic development.

In this connection the OCCI works closely with various organisations to encourage individual initiatives and to promote the concept of self-employment. It also offers training courses in business and management at Majan University College.Fourteen of the OCCI's board of directors are elected and seven, including the president, are appointed by Royal Decree. The current board, which was formed in 2003 and will continue in office till the end of 2006, includes two women members.

At the end of December 2004 the Chamber had 112,211 members across the country, compared with 111,827 at the end of 2003. Its headquarters are in Muscat's Commercial District and it has eight branches - in Salalah, Sur, Nizwa, Buraimi, Ibra, Sohar, Khasab and Ibri - as well as offices on the Rusayl Industrial Estate and in Rustaq.

It is a member of over 200 joint Arab, European and other organisations, and joint chambers of commerce.



The Agricultural Census will assist development of the seventh Five-Year Plan (2006-2010)

It also participates in numerous trade fairs and exhibitions to promote Omani products in Arab and foreign countries, as well as at home. As part of its campaign to promote Omani products and investment in the Sultanate, the OCCI has published a range of leaflets as well as its regularly updated Trade and Industrial Directory. Its booklet "Basic Indicators on the Omani Economy" contains a mass of useful information on the economy and on over 5,000 Omani companies and other establishments. During the year, the OCCI produced a film about investment in the Sultanate entitled "Destination Oman" and a tourist guide to the Dakhiliyah Region. It publishes Al Ghorfa (The Chamber) – an economic magazine covering the activities of the Chamber and the private sector - and reviews local economic developments.

The OCCI's internet website (www.ChamberOman.com) has been streamlined to provide up-to-date information in Arabic and English on the Omani economy, investment opportunities and the Chamber's activities and services. In addition, it now offers a new information service on business opportunities in the Sultanate and bids received from abroad.



Over 60 varieties of dates are grown in the northern part of the Sultanalte

OCIPED

The Omani Centre for Investment Promotion and Export Development (OCIPED) is an independent government authority, established by Royal Decree

No 59/1996 to promote and facilitate investment in projects in the Sultanate and to develop the export potential of Omani manufactured products. The Centre is governed by a board of directors composed of representatives from both the public and private sectors and chaired by the Minister of Commerce and Industry. Since it was set up in 1996, OCIPED has established a network of representatives in more than 25 countries around the world and is working to establish permanent displays of Omani products at centres in key markets. *(See Govt. & State Institutions p.49)*

Agriculture

Despite the advances in every other sector of the Omani economy, the agriculture and fisheries sector is still of key economic and social importance, as the source of food self-sufficiency and as a major employer of Omani nationals. Farming and fishing are two of the oldest occupations in Oman and over 200,000 Omanis work on some 120,000 farms and allotments in the agricultural sector. In 2004 agricultural production totalled 1,202,000 tonnes and the total area under crop cultivation was 73,000 hectares. The country is about 93% self-sufficient in dates and fruit and 64% self-sufficient in vegetables. At the end of December 2004 the agriculture and fisheries contributed RO161.8 million to GDP.

The government's agricultural advice and guidance centres operate programmes for farmers with the aim of introducing them to modern technology, improving crop quality and conserving water and soil resources. In 2004 some 5,641 farmers benefited from these programmes. The agricultural research centres also play a vital role in pest control and improving crop production.

The Agricultural Census 2004-2005

In December 2004 around 1,000 researchers from across the Sultanate, took part in the countrywide Agricultural Census, organised by the Ministry of Agriculture and Fisheries in collaboration with the Ministry of National Economy and other government departments. The



Fresh French beans are picked, sorted and packed for same-day airfreighting to Japan.

Census - the third of its kind - continued till the end of April 2005, with initial results announced at the end of May. An updated computer database was able to provide an accurate picture of the agriculture and livestock sectors to help structure development during the seventh Five-Year Plan (2006-2010). The final results of the 2004-2005 Agricultural Census will be announced in November 2005. However, the initial findings reveal there are 202,153 farms and allotments in the Sultanate, ranging from a maximum of 55,692 in the Batinah region to 2,078 in the Wusta region. Around 52% of all Oman's farms were designated for plant cultivation, 31% for stock rearing, 16% for plant cultivation and stock rearing and 1% for plant cultivation, stock rearing and poultry farming.

The overall area of agricultural land totalled 374,445 feddans (1 feddan = 4,200 m2/1.038 acre) - 178,515 feddans in the Batinah region, 51,091 in the Dhahirah region, 47,383 in the Dakhiliyah region, 43,006 in Dhofar governorate, 41,283 in the Sharqiyah region, 8,096 in the governorate of Muscat, 2,704 in the Musandam and 2,367 in the Wusta Region.

Initial results of the 2004-2005 Census show there are close to eight million date palms in the Sultanate, as well as more than 390,000 mango trees and many thousands of lime trees, coconut palms and other species of tree. The Batinah region has the most date palms, mango and lime trees, while Dhofar boasts the most coconut palms.

Livestock

Veterinary services, research and immunisation programmes have all played their part in helping the livestock sector to expand. Last year there were around 1,848,000 head of livestock, representing a rise of 3.8% over 2003. This was accompanied by rises in red meat, milk, poultry and egg production in line with improved rearing and production methods and better processing and marketing of animal products.

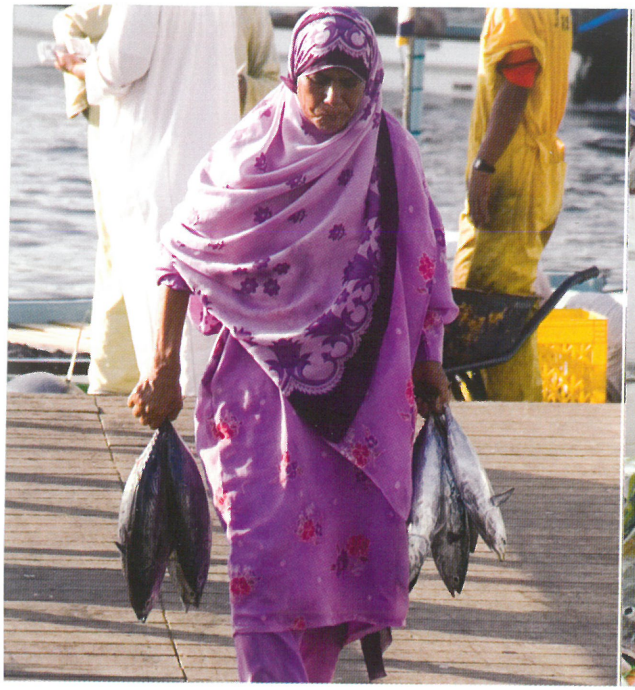
The project to reduce the number of wild camels in the governorate of Dhofar is part of a broad strategy designed to prevent over-grazing and encourage the area's natural pastures to recover.

Around 1.7 million head of livestock were immunised in 2004 and some 757,000 received veterinary treatment. A number of livestock-related advice and guidance programmes were also carried out to bring farmers up to date with modern techniques of animal husbandry.

Initial results of the 2004-2005 Agricultural Census revealed that there is a significant increase in the country's livestock numbers, including cattle, sheep, goats, camels and poultry.

Fisheries

The fisheries sector is second only to oil and hydrocarbon products in importance to the Omani economy. Because of the Sultanate's geographical location and a coastline that laps the Arabian Gulf, the Gulf of Oman, the Arabian Sea and the





Indian Ocean, fishing is one of the country's oldest traditional occupations. The sector currently employs over 32,369 licensed fishermen and there are almost 14,000 fishing vessels registered in Oman where catches, in 2003, totalled 144,421 tonnes, with a value of around RO64.8 million.

The fisheries sector has the capacity to increase its contribution to GDP. The development of fish farming, the creation of the fisheries quality control centre, improvements in the volume and quality of the catches will all contribute to the opening up of new markets for Omani fish exports.

Two fisheries training institutes have been established - in Al Khabourah and Salalah - and a fish-farming centre was completed in 2005. Priority has also been given to improving the country's fish souqs and completing its network of 14 fishing harbours.

Omani fish are a highly saleable commodity in the regional and world markets, and these measures will enable a new generation of medium-sized fishing vessels to be introduced, with the dual advantage of increasing catches and creating job opportunities for young Omanis.

The government offers soft loans to the fisheries sectors through the Oman Development Bank and encourages private sector involvement in the form of direct and indirect incentives.

In view of the importance of the Sultanate's fishing industry, Muscat was chosen as the headquarters of the Indian Ocean Rim Association for Regional Co-operation (IORARC)'s fisheries support unit when it was set up in May 2004 and in May 2005 the Sultanate hosted the first meeting of IORARC fisheries communications officials.

Oman is the HQ of the IORARC Fisheries Support Unit



Water resources

The Sultanate is in the world's arid belt and depends on groundwater and its limited rainfall (of around 100mm annually) for around 65% of its water supplies. The demand for water is continuing to rise so, in order to make up the shortfall, it must rely on desalinated water while it continues to search for new groundwater reserves and find ways to further rationalise and improve water consumption practices.
New groundwater stocks have been discovered in the Sharqiyah and Dhahirah regions and in the Nejd in the Dhofar governorate. Steps are now being taken to provide the population in some of those regions with access to the new water supplies.

Following Royal Decree No. 29/2000, issued 15/04/2000, promulgating the Law on the Conservation of Water Resources and Royal Decre No. 115/2001, issued on 14/11/2001, on the protection of water sources from pollution, Oman has established a national plan, supported by data from various studies and the survey of wells and aflaj (pl. of falaj, or water channel) to conserve, rationalise, regulate and manage its water resources on a scientific basis.

Underground water sources

By the end of the first phase of construction of the Hawdh al Masarrat basin in the Dhahirah Region in May 2004, production of water suitable for drinking and other domestic, commercial and industrial purposes had risen to two million cubic metres a year. By the year 2032, it is projected that eight million cubic metres of water a year will be piped to around 115,000 people in this area.
The Sharqiyah Sands Basin project, which began in 2001, was inaugurated in April 2004. By September last year it was supplying around 79,000 people as well as 11 tanker filling stations.

Water suitable for agricultural use has been discovered in the Nejd, Dhofar, while potable groundwater stocks have been found in Wadi Rawnat in the Wusta Region.

Aflaj, wells and dams

Oman's aflaj form a large interconnected system of water channels used for irrigation and transporting water over long distances from the mountaintops and wadis, to be used for a variety of purposes. The level of the water table, rainfall, gravity and consumption rates determines precisely how and when they are used.

The Omani falaj system is thousands of years old and maintenance work of these structures is carried out by the government, according to an annual timetable. There are over 4,000 aflaj in the Sultanate, 3,017 of which are currently in operation. Maintenance involves work on the channels themselves, the sinking of new auxiliary wells, or the excavation of new tributaries or basins to increase the water levels in the aflaj. The water of each falaj is allocated on an equitable basis to all its users, in accordance with

There are over 4,000 aflaj in Oman



There are three types of dams in Oman

certain fixed and recognized rules, passed down through the generations, which are always respected by the community. Citizens submit applications for the maintenance of their aflaj to the competent authorities.

Wells are a vital source of water, particularly during periods of drought and low rainfall. There are currently more than 127,000 wells in the country. Licences to drill new wells, restore, deepen or replace existing wells or install well pumps are issued by the Ministry of Regional Municipalities, Environment and Water Resources.

There are three types of dams in the Sultanate. The first type is the groundwater recharge dam. There are 24 such dams in the country with a combined storage capacity of over 77.8 million cubic metres.

The second type of dam is the surface storage dam. There are now 52 of these in the Oman following the inauguration of 12 new ones in November 2004; 34 on Jebal al Akhdhar, 15 on Jabal Shams and three on Jabal al Sarah near Ibri.

The third type of dam is the flood protection dam, just one of these dams exists in Khor Rassagh in Sur.

An integrated system has been set up to monitor, analyse and assess the water situation and ensure relevant databases are constantly updated; in doing so it utilises information from 4,000 observation points in various parts of the country, which monitor the rainfall, wadis, aflaaj, springs, dams, wells and creeks.

Renewable energy

Oman enjoys clear, sunny weather throughout the year in addition to monsoon winds, providing conditions that can be utilised in energy generation projects. The advantages of solar and wind power are much in keeping with Oman's environmental ethos, in that they are renewable and do not harm the environment.



Camel riding in the Eastern Sands is popular.

Solar power has been used to operate the water desalination plant at Hailat al Rakah in Thumrait (Dhofar), to generate electricity for lighting projects in some remote areas on the North Batinah, and to operate several radio and television booster stations. Solar-powered parking meters are another example of the successful use of this clean, renewable energy source that will be gradually extended into other fields.

Tourism

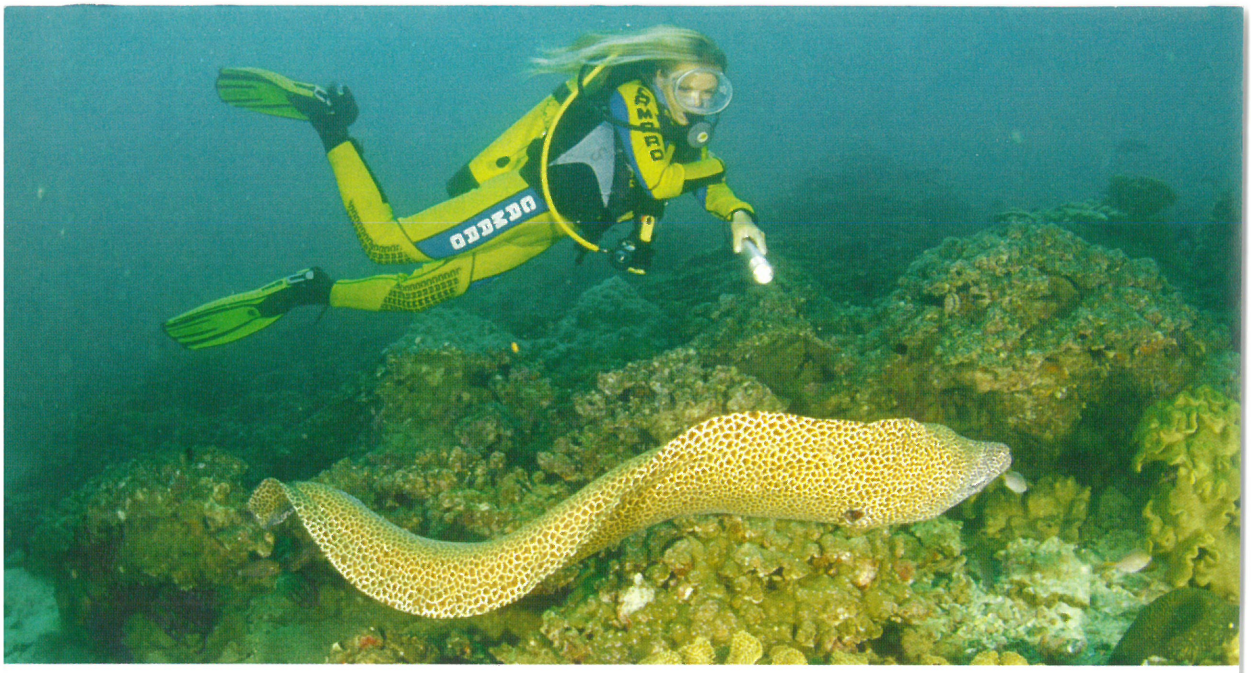
The creation of a Ministry of Tourism in 2004 marked a new phase in the development of this vital economic sector.

Oman has around 550 tourist sites spread across every governorate and region, including forts, castles and ancient mosques, as well as mountains, deserts, fine sandy beaches and blue seas. Offshore, there is an abundance of marine life, with coral reefs and other attractions for divers, while on land there are caves and myriad opportunities for adventure in the mountains and deserts. The Sultanate provides excellent restaurants serving cuisine from around the world, shopping centres and souqs, as well as facilities for "conference tourism". The country's wide variety of climatic conditions makes Oman an attractive destination at any time of year.

Tourism in the Sultanate is promoted at international travel fairs, exhibitions and markets. During the year Oman has taken part in over 15 forums and exhibitions in Europe, Russia and Japan; it has also been represented at events in the Gulf and the wider Arab world. In

The Hooti cave is well worth a visit





A honeycomb moray eel forages over a field of bush corals - scuba diving reveals the beauty of the sea

February 2005 the Sultanate hosted a conference "Built Environment for Sustainable Tourism" which was attended by members of the World Tourism Organisation and UNESCO. The event produced a number of useful recommendations on how best to go forward, particularly with respect to architecture and Oman's unique heritage.

In April 2005, a tourism awareness week was held under the slogan "Tourism enriches", to highlight the importance of this sector in Oman and its potential benefits for different sections of society, and to underline the need for the community's co-operation to ensure its success.

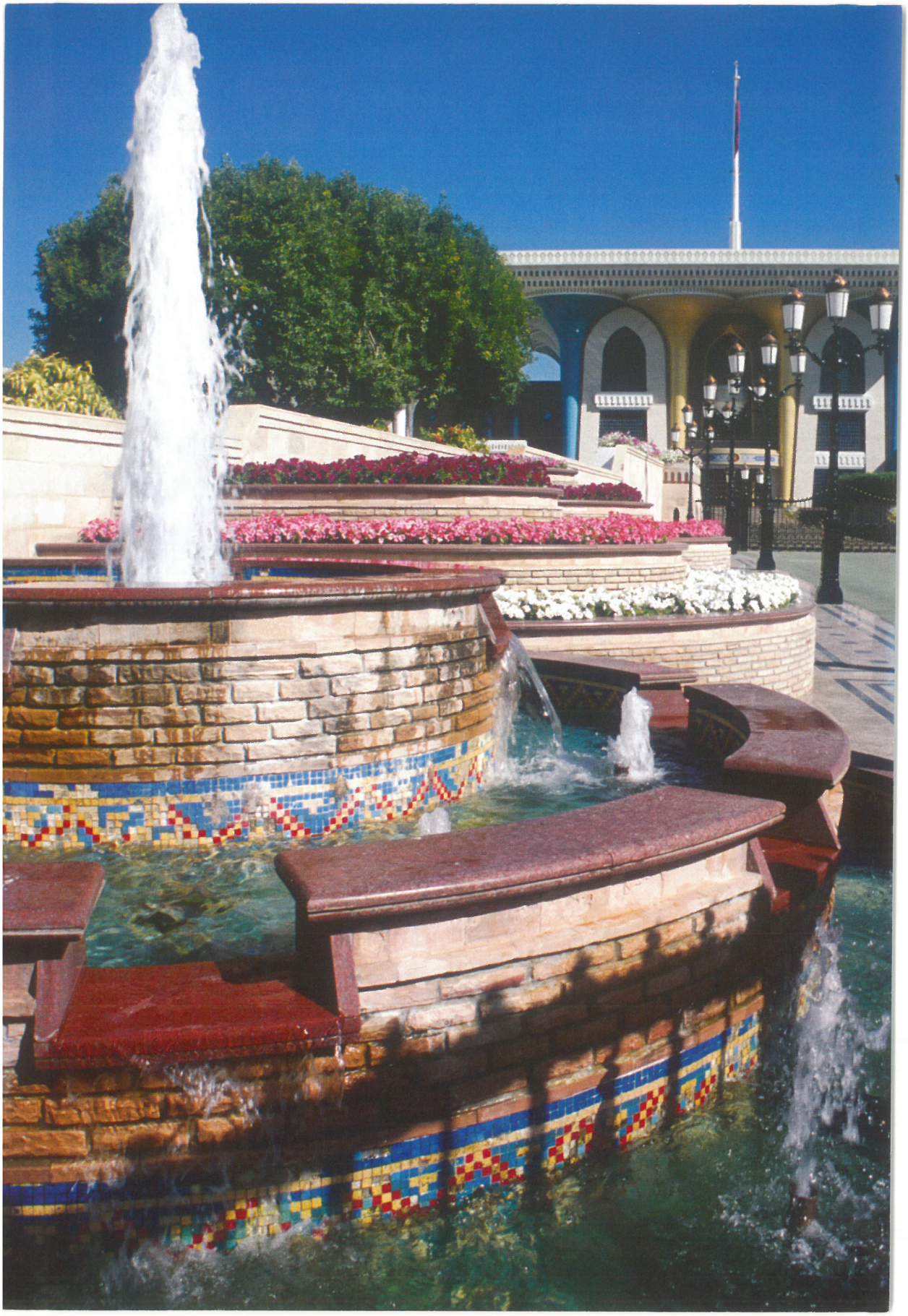
The government is offering a wide range of facilities for potential investors in the tourist sector throughout the governorates and regions, and a recent example is the first major tourist facility on Masirah Island. This beachfront property comprises 24 rooms, including chalets and suites. There are also opportunities for non-Omanis to own units or operate their own projects in the self-contained tourist areas.

Agreements have recently been signed with the following:

In May 2005, with Dubai International Properties for a luxury resort in Yiti in the governorate of Muscat. This project will be set up on a 2.6 million sq. m with a beach and will include a hotel, health resort, golf course, marina, and villas.

On 4th June a state-of-the-art US$15 billion tourism development project – Al Madina Al Zarqa, or the Blue City – was unveiled. It will be developed by Al Aawadi Investment and Tourism Company llc, comprising an international consortium and investors. This prestigious tourist city near Barka, about 100 kms from Muscat will have a

Al Alam Palace in the background. Muscat is a clean, elegant and vibrant city





A panoramic view of the Barr Al Jissah 3-hotel resort which will be completed at the end of 2005. The tourism industry is a major contributor to the national economy

building density of over 10 million sq.m. Work will begin this year on the RO697m (S1.8 billion) first phase of the project, which will cover an area of eight square kilometres. Completion of this ambitious project is expected to take a minimum of 15 years.

On 19th June the Ministry of Tourism signed an agreement, worth RO1 million with Oman LNG, for the establishment of a Scientific Centre and Museum in Sur, to showcase the marine ecology of the Sharqiyah coast.

On 12th July it was announced that a RO10.46m (S27m) boutique resort was to be developed at Zighi Bay, a scenic seafront location just north of Daba harbour in the governorate of Musandam. The Thailand-based Evason Hideaways Six Senses Resorts and Spas will undertake the project.

At the end of July a Memorandum of Understanding was signed with a Qatari company to establish a tourist resort in Ra's al Hadd, which will involve the development of an area of two million sq.m.

In Muscat alone there are 59 good hotels and hotel apartment complexes. In addition, at the end of 2005 the 683-room Barr al Jissah hotel project in a Muscat bay will open consisting of 3 hotels: the Al Husn (ultra luxurious with its own private beach), the Al Bandar (a deluxe hotel) and the 4-star Al Waha.

Work has also started on the Wave project, costing RO305 million which will extend along a 7.3 kms coastal strip beside the Gulf Oman and Seeb International Airport. It will also have a marina equipped to accommodate around 500 boats, and a golf course.
The construction of more youth hostels is also a priority. Consisting of chalets or studio flats with essential services, their



A visit to the beautiful Sultan Qaboos Grand Mosque is a must for the visitor

purpose is to encourage young people to travel and make use of tourist facilities at reasonable prices.

The Ministry of Tourism aims to restore the old mountain passes to encourage trekking in the mountain areas. The first phase of the programme covers six passes - in Jabal Shams, Misfat al Abriyeen, and the Jabal al Akhdhar (Dakhiliyah) and al Awabi (Batinah), Wadi Tiwi in the Sharqiyah Region, and Riyam-Mutrah in the Governorate of Muscat.

Oman's hotels, together with the Royal Oman Police, Oman Air and other companies and organisations have sponsored a range of services and facilities to attract visitors and tourists to the Sultanate and official measures, including a move to allow citizens of 63 countries around the world to obtain visas at the airport on arrival, have had a positive effect.

At present the Muscat area and Dhofar attract the majority of overseas visitors, but plans are afoot to develop tourist facilities across the length and breadth of the country.

Muscat

Muscat, which has won many Arab, regional and international prizes for its cleanliness, orderliness and beauty, appeals to visitors and residents alike. In addition to its world-class hotels, including the prize-winning Al Bustan Palace, it has a range of hotel apartments to suit different categories of tourists, including visiting families. The city also boasts a number of shopping centres and malls, while Mutrah's traditional souq has been developed in a way that ensures it retains its unique traditional character. Most malls, alongside internationally recognised brand names, have shops selling locally produced jewellery and handicrafts.

Muscat is particularly notable for its



During the mansoon in Salalah, Dhofar

greenery; many different varieties of flowers, trees and shrubs proliferate along the city streets. There are also many fine parks and gardens in the capital area. The Muscat Festival, held from 21st January to 18th February this year, reflected much of the reality of present-day Muscat, depicting its heritage and folklore, but also including an Information Village, events and an exhibits' programme demonstrating aspects of modern science and culture. In 2005 the festival – which attracted 1,755,564 visitors — included a much wider area of activities than in previous. A golf course too is being built in Muscat complete with smart residential villas, a golf course, a health club, tennis courts, swimming pools and other facilities.

Dhofar

Tourists can enjoy Dhofar's many attractions and historic sites, while its modern facilities and services continue to expand to meet the growing demand. Development of the tourist infrastructure is continuing with the construction of more hotels and hotel apartment complexes of various categories, particularly in view of the growth in family tourism from the AGCC states and from within the Sultanate itself during the khareef/monsoon season. Several other facilities are also being developed, including picnic areas on the beaches, mountains, creeks and nature reserves and work continues on a number of economic and development projects such as the first phase of the Salalah Free Zone, the expansion of Port Salalah harbour and the completion of the modern road network and sewerage system.

During the Khareef, (monsoon) season, which runs from about 21st June to the end of August, the plains, mountains and wadis of Dhofar become a unique summer resort in the midst of the Arabian Peninsula's blazing summer.

Environment

Protecting the environment has been a major priority in Oman since the 1970s. Originally, the focus was on implementing measures to prevent pollution but over the past 35 years, environmental conservation has expanded to cover a whole range of sectors.

Social and economic developments invariably disturb the status quo, taking their toll on the local environment, but the Omani government, with the support of the public, has gone to great lengths to ensure protection and conservation methods in the Sultanate are adequate and in place. The Law on Environmental Conservation and the Prevention of Pollution was promulgated under Royal Decree No. 114/2001 issued on 14th November 2001.

The national strategy involves protecting the natural ecosystems, developing ways of safeguarding bio-diversity and ensuring a balance is maintained between development planning, the environment and the sustainable use of bio-resources.

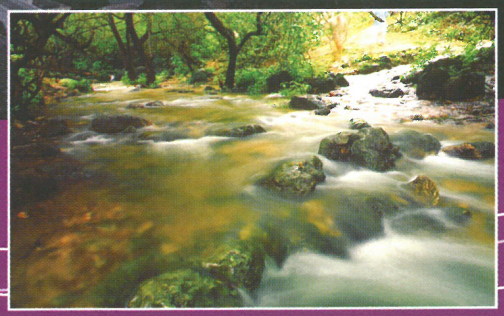
The designation of 2001 and 2002 as Years of the Environment had a major impact on environmental awareness. Meanwhile, a series of regular environmental competitions encouraging the public to take an interest in their surroundings by improving the appearance of their towns and initiating projects to benefit the local community, have also proved effective. Strict regulations are in place to ensure environmental factors are taken into account when starting up new projects and the Sultanate benefits from cooperation agreements with a variety of regional and international environmental conservation agencies. In

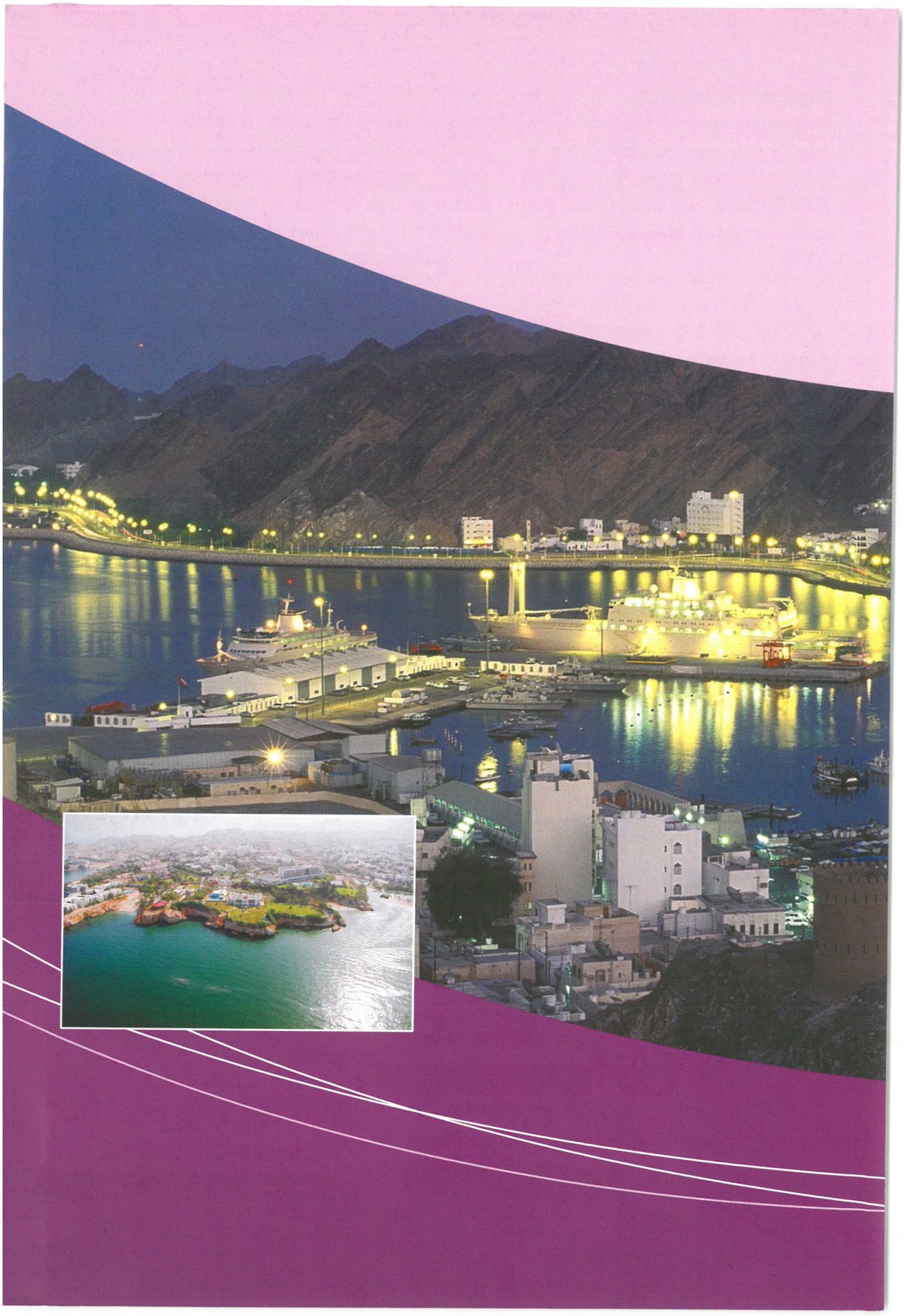


An immature flamingo is one of many birds to be seen in the Sultanate

ENVIRONMENT AND SERVICES







Frequently the temperature in Dhofar does not rise above 23 degrees C during these months, light rains and drizzle fall steadily from the clouds that envelop most of Dhofar, transforming the region into a regional oasis of lush greenery.

The Khareef Salalah Festival takes place in July every year. In 2005 year it coincided with the opening of the Salalah Theatre, which has seating for around 7,000 people. The municipal recreation area has been expanded and improved to accommodate the growing numbers of visitors. During the Festival there are numerous cultural and sporting events and entertainments, as well as opportunities for shopping and sightseeing. However, tourism in Dhofar is not limited to the Khareef season. There are numerous year-round attractions such as the water spouts at Al Mughsail, the nature reserves, the mountains and natural springs.

A large number of sites in the Dhofar region are of historical interest and many already appear on UNESCO's World Heritage Cultural List "Land of Frankincense" sites which include Khor Rori, Al Balid, Shisr, and Wadi Dawkah. *(For details of archaeological sites - see Heritage and Culture, p.118)*



Cruise ships dock regularly in Muscat and Salalah

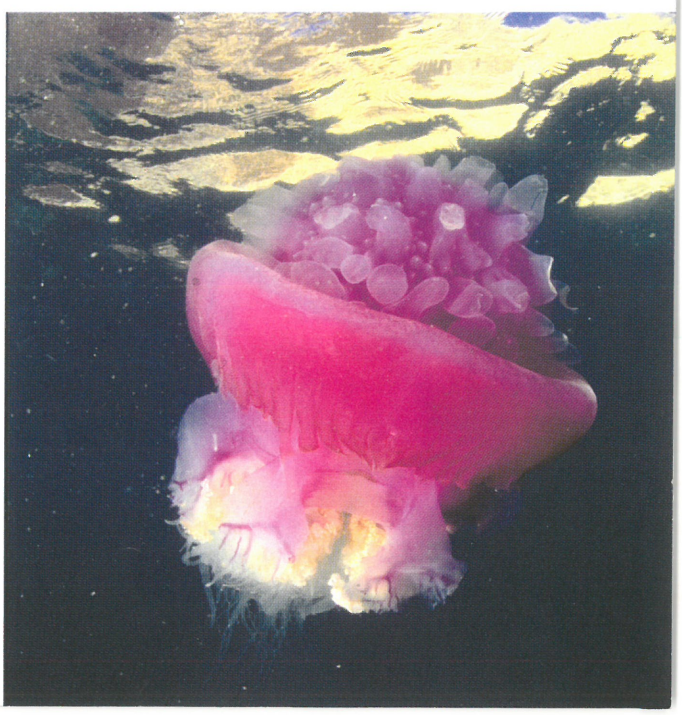


this connection the International Maritime Organisation (IMO) has declared the area from Ras al Hadd to the Sultanate's southern borders - and for a distance of around 200 nautical miles from the coast - a specially protected marine area. This measure is intended to help conserve the sea's natural resources, to regulate tourist activity in protected areas and to compel passing ships to comply with environmental regulations on waste disposal in the marine environment.

Oman has established a reputation for its commitment to conserving the environment, whether within the Arab Gulf Co-operation Council (the ships' waste reception and marine refuse treatment project); or at the regional level (the Sultanate hosted the Muscat meetings of the Regional Organisation for the Protection of the Marine Environment (ROPME) in June 2005); or in international arenas (between 21st and 23rd February 2005 Oman hosted a 3-day International Conference on Bio-safety).

The Ministry of Regional Municipalities, Environment and Water Resources issues environmental permits, reviews

Measures to conserve the sea's natural resources are being put in place





Oman has established a reputation for its commitment to conserving the environment

regulations on development activities likely to affect the environment and assesses the environmental impact of all industrial installations. The Ministry has set up eight radiation early warning stations in various parts of the country, as well as air quality monitoring stations in Mina al Fahal, and on the Rusayl and Sohar Industrial Estates. It also has acquired 10 new mobile units for measuring air, noise, radiation and monitoring ozone layer depletion which are deployed around the country.

In mid-2004 a mangrove afforestation, conservation and management plan was drawn up for the Sultanate in collaboration with the Japanese International Co-operation Agency (JICA). Lagoons along the coast have been planted with around 188,000 mangrove trees and a permanent nursery has been established at the mangrove reserve in Muscat.

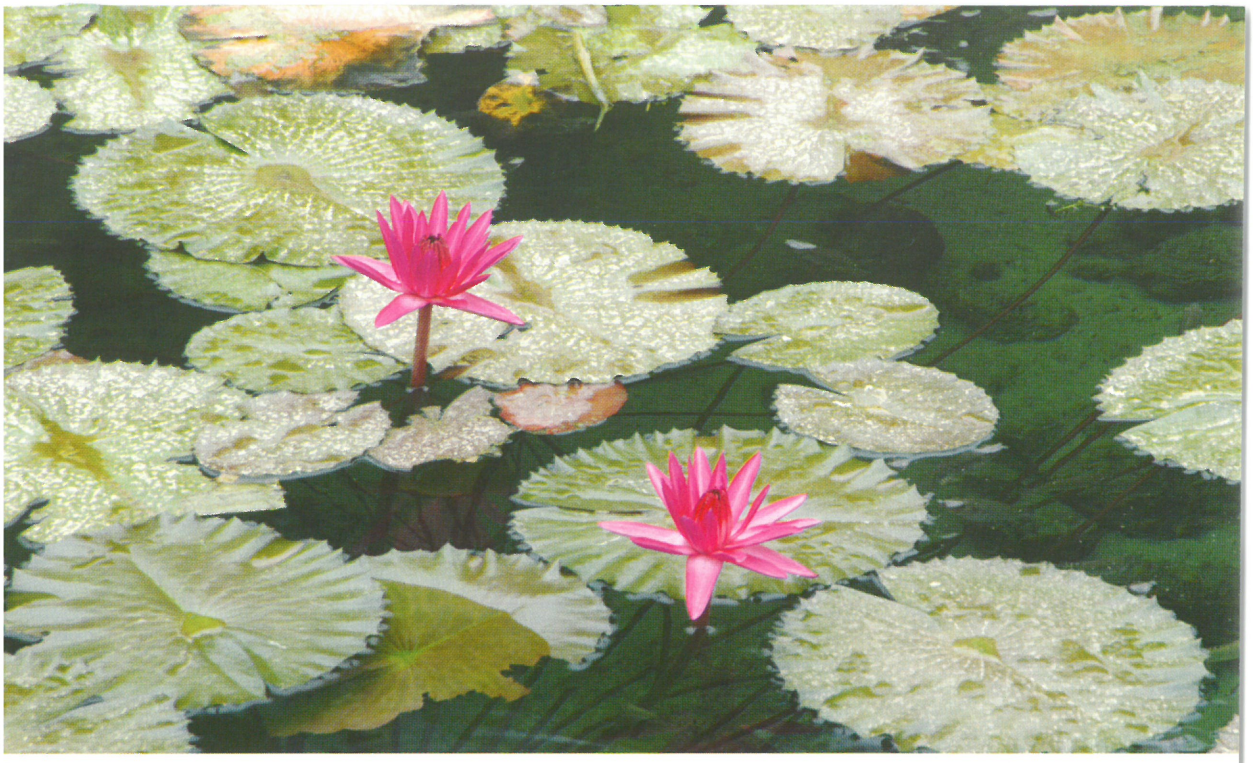
As part of a coral reef conservation scheme 420 blocks of concrete have been placed in the coastal waters off Mina al Fahal and the Daymaniyat Islands. To maintain the diversity of flora, nurseries have been established in the Saleel Natural Park reserve in the Sharqiyah region and in Qairoon Hairiti in Dhofar to propagate the endangered wild plants found in the local environment.

Wildlife and nature reserves

The Sultanate's nature reserves reflect the whole range of Oman's diverse environments, climates and terrain which in turn attract thousands of different species of wild animals, rare birds, trees and plant and aquatic life. Since Oman's wildlife is a rare and valuable

At hatching Green Turtles are just 50mm in length. By the time they are grown the carapace typically measures up to 1.2m in length





After the monsoon in Salalah. Two nurseries have been established to propagate endangered plants

asset for the economy and in particular tourism, steps have been taken to conserve it in its natural habitat. In this connection Royal Decree No. 6/2003 issued on 8th January 2003 promulgated the Law on Nature Reserves and Wildlife Conservation.

Six Omani nature reserves are already included on the World Conservation Union's list, including the Arabian Oryx Sanctuary on the Jiddat al Harasis, the Turtle Sanctuary at Ras al Hadd, the Daymaniyat Islands Sanctuary, the Saleel Natural Park, Jebel Samhan Nature Reserve, and the lagoons (khors) in Dhofar. Not on the World Conservation list but an important experiment in protecting indigenous species is the Wadi A'Sareen reserve for the Arabian Tahr.

Oman's nature reserves are attracting increasing numbers of tourists from inside the country and abroad. All are protected by trained rangers and monitored to prevent the illegal killing or capture of animals. Two environmental research centres are being established: a Mangrove Centre at Qurm Natural Park and a Turtle Centre at Ras al Hadd. A wildlife rehabilitation centre will be set up in the district of Barka and there is also a project to record all captive gazelles in the Sultanate. Another important initiative is the turtle-counting programme on Masirah Island, one of the most important turtle nesting sites in the world with over 30,000 turtles laying their eggs on its shores annually. January 2006 will see the launch of field surveys on the Arabian leopard in Musandam in cooperation with an international eco-tourism operation. In Dhofar the Arabian Leopard Survey, started in 1997, is ongoing in Jebal Samhan and elsewhere in the mountains.

Marine Life

Along Oman's coast 21 species of whales and dolphins have been identified. The Oman Whale and Research Group (OWDRG) is an independent volunteer group of scientists that carries out surveys of these cetaceans. Their 4th major survey was carried out in the Gulf of Masirah in November 2004 when observations were made of near-shore species such as the bottlenose and humpback dolphins, humpback whales, Bryde's whales and common dolphins. Results confirmed the Arabian Sea whales are the only documented non-migratory population of humpback whales in the world. The OWDRG is now part of the newly formed Environmental Society of Oman.

Hundreds of different fish species of varying colours, sizes and designs inhabit the reefs: groupers, eels, lobsters, blue box fish, barracuda, lion fish, golden cardinals, frog fish, clown fish and parrot fish to name a few. Of the 25,000 different species of fish in the world, a considerable number of them are found in Oman and have made the country a popular destination for the world's scuba diving fraternity.

The beaches too are a shell spotter's paradise: tiny pink umboniums, Venus clams, pectens, textile cones, spiny murex, spindle shells, cowries and paper nautilus are but a few to be found.

The Sultan Qaboos Prize for Environmental Preservation

While focusing much of its attention on the conservation of the Omani environment, the Sultanate - as a firm believer in the power of joint international effort - also cooperates with several regional and international environmental organisations. In doing so, it has translated its commitment to the environment into constructive proposals and programmes; for several years it has actively supported environmental organisations in the Gulf, the Arab world and beyond. One of its most important initiatives in this respect is the Sultan Qaboos Prize for



Roses on the Jebel al Akdhar bloom only in April, whilst other flowers in Muscat come to life during the winter months

Environmental Preservation, which is the first Arab prize to be awarded by UNESCO for international efforts on behalf of the environment.

This prize, instituted by His Majesty Sultan Qaboos at the Earth Summit in Brazil in 1989, demonstrates his personal commitment to the environment not only in Oman, but also across the world. UNESCO has awarded it evey two years since 1991 for outstanding international contributions to environmental conservation.

Selected UNESCO officials from the Programme on Man and the Biosphere (MAB) form a judging committee to decide on the winners, which have included: the Instituto de Ecologia, Mexico (1991), Professor Jan Jenik of the Czech Republic (1993), Lake Malawi National Park (1995), Department of Environmental Sciences, University of Alexandria, Egypt, and the Forestry Department of Sri Lanka (1997), the Charles Darwin Foundation for the Galapagos Islands (1999), Association Tchadienne des Volontaires pour la Protection de l'Environnement, Chad (2001) and in 2003 the prize was awarded to Norwegian Peter Johan Schei - a scientist specialising in bio-diversity research, and to the Centre for Ecology in Venezuela.

In 2005 the prize was also split, the recipients being the Great Barrier Reef Marine Park Authority in Australia and Mexico's Dr Ernesto C. Enkerlin-Hoeflich, President of his country's National Commission on Natural Protected Areas.

Regional Municipalities

The Ministry of Regional Municipalities and Environment, plays an important role in improving services and infrastructure that have a direct bearing



An aerial view of residential housing in Qurm, Muscat Governorate

on people's lives. Oman has an extensive network of arterial roads linking the districts and regions and connecting the Sultanate with neighbouring countries. Now, the focus is on smaller scale projects that will improve the mobility of Omanis living in small towns and villages. Resurfacing streets and minor roads in the districts, towns and villages and installing street lighting has had a positive impact on regional economic life and trade.

In addition to improvements to roads, roundabouts and tourist sites, sewerage systems are currently being installed across the country. In other operations, foodstuffs were randomly monitored and analysed and those that failed to meet government specifications were destroyed if considered unfit for human consumption.

Housing

The Sultanate's impressive progress on the economic and social fronts has been accompanied by major advances in the housing sector. According to the 2003 Census of Population, Housing and Establishments over 89% of Omani families own their own homes. This provides citizens with increased stability and, given that services are now available in all the regions, reduces migration to the towns. Building development plans are based on, and supported by, a geographical database. Proposals for new residential building areas are closely monitored to ensure they meet the needs of the local population and the demands of the regions' economic and social development as a whole. In 2004 the Ministry of Housing, Electricity and Water laid out 164 such areas, making almost 40,000 new individual building plots available in various parts of the country.



Social housing is provided for those on limited incomes

Real estate transactions and all changes of title are registered on the Real Estate Register for ease of transfer and to protect the citizens' rights. In 2004 28,993 plots of land were registered for the first time.

Royal Decree No. 21/2004 of 11th February 2004 regulates ownership of real estate in the Sultanate by citizens of the Arab Gulf Co-operation Council (AGCC) states. In 2004, 716 land ownership certificates were issued to AGCC citizens, an increase of 26% on the 2003 figure. Ministerial Decision No. 254/2004 regulates ownership of real estate by non-Omanis in tourist complexes licensed by the competent authorities as part of an initiative designed to encourage investment in the tourist sector and to encourage non-Omanis to buy property and land designated for tourist purposes, under certain specific conditions.

Assistance schemes

In addition to offering facilities such as land grants and loans from the Oman Housing Bank (OHB), the government aims to provide suitable accommodation for those on limited incomes, including families on social security, through three housing programmes.

Social Housing

In 2004, 749 social housing units were built in various parts of the country. The Oman Charitable Organisation (OCO) funded some of these homes, although most were funded by the government. A number of opportunities are available to enable citizens to acquire ownership of their social housing units.

Housing Benefits

Under this programme the state provides housing grants of RO6,000 to families on limited incomes (i.e. whose monthly incomes do not exceed RO129) and to families on social assistance who are not beneficiaries of the loans system or the social housing programme. This sum is paid to citizens whose houses require renovation or rebuilding work.

In 2004, 1,445 families benefited from this programme, compared with 625 in 2003. In 2004 in excess of RO8 million was paid out in housing assistance to families in the governorates and regions.

Housing Loans

The housing loans programme is intended to help Omanis on monthly incomes ranging from RO130 to RO300 at the time of application. Loans, which are interest free, may be as high as RO 15,000 and are repayable by monthly instalments. Housing loans can be used for building or purchasing a house

Real Estate transactions and all changes of title are registered on the Real Estate Register





An electricity generating plant at Bahla, Dakhiliyah region

or for completing work on an existing house. This programme is designed for self-employed people with disbursements determined by estimated average annual income. In 2004, 159 people in the governorates and regions benefited from this programme, receiving loans totalling RO1.8 million.

Electricity

The electrical power production system in the Sultanate is fuelled by 49 power plants with a total production capacity of 3,024 megawatts. In 2004 these plants, together with imports from other sources, generated 11,494 gigawatts per hour, representing a 7.3% increase on the 2003 figure. As a preliminary measure, the Ministry of Housing, Electricity and Water has carried out experimental operational tests on the electricity control centre project in the governorate of Muscat; this project is a step towards eventually linking all the main power stations to a single grid, managing and controlling the main power grid round the clock and controlling the recently-installed 220Kv power lines and transformers.

Construction of the Sohar power station and desalination plant is due for completion in 2006. Work is continuing on the Oman and United Arab Emirates power station project and in June 2004 an agreement was signed on a power link between the two countries as part of the power link between the AGCC states.

The Privatisation Law was promulgated under Royal Decree No. 77/2004 on 14th July 2004. The Sultanate took an extremely significant step in the implementation of its privatisation policy when Royal Decree No. 78/2004 was issued on 20th July 2004 promulgating the Law regulating and privatising the electricity and water sector.



New ground water stocks have been discovered in the Sharqiyah and Dhahirah regions - here a water tower

The electricity and water sector was restructured following a Ministerial Decision issued by the Minister of National Economy on 30th April 2005, which ruled that the assets and obligations of the electricity and water sector must be transferred to the relevant government-owned companies established under the law. Some Ministry of Housing, Electricity and Water personnel were also transferred to those companies which are: the Electricity Holding Co. (SAOG), the Ghubrah Power and Desalination Co. (SAOG), the Rusayl Power Co. (SAOG), the Wadi al Jizzi Power Co. (SAOG), Mazoon Electricity Co. (SAOG), Muscat Electricity Distribution Co. (SAOG), Majan Electricity Co. (SAOG), Oman Electricity Transmission Co. (SAOG), Oman Power and Water Purchasing Co. (SAOG) and the Rural Districts Electricity Co. (SAOG). An independent authority was set up to regulate and monitor the sector.

Private Sector Power Projects

There are four privately funded power projects operating in Oman: The Manah Power Plant was established in 1996,

Wadis provide water for a multitude of uses





Port Sultan Qaboos has extensive facilities for cruise ships

and its five gas turbines provide a total installed capacity of 270 megawatts. Al Kamil Power Plant's gas turbines have a a total capacity of 290 megawatts. Barka Power and Water Desalination Plant consists of a combined cycle plant including two gas and one steam turbine with a total installed capacity of 427 megawatts and a water desalination plant with a capacity of 20 million gallons per day. The Dhofar Power Company project is formed of a power plant that contains 8 gas turbines with an installed capacity of 242 megawatts, as well as a 132 KV transmission system. This is a 'build, own, operate and transfer' (BOOT) project. Oman's domestic voltage is 220 volts.

Water

Annual rainfall in Oman is below 100 millimetres making the country dependent on groundwater, which supplies around 65% of its needs. For many years the government has invested in efforts to discover new groundwater sources and utilise existing ones efficiently. Meanwhile, the construction of water desalination plants to cope with increased consumption resulting from economic and social development continues. Today, desalinated water supplies around 35% of the Sultanate's water needs from units of various sizes and capacities in several regions, particularly the remote and arid areas. Efforts are also being made to exploit the Sultanate's sunny climate by operating some of these plants on solar energy.

The government runs public education campaigns to raise awareness on the need to conserve water and stresses it is a patriotic duty to do so. Efforts are also being made to make as much use as



Port Salalah is being further expanded over the next 18 months

possible of the country's annual rainfall by building groundwater recharge dams and ensuring the falaj, or irrigation channel network is kept in good working order. In 2004, water production from conventional and non-conventional water resources was more than 1,391 million cubic metres per years which equal to 950 million gallons per day.

Work on water supply and conservation projects is ongoing with funding supplied by both the public and private sectors and exploratory work for new sources of supply continues. *(See Economy p.162)*

Ports

Oman's ports are ideally placed to play a pivotal role in trade and transit operations within the Gulf region and between the Gulf and the outside world. The country's ports are already equipped to meet all the country's needs and offer top class regional and international trade and transit facilities. However, the Sultanate hopes to further capitalise on its geographical location and centuries-old experience as a trading nation, following its accession to the World Trade Organisation (WTO) and the boom in the region's trading activities.

Crude oil is exported through the port of Mina al Fahal in the governorate of Muscat, while liquefied natural gas is exported from the port of Qalhat, near Sur in the Sharqiyah Region.

The government is currently taking steps to expand and develop the handling capacity of all Omani ports to give the Sultanate a bigger role in trade between the Gulf and the outside world.



Sohar Port, dredged to a depth of 16 metres and protected by two breakwaters

Port Sultan Qaboos

Port Sultan Qaboos (PSC), operated and managed by Port Services Corporation SAOG since 1976, is the Sultanate's main seaport and the bulk of Oman's trade with the outside world passes through it. The port was built in 1974 to handle just 2 million tonnes of break bulk cargo. It has grown considerably since then and now has the most modern container handling facilities.

In 2004, PSC received 1,867 ships including 772 container vessels - an increase of 6% on the previous year; a total of 286,810 TEU containers were handled at the port - an increase of 8.3% compared with the 2003 figure.

Port Sultan Qaboos handles vessels from 75 shipping lines dealing in the export/import of general goods, containers and other cargo. A modern passenger terminal is being built at the harbour in two phases. A full-fledged entrance gateway and equipment workshops are currently under construction. Further expansion of the harbour facilities is being studied. This port has extensive facilities for cruise ships and last year welcomed 15 such vessels.

Port Salalah

Port of Salalah's importance increased after the construction of its international container terminal in 1998, which increased capacity for handling second and third generation container ships.

Following its success as a transhipment hub for the region the Port of Salalah is being further expanded under a scheme, which will cost the government US$262 million, and the port's management company, Salalah Port Services (SPS), a further US$94 million. Two new berths are being added to the container

terminal, which will add 960 metres to the present 1,236 metre quayside; a 2.85 kms breakwater is also being installed. The harbour basin will be dredged to a depth of 18 metres and the approach channel to a dept of 18.5 metres. The expansion work is expected to take approximately 18 months and will bring the total capacity of the port to around 4 million TEU (twenty-foot container equivalent units) per annum, as well as allowing the port to handle up to eight container ships at one time. In 2004 the port handled 2,128,010 TEU of containerised cargo and 1,542,000 tonnes of general and bulk cargo. The handling areas in front of Jetties 30 and 31 are being surfaced to enable the handling of any mix of container, bulk, general or liquid cargo.

In its short history the Port of Salalah has become a full service port providing the stevedoring of containers and general cargo, refrigerated container sockets, container maintenance and repair, cargo consolidation, tug services, pilotage, bunkering, warehousing, real estate leasing, terminal management consultancy, container freight stations and numerous others.

The cornerstone of the new Salalah Free Zone was laid in March 2005.

Port Sohar

Sohar Industrial Port is situated on the Batinah coast, some 270 kms north of Muscat and is one of the government's leading projects, in terms of both size and anticipated economic return. Since construction started in 2004 an entrance channel and harbour basin have been dredged to a depth of 16 metres, protected by 2 breakwaters, and a quay wall of one km length is ready for the berthing of ships.

The port infrastructure will be completed in 2005 with another two quay walls of 350 and 500 metre lengths, together with three jetties with eight berths. The port will go into operation at the beginning of 2006, though it has already begun to receive ships carrying equipment and material for the harbour development projects at the nearby Sohar Industrial Estate, where the Sohar Industrial Port Co management company will be based. *(See Economy Chapter for details of mega-projects).*

Port Khasab

Port Khasab's location in the governorate of Musandam near the strategic Strait of Hormuz gives it a pivotal role as a trading harbour, particularly with neighbouring states.

Work on the expansion of the port is ongoing; a 575m long main breakwater has been built, along with a lee breakwater of 440m. The port approach channel has a depth of 10.5m below Chart Datum (CD) and the port basin records 10m CD. The berthing facilities contain a commercial berth and a fishing berth.A modern cruise/passenger terminal is being constructed, along with Port administration facilities, including a coast guard building and a customs immigration section.

In 2004 a total of 55,897 vessels used the port and most of these boats and trading dhows were Iranian. Trade through Port Khasab is expected to increase substantially, particularly after the opening of the Oman Trade Office in the Iranian port of Bandar Abbas in December 2004.

Port Shinas

Port Shinas is a commercial port serving trade in the Northern Batinah region. Most of the focus is on fishing, livestock, fruit, vegetables and consumer goods. The harbour basin has been dredged to a depth of four metres and the harbour entrance to a depth of 4.5 metres. The port can handle commercial vessels with draughts up to these depths.



A dual carriageway at Sohar links it to Muscat and the UAE

Port Duqm

Plans are underway to expand Port Duqm (in the Wusta region) as a multi-purpose port. The present plan is that Port Duqm will have a dry dock, with depth of 16m for maintenance and repair of ships of up to 400,000 DWT, with lay-up berths of about 1,200m long. The port's commercial berths will handle aggregates, minerals, metal ores, containers, general cargoes, fuel and other cargo and include berthing for government jetties with an overall length of around 240m for the Royal Navy of Oman and the Coast Guard service.

The Duqm port project will include construction of a separate fishing harbour away from the above in coordination with the Ministry of Agriculture and Fisheries. On completion this will give a significant boost to trade and encourage tourism in the Wusta Region, particularly given its proximity to Port Salalah and Masirah Island.

Masirah Island Mooring Facilities

Mooring facilities have been created at Masirah Island to accommodate the ferries sailing from there to Shannah and also to help promote trade in the Wusta region. The mooring facility consists of a breakwater of about 545m and a landing platform of 144m. The all time depth of water available in the mooring area is 2.5m CD.

Shannah Mooring Facility

In order to provide a matching facility with that available on Masirah Island, a



study for the construction of the new mooring facility for the ferries at Shannah is being conducted. On completion, the facility will provide an all time depth of 5.5m CD at the berthing area. The landing platform will be capable of accommodating 12 ferries at a time. Site investigations including geo-technical surveys have already been completed.

Fishing Harbours

There are also more than 10 small fishing harbours along the Omani coast, some with facilities including ice factories, to allow fishing trawlers to berth, unload and store their catch.

Roads

Oman has a network of excellent, modern surfaced roads in every district and region of the country. These highways are the arteries of economic and social development and among the main elements of sustainable growth. The government has adopted a comprehensive programme in which road building and maintenance projects are awarded a priority status. Other traffic measures such as road safety, the introduction of traffic calming schemes and reducing congestion in the capital of Muscat, are aimed at ensuring the safety of citizens throughout the country.

The roads from Oman to the neighbouring states of Saudi Arabia (via the UAE) and the Republic of Yemen are also complete, making the transit of people and produce more efficient and cost effective.

In addition to the projects approved in the Sixth Five-Year Plan (2001-2005), additional road schemes to the tune of RO285 million have been announced following Sultan Qaboos' Royal Tours.

Although Oman's highways network is impressive and efficient, like all road systems, it requires continual upkeep and frequently expansion to keep pace with ever-changing demands. The Muscat-Salalah highway is of particular importance because of its significance for economic prosperity and tourism. The road has witnessed an increase in vehicles, especially during the monsoon season, but also throughout the rest of the year following the growth in trading activity through Port Salalah.

A study, completed in collaboration with the Japanese International Co-operation Agency (JICA) on the development of Oman's network of principal and secondary roads up to the year 2030, anticipates the major areas of growth and development.

At the end of 2004 the Sultanate had a total of 9,260 kms of surfaced roads and a further 1,821 kms scheduled for early attention , some of which are currently underway. In 2004 there were also 11,890 kms of graded roads

Public Transport

The Oman National Transport Company SAOG (ONTC), was established in 1972 to provide transport for schoolchildren. In July 1974 these services were extended to the general public in Muscat and in 1976 long distances routes became a part of ONTC's national

Roads link villages to the towns, in sometimes difficult terrain

operations. Today ONTC's fleet of comfortable, modern, air-conditioned, luxury buses operate over routes between the governorate of Muscat and destinations as distant as Dhofar. It also runs services to the United Arab Emirates - including Abu Dhabi (via Buraimi), Dubai (via Al Wajajah) and Sharjah - in addition to overland transport to Saudi Arabia during the Hajj and Umrah seasons and also to Syria, via Jordan, during the holiday seasons.

The success of ONTC's Omanisation policy is reflected in the fact that by the end of 2004, some 87% of its employees were Omanis. The company has plans to introduce additional services for tourists in Muscat and other selected areas in the future.Privately-owned coach operators also provide services between Muscat and Salalah, and to the UAE. In addition 15-seater mini buses (known locally as 'baiza' buses) ply the main roads throughout the Sultanate along with the ubiquitous orange and white saloon taxis. There are also several private hire taxi companies in operation.



Civil Aviation

Oman Air, the carrier arm of Oman Aviation Services, is upgrading its B737 aircraft and expanding the size of the fleet as well as its route network, to handle the growing numbers of travellers and tourists using Seeb International Airport and Salalah Civil Airport. To speed up improvements at these two airports and enable them to cope more effectively with the steady growth in trade and tourism in the Sultanate, on 24th October 2004 the government took back the responsibility for management and development services from the Oman Airports Management Company by mutual agreement

The Ministry of Transport and Communications also announced that from 2006 it would begin work on the construction of a new passenger terminal at Seeb. Phase One of this project will increase the airport's handling capacity to around 12 million passengers a year. A new passenger terminal is also due to be built at Salalah Airport with an annual handling capacity of around 3 million passengers.

Work on the new passenger terminal at Seeb airport will begin in 2006

In 2004 the number of passengers using Seeb International rose by 19.9% to over 3.4m. Aircraft movements overall was up

by 4% - with 24 airline companies using the airport, in addition to several freight and tourist charter flight companies.

Air freight rose by 35.5% at Seeb to more than 68.2million kgs in 2004.

Salalah Civil Airport is also undergoing expansion and modernisation to cope with the steady increase in passenger traffic, particularly during the Khareef season. A new meteorology building has been built and linked to a computer system, while air traffic control equipment has been reprogrammed to make it compatible with the new RVSM system and a VCCS communications system has been installed in the control tower. The weather monitoring station in Thumrait (near Salalah) is also complete. In 2004 the number of passengers using Salalah Airport rose by 15% to almost 212,000, compared with 184,300 in 2003.

Other developments include an aircraft landing facility at Zamayem in the Wusta Region which is half way between Muscat and Salalah, and plans to establish airports at Ras al Hadd in the Sharqiyah Region and Al Duqm in the Wusta Region are underway to cope with the growth in trade and tourism.

Four secondary radars are being installed at selected sites across the country to ensure maximum air traffic control efficiency in Omani airspace; the project is scheduled for completion by the end of 2006.

Postal Services

Postal services in the Sultanate have undergone major expansion and facilities now include a nationwide cable and fax service, the Ministry of Commerce and Industry commercial transactions service, registration on the Commercial Register, the issue of Oman



Oman Air is the Sultanate's national carrier. Oman also has a one-third share of Gulfair



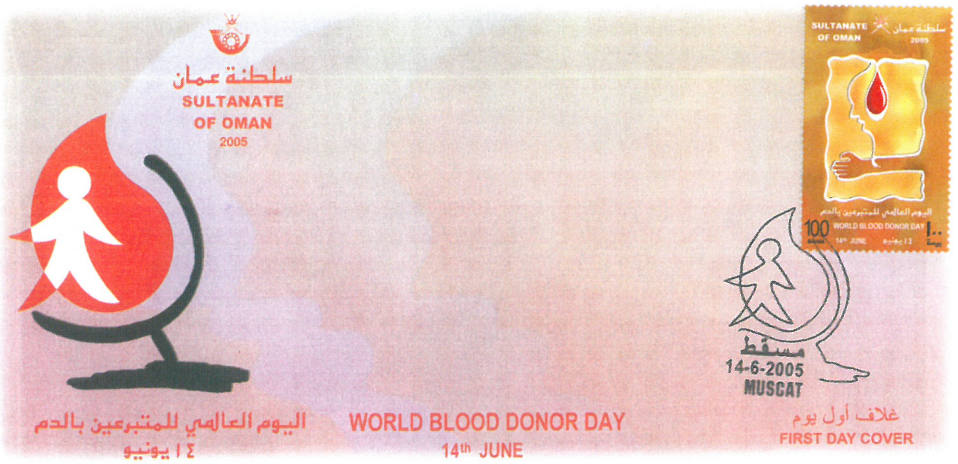
Air Traffic Controllers at Seeb International Airport

Chamber of Commerce and Industry membership certificates and the handling of visa applications for the ROP. Several postal service charges have been reduced since operations became computerised.

Formation of the Oman Post Company

In a move towards the privatisation of the postal sector, the Oman Post Company (SAOG) was established as a closed Omani joint stock company, wholly owned by the government under Royal Decree No. 48/2005 of 4th June 2005. The Decree stipulates that all assets, liabilities, buildings and offices, selected members of staff together with their rights and records should be transferred from the main Directorate-General of Posts in Muscat and the Directorate-General of Posts in Dhofar to the OPC which will also assume their commitments.

The Decree states that the company's headquarters will be in Muscat, its



One of several First Day Covers issued by Oman Post Co in 2005



Paying a bill at an "automated bill payment machine" in a shopping complex

service, as well as all other recognised Internet facilities and applications.

The general network

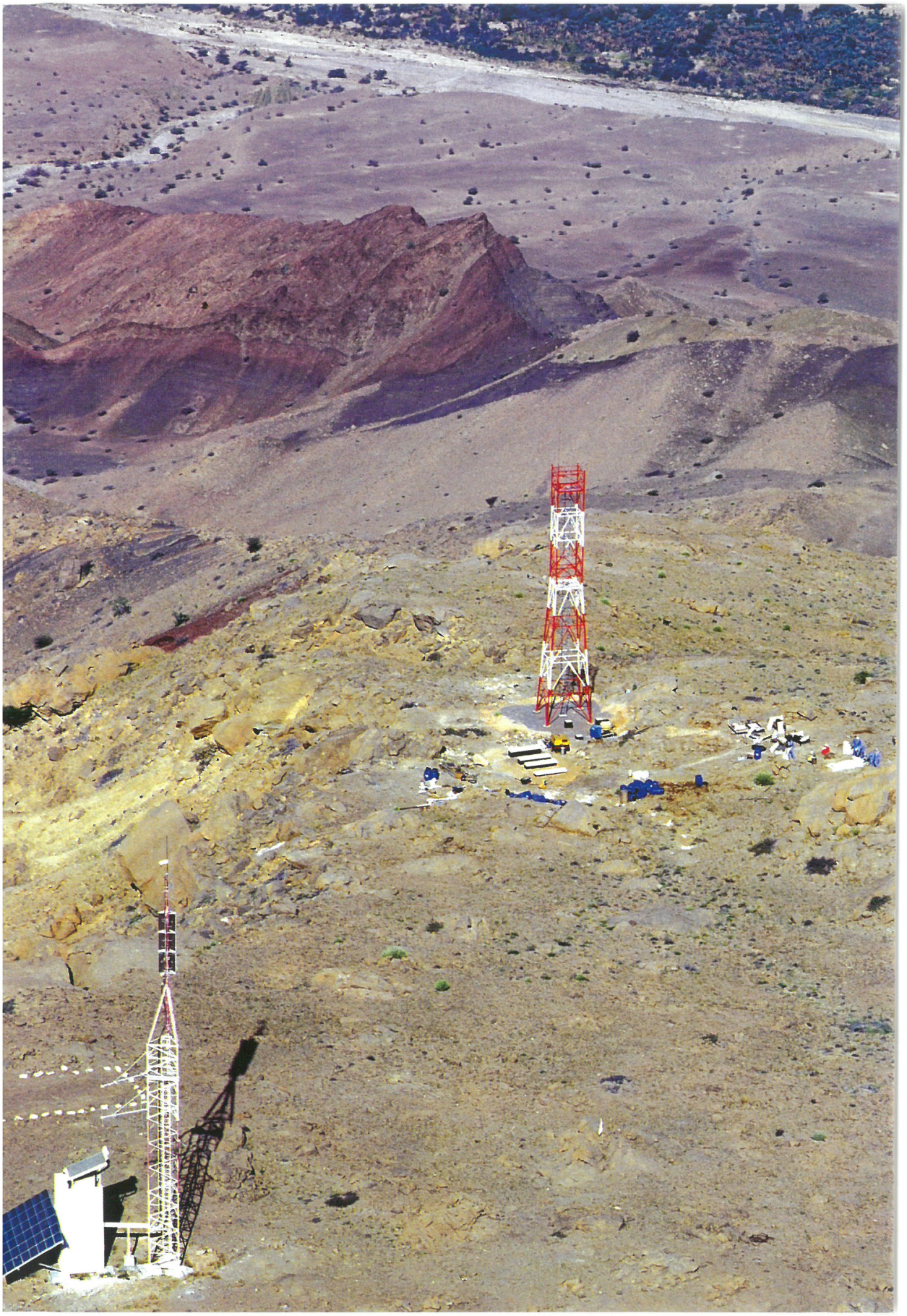
The Sultanate's fixed telephone network has advanced in leaps and bounds with all its exchanges now converted to the digital system and linked to a network operating on the Synchronic Digital High-speed Link (SDHL) system.

The 200,000-subscriber capacity exchange in Suwaiq has gone into operation, along with a new international exchange capable of handling up to 7,000 subscribers. There has been a considerable increase in the number of international lines to the United Arab Emirates, Kuwait, Egypt, Yemen, Syria, India and Pakistan.

Meanwhile, the fibre-optic cable between the Sultanate and Yemen, now in operation, will facilitate communications to every part of the world around the clock. A local WLL (Wireless Link Loop) is now operational, following the signing of an agreement with a Chinese company, and provides telephone services to around 200 remote villages. In March 2005 the fixed telephone service recorded 240,333 subscribers, compared with 238,339 subscribers in March 2003.

Global Service Mobile (GSM)

The Oman Telecommunications Company (LLC) - Oman Mobile – continues to thrust ahead increasing the handling capacity of Oman's booster stations and setting up new GSM telephone booster stations in several areas, particularly in the remote and less accessible areas, to ensure its services reach the maximum possible number of subscribers. Large stations and a central telecommunications unit have been established in Sur where exchanges have increased their capacities. By the





An Omantel Call Centre

end of March 2005 Oman Mobile had international roaming agreements with 176 companies in 77 countries around the world. At the end of December 2004 the GSM service had 257,287 subscribers, while the number of subscribers to the pre-paid Hayyak service had risen to 548,993.

As part of the improvements to the services provided by Omantel and Oman Mobile for their subscribers, a new system has been introduced for paying telephone and Internet bills, either through "automated bill payment machines' (which have been located in shopping complexes) or by visiting the offices of Omantel and Oman Mobile.

Public telephones

Omantel has established an extensive prepaid smart card public telephone network. This service is designed to ensure telecommunications services are always available for nationals and residents, particularly in the commercial districts, schools and hospitals, as well as on the main highways and in the remote areas. At the end of last year there were over 6,500 of these telephones.

Telephone booster stations often have to be set up in remote and less accessible areas

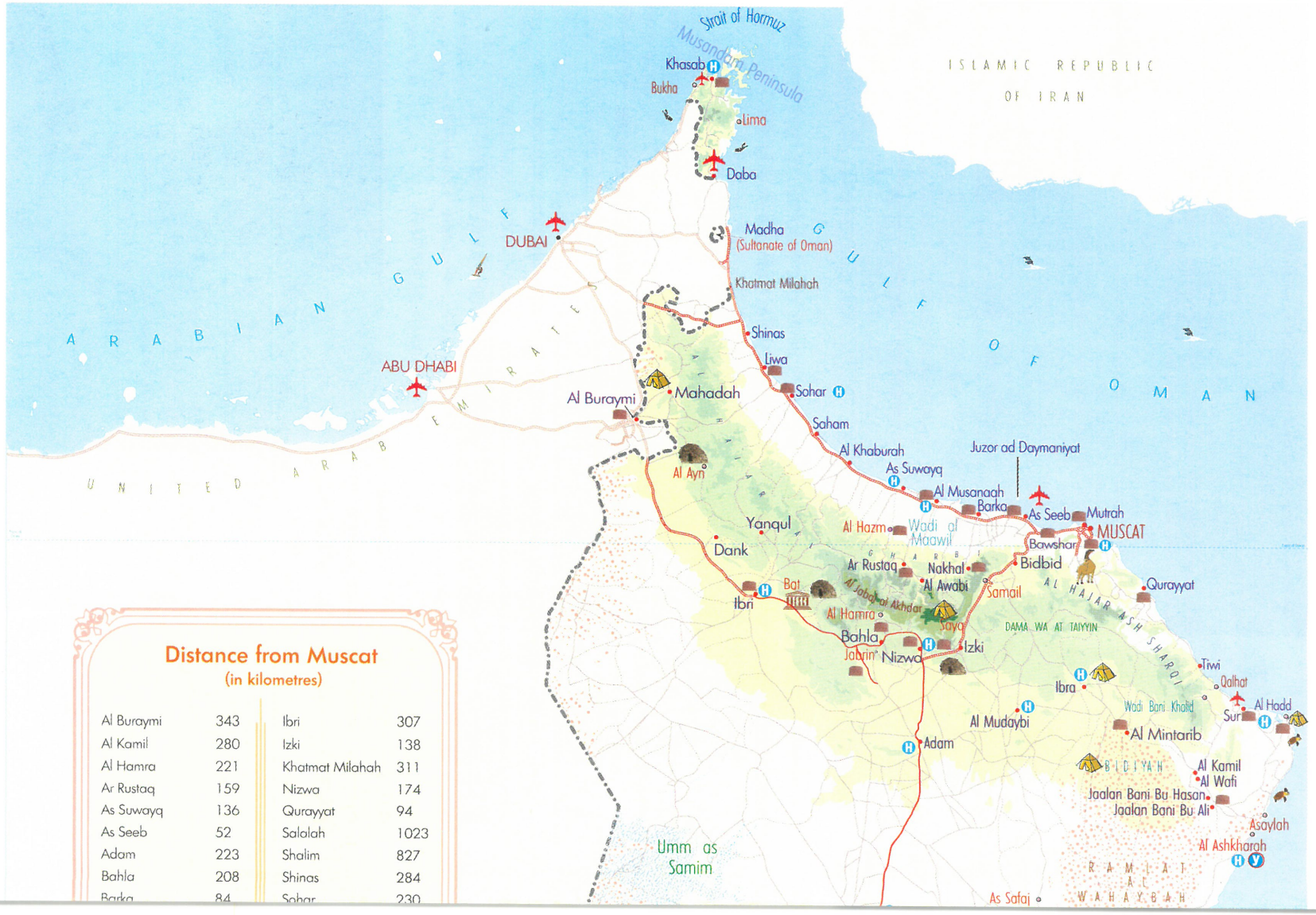
Private Sector Mobile Telephone Services

A second telecommunications operator, Nawras, an Omani/Qatari/Norwegian private sector company was launched on 16th March 2005 with some 450 outlets offering 3 levels of payment.

In 2004 the number of Internet subscribers rose by around 60%



SULTANATE OF OMAN



Distance from Muscat
(in kilometres)

Al Buraymi	343	Ibri	307
Al Kamil	280	Izki	138
Al Hamra	221	Khatmat Milahah	311
Ar Rustaq	159	Nizwa	174
As Suwayq	136	Qurayyat	94
As Seeb	52	Salalah	1023
Adam	223	Shalim	827
Bahla	208	Shinas	284
Barka	84	Sohar	230


Dank 367
Hayma 41
Taqah 1052
Thumrayt 946
KINGDOM OF SAUDI ARABIA
REPUBLIC OF YEMEN
Ar Rub al Khali
SAYH AL UHAYMIR
TABAQAH
Abu al Akarish
Hijj
Ferry
Mahawt
Hilf
Khalij Masirah
Masirah
Arabian Oryx Sanctuary
Hayma
Nafun
Ad Duqm
Muqshin
Al Ghaftayn
Qatbit
Madrakah
Old Frankincense Trail
Wadi Dawkah
Dawkah
Al Ask
Al Kahil
Al Jazir
Shisr
Shalim
Al Mazyunah
Ash Shuwaymiyah
ARABIAN SEA
Thumrayt
Mudayy
Juzor al Hallaniyat
Frankincense Trees
Dhofar Mountains Chain
SALALAH
Taqah
Mirbat
Sadah
Mina Salalah
Rakhyut
Dalkut
This Map is not an authority on International Boundaries
N
Not to Scale
LEGEND
Dual carriageway
Main Road from North to South
Other roads
Track
International Boundaries
Wilayyats
Airport
Hotel or Resthouse
Youth hostel
Camping site
Bee Hive tomb
Turtle Breeding grounds
Fort / Castle
Cattle Grazing
Arabian Leopard Sanctuary
Arabian Tahr Reserve
U.N.E.S.C.O World Heritage Site
Sand Dunes
Salt Marsh

Oman in facts and figures:	
Land area:	309,500 sq kms
Population:	2,340,815 (2003 Census)
Capital:	Muscat (Pop. 633,073)
Religion:	Islam
Language:	Arabic, but English widely spoken
Time:	GMT + 4
Currency:	Oman Rial (1000 baizas= RO1.000=US$2.58)
Climate:	Temperate (30^{0}C) from October to March, but hot (up to 50^{0}C) and humid from April to September, except in the Dhofar where is rains during the monsoon/khareef season from mid-June to end-August.
National Day:	18th November

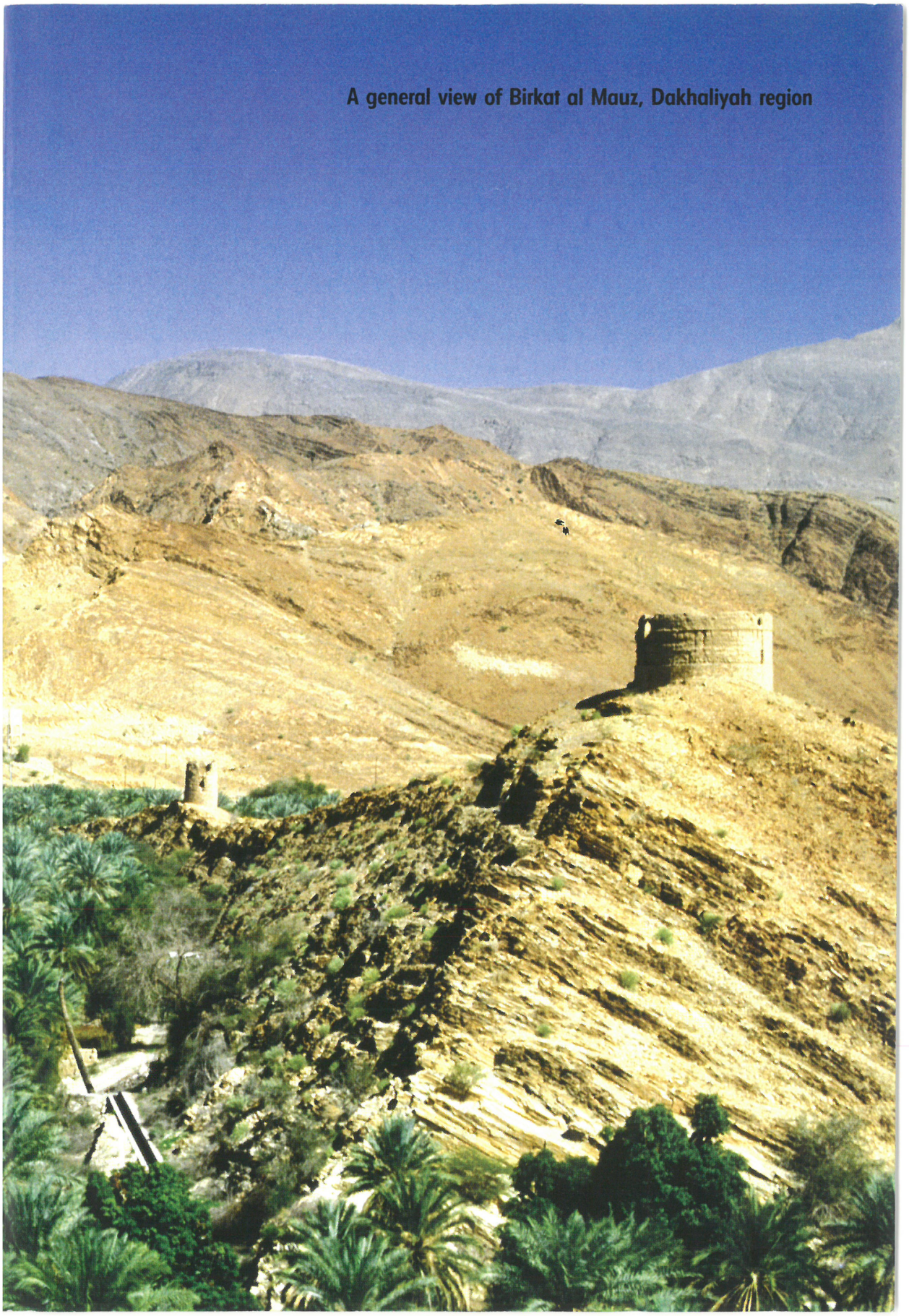
MAJOR ECONOMIC AND SOCIAL INDICATORS

(as supplied by the Ministry of National Economy - August 2005)

Indicators	Unit	Changes % (03/04)	2002	2003	2004
A - ECONOMIC INDICATORS					
Gross Domestic Product at Current Prices	Mn. RO	14.4	7,807.0	8,342.8	7,807.0
Gross National Income (GNI)	Mn. RO	-	7,505.0	7,995.8	-
GNI per Capita	RO	-	2,957	3,430	-
% of Domestic Saving to GDP	%	-	33.8	32.8	-
% of Private Capital Formation to GDP	%	-	3.9	5.4	-
% of Private Capital Formation to Total Gross Capital Formation	%	-	31.5	34.5	-
Total Government Revenue	Mn. RO	22.2	3,009.5	3,305.3	4,040.2
Oil and Gas Revenue as a % of Total Government Revenue	%	7.4	75.7	72.7	78.1
Total Government Expenditure	Mn. RO	19.5	2,939.5	3,188.9	3,809.9
Average Daily Production of Oil	(000) BBL	-4.9	897	820	780
Average Oil Price	US$	23.6	24.29	27.84	34.42
Total Merchandise Products of Non-Oil Exports (Omani Origin)	Mn. RO	14.7	4,295.6	4,486.6	5,145.0
Total Merchandise Imports	Mn. RO	29.3	2,420.8	2,615.0	3,381.9
General Price Index	%	0.1	97.3	96.9	97.0

Indicators	Unit	Changes % (03/04)	2002	2003	2004
B. SOCIAL INDICATORS					
Total Population	No.(000)	-	2,538	2,341	2,416
- Omani	No. (000)	-	1,870	1,782	1,803
- Expatriate	No. (000)	-	668	559	613
Crude Birth Rate	per 1000 Population	-	25.6	24.4	-
Infant Mortality Rate	per 1000 Live Births	-	16.2	10.3	-
Hospitals	No.	-	56	57	57
Health Centres (with beds)	No.	1.5	60	66	67
Health Centres (without beds)	No.	7.5	58	53	57
Polyclinics	No.	20.0	10	10	12
Bed/1000 persons	No.	-	2.04	2.23	2.15
Doctor/1000 persons	No.	-	1.39	1.59	1.60
Nurse/1000 persons	No.	-	3.25	3.67	3.62
Life Expectancy at Birth	No.	-	73.80	74.26	-
Males	No.	-	72.20	73.14	-
Females	No.	-	75.40	75.40	-
Schools	No.	2. 5	1,187	1,187	1,217
Students	No.	-0.3	628,971	628,110	626,157
Teachers	No.	6.5	33,614	35,786	38,098
Civil Service Employees	No.(000)	3.3	119	123	127
Omanis Registered with the Public Authority Social Insurance	No.	16.4	65,879	74,816	87,064
Expatriate Employees in the Private Sector	No. (000)	4.2	547	407	424
Asphalted Roads	Kms	18.7	10,930	12,365	14,681
Fixed Telephone Lines	No.	1.3	233,897	236,178	239,262
Cellular Telephones	No.	9.2	220,410	235,662	257,287
Prepaid Card (Hayak)	No.	53.4	243,450	357,791	548,993
Internet Subscribers	No.	-6.0	48,232	51,769	48,657
No. of Hotels and Motels	No.	9.8	124	133	146
Electricity Production	GW/H	7.3	10,331	10,714	11,499
Electricity Distribution	GW/H	6.4	9,851	10,303	10,959
Water Production from Desalination Plants and Wells	Mn. Gallon	9.2	22,724	23,978	26,195
Water Distribution	Mn. Gallon	9.1	22,855	23,951	26,140





A general view of Birkat al Mauz, Dakhaliyah region

APPENDICES : WEBSITES

State Council (Majlis A'Dawla)-
www.statecouncil.gov.om
Consultation Council (Majlis A'Shura)-www.shura.om
Royal Oman Police-www.rop.gov.om
Diwan of Royal Court - www.diwan.gov.om

Ministries:

Ministry of Agriculture and Fisheries-www.maf.gov.om
Ministry of Awqaf and Religious Affairs -
www.mara.gov.om
Ministry of Civil Service-www.mocs.gov.om
Ministry of Commerce and Industry-
www.mocioman.gov.om
Ministry of Education-www.moe.gov.om
Ministry of Finance-www.mof.gov.om
(ditto) State General Reserve Fund-www.sgrf.gov.om
Ministry of Health-www.moh.gov.om
Ministry of Heritage and Culture-www.mnhc.gov.om
Ministry of Higher Education-www.mohe.gov.om
Ministry of Housing, Electricity & Water-
www.mhew.gov.om
Ministry of Information-www.omanet.om
Ministry of Justice-www.moj.gov.om
Ministry of National Economy-www.moneoman.gov.om
Info Technology Technical Secretariat-www.ittf.gov.om
Ministry of Oil and Gas-www.mog.gov.om
Min of Regional Municipalities, Environment and
Water Resources -www.mrmewr.gov.om
Ministry of Sports Affairs-www.mosa.gov.om
Ministry of Tourism-www.omantourism.gov.om
Ministry of Transport and Communications (Oman
Post) - www.comm.gov.om

Other organizations:

Birds of Oman-www.birdsoman.com
Capital Market Authority-www.cma-oman.com
Central Bank of Oman-www.cbo-oman.org
DigitalOman magazine-www.DigitalOman.com
Environment Soc. of Oman-www.environment.org.om
Geological Society of Oman-www.gso.org.om
Historical Association of Oman-www.hao.org.om
Khareef Festival Salalah-www.khareefsal.com
Knowledge Oasis Muscat (IT Park)-www.kom.om
Meterology Office (Seeb airport)-www.met.gov.om
Muscat International Book Fair -
www.mctbookfair.gov.om
Muscat Municipality -
www.mctmnet.gov.om/ww.mm.gov.om
Muscat Securities Market-www.msm.gov.om
National Organsiation for Scouts and Guides-
www.omanscouts.gov.om
Oman Centre for Investment Promotion and Exports
Development-www.ociped.com
Oman Centre for Traditional Music-
www.octm-folk.gov.om
Oman Chamber of Commerce and Industry-
www.chamberoman.com
Oman Daily Observer newspaper-
www.omanobserver.com
Oman LNG-www.omanlng.com
Oman National Transport Co-www.ontcoman.com
Oman News Agency-www.omannews.com
Oman Radio FM-www.oman-radio.gov.om
Oman Refinery Company-www.orc.co.om
Oman Society for Fine Arts-www.omanartsociety.net
Oman Television-www.oman-tv.gov.om
Oman Telecommunications Company-
www.omantel.net.om
Oman Tribune newspaper-www.omantribune.com
Petroleum Development Oman-www.pdo.co.om
Port Services Corporation/Port Sultan Qaboos-
www.pscoman.com
Public Authority for Social Insurance-www.taminat.com
Public Establishment for Industrial Estates-
www.peie.om
Salalah Port Services-www.salalahport.com
Sohar Port-www.portofsohar.com
State Audit Institution-www.sai.gov.om
Sultan Qaboos University-www.squ.edu.om
Telecomms Regulatory Authority-www.tra.gov.om
Tender Board-www.tenderboard.gov.om
Times of Oman newspaper-www.timesofoman.com
The Week newspaper-www.apexstuff.com
Whale and Dolphin Research-
www.whalecoastoman.com

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عُمان ٢٠٠٥ - ٢٠٠٦م

وزارة الإعلام



