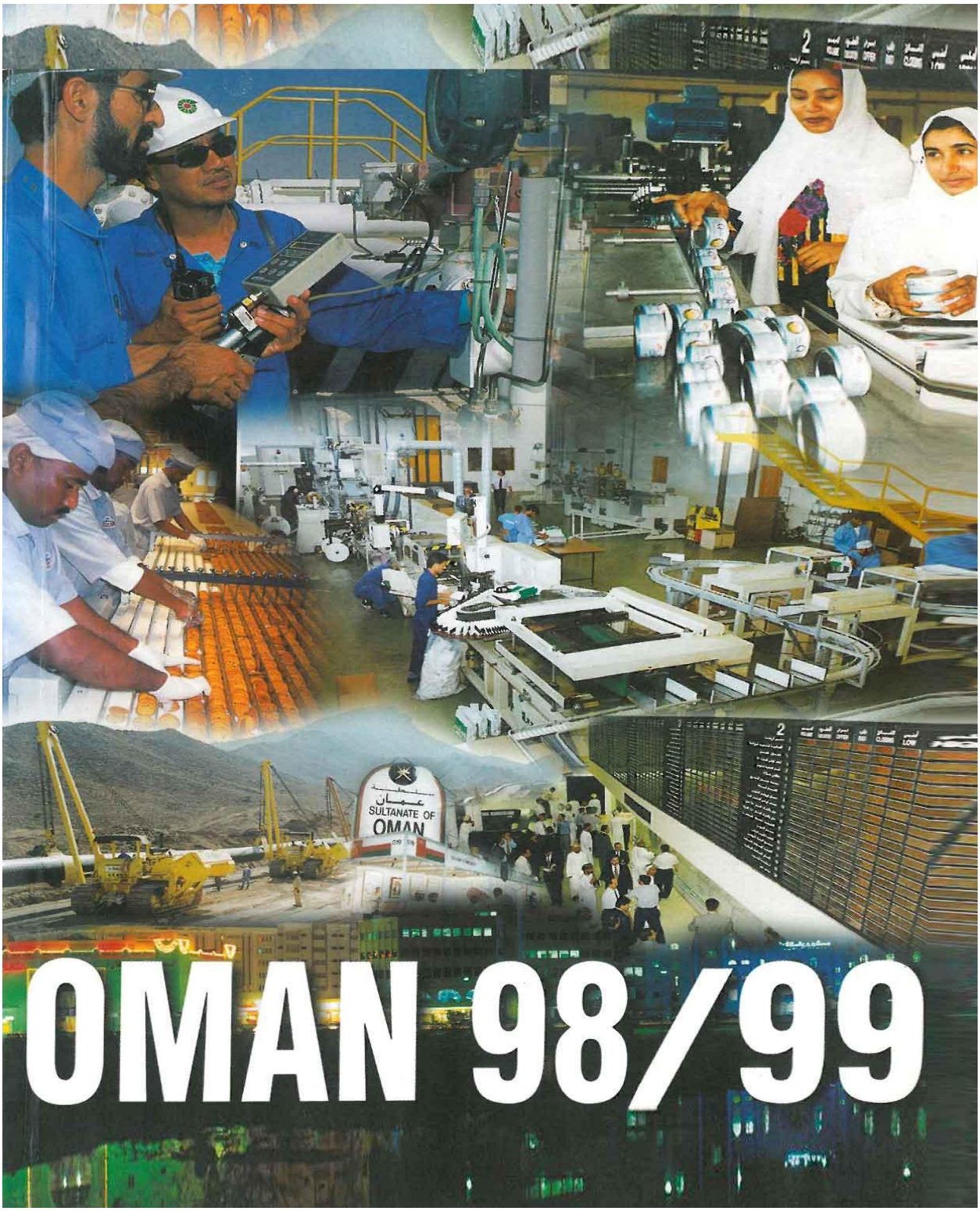


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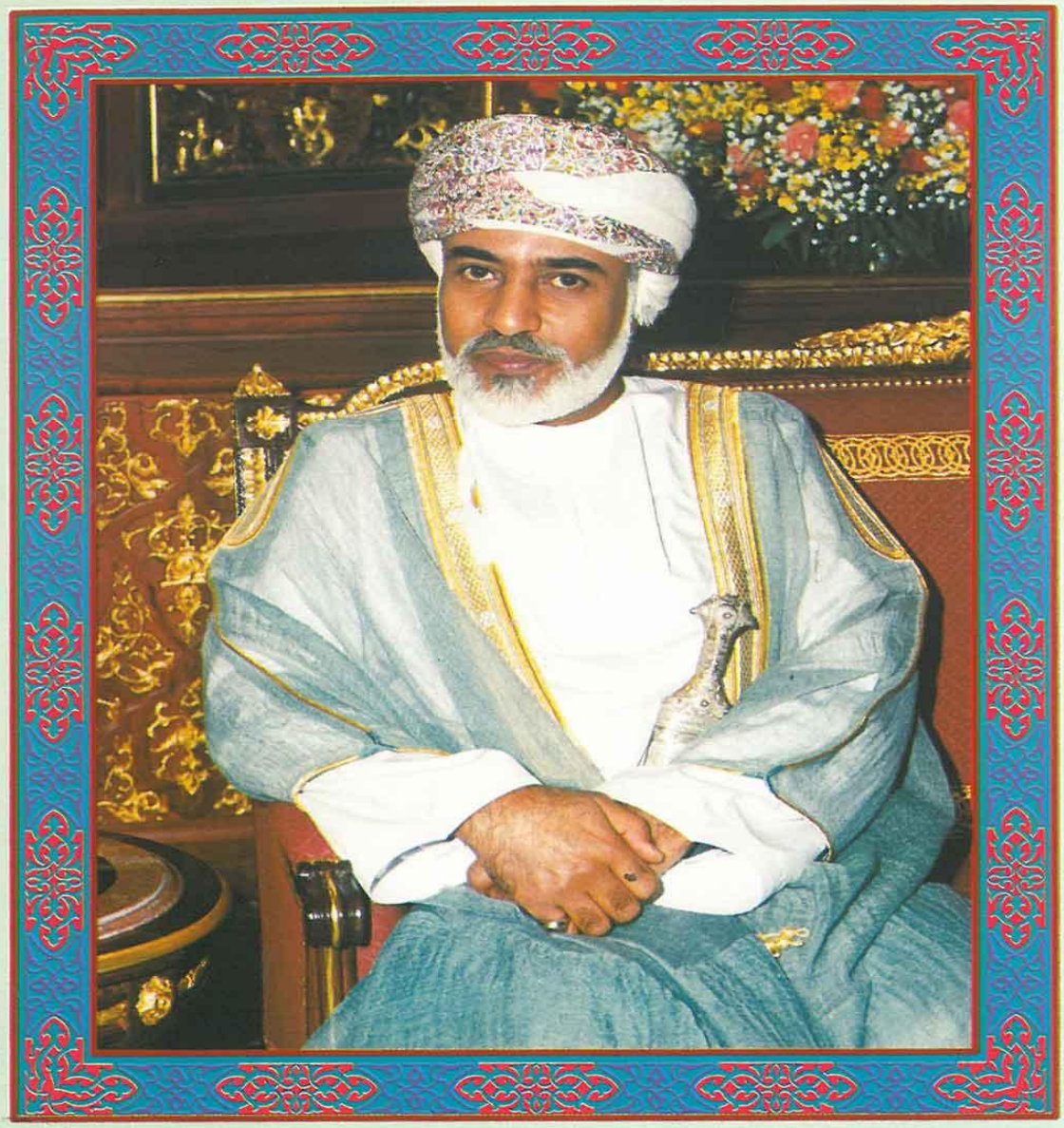


Sultanate of Oman
Ministry of Information

OMAN 98/99

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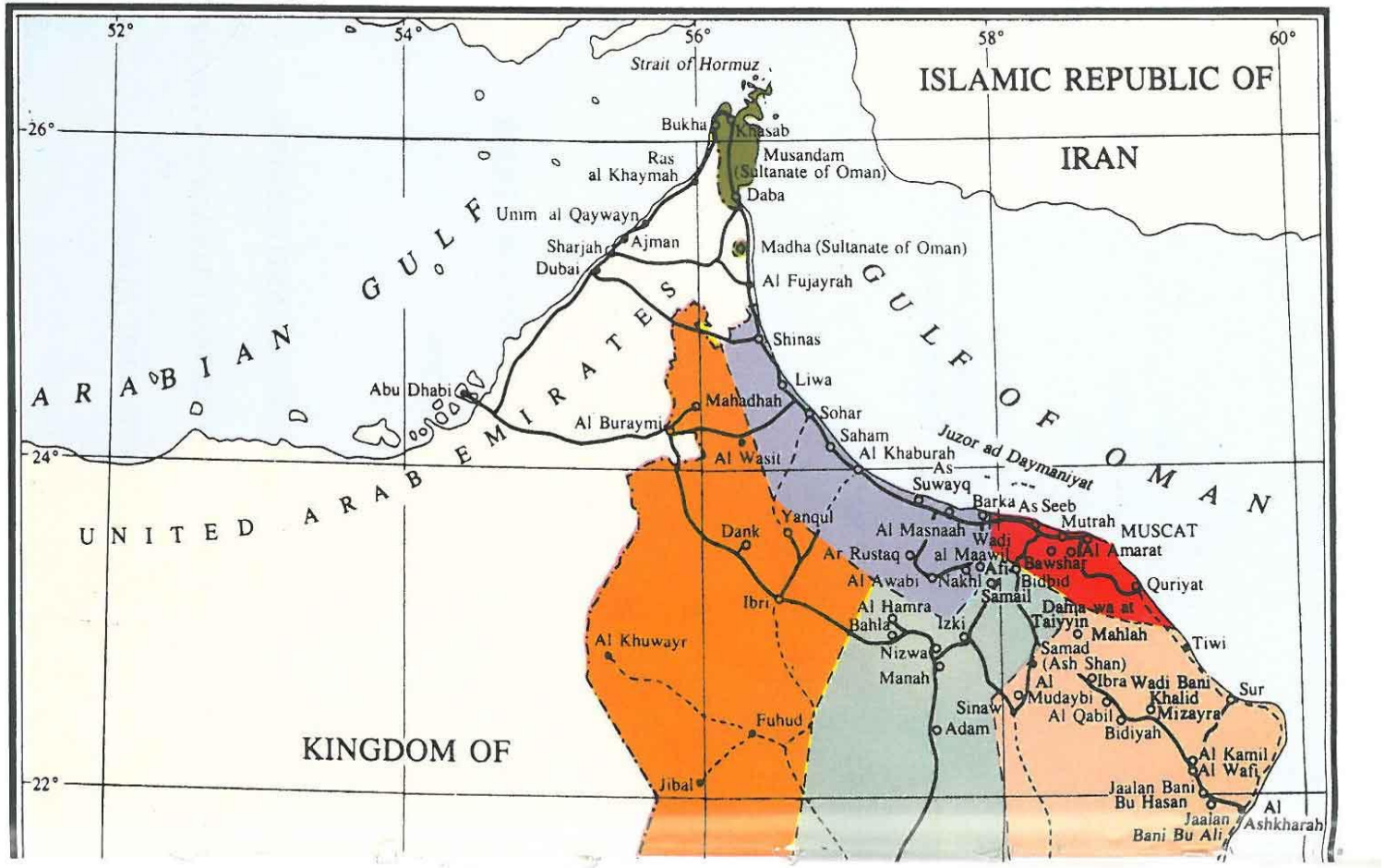


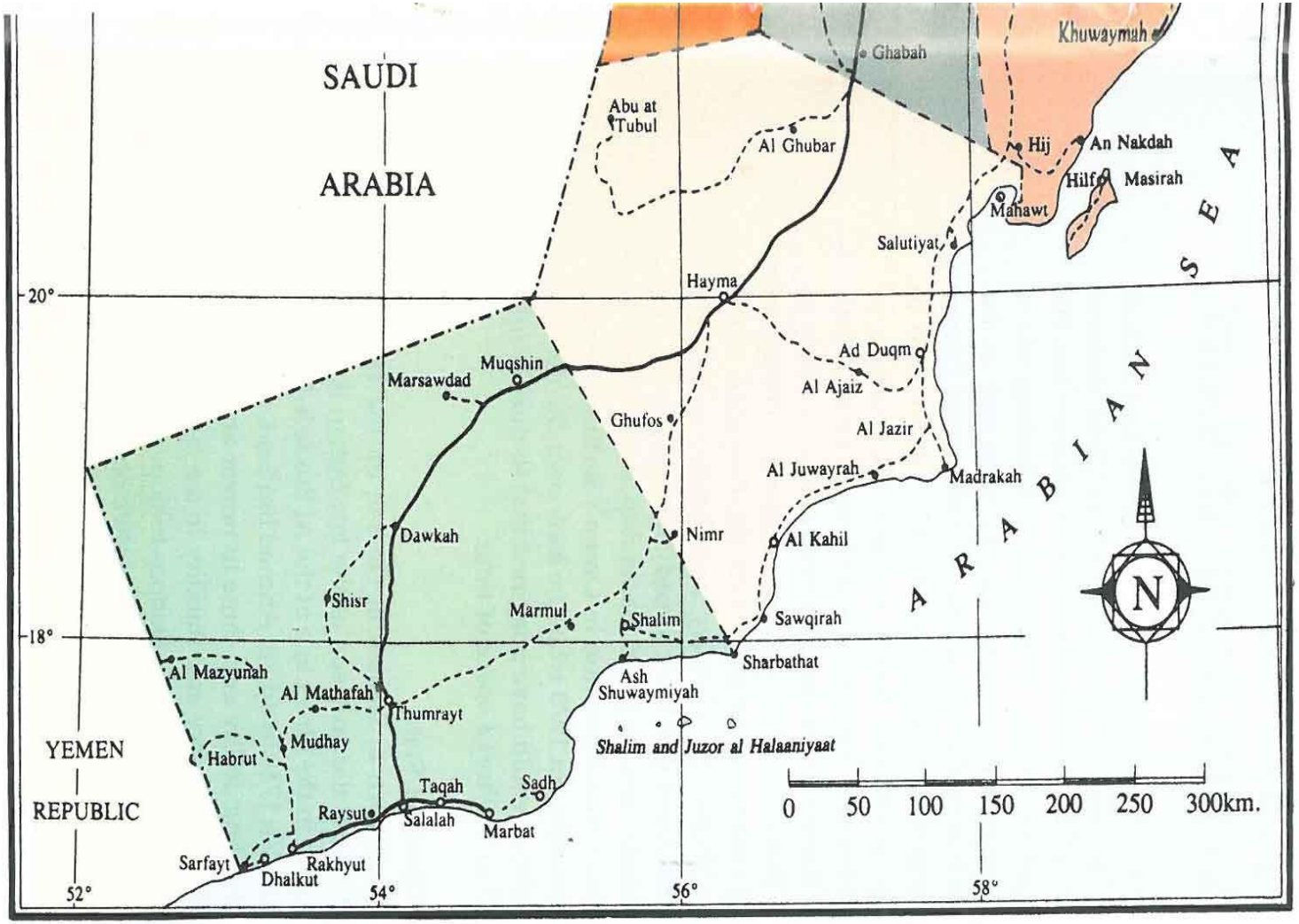
H.M. Sultan Qaboos bin Said Al-Said

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SULTANATE OF OMAN





Produced by the Ministry of Information, September 1994

Based on National Survey Authority OR 1, edition 6 dated June 1994

This map is not an authority on international boundaries

o Wilayat

• Village / Town

------ Graded Road

——— Metalled Road

-·-·- International Boundary

HIS MAJESTY SULTAN QABOOS BIN SAID AL SAID

On the 18th November 1997, in his National Day address to the citizens, His Majesty Sultan Qaboos bin Said declared 1998 as The Year of the Private Sector. In previous speeches, His Majesty has urged the private sector to play a leading role in developing the economy, a theme that he reiterated at the Celebrations, held in Salalah city in the Governorate of Dhofar by saying that this would be the year for private business to participate fully in Oman's march towards the horizon of progress and prosperity. After over twenty-seven years of outstanding achievements in the development of the economy in all parts of the Sultanate, His Majesty is seeking a change of direction for his country in keeping with the demands of the world economy in the 21st Century and Oman's increasing potential. The advances that have already been made are due to his farsightedness and inspired leadership without which such a fundamental transformation in Oman's fortunes would not have been possible. In 1970 when he took over the destiny of his country nobody could have imagined that so much could be accomplished in so short a space of time.

Statesman and Head of State

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

Like his famous ancestor, Sultan Qaboos took over a country in stagnation and conflict; but his early life gave no hint of what was to come. His Majesty spent his youth in Salalah where he was educated. At the age of 16, his father sent him to a private

educational establishment in England. In 1960 he entered the Royal Military Academy at Sandhurst as an officer cadet. Having passed out of Sandhurst he joined a British infantry battalion on operational duty in Germany for one year and also held a staff appointment with the British Army.

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

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

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

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

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

In 1996 His Majesty's name was submitted for the Nobel Peace Prize by a distinguished international journalist. The citation said that he had made his country 'the model of justice and development for the entire Middle East and indeed much of the world', and praised his work for peace. This view reflected the support of a broad spectrum of influential and experienced observers of the world scene.

Stability & Development

Due to the complete absence of infrastructure in 1970 the task facing His Majesty was a formidable one. Although Oman had received oil revenues for three years, very little development had been implemented. Not only was the country extremely backward in health, education, housing and communications, but to add to these difficulties a full scale local war was being fought in Dhofar, against a communist insurgency, with a small, inadequately equipped army. In the years that followed and supported by his people, His Majesty overcame the wide range of formidable problems that faced him. Today, Oman has become an oasis of prosperity and stability in a troubled world.

Basic Statute of the State

1996 will be remembered in Omani history as the year in which the Basic Statute of the State was promulgated by order of His Majesty. The Royal Decree consists of seven chapters and 81 articles, dealing with every aspect of the State apparatus. Article Five states that the system of government is 'Royal' and hereditary in the male descendants of Sayyid Turki bin Said bin Sultan (the great-great-grandfather of His Majesty) and that the successor to the throne shall be a Muslim, of sound mind, and the legitimate son of Omani Muslim parentage. The following article stipulates that the successor will be chosen by the Ruling Family Council within three days of the throne falling vacant. If the Ruling Family Council cannot agree on the choice of suc-

cessor, the Defence Council shall confirm the appointment of the person designated by the Sultan in his letter to the Ruling Family Council.

International Relations

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

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

Relations have also been strengthened with countries in the Far East, which on the orders of His Majesty were visited by high level Government delegations last year. His Majesty has always endeavoured to forge and maintain strong links with other Arab States and partners in the Arab Gulf Co-operation Council. In December 1997, His Majesty attended the 18th AGCC summit in Kuwait. In 1970, Oman already had a long-established friendly relationship with Britain; on his accession Sultan Qaboos commenced a policy which has now resulted in an extension of Oman's relations with many countries of the world, including membership of the United Nations.

Meeting the People

His Majesty attaches great importance to meeting his people and every year he makes a point of travelling to a particular area of the country to see for himself what must be done and what the needs of his people are, who thus have direct access to their Sultan and can discuss their problems personally with him. There is always a massive turnout of people whenever His Majesty is due to visit a particular town or area. People of all age groups and walks of life spontaneously celebrate with music and dance, showing their joy and happiness at his arrival.

Towards the end of January this year, His Majesty left Muscat on tour to the Wilayats of Manah and al-Mudhaibi, where he celebrated the Eid al-Fitr with his people. In honour of His Majesty's presence in al-Mudhaibi, horse races and polo competitions were held in the presence of members of the Royal Family and Ministers, with more than 100 horses and riders taking part. At the beginning of April, His Majesty arrived in al-Suwaiq to offer Eid al-Adha prayers and attend the celebrations. These included a folklore festival, camel races and bull tournaments. The Diwan of Royal Court musicians gave a public concert, and poems were recited.

Over the years of his reign, His Majesty has displayed great generosity to his people. He has given financial assistance to worthy causes both outside and within Oman. He has always shown particular concern for the disadvantaged. In November 1995, His Majesty ordered the exemption of disabled people of limited income from paying private vehicle registration and renewal fees. This year His Majesty directed that citizens in Oman's Social Housing Programme would have their monthly repayments reduced from RO 45 to RO 25. Salaries were also raised for certain categories of Government employees.

Besides humanitarian gestures His Majesty has given unstinted support to youth and sports clubs, and has established a number of prizes for communities, companies and



▲ His Majesty listens to a loyal address on one of his Meet-the-People tours.

industries which are competed for annually. Last year it was announced that the Sultan Qaboos Prize for Architecture would be awarded for the best architectural project designed by an Omani firm of consultants.

The Youth Projects Development Fund

At the beginning of 1998 it was announced that His Majesty had initiated the Youth Projects Development Fund. This fund has been created on the initiative of the private sector to act as a partner, providing capital for projects to be set up by young Omanis and to provide them with technical assistance and managerial support, which will enable them to obtain grants and loans from other sources, for which they would not otherwise be eligible, in order to set up their own businesses. The scheme is aimed at enabling young Omanis with the necessary business flair to become entrepreneurs and to create a layer of small companies to complement and broaden the numbers of larger well-established companies in the private sector.

National Day Celebrations

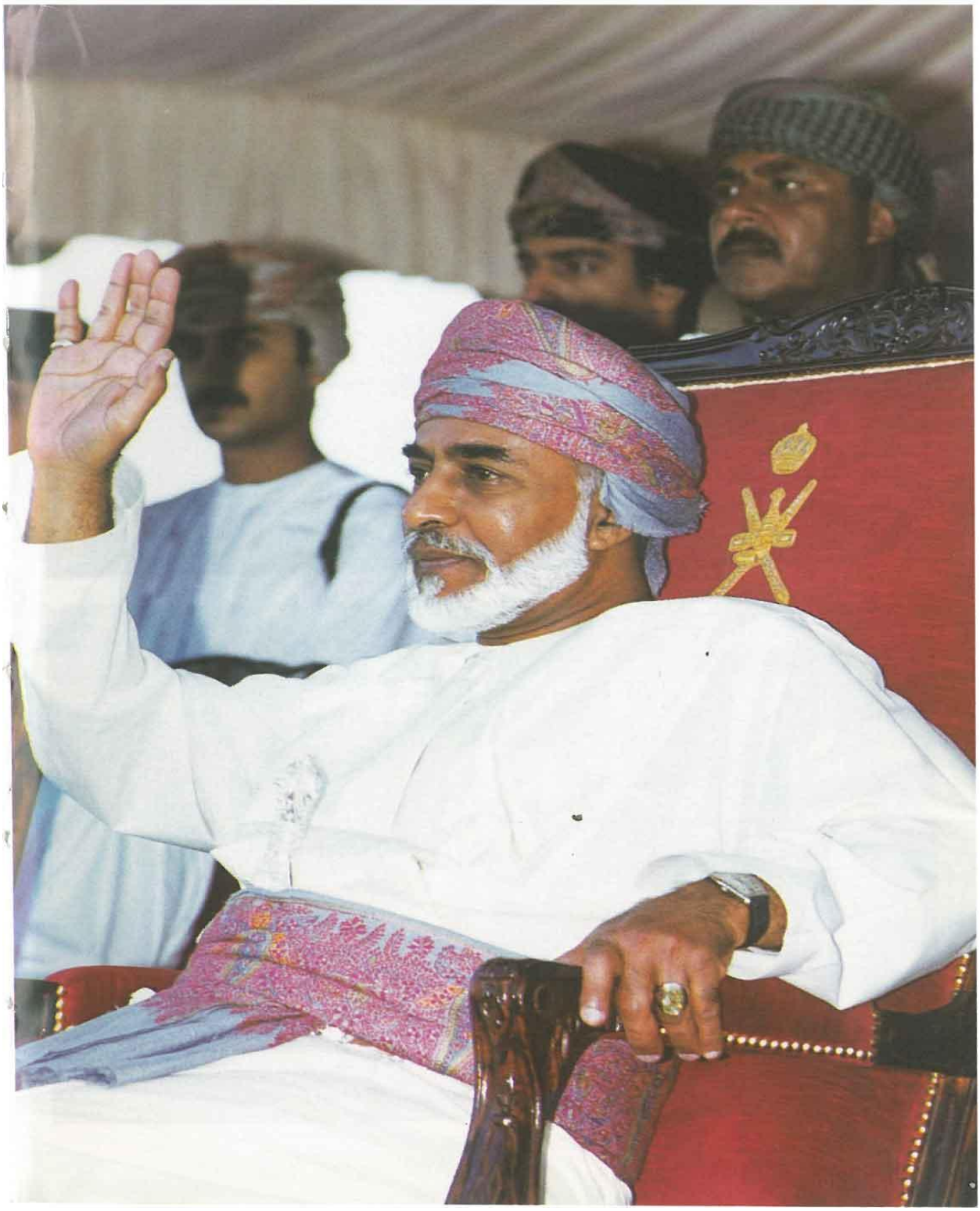
Celebrations in honour of His Majesty were held throughout the country during the 27th National Day in November 1997 with all kinds of illuminations, decorations, programmes and public festivities too numerous to mention. The major events were staged on the al-Nasr Square in Salalah and presided over by His Majesty. Apart from the military parade and National Day speech to the nation, there were dazzling displays of pageantry and patriotism, in which around fifteen thousand people participated. Some 5000 students presented a tableau showing aspects of the folklore for which the Governorate of Dhofar is famous.

Muscat is the 1998 venue for the 28th National Day celebrations.

Historic Speech

Having declared 1998 the Year of the Private Sector in his 27th National Day address to the citizens, His Majesty stressed the need for an efficient and competitive private sector that would make a significant contribution to national development. His Majesty went on to emphasise the importance of the Basic Statute of the State as the main base for continuity of progress and development. He said that the judiciary at all levels would be reformed to ensure the security and stability of the state as well as to guarantee the rights of the people both collectively and individually in order to build the modern state. His Majesty noted that this progress was continuing on its planned path with firm, prudent steps and unshaken determination. He went on to say that "the road before us is long and difficult. No one can travel it except those who work hard and patiently, those who can face the challenges with a strong spirit of determination and mental discipline." Speaking about Oman's foreign relations, His Majesty said that he firmly believed that the answer to world conflicts and problems lay in building confidence between peoples, the consolidation of ties of friendship

▶ His Majesty acknowledges the greetings of the crowds at Suwaiq where he attended the Eid Al Adha celebrations this year.




بقدوم مولانا وطيبي
استبشري وافرحي يا منيبي



between countries and joint efforts to achieve their mutual interests with respect for international legitimacy and adherence to laws and treaties.

Economic & Domestic Policies

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

At the beginning of 1997 with the introduction of the new Five-Year Plan, His Majesty reiterated the need for concerted effort by all concerned to plan and implement a new phase in the country's development. During the conference on Oman's economy to the year 2020 in June 1995, His Majesty had urged the private sector to play an active role in the diversification of the economy in order to create new wealth and jobs for the Omani people. He has stressed the need for human and social development with particular reference to the education and training of the young.

◀ **His Majesty is received by a colourful escort in Mudhabi during celebrations of the Eid Al Fitr.**

On 27th December 1997, His Majesty inaugurated the Council of Oman, which comprises the newly formed Council of State and the existing Majlis al-Shura. In his address to the members, His Majesty expressed his satisfaction at the way the Majlis al-Shura had proved to be such a successful experiment in the consultative process. He said he hoped that the Council of State would be another strong building block in the edifice of Omani society. It was a step forward in the cooperation between Government and the citizen for further prosperity, progress and development. His Majesty declared his thanks and support to the members of the two Councils saying that he was confident in their abilities to bring a better tomorrow. They had a major accountability to future generations and they must express their views without fear or favour and be objective in

◀ **A small boy shows his devotion to His Majesty the Sultan on National Day.**

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

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

Peace in the Middle East

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

State Visits & Visiting Dignitaries

In April last year, His Majesty made the first ever State Visit to India of an Omani Sultan. Ties between Oman and India,

which have existed for centuries, were strengthened by this visit which came shortly after the establishment of the Indian Ocean Rim Association of which Oman and India were founder members.

His Majesty made a short private visit to Egypt in 1997, which was reciprocated by President Hosni Mubarak in November. King Hussein of Jordan also made private visits to the Sultanate during the year. In March of this year His Majesty visited the U.A.E. where he conferred with His Highness Shaikh Zayed bin Sultan al Nahyan, President of the United Arab Emirates. His Majesty received official visits from President Fidel Ramos of the Phillipines, President Suleyman Demirel of Turkey, President Nursultan Nazarbayev of Kazakhstan, President Liamine Zeroual of Algeria and the President of Yemen, General Ali Abdullah Saleh.

Audiences were granted by His Majesty to the visiting Prime Minister of Jordan, Dr Abdel-salam Al-Majali and to senior officials from a number of countries. They included US Defence Secretary, William Cohen, Martin Indyk, US Assistant Secretary of State, British Secretary of State for Defence, George Robertson, British Foreign Office Minister, Derek Fatchett, General Anthony C. Zinni, Commander-in-Chief, US Central Command, Air Marshal Farooq Feroze Khan, Chief of the Pakistan Joint Staffs Committee, the Secretary of the Palestine Liberation Organisation Executive Committee, Mahmoud Abbas Abu Mazen, Dr Mohammed Sayed al-Tantawi, Grand Imam of al-Azhar University, Cairo and US senator, Robert G.Torricelli.

HISTORY

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

Sumerian tablets refer to a country named 'Magan' as a source of copper. It seems certain that they referred to Oman. Evidence from excavations near Sohar shows that the copper mining and smelting industry was well developed by the year 2000 BC.

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

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

▶ The entrance to the superb newly-opened Bait Al Zubair Museum.

The Coming of Islam and the Early Imamate

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

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

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

▶ Oman's history can be traced back many centuries – a recent display of ancient artifacts.







and language, reaching as far east as China.

Portuguese Occupation

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

◀ **The historic fort at Rustaq, one of Oman's architectural treasures.**

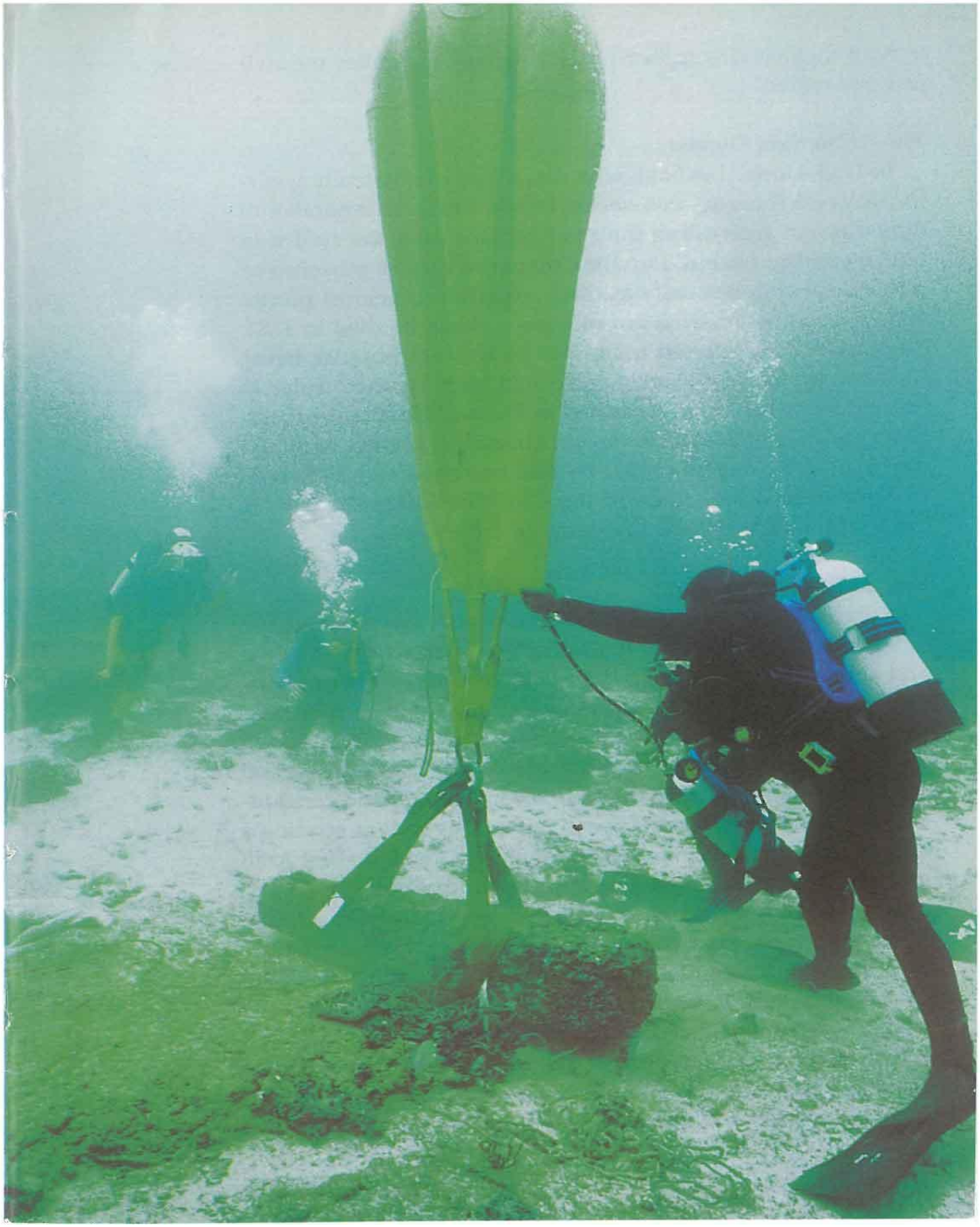
The Ya'aruba Dynasty

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

Civil War

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

▶ **Omani Navy divers and maritime archaeologists prepare to lift an ancient stone anchor found north of Sur recently.**



to fight the Persians and drive them from Oman after the civil war had ended.

The Al bu Said Dynasty

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

Sayyid Said bin Sultan

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

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

GEOGRAPHY

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

The Sultanate of Oman borders Saudi Arabia and the United Arab Emirates in the west; the Republic of Yemen in the south; the Strait of Hormuz in the north and the Arabian Sea in the east.

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

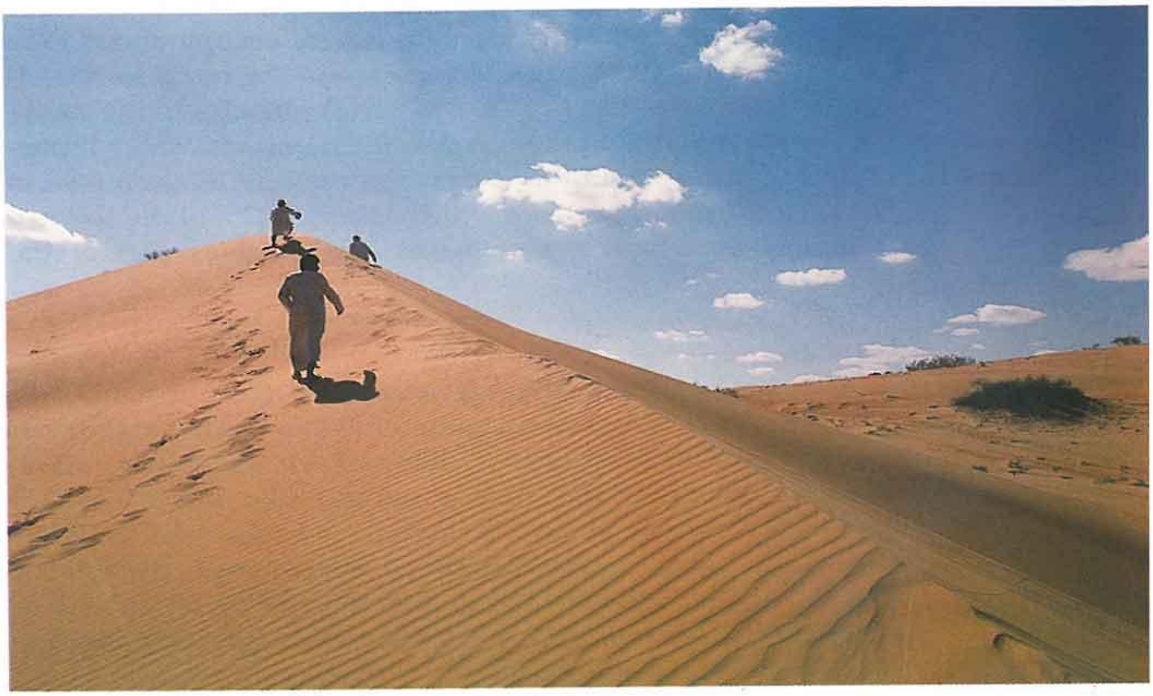
Topography

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

Climate

The climate differs from one area to another. It is hot and humid in the coastal areas in summer; while it is hot and dry in the Interior with the exception of the higher mountains, which enjoy a moderate climate throughout the year. Rainfall is generally light and irregular; although heavy rains and thunderstorms can cause severe flooding. In the south the Dhofar region has a moderate climate and the pattern of rainfall is more predictable with heavy monsoon rains occurring regularly between May and September.





Muscat

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

Al-Batinah

The Batinah is the area between the sea and the mountains running some 270 kilometres from the border with the UAE to Muscat. Traditionally it was a fishing and farming region, but is now becoming more commercial and industrialised, in line with the policy of diversification of the economy, with projects embracing a wide variety of enterprises, many of which are located in designated industrial areas. It is one of the most heavily populated areas of Oman.

◀ **Crystal – clear water flowing through one of the country's many wadis.**

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

Al-Jauf

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

Sumail Gap

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

Al-Dhahirah

◀ **The timeless beauty of the Wahiba Sands.**

The Dhahirah, meaning the 'back' as opposed to the Batinah or 'belly' of the mountain is a semi-desert plain sloping down from the Western Hajar towards the Empty Quarter. In the

north it meets the UAE at the border town of al-Buraimi. The other main towns are Ibri, Dhank and Yanqul.

Al-Sharqiya

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

Al-Wusta

The central region is a gravel desert with escarpments running down to the coast, where the main occupation is fishing. Inland lie Oman's oil and gas and mineral deposits. It also contains the Arabian Oryx sanctuary. The main settlements are at Haima and al-Duqm. The island of Mahawt is also in this region.

▶ **The awe-inspiring mountains of the Musandam.**

Southern Region (Governorate of Dhofar)

The Southern region occupies about one third of the total area of Oman. The main town is Salalah which lies on the fertile coastal plain and the principal occupations of the inhabitants are fishing and agriculture. Raysut, to the west of Salalah, is Oman's second port and is also the location for a new industrial area. The Qara mountain range with its unique climate provides valuable pasture for cattle, camels and goats. Offshore, the Halaniyat Islands support a small fishing community.

Musandam

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

▶ **A curious limestone formation in a river-bed near Salalah.**





GOVERNMENT AND LEGAL AFFAIRS

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

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

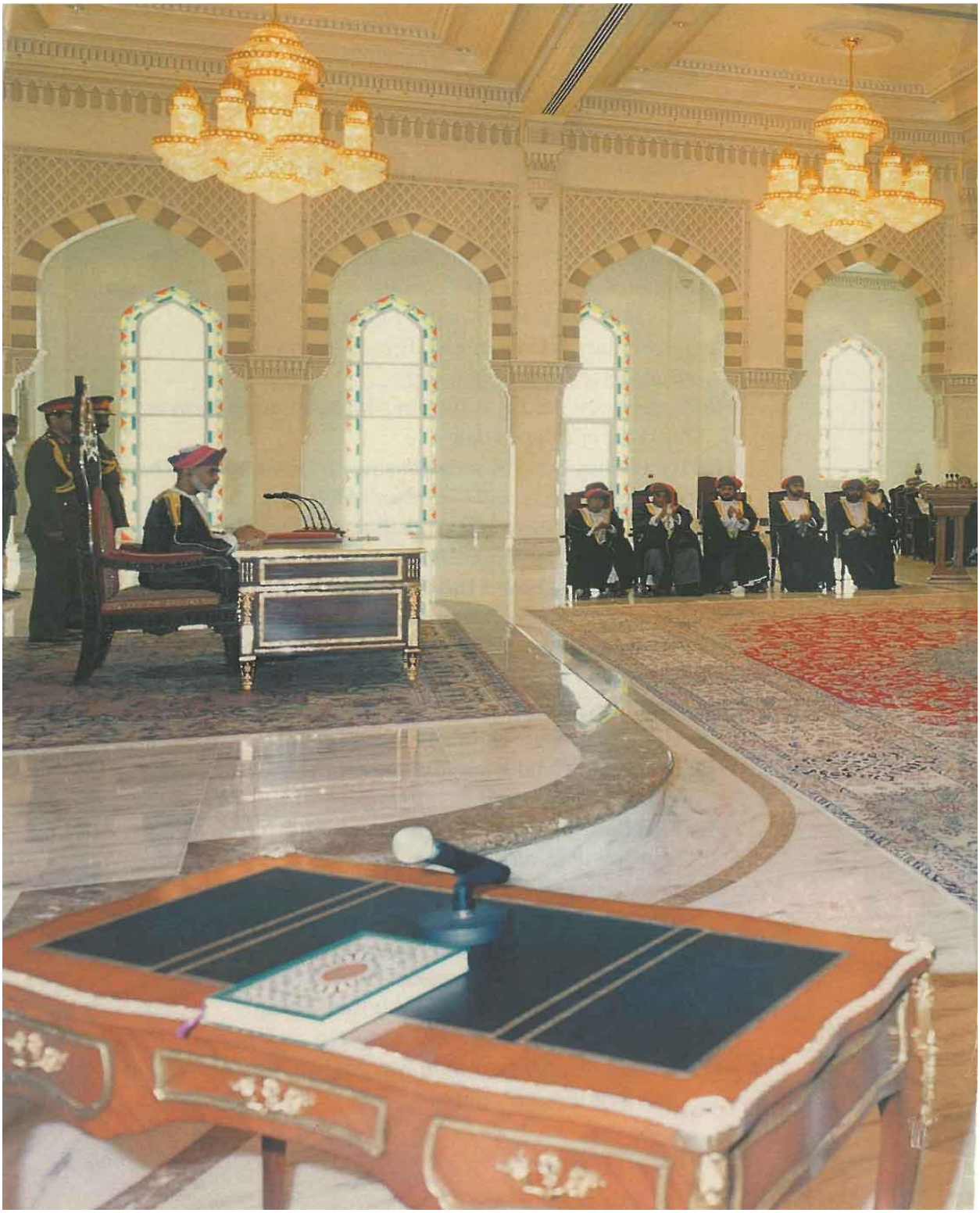
The Cabinet consists of the following Ministers:-

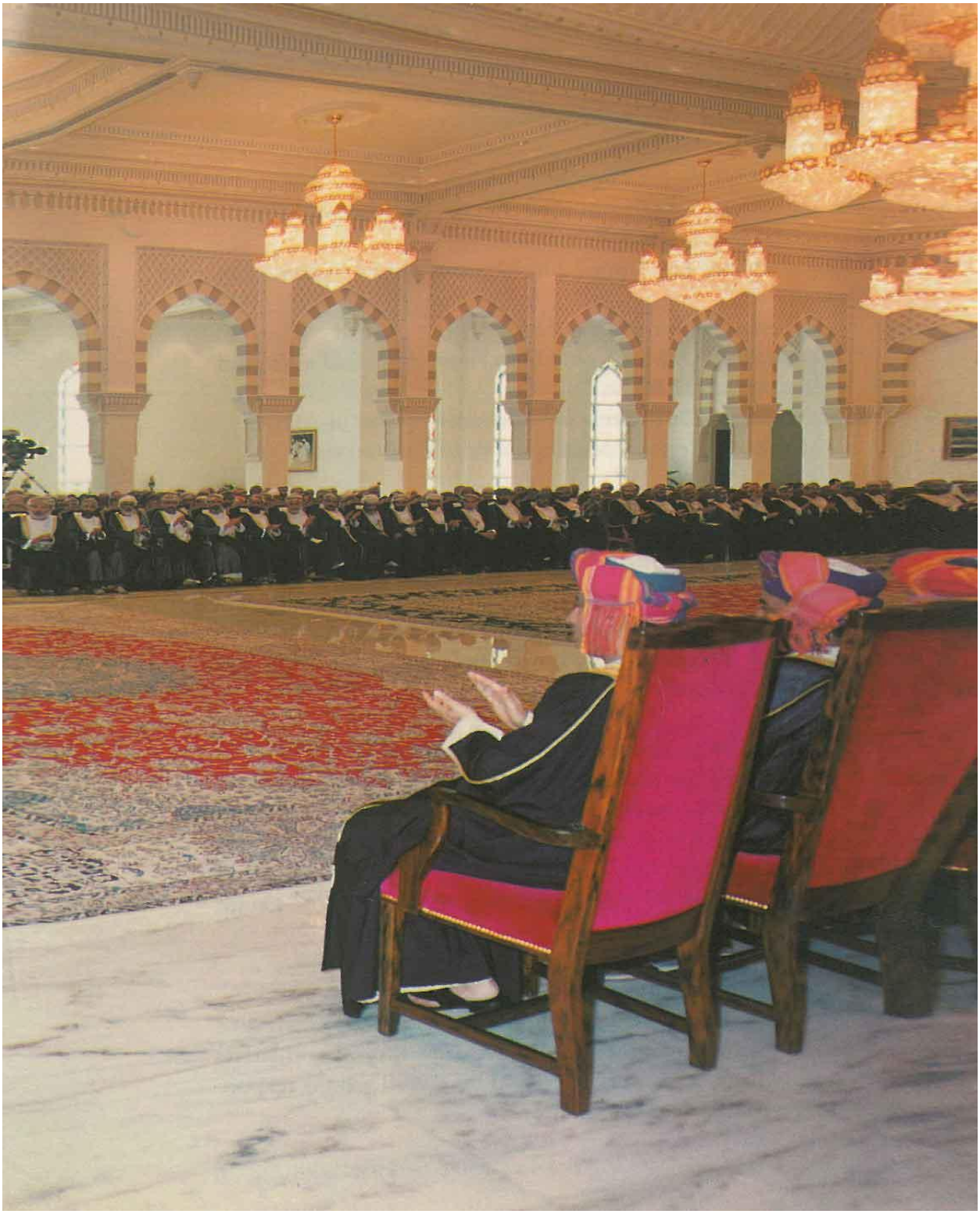
In December 1997, His Majesty ordered certain changes to ministerial portfolios and responsibilities of ministries with the promulgation of Royal Decrees 84 & 85/97:-

His Highness Saiyid Thuwainy bin Shihab Al Said
-Personal Representative of His Majesty the Sultan
His Highness Sayyid Fahad bin Mahmoud Al Said
-Deputy Prime Minister for the Council of Ministers
His Highness Sayyid Faisal bin Ali Al Said
-Minister of National Heritage and Culture
His Excellency Sayyid Saif bin Hamad bin Saud
-Minister of the Diwan of the Royal Court
His Excellency Fariq Awal Ali bin Majid al-Ma'amari
-Minister of the Palace Office and Head of the Office of the Supreme Commander of the Armed Forces
His Excellency Sayyid Badr bin Saud bin Hareb
-Minister Responsible for Defence Affairs

His Excellency Sayyid Ali bin Hamoud al-Busaidi
-Minister of the Interior
His Excellency Yousuf bin Alawi bin Abdullah
-Minister Responsible for Foreign Affairs
His Excellency Shaikh Mohammed bin Abdullah bin Zaher al-Hinai
-Minister of Justice
His Excellency Ahmed Bin Abdulnabi Macki
-Minister of National Economy and Deputy Chairman of Financial Affairs and Energy Resources Council
His Excellency Yahya bin Mahfudh al-Mantheri
-Minister of Higher Education
His Excellency Abdul Aziz bin Mohammed al-Rowas
-Minister of Information
His Excellency Sayyid al-Mutasim bin Hamoud al-Busaidi
-Minister of State and Governor of Muscat
His Excellency Salim bin Abdullah al-Ghazali
-Minister of Communications
His Excellency Ahmed bin Suwaidan al-Balushi
-Minister of Posts, Telegraphs and Telephones
His Excellency Sheikh Mohammed bin Ali al-Qatabi
-Minister of Electricity and Water
His Excellency Sayyid Musallam bin Ali al-Busaidi
-Minister of State and Governor of Dhofar
His Excellency Malik bin Suleiman al-Ma'amari
-Minister of Housing
His Excellency Dr Ali bin Mohammed bin Moosa
-Minister of Health
His Excellency Sheikh Amer bin Shuwain al-Hosni
-Minister of Social Affairs, Labour & Vocational Training
His Excellency Hamed bin Said al-Aufi
-Minister of Water Resources
His Excellency Maqbool bin Ali bin Sultan
-Minister of Commerce and Industry
His Excellency Mohammed bin Ali bin Nasir al-Alawi
-Minister of Legal Affairs

▶▶ The Majlis al-Dawla in session.





His Excellency Sayyid Saud bin Ibrahim al-Busaidi
-Minister of Education
His Excellency Sheikh Abdulaziz bin Matar bin Salim al-Azizi
-Minister of the Civil Service
His Excellency Shaikh Abdullah bin Mohammed al-Salimi
-Minister of Awqaf & Religious Affairs
His Excellency Dr Ahmed bin Khalfan bin Mohammed al Rowahi
-Minister of Agriculture & Fisheries
His Excellency Dr Mohammed bin Hamad bin Saif al-Romhi
-Minister of Oil & Gas
His Excellency Dr Khamis bin Mubarak bin Isa al-Alawi
-Minister of Regional Municipalities & Environment

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

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

Financial Affairs & Energy Resources Council

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

Administrative Regions & Wilayats

The Sultanate of Oman is divided into eight administrative regions, which are further sub-divided into fifty-nine districts (Wilayats). Each Wilayat is governed by a Wali who is responsible to the Ministry of the Interior.

Legal Affairs

In 1975 the Diwan of Legislation was formed to review all laws and to draft Royal Decrees, international agreements and Government contracts. In 1994 the Ministry of Legal Affairs was established to match the legal framework of the State with the development and progress seen throughout the Sultanate. The Ministry is responsible for the preparation of Royal Decrees and for reviewing all draft laws, regulations and Ministerial Decisions before they are promulgated and published in the Official Gazette.

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

Basic Statute of the State

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

The Council of Oman

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

The Council of State (Majlis al-Dawla)

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

Majlis al-Shura

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

▶ **A European Union delegation meets the Majlis al-Shura.**

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

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

Elections to the Council were held in October 1997. The current third term of the Council runs from 1st December 1997 to 30th November 2000. The previous elections in July 1994 resulted in the appointment of two women for the first time. Although more women put themselves forward as can-

▶ **A women casts her vote at the Majlis al-Shura elections in October last year.**





didates in the recent elections, under the extension of the franchise for women, which now embraces the whole country not just the Capital area, only two were successful in a popular vote. In 1994, the number of members in the Council was increased to 80 based on the results of the first National Census held in December 1993.

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

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

The Council has been instrumental in helping to make studies and recommendations for Oman's economic and financial policies being implemented in the current Five-Year Plan. During 1996, a report on the implementation and follow up of the Five Year Plan was presented to His Majesty the Sultan.

The Council convened four plenary sessions in 1997. In May last year, the Cabinet and the Council held a joint meeting which was chaired by the Deputy Prime Minister for the Council of Ministers. The aim of the meeting was to establish closer ties between Government and the people and to co-ordinate the efforts of both bodies.

One of the principal duties of the Council is to review all social and economic draft laws, prepared by the Ministries, before their enactment. The Council also has a duty to participate in efforts towards the conservation of the environment. Much of the Council's work is done in committee. There are now seven permanent committees - Legal, Economic, Health & Social Affairs, Education & Culture, Services & Development of

Local Communities, Environment & Human Resources and Follow up & Implementation.

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

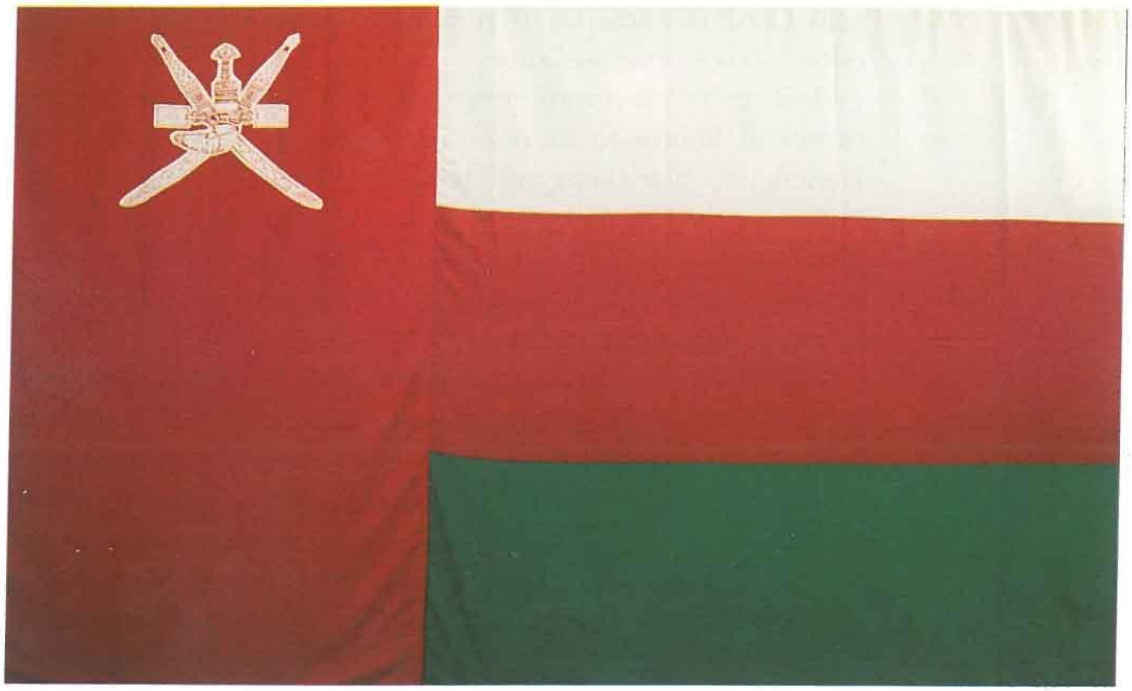
The television appearances of Ministers to answer searching questions before the plenary sessions of the Council have been very well received by the public. In early1997, it was the turn of the Ministers of Higher Education and Education to appear before the Council to announce proposed modernisation of the system of education. Other Ministers to address the Council were the Minister of National Economy, the former Minister of Social Affairs & Labour and the Minister of the Civil Service.

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

Tender Board

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

The Board, which usually meets fortnightly, is responsible for all Government tenders with the exception of contracts and projects related to Defence and Security. Tenders may involve assignments, materials purchase or project implementation. In 1997, the Board accepted 119 tenders with a total value of over RO245 million.



National Flag of Oman

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

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

FOREIGN AFFAIRS

The Sultanate has a long history of contacts and relations with countries both within and outside the Arab world. Over many centuries trade has flourished with the Indian sub-continent and Far East, and in more recent times with East Africa. The Sultanate was the first Arab country to establish diplomatic contact with the United States of America in the first half of the nineteenth century, by which time it already had a treaty relationship with Great Britain and relations with France.

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

His Majesty attended the 18th Summit in Kuwait in December last year. Proposals for the unification of customs tariffs and an electricity grid to cover the six states were approved. The 19th Summit this year will be hosted by the United Arab Emirates.

The Middle East Peace Process

The Sultanate of Oman joins with the international community in calling for the Middle East peace process to continue in order to achieve a just and comprehensive settlement that will bring stability and prosperity to the region as well as security and confidence for all its peoples. Oman has given, and continues to give total support to the Palestinian people's right to decide their own future in their own land, and to establish their own independent state. At the Sharm al-Shaikh Summit in





March 1996, Oman reiterated its stance against all forms of violence and terrorism in the pursuit of political goals and hoped that effective measures would be taken to preserve the peace process. In January 1996, representatives of Oman and Israel signed a letter of understanding on the establishment of Trade Representative offices in Muscat and Tel Aviv to develop economic, scientific and trade relations. However in December 1996, Oman decided to freeze its fledgling ties with Israel until it was felt that the present government of Israel was genuinely and sincerely committed to honour the peace process. In August 1996 Oman had urged Israel not to delay negotiations with the Palestinians after a series of events that had disrupted the fragile peace talks. Oman has expressed growing concern about the continued occupation by Israel of Arab land and the building of settlements.

◀ His Majesty the Sultan and H.H. Sheikh Zaid bin Sultan Al Nahayan, President of the UAE, meet to discuss matters of mutual interest to their countries.

Gulf Crisis

Oman is committed to its policy of supporting United Nations Resolutions and has advised Iraq through diplomatic channels that UN weapons inspections must be allowed to continue. Oman has always urged a peaceful solution, reached through diplomacy, to such crises in order to avoid a repetition of the conflict of 1991. At the same time Oman has always expressed deep concern for the sufferings of the Iraqi people.

The Middle East Desalination Research Centre

In 1994 Oman hosted the fifth meeting of the UN Peace Conference. On the recommendation of the working group on water resources set up in the context of the Middle East peace process multilateral talks, it was decided at the Conference to establish a desalination research centre in the Sultanate to help in the search for peace and economic prosperity in the region by developing the technology to increase water resources. Oman and the United States have committed US$3 million each towards the Centre which will be situated in the Wilayat of Barka. Experts from the EU, Egypt, Jordan, Israel, Tunisia,

◀ His Majesty presents a ceremonial sword to the President of Turkey.

Morocco, Korea and Japan are participating in a working group to launch the Centre. The Middle East Desalination Research Centre was formally established on 22nd December 1996. In 1997 a director was appointed and an executive council formed from 21 technical experts. At the beginning of this year, the director was able to announce that the Centre would provide half the funds required for eight research projects, which will cost a total of nearly US$4.4 million. A home page for the Centre on the Internet World Wide Web is in preparation and training programmes dealing with desalination issues will be launched in the near future.

World Trade Organisation and AGCC-EU Co-operation

The Sultanate of Oman applied to join the World Trade Organisation in April 1996. In June, the General Council of the WTO established a working party to examine the Sultanate's application for membership. During 1997, two meetings were held with the working party in Geneva to discuss Oman's foreign trade position, based on a memorandum submitted by the Government. Proposals have been made for transitional periods in implementing some of the WTO agreements. The third meeting of the working party with Omani delegates was held in June this year.

In March this year, Oman held bilateral negotiations on access to markets with the USA, the European Community, Canada, Japan, Australia, New Zealand and Switzerland.

The AGCC States are reported to be close to reaching agreement on a common tariff for imported goods. This had been one of the resolutions passed at the Council's 16th Summit held in Muscat in December 1995. In February 1997 AGCC officials and their EU counterparts met in Doha to review progress in the economic relations between the Gulf States and the European Union. Similar negotiations with the EU to improve trade were held in Brussels during 1996, with Oman leading the AGCC team and Italy the European side.

The European Union is the largest trading partner of the

▶ A humourous moment when His Majesty meets His Majesty King Hussein of Jordan on a recent visit to the Sultanate.

▶ A warm welcome for Fidel Ramos, President of the Philippines.








AIR ALGERIE
الخطوط الجوية الجزائرية

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

Indian Ocean Rim Association

In March 1997 the formation of the Indian Ocean Rim Association was announced at a foreign ministers' meeting in Mauritius of the fourteen nations joining together to act as a link between Asia, Africa and Australia.

◀ **A firm friendship: His Majesty welcomes President Hosni Mubarak of Eqypt on his arrival in Oman.**

◀ **President Liamine Zeroual of Algeria is warmly welcomed by His Majesty.**

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

The importance of close relations with India was underscored by His Majesty's state visit in April last year. Shortly before the state visit an official high level delegation was sent to Sri Lanka and another to Japan and Brunei to strengthen existing ties and trade relations. In July last year, a delegation visited Beijing for talks with senior Chinese officials. China is a major financial partner in the proposed aluminum smelter project in Sohar.

Border Demarcation

▶▶ **His Majesty leads the Sultanate's delegation at the AGCC Heads of State Summit in December 1997.**

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





deposited with the Arab League in Cairo in November 1995.

In June 1995, Oman and Yemen completed the demarcation of their borders in accordance with an agreement signed in 1992. In 1997, construction began on the 243 km highway linking Dhofar with Yemen. Later in November, a ceremony was held in Cairo when Oman and Yemen deposited their international boundary maps with the Arab League.

Oman has now demarcated all her land and sea boundaries with the exception of one maritime boundary with Pakistan. Oman and Qatar have strengthened diplomatic ties as a result of which their nationals can now travel to the others' country on an identity card instead of a passport. This easing of border controls came into force in September 1995. Oman and the UAE have had a similar agreement since 1992.

Participation in Regional and International Conferences

The Sultanate has participated in several regional and international conferences in recent years:

* The International Summit for Social Development in Copenhagen, Denmark in March 1995.
* The meeting of the Co-ordination Bureau for the Non-Aligned Movement in Bandung, Indonesia in April 1995 to celebrate the 40th Anniversary of the Bandung Conference.
* The International Conference for Women held in Beijing, China in September 1995.
* The 11th Summit Conference of Non-Aligned States held in Catagena, Colombia in September 1995.
* The twenty-third Islamic Foreign Ministers' Conference in Guinea, Conakry in December 1995.
* The Middle East & North African (MENA) Economic Conference in Doha during November 1997.
* The Organisation of Islamic Conference, in Tehran in December 1997.

The Sultanate also participated at conferences in Washington, Lisbon and Tokyo to coordinate aid for the

Commonwealth of Independent States (the former Republics of the Soviet Union). Oman offered financial loans to some of the republics and signed an agreement with Kazakhstan offering technical assistance for the development of oil resources, which resulted in the official visit by the President of Kazakhstan to the Sultanate last year.

Diplomatic Relations

The Sultanate of Oman has Diplomatic Relations with 134 countries. Since 1970 Oman has not broken off diplomatic relations with any country. These countries are:-

Albania, Republic of
Algeria, Democratic and Popular Republic of
Argentine Republic
Armenia, Republic of
Australia, Commonwealth of
Austria, Republic of
Azerbaijani Republic
Bahrain, State of
Bangladesh, People's Republic of
Belarus, Republic of
Belgium, Kingdom of
Bolivia, Republic of
Bosnia and Herzegovina, Republic of
Brazil
Brunei Darussalam, State of
Bulgaria, Republic of
Burkina Faso
Burundi, Republic of
Canada
Chad, Republic of
Chile, Republic of
China, People's Republic of
Colombia, Republic of
Comoros, Federal Islamic Republic of the

Congo, Democratic Republic of the
Côte d'Ivoire, Republic of Ivory Coast
Croatia, Republic of
Cuba, Republic of
Cyprus, Republic of
Czech Republic
Denmark, Kingdom of
Djibouti, Republic of
Ecuador, Republic of
Egypt, Arab Republic of
Eritrea, State of
Estonia, Republic of
Ethiopia, Federal Democratic Republic of
Finland, Republic of
France
Gabonese, Republic of
Gambia, Republic of the
Germany, Federal Republic of
Ghana, Republic of
Greece, Hellenic Republic of
Guatemala, Republic of
Guinea, Republic of
Guinea-Bissau, Republic of
Guyana, Co-operative Republic of
Honduras, Republic of
Hungary, Republic of
Iceland, Republic of
India, Republic of
Indonesia, Republic of
Iran, Islamic Republic of
Iraq, Republic of
Ireland
Italy, Republic of
Jamaica
Japan
Jordan, Hashemite Kingdom of
Kazakhstan, Republic of

Kenya, Republic of
Korea, Democratic People's Republic of
Korea, Republic of
Kuwait, State of
Kyrgyzstan, Republic of
Latvia, Republic of
Lebanon, Republic of
Lithuania, Republic of
Luxembourg, Grand Duchy of
Macedonia, Republic of
Malaysia
Maldives, Republic of
Mali, Republic of
Malta, Republic of
Mauritania, Islamic Republic of
Mauritius, Republic of
Mexico, United States of
Moldova, Republic of
Mongolia
Morocco, Kingdom of
Mozambique, Republic of
Nepal, Kingdom of
Netherlands, Kingdom of
New Zealand
Nicaragua, Republic of
Niger, Republic of
Nigeria, Federal Republic of
Norway, Kingdom of
Pakistan, Islamic Republic of
Palestine
Panama, Republic of
Peru, Republic of
Philippines, Republic of the
Poland, Republic of
Portugal, Republic of
Qatar, State of
Romania

Russian Federation
Rwanda, Republic of
Saint Lucia
São Tomé and Principe, Democratic Republic of
Saudi Arabia, Kingdom of
Senegal, Republic of
Seychelles, Republic of
Sierra Leone, Republic of
Singapore, Republic of
Slovak, Republic of
Slovenia, Republic of
Somalia
South Africa, Republic of
Spain, Kingdom of
Sri Lanka, Democratic Socialist Republic of
Sudan, Republic of the
Sweden, Kingdom of
Switzerland
Syrian Arab Republic
Tanzania, United Republic of
Thailand, Kingdom of
Tunisia, Republic of
Turkey, Republic of
Turkmenistan, Republic of
Uganda, Republic of
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay, Oriental Republic of
Uzbekistan, Republic of
Venezuela, Republic of
Vietnam, Socialist Republic of
Yemen, Republic of
Zambia, Republic of
Zimbabwe, Republic of

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

Gulf Organisations	Date joined
Arab Gulf Cooperation Council	25.5.81
Arab Centre for Educational Research	1.12.73
Higher Education Council	1.12.73
Arab Education Office for the Gulf States	1.12.79
Arab Gulf States' Joint Programme Production Organisations	25.3.82
Arab Gulf University	16.8.80
Co-operation Council States Specifications and Standards Board	9.11.82
Gulf International Bank	1.2.86
Gulf Organisation for Industrial Investment	20.10.76
Gulf News Agency	13.6.82
Gulf States Labour & Social Affairs Minister's Follow-up Office	6.2.78
Gulf Television Board	10.4.80
Technical Office for Communications (Gulf States Co-operation Council)	1983

Arab Organisations	
League of Arab States	29.9.71
Arab Academy for Maritime Transport	31.8.75
Arab Administrative Development Organisation	4.75
Arab Bank for Economic Development in Africa	1.2.75
Arab Centre for the Study of Arid Zones and Dry Lands	30.4.75
Arab States Civil Aviation Council	15.10.73
Arab Fund for Economic & Social Development	30.4.75
Arab Girl Guides Office	1976
Arab Health Ministers' Council	4.9.75
Arab Housing Ministers' Council	23.9.82
Arab Industrial Development Organisation	12.1.80
Arab Interior Ministers' Council	23.9.82
Arab Justice Ministers' Council	23.9.82

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

Islamic Organisations

Islamic Conference Organisation (ICO)	29.2.72
al-Quds Fund (Jerusalem)	1976
International Committee for the Preservation of Islamic Heritage	1978
Islamic Capitals Organisation	1982
Islamic Centre for Commercial Development	1979
Islamic Centre for Technical and Vocational Training and Research	4.78

Islamic Development Bank	12.8.74
Islamic Education, Scientific and Cultural Organisation (ISESCO)	1980
Islamic Fiqh Council	1982
Islamic History & Cultural Research Centre	1976
Islamic International News Agency	1970
Islamic States Broadcasting Organisation	1975
Islamic States Centre for Statistical, Economic and Social Research Training	1977
Islamic Solidarity Fund	1974

International Organizations

United Nations Organisation (UN)	7.10.71
International Bank for Reconstruction and Development	23.12.71
International Civil Aviation Organisation	23.1.73
International Epizootic Office	1977
International Fund for Agricultural Development	1983
International Labour Organisation (ILO)	31.1.94
International Maritime Organisation (IMO)	31.1.74
International Maritime Communications Organisation	30.12.80
International Monetary Fund (IMF)	23.12.71
International Telecommunications Union	28.2.72
UNESCO	10.2.72
FAO	11.71
UN Industrial Development Organisation (UNIDO)	6.85
Universal Postal Union	17.8.71
World Health Organisation (WHO)	28.5.71
World Meteorological Organisation	2.2.75
World Trade Organisation (WTO)(observer status)	1996
Inter-Governmental Bureau for Informatics	6.9.86
Interpol	16.9.72
International Association of Lighthouse Authorities	25.6.87

Internal Association of Schools and Institutes of Administration	1986
International Civil Defence Organisation (ICDO)	1985
International Hydrographic Organisation	25.6.87
International Institute of Administrative Science	1985
International Organisation for Legal Meteorology	1989
International Organisation for Training and Welfare of the Disabled	–
International Satellite Organisation (INTELSAT)	3.1.75
International Organisation for Specifications and Standards	1989
International Union Against Tuberculosis	1985
International Union for Conservation of Nature	4.6.75
International Union of Child Welfare	1980
International Whaling Commission (IWC)	1980
Non - Aligned Movement	5.9.73
World Scout Bureau (WSB)	1979
World Association of Girl Guides (WAGGGS)	1987
World Council for Welfare of the Blind	1979
World Organisation for Intellectual Property	19.11.96
International Union of Radio Amateurs	
World Food Programme Association of Indian Rim States	3.97

Other Regional Organisations

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



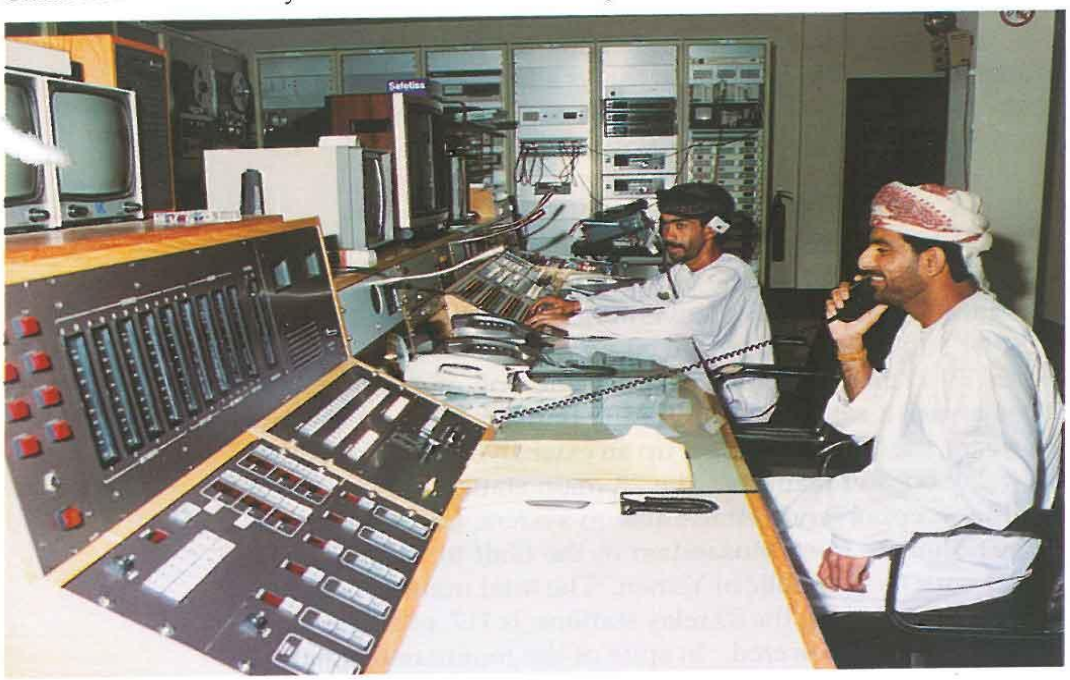
INFORMATION

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

Sultanate of Oman Radio (SOR)

In 1970, only one week after His Majesty the Sultan came to power, a small broadcasting station was established at Bait al-Falaj. It was only a one kW transmitter but it enabled people to hear the voice of their leader for the first time. On the 20th of December of the same year transmissions began from Salalah and in 1972 a new medium wave 10 kW station was inaugurated, broadcasting regularly 14 hours a day and 18 hours on holidays. In 1975 the Ministry installed 100 kW medium wave

▼ **A programme is prepared at Oman Radio.**



transmitters in Muscat and Salalah and in 1979 linked the two broadcasting stations by satellite. VHF FM transmitters were installed and further improvements were made to the medium and short wave broadcasts so that the 'Voice of Oman' can now be heard in all parts of the country as well as in the Gulf and East Africa.

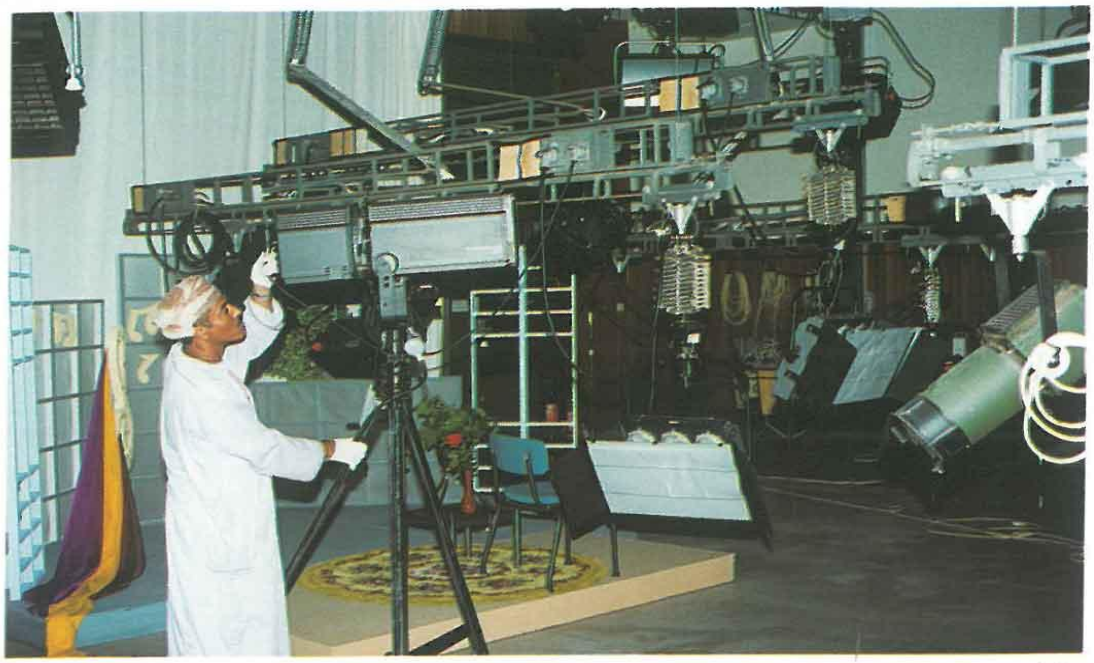
Broadcasts are now made in Arabic on 1242 kHz from Muscat (738 kHz from Salalah). A new transmitter in Haima opened in 1995, which covers the central area of the country on 576kHz. Transmissions are also made on FM giving a total of 19.5 hours of broadcasting daily. There are also broadcasts in English on 90.4 kHz from Muscat (94.3 kHz from Salalah). There are three main news bulletins every day in English and the service broadcasts classical music in the mornings, with light entertainment and popular music in the afternoon and evenings, making a total of 15 hours of continuous transmission.

During 1997 transmissions totalled 7335 hours and 34 minutes; of the material broadcast, about 80% was locally produced, thanks to contributions from all parts of Oman as well as from correspondents in thirteen cities round the world.

Sultanate of Oman Radio transmits its own programmes through the satellite T.V. channel that is allocated to Sultanate of Oman Television from (ARABSAT), in addition to the transmission through the Internet since November 1997.

Sultanate of Oman Television (SOTV)

Television transmissions from Muscat commenced in November 1974, while the Salalah television station started transmitting to the Dhofar Governorate in November 1975. In 1979 the two stations were linked by satellite to form a single Oman TV channel. Oman thus became one of the first Gulf States to use a satellite for domestic transmission. In the last few years, the Ministry has set up an extensive network of main and relay booster stations. The 28 main stations, which use a satellite reception and retransmission system, cover the whole of the Sultanate from Musandam in the Gulf to Sarfait on the border with the Republic of Yemen. The total number of booster stations, including the 89 relay stations, is 117, of which more than 60 are solar powered. In spite of the mountainous nature



▲ A technician adjusts the lighting in an Oman TV studio.

of much of the terrain, television transmissions are received in most of the populated areas.

This year the Ministry signed an agreement with the Egyptian Satellite Company which allocates Sultanate of Oman Television a channel on the Nilesat system. Nilesat will lease a channel to SOTV for relaying its transmission to the areas covered by the satellite. It will also lease four audio channels which could be used by Sultanate of Oman Radio and Oman News Agency, as well as for other purposes in the future. The Ministry is currently discussing the possibility of leasing channels and cable lines in Europe and America so that Arabic speakers in those countries are able to watch Sultanate of Oman Television.

Sultanate of Oman TV broadcasts for an average of 19 hours a day from 8 a.m. to after midnight. Transmission time in 1997 amounted to 6273 hours with 68% of programmes being produced locally.

The 1997 National Day film 'Oman - Land of Opportunities' had as its theme the business opportunities in Oman, notably in the private sector, and the attractions of the country for foreign



▲ **Regular maintenance is carried out on transmitters – this is one which is powered by solar energy.**

investors and tourists, which was distributed to foreign TV stations and to Oman's embassies on video cassette. During 1997, the Ministry in association with OCIPED launched a new programme entitled 'Economic Vision' in which Government officials and members of the business community debate current financial and commercial issues. The programme has particular relevance this year which has been designated the 'Year of the Private Sector' and will help a wider public understand the importance of the private sector contribution to the economy. A number of popular live programmes continued to be transmitted during the year, such as Qahwa as-Sabah (Morning Coffee), Umsiyyat (Soirèes), liqa'al-Khamis (Thursday Phone-In), Da`wah Ala Al Hawa (An Invitation of the Air) and other live broadcasts. Particular attention is paid to programmes shown during Ramadhan. In January this year quiz shows became extremely popular with viewers being able to phone in the answers in the hope of winning a prize. There were also studio audiences and teams competing for the prizes.

The Ministry attaches great importance to staff development and training. Television staff have been sent on numerous

courses and study programmes. Omanisation of the radio and television services has always been an important objective for the Ministry since the services began. Now over 95% of the staff are Omani – a notable achievement given the technical competence and skills demanded of them over such a short space of time.

Oman Centre for Traditional Music

The Centre is responsible for the collection and documentation of the traditional folk music of Oman. It has an impressive collection of video tapes, sound recordings and colour photographs of the songs and dances which have been handed down from generation to generation. Since its establishment fifteen years ago, the Centre has produced several publications. In 1997, two books were published. One, in Arabic only with an accompanying tape, was entitled 'Traditional Omani Music and the Science of Music' in two volumes; the other was published in Arabic, English and German with the title 'The Role of Women in Omani Musical Life'.

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

Oman News Agency (ONA)

Although it was only established some twelve years ago (Royal Decree No. 39/86), ONA has become a valuable link in the mass media both at home and abroad. At home, it is the vocal distributing channel for everything: development, economic, political, social and cultural activities. The Agency follows the news and current affairs through its correspondents in foreign capitals and through its use of modern up-to-date technology through the Internet and satellite. Oman News Agency receives news and pictures from Arab and foreign countries and transmits to them.

H.M. Sultan Qaboos bin Said issued the Royal Decree No. 34/97 dated 25th June 1997, establishing the Omani

Establishment for Press, News Publication and Advertising. This incorporates the duties of Oman News Agency, the Government Press and Advertisement department under the umbrella of OEPNPA.

The Omani Press

Oman currently has 28 publications available to the public, of which five are daily newspapers (three in Arabic, two in English) and four weekly magazines. The remaining publications are of a specialist nature and are published by the Government or other institutions like the Chamber of Commerce and the Central Bank of Oman. The most important Government publication is the Official Gazette which contains the complete text of all Royal Decrees and Ministerial Decisions. The promulgation of any new legislation is always carried by the daily press and announced on radio and television.

▶ **The new building for the Oman Establishment for Press, News, Publications and Advertising.**

The Internet

The Ministry has no responsibility for the internet service which was introduced to Oman in 1996. No steps are being taken to control incoming or outgoing data but the negative aspects of the internet can be reduced and undesirable material blocked off before it reaches Oman through technical procedures initiated by GTO. Individual subscribers can still access the internet via providers in other countries, but this is very much more expensive than going through the GTO system. The Ministry has established its own website which includes some sections from this booklet, which can be accessed through:- Inform@Omanet.com.

Other Ministries are making use of the internet, which is run by the General Tele-communications Organisation (GTO) to promote Oman on the World Wide Web. The connection to the internet is seen as one of the best ways of promoting Oman's economy by providing instant information to investors on the political, economic and social climate of the country.

▶ **A selection of newspapers and other publications published in Oman.**




عمان
الوطن
TIMES OF OMAN
Observer
al-Fahal

DEFENCE

Defence Council

In December 1996, following the promulgation of the Basic Statute of the State, the Defence Council was established by Royal Decree. The Council is chaired by His Majesty the Sultan and its members are the Minister of the Palace Office, who also heads the Office of the Supreme Commander, the Inspector General of Police and Customs, the Commanders of the three Services and the Royal Guard and the Head of Internal Security. According to the Basic Statute, Article 6, the Council has the duty of deciding the succession to the throne, should the Ruling Family Council not be able to reach an agreement.

The Sultan's Armed Forces (SAF)

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

National Day Parade

During the National Celebrations in November each year the military parade and review of the Armed Forces when held in the presence of His Majesty is an impressive public display of men and equipment. For the Silver Jubilee in 1995, some 10,000 troops representing all units of the Armed Forces took part in the parade, which included for the first time the Challenger-2 main battle tank, 155mm self-propelled artillery, 35 mm anti-aircraft guns and Piranha armoured personnel carriers. Hawk fighter aircraft of the Royal Air Force of Oman flew overhead in a thrilling display of formation flying.



▲ Men of the Firqat parade past His Majesty on National Day in Salalah.

Armed Forces Day

In December each year, SAF celebrates Armed Forces Day, which commemorates their success in bringing the conflict in the south to an end in 1975 after a long and arduous struggle against externally supported dissident elements. On Armed Forces Day, sports competitions, which form an integral part of military training and other displays, are held in all units. There is no compulsory military service in Oman and there is stiff competition to join the Armed Services. The training and skills offered to the serviceman stand him in good stead for civilian life later on. Both in the Service and in later life he and his family are well cared for and are proud of the devotion they have rendered to their country. Veterans' Day is another annual event attended by about 300 former servicemen and their guests. The history and development of the Armed Forces is vividly presented in the SAF Museum at Bait al-Falaj. The building was once the permanent Headquarters of SAF but in 1978, the Ministry of Defence was established in a new camp at



▲ **Modern armoured personnel carriers confer a high degree of mobility on the infantry.**

Muaskar al-Murtafa'a near Seeb Airport and work began on the concept of creating a Museum in the old building. The Museum was inaugurated by His Majesty in 1988.

The Royal Army of Oman (RAO)

The Royal Army of Oman consists of the three 'teeth' arms - infantry, armour and artillery with supporting services. The infantry arm consists of the Muscat Regiment, the Northern Frontier Regiment, the Desert Regiment, the Mountain Regiment, the Oman Coastal regiment, the South Oman Regiment and the Western Frontier Regiment. It also has a Parachute Regiment, which has reconnaissance vehicles, the Special Forces and the Firqat Forces which were originally formed as irregulars during the war in the south. Since 1975 the Firqat Forces have been integrated into the RAO as reconnaissance and rural security units. The artillery and armoured regiments are equipped with the latest heavy and medium field guns, and tanks, as well as radar and an advanced air defence

▶ **His Majesty attends a passing out parade for newly-commissioned officers.**



system and both have their own training establishments. In November 1997 an agreement was signed for the supply of 20 Challenger- 2 main battle tanks with ancillary equipment and facilities.

Giving close support are the Engineers, who are trained to clear minefields and other obstacles from the battlefield. They are equipped with mechanical troop transporters, armoured engineering reconnaissance vehicles, the latest detection and warning equipment for weapons of mass destruction and poison gases, personal decontamination equipment and chemical warfare equipment. The Engineers have also contributed to the development of the country by building roads in remote areas and helping rural communities with construction projects. The Signals units and the Electrical and Mechanical Engineers play a vital role in modern warfare, providing the communications and technical back-up without which a modern army cannot function. The Royal Army of Oman also has its own medical services, which make a valuable contribution to the health of the nation. In 1993 the military hospital at al-Khoudh was acclaimed by UNICEF as one of the leading hospitals in the world offering special care to children. Officer cadets are trained at the Sultan Qaboos Military Academy before being commissioned into their regiments. In December 1997, His Majesty the Sultan took the salute at the passing out parade of Commissioning Course No.37. Courses run concurrently and are of two years' duration. Senior officers attend the Sultan's Armed Forces Command and Staff College. In March this year RAO took part in the AGCC annual Peninsula Shield-6 Exercise held in the UAE and in May 1997, the Oman and UAE Armed Forces mounted Taawun-1, a live firing exercise in the Sultanate.

The RAO also provides emergency medical assistance as well as disaster relief and transport services to remote areas.

In 1998 the Royal Army of Oman Shooting Team participated in numerous international marksmanship competitions in Georgia, USA, Munich, Germany, Milan, Italy, Bisley, UK and in various other Arab countries, where they achieved honourable results.

The Royal Air Force of Oman (RAFO)

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

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

The RAFO has the Rapier missile system for air defence and operates an early warning and control system over the whole of Oman's air space. Joint fighter and helicopter exercises are carried out with GCC air forces, and RAFO has also taken part in other air exercises with Arab and friendly countries. In 1986, the Sultan Qaboos Air Academy on Masirah Island was inaugurated under the auspices of His Majesty the Sultan for the training of officers and aircrew. There is also a Technical Air College which trains the technicians in the skills needed to maintain sophisticated radar and aircraft equipment, as well as RAFO's other numerous specialised schools. Apart from its defensive role, the RAFO helps communities in remote areas with delivery of food and other vital supplies and operates a flying doctor service. In conjunction with the ROP, RAO and RNO the RAFO plays an important role in land and air sea rescue. It also patrols over the sea to assist the Ministry of Regional Municipalities and the Environment combat the threat of marine pol-



▶ **His Majesty listening interestedly to an explanation given by an avionics instructor on the function of a latest piece of equipment.**



◀ His Majesty presents wings to one of the pilots at the 1998 graduation ceremony at the RAFO Seeb Airbase,

lution. Support is also given to the Ministry of Agriculture and Fisheries in locust control operations and monitoring of fishing vessels from the air. The RAFO participated at the Fairford International Air Tattoo '96 and in March 1997 urgent relief supplies for victims of the earthquake in Baluchistan were delivered by RAFO to the Government of Pakistan on the orders of His Majesty the Sultan. In May the RAFO were again tasked to fly relief supplies to victims of another earthquake, this time in Iran.

The Royal Navy of Oman (RNO)

The naval base in Muscat harbour, which was established in the early seventies, had no room to expand. The decision was therefore taken to construct the Said bin Sultan naval base at Wudam on the Batinah coast to accommodate an expanding fleet and provide the necessary administration, technical, living, training and fleet support facilities. In October 1995 two new fast gun boats, RNOV al-Bushra and RNOV al-Mansour arrived in Oman to join the fleet, replacing old boats of the

▼ The RNO band on parade at Said bin Sultan Naval Base.





▲ **Joint exercises between the RNO and the other Services hone their skills.**

same class, but more advanced and of a bigger size. In early 1996 the fast gun boat RNOV al-Najah was launched in France to join the fleet in June, replacing RNOV Fulk, one of the original fast gun boats which had been in service for 19 years. In September 1996, the first corvette to join the RNO, RNOV Qaher al-Amwaj built in Southampton was commissioned as part of the programme to upgrade Oman's naval capability. A second corvette, RNOV al-Muazzar, joined the fleet in April 1997 and in December she sailed for Pakistan along with RNOV Dhofar, to take part in a joint exercise with the Pakistani Navy.

In March 1996, Oman hosted the AGCC naval exercise Ta'awun-2. This joint naval exercise had been held in Omani territorial waters for the first time in March 1994. Part of the exercise consisted of live firing of Harpoon and Exocet missiles.

In February this year, the RNO conducted its annual training exercise, Assad al-Bahr, with support from the RAFO.

An important task carried out by the RNO is hydrographic survey work, which is essential for the safe passage of ships through the Strait of Hormuz and Oman's territorial waters. In

1997, four new charts were completed. The National Hydrographic Office (NHO) has now published seven of a planned series of 50 charts to cover the entire coast of the Sultanate of Oman. The second annual (1998) edition of the National Tide Tables, produced by the Hydrographic Office, has also been very well received.

The RNOV Shabab Oman is not only a sail training ship, but also a roving ambassador for the Sultanate and a reminder of Oman's maritime heritage. She has visited many countries, including the United States, Canada, Great Britain, France, Australia and many more enroute. In May 1996 she left Oman to participate in celebrations, marking the 300th anniversary of the formation of the Russian Navy. On her voyage the ship visited 17 ports in 12 countries and went on to compete with 117 vessels in the Tall Ships' Race from Rostock to St Petersburg finishing ninth in her class. In Copenhagen, she was awarded the Cutty Sark Trophy. She returned to Oman in October of the same year after a voyage of 16,000 miles. In early 1997 the RNOV Shabab Oman set sail for Japan on her eighth international voyage, to take part in the centenary celebrations of the Port of Osaka in April, where she was awarded the Cutty Sark Trophy for the second time, in addition to a silver shield - an achievement never precedented by any other nation since the inception of the International Sail Training Association.

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

The Royal Guard of Oman (RGO)

The Royal Guard Regiment was formed in 1973 to protect and escort His Majesty Sultan Qaboos, as well as to guard Royal property and visiting personages. It is a corps d'elite, which is trained as both a combat and ceremonial unit. Training, like the live firing exercises at Saih al-Zamayim in November 1996 in the presence of the Supreme Commander, is carried out regularly at all levels.

In 1981 the RGO was expanded from a regiment to brigade





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

In November 1976 the Royal Guard was given the task by His Majesty of establishing a school to give technical education to sons of its serving members. The school has over 200 students and follows a curriculum with the emphasis on engineering and technology. There is an entry examination in Arabic subjects, but English is taught as part of the technical syllabus. There is intense competition for the thirty places each year due to the excellent results achieved, which lead to good career prospects in technical fields.

◀ **His Majesty inspects his Royal Guard of Oman.**

Royal Oman Symphony Orchestra (ROSO)

In 1985 His Majesty directed that a Royal Symphony Orchestra be formed under the aegis of the Royal Guard. Young Omanis of both sexes are carefully selected and trained as musicians in addition to being given a comprehensive general education at a boarding establishment in Bait al-Barakah. Since the ROSO performed in public for the first time in 1987, it has achieved notable progress. In January 1996, the ROSO played together with the visiting BBC Philharmonic Orchestra and now entertains the public with concerts on a regular basis. There are 120 members of the ROSO, of whom 30 are the original students. The ROSO excelled itself with a special concert to celebrate the Silver Jubilee, playing to an enthusiastic audience in the al-Bustan Palace Hotel. It was a fitting tribute to His Majesty, who had had the vision of founding the Orchestra as a contribution to the arts in society as an integral part of building an outward-looking nation.

◀ **The ROSO now perform both at home and abroad.**

ROYAL OMAN POLICE

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

Since 1974 when His Majesty conferred the title Royal Oman Police on the newly formed force, its expansion and achievements throughout the country have been one of the most impressive developments seen in Oman. The Royal Oman Police adopts a high media profile and aims to create a climate of public awareness of the work done by the Force. Emphasis is placed on the prevention of crime, traffic accidents and the hazards of natural disasters, such as fire and flood.

By the end of 1997, the ROP had achieved nearly 98% Omanisation. Expatriates provide certain specialist skills, but are training Omanis to take over from them in the medical services, aviation engineering, computer programming, forensic medicine, laboratory analysis, fire prevention and fingerprinting.

Organisation

The Headquarters of the Royal Oman Police (ROP) are in Qurum with eight Regional headquarters, which control police divisions within the Governorates and Wilayats. There are also Directorates-General with special responsibilities. In September 1997, a contract for RO 1.43 million was signed by the ROP for the new headquarters in the Sharqiyah. A new police station has been constructed in Birka, as well as a vehicle inspection and licensing complex in Ibra. Projects to be started this year are the office complex for the Dhofar Governorate Police Command and a police station at Sinaw, similar to the one at Birka.

Directorate-General of Operations

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



▲ Royal Oman Police personnel patrolling oil installations.

Directorate-General of Criminal Investigation

Equipped with modern techniques for detecting crime, the Directorate has branches attached to police headquarters. The law prescribes the death penalty for pre-meditated murder, but this is seldom carried out and executions when they do occur are not a public spectacle. Serious crime, whether committed by Omanis or expatriates, is always reported in the local press.

In March 1997, the Penal Code was amended by Royal Decree stipulating tougher penalties for adultery, gambling and alcohol abuse. In June 1996, measures were announced to clamp down on the illegal possession of firearms, which can only be licensed to Omanis, aged 25 years or over. In the same month 69 persons were given stiff jail sentences for a variety of crimes. These were exceptional crimes, which were tackled by the ROP, but the most common cases investigated are financial and property offences such as cheque fraud and petty theft.

Directorate-General of Traffic

New registrations of vehicles increased to 40,451 in 1997 compared with 37,995 in 1996. The number of new driving licences issued in 1997 went up from 23,579 to 26,339. The huge increase in traffic over the last five years has posed a serious problem for the Royal Oman Police and a great deal of police time is spent on dealing with traffic accidents. ROP statistics released for 1997 show that the total number of accidents went down by 11 % but fatalities rose by 7%. There were 8,444 accidents in 1997 compared with 9,456 in the previous year. Although there has been a downward trend in the number of accidents in recent years, deaths still average more than one a day. There were 549 deaths in 1997 compared with 512 in 1996. About eighty per cent of fatalities are male, mainly in the 20-25 age group. Passengers account for 39% of deaths, drivers 33% and pedestrians 31%. Total injuries increased slightly last year from 6,685 to 7,278. Speeding and careless driving are the main causes of accidents. The ROP have recently announced that only 'handfree' use of mobile phones will be permitted in vehicles, to prevent drivers from losing concentration and driving without due care and attention.

The National Committee for Road Safety was established by Royal Decree in October 1997. The ROP strategy to reduce the high cost to society of traffic accidents is two-fold. First, strict enforcement of regulations, such as speed limits and secondly raising public awareness of road safety. Besides conducting a high profile continuous campaign in the media, the ROP participates annually in the AGCC Traffic Week. Quite apart from the human cost of accidents, the material costs are giving cause for concern. The ROP has proposed measures for simplifying procedures in accidents where no human loss or major damage has been caused by settling disputes through the insurance companies concerned and without the involvement of the traffic police.

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



▲ ROP helicopters transporting goods to citizens in remote areas.

Directorate-General of Immigration & Passports

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

Immigration cards no longer have to be completed by travellers arriving in or leaving the Sultanate. The ROP is continually examining ways of speeding up formalities without loss of security. From January this year simpler entry procedures make it easier for tourists and business men resident in any of the AGCC countries to enter the Sultanate. They are now able to obtain a two week visitor's visa at Seeb Airport or the al-Wajajah border post. In the Year of the Private Sector it is hoped that this measure will encourage tourism and business.

Already agreement has been reached with other AGCC



▲ Civil Defence fire fighting team in action.

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

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

Directorate-General of Customs

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

an international drug ring using Oman as a transit point. Two men were arrested in possession of 289kgs of drugs.

Directorate-General of Public Prosecutions

The Directorate-General has offices in each of the Regional Headquarters and brings cases before the criminal courts as appropriate. There are two prisons in Oman, where those convicted of serious crimes are sent: in Salalah and at al-Manoumah on the Batinah Coast. Given the low crime rate one prison would suffice, but consideration is given to the families who would have to travel long distances to visit their relatives in prison if there were only one such establishment for the whole country.

Directorate-General of Civil Defence

On 1st March each year International Civil Defence Day is observed by the Sultanate and other AGCC states. The ROP operates a fire and rescue service for dealing with emergencies, either man-made or natural disasters. The ROP believe that prevention is better than cure. Therefore much of the civil defence time and effort is spent on public awareness campaigns, as well as visits and inspections to sites in order to explain the hazards to which citizens may be exposed either at work or in the home. Shop owners have been urged to comply with safety regulations after a serious fire swept through a Ruwi shopping complex last year and a committee has been formed to investigate causes of fires and recommend safety measures to be taken.

In fact, there have been very few fires in Oman over the last three years, as the following statistics show:-

1995 1,070 fires
1996 951 fires
1997 1,011 fires

ROP Academy Nizwa

The Police Academy was inaugurated by His Majesty the Sultan on 5th January 1980, which is celebrated annually as Royal Oman Police Day. This annual event is an opportunity for the ROP to open their facilities to the public and to give lectures and seminars at sports clubs, colleges and other institutions. There is no shortage of young Omanis wanting to join the Police. They are trained to a high standard at the Academy, which has helped to achieve a remarkably high level of Omanisation. Over the last three years, 75 basic and specialist courses have been run at the Academy. Women are increasingly recruited to take on specialist tasks as well as policing of a general nature.

Supporting Divisions

The Royal Oman Police is a self-contained organisation with several supporting divisions, such as its own Medical Services, the Air Wing, the Coastguard, the Mounted Division, the Dog Unit and the Musicians who have displayed their talents on many ceremonial occasions, notably at the Royal Oman Police Tattoo.

A Tribute to the Royal Oman Police

At the end of 1995, a party of 14 German tourists were stranded in the Wadi Dhayqah by flash floods following heavy rains which submerged their vehicles and trapped them for nearly 24 hours. The tour leader managed to alert local villagers who informed the ROP at Quriyat. Police helicopters were immediately despatched and the tourists rescued. As well as thanking the local people for their help and hospitality, the tour leader expressed his appreciation of the rescue saying: "The Royal Oman Police is an organisation of which the Sultanate should be justly proud."

NATIONAL ECONOMY

The Sultanate of Oman enjoys a stable political, economic and social system. The excellent relations fostered with neighbouring countries have enabled Oman to play an active role in promoting regional, political and economic co-operation. His Majesty the Sultan has always encouraged market-oriented policies and private sector development as the mechanism for prosperity and growth. This year has been designated 'The Year of the Private Sector' by His Majesty, but as early as 1974, a salient feature of Oman's development strategy was to establish a free competitive economy with equal opportunities for all.

A Vision for the Future

Although Oman has achieved remarkable progress, both socially and economically with the implementation of consecutive Five-Year Development Plans, there are new challenges confronting the Government due mainly to the reliance on oil, the price of which fell earlier this year to less than US$11 a barrel. Recognising the finite nature of oil reserves - even though latest estimates are that these reserves are guaranteed for 50 more years at least - and the vagaries of an oil market outside its control, the Government is placing great emphasis on the diversification of the country's economic base, led by the private sector. This has meant a detailed review of existing laws and regulations, in addition to introducing a new Foreign Investment Law. Major revisions have also been made to the Commercial Law, the Agency Law and the Corporate Income Tax Law. All these measures are designed to encourage foreign investment in Oman and active domestic participation. Most important of all has been the introduction of the Basic Statute of the State, which inter alia states in Article 11 that 'The National Economy is based on justice and the principles of a free economy.'

The Vision Conference: Oman 2020

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

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

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

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

1998 Budget

His Majesty approved the State Budget with the promulgation of Royal Decree 1/98. Public expenditure is set at RO2.307 billion, of which RO1.796 billion is allocated to current expenditure, RO482 million for investments and RO29 million for other contributions, including support for the private sector. Total public expenditure is therefore budgeted to be much the same as in the 1997 budget, which was RO2.266 billion, but the reduction in cur-

rent expenditure from RO1,815 million in 1997 to RO1,796 million this year reflects the resolve of the Government to control spending and to ensure a balanced economy and continued growth. Nevertheless, higher allocations have been made this year for education, health, social security and public services.

Total State revenues for this year are estimated at RO2.012 billion, compared with RO2.003 billion in the 1997 budget. In spite of lower oil prices, the current estimate for net oil revenues this year is about RO1.497 billion, compared with RO1.502 billion in 1997. An oil price of US$15 a barrel is used for planning purposes.

The Government is committed to achieving a balanced budget by the year 2000, the final year of the current Five-Year Plan. The predicted deficit for 1998 is RO295 million, which although high allows for the development of essential projects and of human resources to be implemented within the planning period.

Allocations

The highest allocation this year again went to education with a budget of RO263.7 million (RO238.7 million in 1997). Next came health with an allocation of RO118 million (RO109 million in 1997). Public services are to receive an additional RO4.9 million this year, while social security is allocated an additional RO2.1 million on the 1997 budget figure of RO51.2 million.

The Development Record

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

marised in the following reports:-

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

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

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

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

* The non-oil sector's contribution to GDP has been increasing steadily. This sector now accounts for about 60% of GDP compared with only 43% during the First Five-Year Plan (1976-1980). In 1996, the sector registered a 3.3% real growth rate, although its share of GDP declined marginally due to higher oil prices.

* The share of non-oil revenues in 1996 amounted to about RO461.2 million, compared to RO418.3 million in 1995, which represented an increase of 10.3%. As a share of total State income, this sector's revenues have been steadily increasing. In 1996, its share amounted to 23.2% compared to an average of 21.1% during the previous Five-Year Plan.

* In 1996, total GDP amounted to RO5890.3 million at current prices. Real GDP growth was 3.5% (11% at current prices).

* The Consumer Price Index (CPI), which declined by 1.2% in 1995, rose by about 0.3% in 1996. Inflation is expected to remain at around these levels for the foreseeable future.

Development Planning

Under the Chairmanship of His Majesty, the Development Council was formed in 1975 to launch Oman's First Five-Year Development Plan (1976-1980) which coincided with the oil sector boom. The Plan aimed at establishing essential infrastructure, such as Government buildings, power stations and communication centres. It also aimed at increasing the absorptive capacity of the economy and laying the foundation for a competitive private sector-led economy.

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

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

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

First National Census

A major step in Oman's development was the holding of the first General Census of population, housing and establishments. The results of the Census and sample surveys taken since they were collated form the basis for all future economic planning.

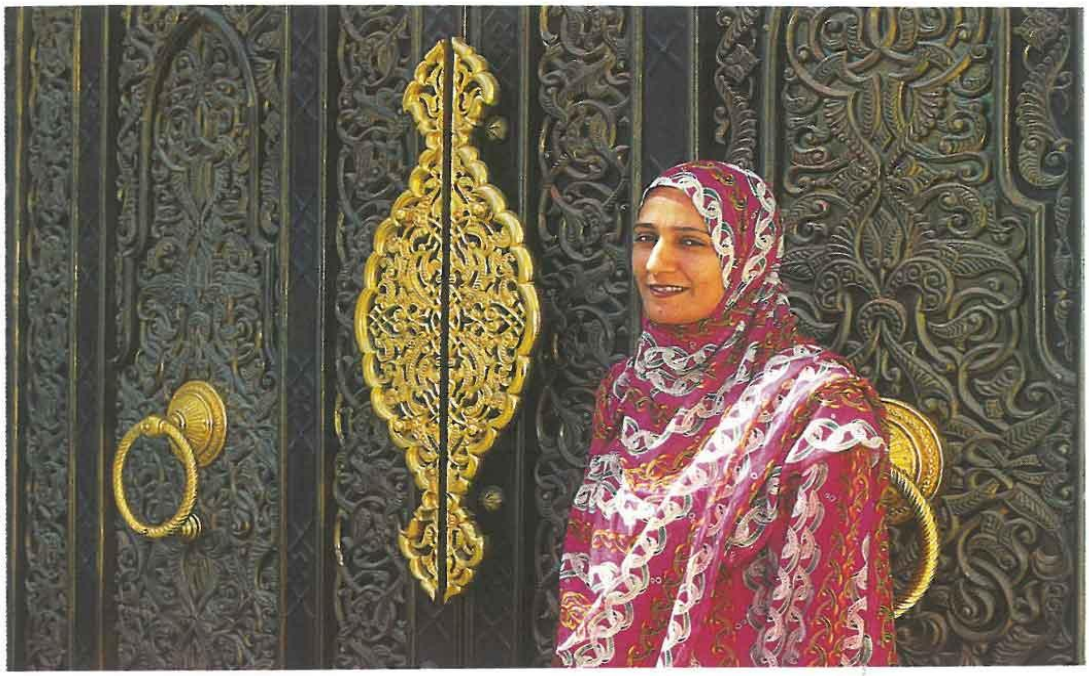
The scope of the Census was more than a simple population survey. Preparations were made at the end of 1993 and the final results were known at the beginning of 1995. In January 1996, "The Full Results of the General Census" were published in a Ministry booklet.

At the end of 1993 the total population of Oman was 2,018,074, of which 1,483,226 were Omanis (73.5%) and 534,848 were expatriates. The majority of expatriates are concentrated in the Capital area, where they represent 46% of the population. In most other areas of the Sultanate Omanis make up 75% or more of the total population. The Census revealed that 52% of the population is aged 15 or under, while those over the age of 64 represent only 3% of the population. This indicates a high birth rate of around 3.5% as well as a marked improvement in health standards. The current estimate of the total population figure is just over 2.2 million.

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

The Fifth Five-Year Plan

The current Five-Year Plan (1996-2000) is regarded as the beginning of a new era of development planning in the Sultanate. This Plan differs from previous ones since it calls for wider public and private sector participation, the use of sophisticated computerised macro-economic modelling techniques and for planning Oman's development within a regional and global context. The Plan prepares for the next century and puts in place measures to maintain a prudent fiscal policy, such as strict adherence to the framework of the Plan in the preparation of the annual State budget, limiting public debt and reaching a balanced budget by the year 2000.



▲ A member of the Central Bank of Oman staff poses in front of one of its intricately carved traditional doors.

Diversification

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

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

Human Resources

Human resource development has long been a high priority in Oman's development planning. This is reflected in the allocation of RO207 million for this purpose during the current Plan. Funds will be used for the development of basic education, as well as for

increasing the number of health and nursing institutes and the provision of additional technical and vocational training. It is expected that about 30,000 students will be trained during the Plan. The Government is intensifying its efforts to provide Omanis with sound basic education and a high level of skills through technical and vocational training.

Global Outlook

Oman has a history of international trading which is reflected in the current application to become a member of the World Trade Organisation (WTO) and in being a founder nation in the recently established Indian Ocean Rim Association. Foreign capital and technology have played an important role in the country's economic development. The Sultanate has a high financial standing in world money markets, which is reflected by the credit ratings of international agencies. Oman enjoys political and economic stability with a relatively low debt obligation. It is therefore no surprise that Oman has become the first Arab Gulf State to tap investment resources from international money markets with a US$225 million five-year Eurobond issue, which will raise the country's profile among international investors and help promote private sector development. Major loan agreements in 1997 totalled around US$268 million from the Islamic Development Bank and international bankers, J.P. Morgan. Some of these funds were used to finance the Raysut container port development and the construction of a fishing port at Sur.

Private Sector Development & Privatisation

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



▲ **Cheerful news for a depositor? A customer at one of Oman's banks appears happy with his reception.**

A number of privatisation projects have already been completed in areas such as banking, insurance, tourism and electricity. Major projects - the LNG project, aluminium smelter, fertiliser plants, Mina Raysut container port and the petrochemical complex - are already being implemented, while others are being considered in various areas of infrastructure. These ambitious private sector plans will require a capital injection of over RO1 billion.

Investment Incentives

Steps have already been taken to attract local and foreign investment for this ambitious programme. The Commercial Companies Law and the Foreign Capital Investment Law have been amended to allow foreigners to own up to 49% in trust accounts, which will be treated as fully-owned Omani companies, attracting the same tax rates as companies with the right to invest in any sector of the economy. Foreign investors are allowed to own up to 65% of stock in public infrastructure projects, which

the Government has entrusted to the private sector to undertake. Foreign ownership can be 100% in certain circumstances. Companies with foreign participation are treated on a par with wholly owned Omani companies and may be exempted from corporate tax during the first five years after establishment. They are also free to repatriate profit and capital at will. Oman's laws have been changed to bring them into line with the rules of the World Trade Organisation and to meet the new circumstances of a global marketplace.

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

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

Banking in the Sultanate

The banking system in Oman consists of the Central Bank of Oman and 17 commercial banks of which seven are locally incorporated. There are also three specialist banks:-

The Oman Housing Bank, The Oman Development Bank, which has merged with the Oman Agriculture and Fisheries



▲ Commemorative coins issued by the Central Bank of Oman on the occasion of National Day 1997.

Bank, and the Alliance Housing Bank which commenced business on 6th January this year. At the end of 1997, there were 304 domestic bank branches in a network covering the entire country and 24 specialist bank branches. In addition there are 11 money exchange institutions licensed by the Central Bank to issue drafts and deal in foreign exchange, as well as 55 money changers for personal and individual transactions only.

Silver Jubilee Currency Issue

For the 25th Anniversary of National Day and to mark the Silver Jubilee, the Central Bank issued new legal tender in currency notes of the following denominations: - RO50, 20, 10, 5, 1 and 0.500, 0.200 and 0.100 baisa. The new currency went into circulation on 1st November alongside the old which will be withdrawn gradually but will remain as legal tender until further notice. By the end of last year the new notes, made up nearly 85% of the currency in circulation. In November 1995, the Central Bank also issued a set of 20 commemorative gold and silver coins

depicting the old and new buildings of Oman - forts and castles and modern architecture. Two commemorative coins each with a face value of RO1, one gold the other silver, depicting aspects of Dhofar, were issued in November to mark the 27th National Day celebrations held in Salalah.

The total amount of currency in circulation at the end of October 1997 rose 2.8% to R0267.2 million compared to RO260 million at the end of 1996.

Training & Omanisation

In order to meet the training and Omanisation requirements of the banking sector, the Omani Banking Institute has been established and has played a leading role in increasing the number of Omanis working in the sector. The Central Bank monitors the progress made by the commercial banks with Omanisation and in July 1996 issued a circular stipulating that by the year 2001, at least 75% of senior and middle management positions should be held by Omanis. In the clerical grades 95% of staff should be Omanised and 100% in all other grades. At the end of 1997, 88% of all positions were held by Omanis which is a considerable achievement for the banking sector in general. During the year the number of Omanis employed increased from 4,289 to 4,397 men and women.

Oman Development Bank SAOG

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

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

industrial, service, agricultural and fishing sectors of the economy. A total of 666 loans worth RO134.5 million were advanced for projects with investments of about RO540 million during this period.

Besides advancing loans to Omani companies, the Oman Development Bank is an institution specialising in lending to the individual small investor, by advancing loans not exceeding RO165,000 for projects with an investment cost of not more than RO250,000. The rate of interest charged by the Bank is 9%, of which 6% is borne by the Government and only 3% by the borrower. Under certain conditions the Bank grants interest free loans not exceeding RO5,000 to small investors and craftsmen. In 1997, a total of RO92,000 was approved for 38 tailoring projects, 7 fisheries and 3 agricultural projects. By the beginning of March this year, the Bank had increased the number of loans for tailoring projects, sponsored by the Ministry of Social Affairs, Labour & Vocational Training, to 108, which is evidence of the Bank's contribution not only to the drive for Omanisation, but also to the success of the 'Year of the Private Sector'.

Since the Bank started its activities in July 1997, it financed during the second half of the year a total of 69 projects with loans worth RO1.3 million for projects with an investment cost of about RO3 million. These loans were spread over the various sectors of the economy with services taking 45%, industry 41% and agriculture and fisheries the remaining 14%. Although the service sector took the largest number of loans, industry had 51% of the total amounts provided for the loans, followed by services with 32% and agriculture & fisheries with 17%.

An increasingly important service provided by the Bank on behalf of the Government since 1991 is the operation of the Export Guarantee and Finance Unit (EGFU). In 1997, credit limits for Omani exporters amounted to RO63 million compared to RO49.7 million in the previous year. The number of Omani exporters increased from 68 to 81 in 1997 and Omani exports went to 64 countries compared to 58 countries in 1996.

Commercial Banking

The commercial banks reported record profits before tax for the year ending 31st December 1997. This was due mainly to higher net interest income from increased lending to corporate and personal customers, the expansion of financial services throughout the Sultanate and effective containment of operating costs. The National Bank of Oman (NBO) reported a net profit of RO13.3 million for last year with a 45% bonus share issue to existing shareholders in addition to a 10% cash dividend. During 1997, the share price rose from RO3.620 to RO11.570, an increase of 220%. The commercial banks are actively seeking investment opportunities abroad as well as strategic alliances. The AGCC countries have agreed a common licensing policy which will enable local banks to open branches within the region.

The total value of the assets of the commercial banks amounted to RO3,366.5 million at the end of 1997. Total credits offered by the banks were RO2,242.4 million, of which RO2,194.3 million were for the private sector and the rest for the Government and other institutions. This was an increase of 34.7% on the 1996 figure of RO1,663.8 million. The commercial banks' investments in Government Development Bonds amounted to RO57.1 million, while its investments in local treasury bills (at cost price) were RO52.8 million. Total deposits came to RO2,095.9 million at the end of the year, of which RO1,715.3 million were from the private sector and the rest from Government and other institutions. The capital of the commercial banks amounted to RO304.2 million.

Electronic Banking

Electronic banking is steadily being introduced into Oman and the issue of credit cards is gaining momentum. Some banks provide the service free of charge by way of promotion. The most frequently used international credit cards are VISA, Master, AMEX and Diner Club cards. Five of the seven locally incorporated banks run credit card services and all banks have installed ATM machines. There are plans to integrate the two ATM networks into one facility serving the whole of the country. Telephone

banking is also being introduced to help customers settle payments for services, like water, electricity and telephones. E-mail can also be used for the transfer of funds.

In November 1996, the Oman International Bank launched its free ABC debit card with cash withdrawal facility, which can be used at numerous retail outlets, like supermarkets, hotels and restaurants. The National Bank of Oman has also issued a debit card and has introduced a facility for paying domestic bills at its ATM machines. For a modest annual fee, Khimji Ramdas has issued the first store card in Oman for use in its retail outlets and restaurants.

Development Bonds

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

The 18th issue of Government Development Bonds was launched by the Central Bank in April this year, with a maturity date of 4th April, 2003. They offer a guaranteed return of interest at the rate of 7.75% per annum, with investors receiving their interest half-yearly. The Bonds can be traded at the Muscat Securities Market (stock exchange). Investors abroad may apply to subscribe through banks that have correspondent relations with commercial banks in the Sultanate.

Regulation

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

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

COMMERCE & INDUSTRY

Government policy is to create a national economy based on private enterprise in a competitive environment devoid of monopolistic practices. A stage has now been reached where the basic physical infrastructure of the country is in place and in order to further the socio-economic development of Oman, it is essential to build up a strong, efficient and competitive private sector with the help of government incentives and some financial assistance where necessary in order to stimulate rapid growth, particularly in areas of manufacturing and commerce hitherto unknown in Oman. The private sector is receiving special emphasis 1998, having been designated the Year of the Private Sector by His Majesty the Sultan.

One of the incentives is the annual award of His Majesty the Sultan's Cup for Industry. Last year the five winners were the Oman Cement Company, Raysut Cement Company, Oman Flour Mills Company, Oman Cables Industry and the Gas Division of the Mohsin Haider Darwish Group. Certificates of Appreciation were awarded to the Oman Textile Mills Company, National Detergent Company, Reem Batteries & Power Appliances Company, Amiantit Oman and the National Aluminium Products Company. From this year the criteria for awarding the Cup will be changed to take account of a company's Omanisation plan. Companies should not fall below the 35% target set for the industrial sector. Five companies from the Rusayl Industrial Estate were commended last year for exceeding the Omanisation target. They were the Omani Saudi Canning Factory (86%), Technical Engineering Services (71%), National Tea (65%), Muscat Industries (61%) and the Reem Batteries & Power Appliances Company with 48%.

Another incentive, to which His Majesty has personally contributed, is the Youth Fund which provides financial and advisory assistance to young people wishing to embark on business in the private sector.



▲ **The private sector is receiving the highest development priority – a cement factory.**

Manufacturing is one of the main sectors of the economy for diversification. It is envisaged that this sector, which contributed about 4.2% to GDP in 1996 will be strengthened and expanded to increase its share of GDP to 6.7% by the year 2000. Manufacturing growth rates in the Fifth Five-Year Plan have been revised to 12.2% in order to make this a reality. Since the domestic market is small, the growth in manufacturing will be export led and the following kinds of industry will be encouraged:-

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



▲ One of Oman's modern factories in Sohar – here polypropylene is manufactured for a variety of uses.

* Precision engineering industries, machine tools and machinery.
* Production centres for multinationals.

According to the industrial survey undertaken in September 1996, there were 1,355 industrial establishments in Oman employing a labour force of over 26,000. Since then another 200 industrial units have been established, bringing the number of employees to over 29,000 in this sector of the economy. Over half the units produced cement, cement products and metals. Two-thirds of the total investment was in these products as well as in foodstuffs and drinks, but the ready-made garment industry was the most labour intensive which, with the cement and cement products, employed almost half the industrial workforce. Most of industry is still concentrated in or near the Capital area, but the Government is implementing plans which are bringing manufacturing as well as commercial opportunities to other parts of the country.

Major Projects

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

Sur

In addition to the Oman LNG project, a fertiliser plant is to be built at Qalhat near Sur with a capacity to produce 1.4 million tonnes of urea and 330,000 tonnes of excess ammonia per annum from natural gas for export. During the State Visit of His Majesty the Sultan to India in April 1997, an agreement was signed between the Oman Oil Company and Rashtriya Chemicals & Fertilisers (RCF) and Krishak Bharati Corporation (Kribhco) for the formation of a joint venture company with the name Oman-India Fertiliser Company (OMIFCO) to bring the project on stream in 2001. The preliminary work on the project arrangements has been completed and the major activity is to secure the finance needed to supplement the equity capital of the three partners in the project. The Oman Oil Company will hold 50%, with the other 50% of the equity shared equally between the other two partners. A total of about RO420 million will be invested in the project. Gas required for the project is estimated at 0.95 trillion cubic feet over a 20-year period. The plant will employ some 450 staff of whom about half will be Omanis.

Sohar

Two other projects, which will be established at Sohar, are an aluminium smelter and a petrochemical plant. The total cost of the two projects will be in the order of US$4.37 billion. The feasibility study for the smelter has been completed and the detailed design and business plan are now being finalised for construction to begin early next year. The project, which is set to have an annual capacity of 480,000 tonnes and to be on stream by the year 2000, will be allocated two trillion cubic feet of gas over a 25-year period. The company will be known as the Sohar Aluminium Smelter Company (SASCO) and 60% will





▶ A biscuit factory – another example of private enterprise boosting Oman's economy.

be owned by the founders, a consortium of Omani and foreign investors led by Charus Enterprises of New York and the China National Non-ferrous Industries Corporation (CNNC) of Hong Kong which will have a buy-back agreement to lift all the aluminium produced. The remaining 40% of the equity will be offered for public subscription. The smelter will have its own power station with an initial capacity of 1200 MW, increasing to 1800 MW and a desalination plant producing 12 million gallons a day, which will increase to 30 million gallons a day.

The Government has selected British Petroleum (BP) Chemicals as the foreign partner in the petrochemical plant project, which is expected to have a 450,000 tonnes per annum ethylene cracker and a similar-sized polyethylene plant. BP will have a 49% stake with the Oman Oil Company holding 11% and the remaining 40% being offered to the public in due course. One trillion cubic feet of gas over a period of 25 years has been allocated for the project. Plans are also being made for an airport and port at Sohar.

◀ Canned local tuna fish, for export and the domestic markets.

Salalah

The most important development is the modernisation and expansion of the port Mina Raysut, which will provide many opportunities for the private sector to set up commercial and

manufacturing ventures. Studies are under way for an industrial export-free zone to be established close to the new container terminal. The terminal, one of the largest in the world, will be capable of taking the biggest container ships and will be an important facility before Singapore and Colombo, hitherto the two nearest ports for such ships after Europe. The infrastructure is being developed to provide facilities, such as accommodation, warehousing, electricity and water to be ready for a new wave of private sector investment and construction. Proposals are being considered for a special chemicals zone to be established and for natural gas to be supplied by pipeline for power generation.

Heavy industry

The cement industry is one of the most successful existing industries in Oman. The Oman Cement Company (SAOG) has doubled its clinker production to 1,200,000 tonnes from 600,000 tonnes of clinker per annum by introducing a new production line and advanced automation. With the construction of a new power station, generating 30 MW, annual production of clinker and cement is set to double. The cement produced by OCC is presently sold in the local market where demand is increasing. With the expansion which is nearly completed, OCC will not only completely meet the demand in Northern Oman but would be having surplus to enter export markets. The Government owns 63% of the company, with the remaining 37% of the shares issued to the public.

The Raysut Cement Company has also increased production capacity from 250,000 tonnes per year, of which 60-70,000 tonnes is exported, to 750,000 tonnes per year. This means that the export capacity now stands at between 300,000 and 400,000 tonnes per annum after local demand in Dhofar has been met.

Industrial Bank of Oman (IBO)

The IBO is set to become the first private sector industrial bank to be established in the Middle East when it becomes oper-



▲ A bottling plant for refined cooking oil – one of the hygienic food processing factories established by the private sector.

ational later this year. Besides advancing loans for medium and large size projects, the new bank will offer advisory services and may consider equity participation in industrial projects.

Industrial Estates

Oman's first industrial estate was established at Rusayl in 1983 and accounts for 100 of the 135 factories on all the industrial estates. It is situated about 45kms from the Capital area and the port, Mina Sultan Qaboos. It is conveniently placed close to Seeb International Airport and has its own gas-fuelled power station and water supply. Among the many other services provided, an important feature is the nearby housing complex for the workforce complete with shops, supermarket, cinema and mosque. At Rusayl in January this year, the Omani-Saudi Foodstuff Canning Company opened a tuna canning factory with a 70 strong workforce, 62 of whom were Omanis. At the end of last year, the National Rice Mills factory was officially opened. The factory will convert brown rice into white rice



▲ A typically modern factory produces almost exclusively for export.

for local consumption at first, followed by exports at a later date. The Muscat Thread Mill went into production and two factories were also opened for the manufacture of oil and gas equipment (Maritime Industrial Services & Partners and Cameron Inchcape Middle East LLC).

In 1987 studies were begun to plan and design two more industrial estates, one at Sohar in the north and the other at Raysut in the south. In 1993 studies were made to build an industrial estate at Nizwa and plans are being laid for other estates at Sur, Khasab and al-Buraimi. The al-Buraimi Industrial Estate covers 35 hectares with provision for 156 plots. Construction will be completed by the end of this year and the existing light industries in the centre of town will move there in the new year. A tender will shortly be let for consultancy services to establish the Sur industrial estate.

On the Sohar industrial estate, which was established in 1992, there are currently 27 factories in production, 9 in trial production, 6 under construction, 9 have obtained permits, 30

have obtained land and 35 other projects are being studied. During 1997, a total of seven industries went into production. Majan Glass Company, producing glass bottles, was opened in February this year and exports from this factory, as well as several other products made in Sohar are going to the AGCC countries and Pakistan. Another important factory to open this year was the Gulf Polypropylene Products Company, which will eventually obtain its raw material from the nearby petrochemical plant about to be constructed. Development of Sohar Phase 2 infrastructure began in 1996 and was completed last year.

In addition to light and medium industries, Sohar has been earmarked for heavy industry based on the use of natural gas. This industrial expansion requires the construction of a second gas pipeline, power stations and the new harbour.

On the Raysut Industrial Estate, there are now seven factories in production, three of which came on stream in 1997, and 12 others are under construction. The country's second flour mill was formally opened in November 1997. Work continues on developing the infrastructure in readiness for further industrial expansion following the completion of the Mazyouna free trade zone on the border with Yemen and development of the new port facilities.

At Nizwa, Phase 1 (26 hectares) of the infrastructure has been completed and five manufacturing units are being established, with one already in production.

Industrial investment in 1997 was 27% higher than in the previous year and no less than 21 new factories went into production, while 26 projects are currently being implemented.

Minerals

In December 1997 a Royal Decree transferred the Directorate-General of Minerals to the Ministry of Commerce and Industry from the Ministry of Petroleum & Minerals (now renamed Ministry of Oil & Gas).

Minerals played an important part in Oman's ancient economy. Copper was mined from several sites about 5000 years

ago. During the iron age in 1000 B.C., copper was extracted from a mine at Lasail in the Wadi Jizzi near to Sohar. The deposit was reworked in 1983 by the Oman Mining Company. Cumulative production and reserves from Lasail and two other mines in the same area amounted to 19.2 million tonnes until all three mines were depleted in 1994. As part of the copper project the Oman Mining Company built a smelter adjacent to the mining sites which has produced over 200,000 tonnes of copper cathodes since it went into production in 1983. During 1997 copper cathode production was 23,664 tonnes. At present copper ore is imported, refined and re-exported from the Sohar terminal.

After continuous exploration significant reserves of copper were discovered along the Batinah coast in 1997. Copper ore deposits have also been found at Rakkah and Hayl al-Safil in the Wilayat of Yanqul some 275 km from the smelter. According to a pre-feasibility study there are reserves of 14.3 million tonnes. The ore which has not yet been mined will be converted into concentrate on site and then transported to Sohar for refining and export.

The Oman Mining Company was established originally as a joint venture with the private sector but is now entirely State owned. With the promise of further deposits to be developed, a consultant was appointed in 1996 to evaluate the Company for privatisation. Phase one of the report has been accepted by the Privatisation Committee and as soon as phase two has been approved, it is expected that privatisation will go ahead, but the decision will depend on the state of the international commodity market and the world price of minerals.

In 1994 a processing plant to extract gold and silver from the copper oxide deposits near Yanqul was built and production started later in the year. In 1997, the gold produced was 0.577 tonne and silver 126,269 troy oz. The life of the project is unlikely to extend much beyond the millenium.

The Oman Chromite Company was formed in 1991 and currently exports chromite ore to Japan and China. Chromite

reserves are put at two million tonnes and annual production increased from 15,252 tonnes in 1996 to 17,985 tonnes in 1997.

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

Oman has large resources of industrial-rich rocks and minerals, some of which are already being exploited. They include silica sand, dolomite, limestone, gypsum, various types of clay and sands and aggregate. Production of sand and aggregate was 16,645,528 tonnes in 1997.

The Majan Glass Company has been formed and is likely to extract the silica sand quartzite deposits in central and north Oman. There are four separate companies extracting marble. Production of marble declined slightly in 1997 to 115,901 tonnes. However it is hoped to launch new export projects this year exploiting the gypsum found at Shuwaymiah, aggregate from the Musandam and the limestone deposits at Quriyat, Sur and Salalah.

OCIPED (Omani Centre for Investment Promotion and Export Development)

OCIPED was established by Royal Decree in 1996 as an autonomous body under the aegis of the Ministry of Commerce and Industry. The Centre started to operate formally on the 1st January 1997. Its aim is to help develop Oman's economy by maximising the contribution of private sector investment. Its activities fall into three main categories. First, promotion of investment in industrial, commercial and tourism projects; secondly development of Omani exports and re-export of prod-



► **The OCIPED logo.**

ucts and goods from other countries and thirdly the establishment of a 'one-stop shop' to expedite and process business proposals so that all the necessary clearances can be obtained.

In September 1997, OCIPED organised 'The Internet Inter@active Forum 97' to give an overview of the evolution of this new technology and to show how it can be used to develop business and maintain a competitive edge in the global market place. OCIPED has itself established a Home Page on the World Wide Web giving comprehensive investment and product information on Oman. As part of its role as a 'one stop shop', OCIPED is developing procedures to handle applications for commercial registration and licence approval via the internet. Prospective investors with offers of over US$ 500,000 will be able to receive data and make applications for other statutory approvals by E-mail. OCIPED is currently working towards obtaining ISO certification. OCIPED is a lean organisation, employing some two dozen full time staff and contracting out its non-core activities. It has opened regional offices in New York and London, which are developing networks of agents to deliver OCIPED services in key target markets.

In its first full year of operation, OCIPED concentrated on building up awareness of its potential to the business community at home and abroad, at the same time developing a project portfolio of over 60 investment projects. Among its promotional activities, OCIPED was a co-sponsor of the Oman International Conference last year and has promoted a regular TV programme, entitled "Economic Vision" in which members of the business community and Government policy makers discuss the issues of the day.

Commercial Legislation

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

company with up to 90% foreign ownership will be taxed at this rate. In joint stock companies where Omani participation is at least 51% and where 40% of the share capital is offered for public subscription, the maximum tax rate is 7.5%.

In April 1997 a Royal Decree for financial subsidies was promulgated, which provided for soft loans to be made to the private sector for new or existing projects, as well as for the purchase of new equipment and improvement of services.

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

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

Citizens of AGCC countries are allowed to hold shares totalling up to 25% of the capital in an existing Omani-owned public joint-stock company in the banking and insurance sectors. However in public joint-stock companies, capital held by AGCC citizens is limited to 49%.

The potential investor is protected by the law which stipulates that projects having foreign investment shall neither be confiscated nor expropriated, except in the public interest and

on payment of compensation. Furthermore any disputes that may arise can be settled either by local or international arbitration with the mutual agreement of the parties concerned. Land for projects will be provided either by a grant of rights or long term lease agreement.

Commercial Agencies

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

Copyright Law

In June 1996, a copyright law under Royal Decree 47/96 was introduced. It is based on internationally accepted practices and is designed to provide copyright protection to all those involved in the creative field. Musicians, singers, writers, and producers of audio and video programmes are among those protected by this law, which supplements the existing Omani Trademark Law and will help to maintain ethical and international standards in the Sultanate in preparation for membership of the WTO, which gives top priority to the preservation of intellectual property rights and patents.

National Insignia

The use and application of the National Emblem on commercial products is regulated by the Ministry to prevent its abuse and to inappropriately ensure it is not used as a commercial advertising symbol inappropriately. Imports or manufacture of goods with the insignia incorrectly displayed are prohibited and any contravention of the ban may lead to confiscation of the goods, as well as prosecution and a fine.

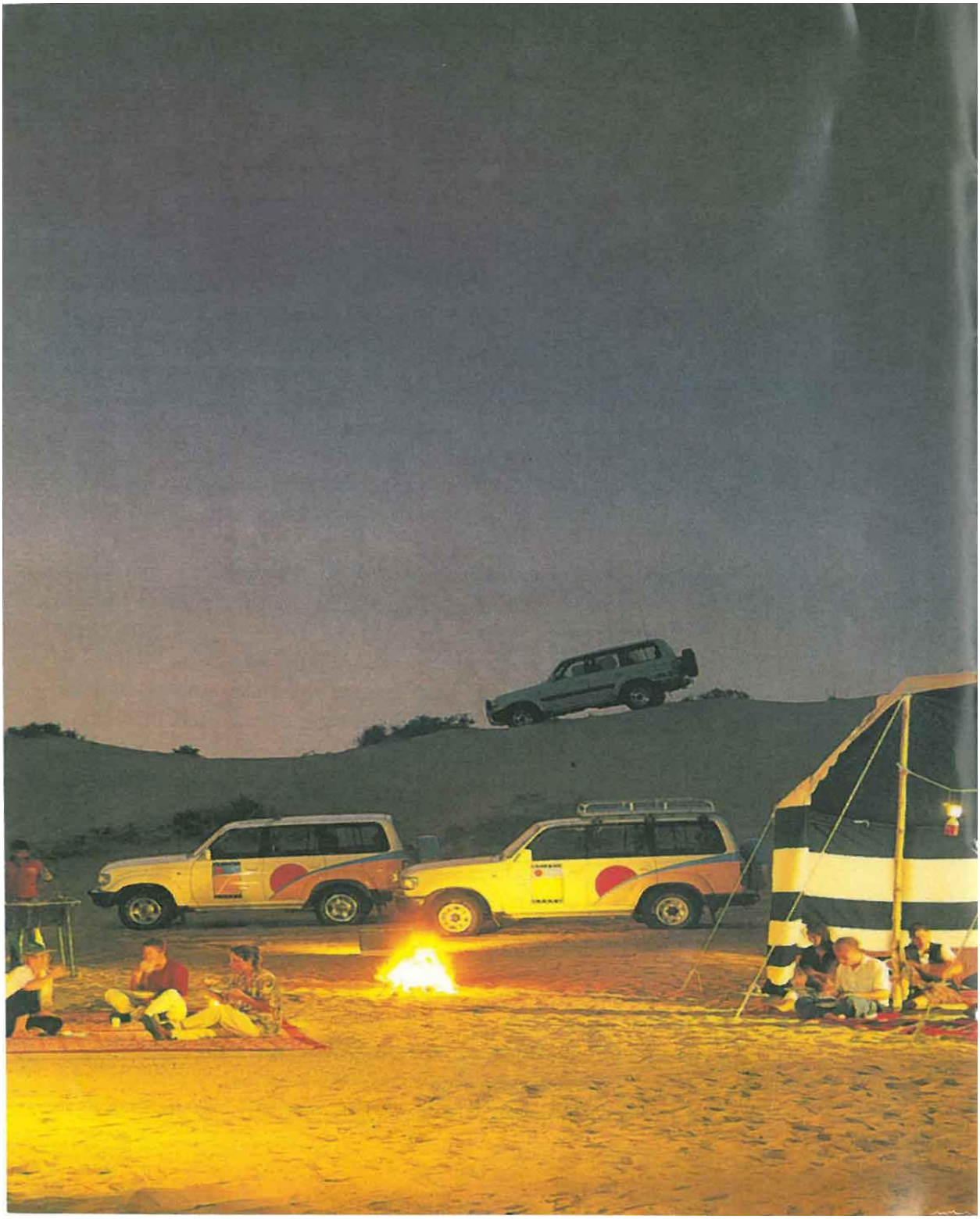
TOURISM

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

The emphasis is on 'quality' with a selective strategy aimed at attracting the more affluent tourists from Europe and Asia, thus avoiding the negative aspects of mass tourism. Oman has much to offer this kind of tourist during the winter months, but in spite of some impressive hotel developments, still more hotel accommodation is required for the high season between October and April. The average occupancy rate throughout the year is 51%. The majority of tourists come from Germany, Switzerland, Austria and Great Britain. In January to April this year all the top hotels reported record occupancy rates for the high season.

Recently the Directorate General of Tourism has increased its efforts to promote and market the tourist industry in Oman through seminars, conferences and exhibitions. Tourist information offices are to be set up at strategic locations, like Seeb International Airport and the border crossing points. More tourist guides, maps and books are being distributed in Arabic, English, French, German and Japanese, while there has been a steady increase in the number of general publications about Oman on sale in the local bookshops.

The private sector, having been encouraged to take the initiative in developing this aspect of the economy, is now convinced that tourism is both viable and profitable. The Government arranges for soft loans, participates in the promotion of tourism and assists in leasing the land for strategic tourism projects. To this end all hotels will eventually be in private hands apart from the al-Bustan Palace Hotel which also serves as a guest palace for meetings like the 16th AGCC summit. Since 1992, the al-Bustan has won a number of tourism and travel industry awards and last year received the Arab Travel





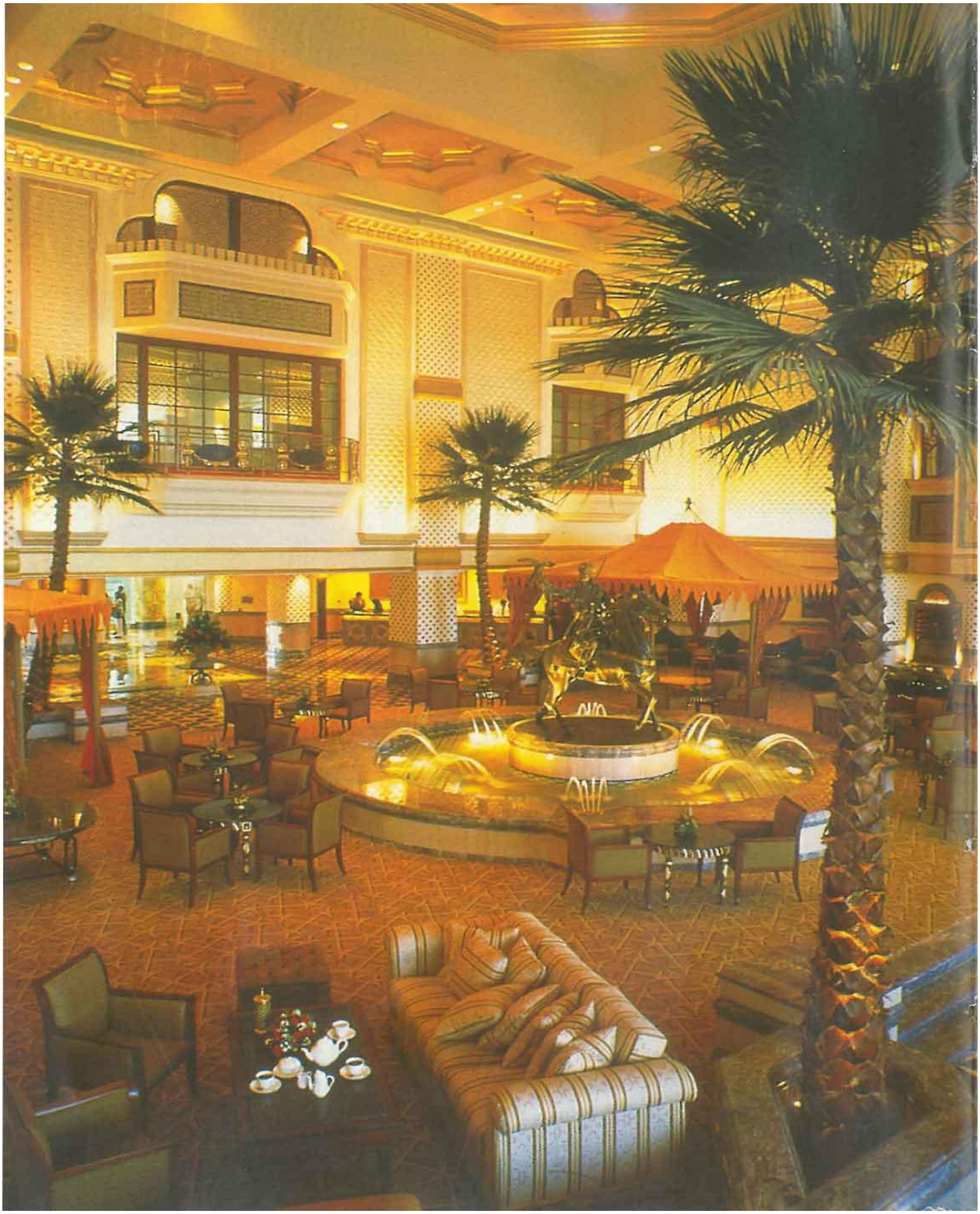
▲ "Jet skis"-powered floats – are great favourites with tourists.

Award for the second time as the top hotel in the Middle East. It therefore sets a high standard for all other hotel and tourist developments in Oman.

Omani companies and investors will be invited to bid for one or more of the hotels offered for privatisation. Preference will be given to joint stock companies, so that there will be more opportunity for the general public to benefit.

A number of new hotels and other projects have been completed or are still under construction. By the middle of last year, 48 tourist projects during the current Five-Year Plan had received Government loans amounting to nearly RO 25 million. Twenty of these are in the Capital area. The Hyatt Regency Hotel at Shati al-Qurum, which has 280 rooms and has been built at a cost of around RO 33 million opened on the 1st January this year and was officially inaugurated on 12th May. Next to the Muscat Intercontinental Hotel, the Sheraton Oman Hotel reopened the former Qurum Beach Resort in March 1997 and is planning to add more accommodation this year. The al-

◀ An idyllic scene – tourists camping in the desert.





▲ Holiday-makers from Europe enjoy traditional Omani cooking.

Qurum Hotel opened last year and a Mariott hotel will be built close by between the Hyatt and the Muscat Intercontinental hotels. There also plans for more luxury hotels in and near Salalah, such as the Hilton and the Mirbat resort projects. There has been a 9% increase in the number of tourists visiting Dhofar. During the third Khareef festival in August last year, all the hotels were almost fully occupied.

Construction started in January this year on a new hotel at Ibri. When it is open the existing rest house, one of the first to be built in the Interior, will be upgraded and expanded. The Jebel al-Akhdar rest house is expected to open this year. Elsewhere in Oman, al-Sawadi Beach Resort was opened in March 1996. It has 100 rooms, two restaurants and a variety of recreational activities. It is due to be expanded in the first phase of the Sawadi tourism project, during which five more hotels will be opened with leisure facilities including a golf course and a marina. The first marina to be built in Oman was Bandar al-Rawdha at Sidab opened in 1996. The Sohar Beach hotel,

◀ One of the splendid public rooms at the newly-opened Hyatt Regency Hotel.

opened in 1992 and run by the Taj Group of international hotels is planning to double its capacity to meet demand for business visitors to the new industrial projects. The Taj Group is also planning to construct a five-star hotel in association with Omani partners.

Other hotel projects along the northern coast at Yitti and Bandar Khairan are planned. Further down the coast a major summer beach resort will be built near the fishing centre of al-Ashkarah which can now be reached easily from Muscat on a good hard-top road. Besides the luxury accommodation and facilities offered by international groups, a number of smaller hotels have been developed to cater for the middle of the market. During this year at least another ten hotels will be opened.

It is well understood that the private sector will need to receive incentives to invest in tourism because of the lack of short term returns. It is hoped that the private sector will develop more 'apart-hotels' where families can stay in service apartments. This will help ease the shortage of hotel rooms. There is also a requirement for more modest accommodation to receive business visitors, who do not require all the leisure facilities provided by the hotels at the top end of the market.

The present target is to have 10,000 rooms by the year 2005 and to receive more than 100,000 tourists annually. Studies have shown that the total revenue from tourism could increase to over RO150 million by 2005. During 1997, the 52 hotels in Oman, with a total of 3,176 rooms (5,000 beds), registered a record number of guests - 463,150, compared to 425,589 in the previous year. The income generated by these hotels during the year was estimated at RO42 million.

Entry Visas

The Government has made it easier for tourists to obtain visas. Tourist visas are now valid for 21 days. AGCC citizens from Qatar and the United Arab Emirates only require an identity card to enter Oman, but expatriates resident in the UAE can now obtain entry visas at the border or the airport. Mina Sultan

Qaboos and Mina Raysut have become regular stopovers for luxury cruise liners carrying some 600 tourists, who are received by local tour operators and taken on sightseeing excursions.

Training & Omanisation

The Ministry has issued a decision regulating tourist guides, who in future will be required to have a licence. This Ministerial Decision aims at encouraging professionalism in the industry as well as providing career opportunities for Omanis who will be encouraged to learn foreign languages so as to replace foreign tour guides. In January 1996, a major step forward in the training of Omanis in the hotel industry came with the opening of the National Hospitality Institute. The Institute is a public company quoted on the Omani Stock Exchange. In February last year the first batch of 55 male and female trainees, sponsored by the Vocational Training Authority, were awarded their first-level certificates and were given on-the-job training in several hotels. Since then another 140 trainees, sponsored by hotels and caterers, have completed their National Vocational Qualification (NVQ) training programme. Omanis now make up 32% of the employees in the hotel business, which exceeds the Omanisation target for the tourism sector of 30%.

Leisure Activities

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

For the more adventurous spirits encouragement is being given to activities such as fishing trips, rock climbing, ballooning and 'wadi bashing' - trips to the scenic areas of the Interior.

Shopping Festival

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



▲ The Qurm shopping arcades at night.

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

The Oman Chamber of Commerce & Industry (OCCI)

The Oman Chamber of Commerce & Industry was set up in 1973 to promote and protect the economic interests of the country as well as to encourage industrial and commercial development in the Sultanate through the private sector. The head office is in Ruwi with branches at Ibra, Ibri, Khasab, Nizwa, Salalah, Sur, Sohar and al-Buraimi. The Chamber has also opened Oman Trade Offices in Taipei and Johannesburg. Consideration is also being given to the opening of additional



external offices and in the first instance feasibility studies are being carried out in India and China.

A working committee for the Year of the Private Sector has been established to encourage a number of activities and heighten awareness in the business community. The Chamber has become part of the worldwide web on the Internet. Its web page features a comprehensive description of services offered by the Chamber and general information about Oman. It can be accessed on http:/www.Oman Chamber.com/main.html. At the end of 1997, the Chamber's membership had increased to 83,000 from 77,000 in 1996, reflecting the increase in private sector activity in the Sultanate. The Chamber is financed from subscriptions and the services that it provides, which include documentation of commodities, legalisation of papers, and international certificates of origin (except for goods exported to AGCC countries which are handled by the Ministry) as well as economic research, export marketing and general business information. The Chamber also mediates in commercial dis-

putes between companies and is electronically linked to the Industrial & Technological Information Bank (INTIB) of the United Nations Industrial Development Organisation (UNIDO).

Much of the work of the Chamber is carried out in thirteen committees, which deal with a variety of issues affecting the private sector. During 1997, five delegations from the Chamber visited various countries. The Chamber in its turn also received more than 30 trade delegations from abroad. A major seminar on import, export and re-export was held in March this year in association with the Arab-British Chamber of Commerce.

Training & Omanisation

The Chamber has an important training role and organises a variety of seminars, courses and programmes, all of which help to upgrade business skills and give experience to the private sector. In 1994 there were 526,000 expatriate employees in Oman. By January this year it is estimated that the figure has risen to over 600,000. Looking to the future of Oman's economic performance, much emphasis is placed on Omanisation and the drive to train the increasing number of young Omanis graduating from secondary school. At the end of 1995 a total of 62,000 Omani students had graduated from higher education. This figure is expected to increase to 82,000 by the year 2000. Omanisation has progressed well in the public sector and in other organisations such as banks and PDO. There has been a significant improvement in much of the rest of the private sector. However there still remains considerable scope for the process to continue to expand, and this is being given high priority by the Government which has set a target of 35% for Omanisation levels in industry.

Business Management College

At the end of 1995 the Chamber opened a private sector venture, the Administrative Sciences College in Darsait. The College currently has 145 male and female students. Among



▲ **The OCCI promotes Oman's companies at overseas Exhibitions.**

the subjects taught are English, accountancy, business administration, marketing and data systems. The College plans to expand its capacity to 1,000 students by the end of the year 2000.

Quality Management

The Chamber is also putting great emphasis on quality and standards. It is well appreciated that local industries will only be able to survive and hold their own in an increasingly competitive international environment by developing high quality products which conform to international standards of excellence, giving meaning to the label "Made in Oman". Oman currently has observer status in the World Trade Organisation; but the private sector has a major challenge ahead of it, if Oman is to seek full membership at some point in the future. The Chamber has held seminars to raise awareness of the importance of ISO certification for Omani companies.

Muscat Securities Market (MSM)

Oman's Stock Exchange, which opened in 1989, is a symbol of the country's drive towards privatisation. At the present moment more than 160,000 shareholders are registered, representing 7% of the population who are individual Omani small investors. It was announced in February this year that 25% of new shares floated would be reserved for individual small investors who have applied for less than RO500 worth of shares. The RO10.2 million public issue of the Industrial Bank of Oman (IBO) which opened for subscription earlier this year attracted more than 50,000 applicants. In 1997, the highest number of applicants was 9,000 for the Shell offer, which attracted RO629 million and was more than 32 times the value of the shares being offered to the public. However the Alliance Housing Bank offer set the record for a MSM flotation with RO778 million received in public subscription. This was more than 90 times the value of the shares on offer.

In 1997, there were a record 23 IPOs (Initial Public Offerings) raising RO180 million from investors. In addition there were 11 new issues of shares by listed companies and joint investment accounts (JIAs) raising a further RO103 million. There was one new JIA, bringing the number of IPOs to 24 with a total investment of RO294 million. 1996 and 1997 saw a rapid expansion of trading. During 1997, daily trading soared to around US$17 million (RO6.6 million) per day, compared with US$2.8 million in 1996 and US$1.1 million in 1995, while the total trading volume for 1997 reached US$4.2 billion. Among the AGCC markets, the MSM is considered to be one of the most progressive and most open to foreign investors. 1997 was a year of particularly rapid growth with market capitalisation reaching US$8.7 billion (RO3.4 billion) by the end of the year, compared with US$4.2 billion at end 1996. By June this year there were 129 publicly listed companies and funds, of which 72 are open to all foreign investors (with a 49% limit on foreign ownership), while 107 are open to AGCC nationals. It is now a MSM requirement that all companies seeking listing must agree to be open to foreign investors, up to 49%.



▲ **An active trading morning begins at Muscat Securities Market.**

No taxes on dividends or capital gains are levied in Oman and there are no restrictions on foreign investors repatriating their profits. The currency is stable, being pegged to the US$ and fully convertible.

New laws introduced during 1997 allow companies with foreign ownership of up to 49% to be taxed at the same low rates as 100% Omani companies, provided that 40% of their shares are offered to the public and that they are listed on the MSM. These low tax rates range from 0% to a maximum of 7.5% . New laws also restrict applications for soft loans larger than US$1.3 million to companies which offer 40% of their shares to the public and are listed on the MSM. These new laws have encouraged many companies to allow foreign ownership up to 49% or more in certain development projects. In the case of a foreign company which wishes to maintain control despite a 49% foreign ownership limit, dual vote shares may be issued.

As of June this year there were 5 closed-end and 3 open-end investment funds in operation and one under formation. All

the investment funds are open to foreign investment up to 49%. Regardless of the percentage of foreign ownership in such an investment fund, it is considered to be a 100% Omani corporation. As a result investment funds may invest in any listed company. This provides an excellent opportunity for foreign investors to invest in a cross-section of companies listed on the market.

Companies are listed on either the regular or the parallel market. The regular market has strict listing requirements and companies must have a history of profitability to be listed on it. The parallel market has easier listing requirements. Many of the parallel market companies are newly established companies. For companies with capital of more than RO500,000 (US$1.3 million), the MSM allows investors to raise capital from the public for new projects and expansions.

Electronic, screen-based trading, is scheduled for the second half of 1998. The introduction of electronic trading is part of an upgrade of the MSM's electronic systems which will produce faster and more accurate share registration, settlement, clearance and transfer functions and will bring MSM into line with other major stock exchanges. It will also complete the integration and joint listing with the Kuwait and Bahrain exchanges. Automatic matching of orders entered on-line by brokers will replace the system of written auction on the trading floor. The new MSM systems will make the MSM more efficient and capable of handling the anticipated increase in volumes traded.

The MSM has strict rules and regulations prohibiting market manipulation and insider trading. No share price is allowed to rise or fall by more than 5% in the course of one trading session. Companies must make extensive disclosure in their prospectus before they are allowed to list. Listed companies are required to publish annual accounts prepared in accordance with International Accounting Standards. Quarterly un-audited accounts are also required.

During 1995 the Oman and Bahrain stock markets joined forces and the Oman Cement Company became the first joint

stock company to be listed on both exchanges. It is conceivable that this agreement will form the nucleus for a common AGCC financial market.

Until recently, the MSM has acted in its primary role as regulator, while also running the exchange and central depository. In the course of this year most non-regulatory functions will be separated from the regulatory body which is to be renamed the Securities & Exchange Commission. The closed corporation which will run the central depository is under formation. It will be named the Muscat Depository and Transfer Company and will be 40% owned by the MSM and 60% owned by member companies. The legal separation of the exchange is also scheduled for this year. These changes will leave the Securities & Exchange Commission free to concentrate on its role as regulator in line with current practice in most developed markets.

The Oman International Economic Forum

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

The two-day forum was addressed by senior members of the Government and international guest speakers. It is intended that this economic forum will become an annual event in order to promote Oman as a viable partner for foreign investment in its financial and commercial sectors. Shortly after the conference there were proposals to invest around RO560 million in some 60 projects.



OIL

The first oil concession in Oman was granted in 1925 to the D'Arcy Exploration Company, but after disappointing results the licence was allowed to lapse. In 1937 a new concession was awarded to the Iraq Petroleum Company, but it was not until after the second world war that exploration began in earnest. Again the results were unsatisfactory and all the partners in the venture apart from Shell and Partex pulled out in 1960. In 1962 oil was discovered at Yibal and at Natih in 1963. When oil was found at Fahud in the following year it was decided to develop the fields and commercial exports began in August 1967.

Exploration

Since 1970 many other fields have been found and developed by Petroleum Development Oman (PDO). At the end of 1997 production had risen to an average of 845,771 barrels a day from ninety-three fields, compared with 300,000 barrels a day in 1970 from only four fields. In 1974 the Government acquired 60% of PDO under the terms of the Participation Agreement. Since then PDO has relinquished acreage, for which other companies have been invited to enter into exploration and production sharing agreements with the Government. During 1996, four new exploration and production agreements, worth a total of US$120 million in exploration expenditure, were signed with international oil companies - Japex Montasar (Block 35), Arco Oman Inc.(Block 32), Philips Petroleum Oman Ltd (Block 36) and Triton Oman Inc. (Block 22). In January 1997, the Saudi Arabian Nimr Petroleum Company signed an agreement with the Government to invest US$50.5 million over a period of eight years to explore for oil and gas in the north-east of the Sultanate (Block 3). In July, a Canadian company, Gulf Stream Resources Ltd. signed an agreement to explore in Northern Oman (Block 30) and in September Occidental Oman Inc signed an agreement to explore in the same area (Block 31). Twelve onshore

▶ Two Omani production technicians at work in a northern oilfield.

▶ An aerial photograph of a Government gas plant Yibal.





and four offshore blocks remain open to bids by international oil companies.

Production

In 1980, Elf became the second company to produce oil, being followed later by Occidental Oman Inc. and Japex Oman Ltd. Also International Petroleum Bukha Ltd (IBBL) started production in April 1994 from Bukha gas/condensate offshore field. The oil from these companies, which accounts for about 6% of Oman's total oil production, is transported and exported via the PDO facilities.

Oman's oil production in 1997 from around one hundred fields averaged just under 900,000 barrels a day, marginally higher than production in 1996. With effect from the beginning of April, 1998 the decision was taken to cut oil production by 30,000 barrels a day from this level in the interests of the oil producing states and to help stabilise the oil price on world markets.

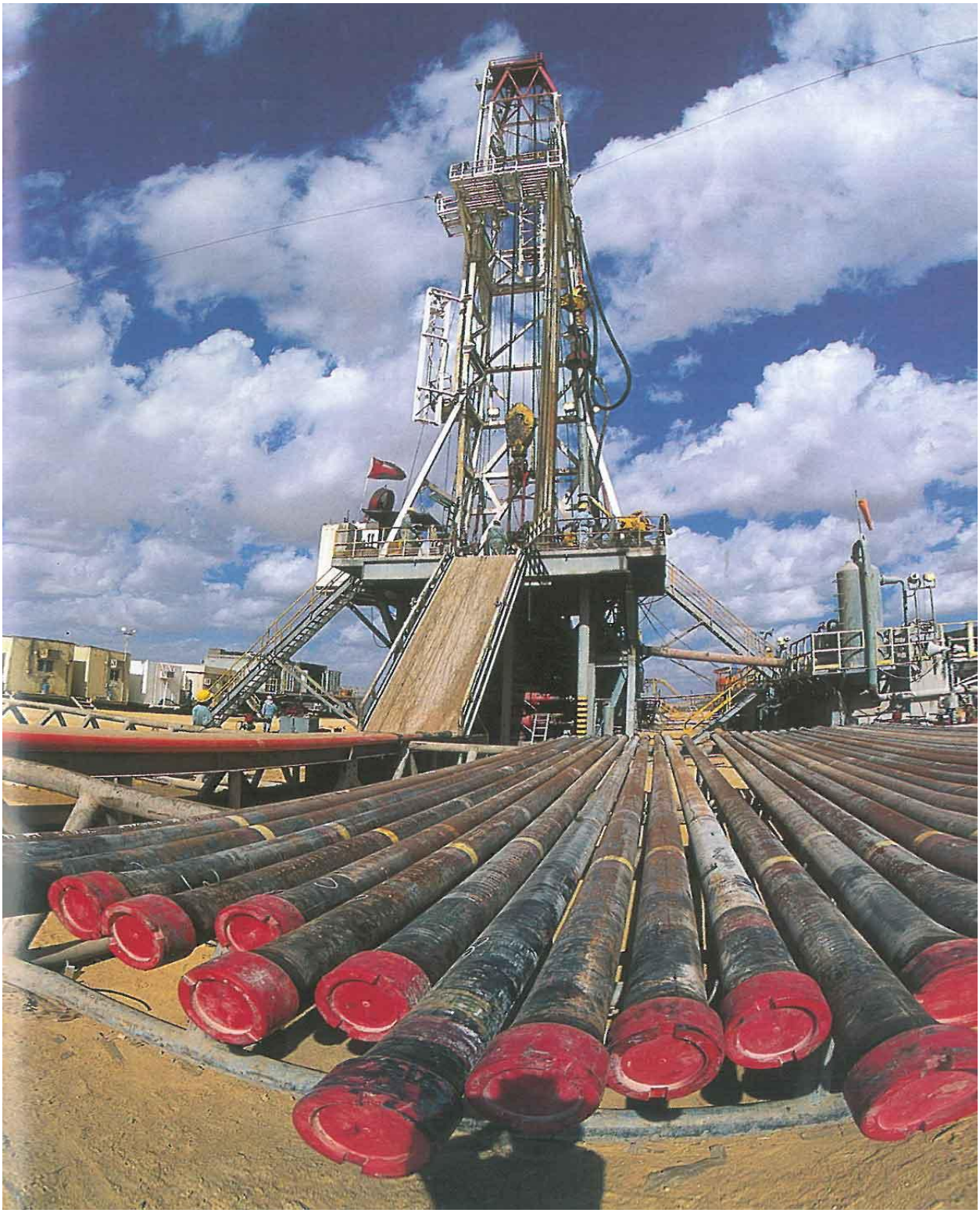
Company	Annual Production (million barrels)	Average Daily (barrels)
PDO (Block 6)	309	845,771
Occidental (Block 9)	15.23	41,714
Japex (Block 5)	3.5	9,575
Elf (Block 7)	1.0	2,871
Novus (Block 8)	1.28	3,500
Total Production	**329**	**903**

Reserves

At the beginning of 1998, the remaining oil reserves stood at 5.4 billion barrels. Additional reserves could be recovered but at a higher cost.

It is the policy of the Ministry of Oil and Gas to restrict production to a level that does not exceed 6.5% of current remaining reserves per annum.

▶ One of 26 drilling rigs used by PDO.



Crude Oil Exports

Total exports for 1997 were 303.2 million barrels (41.2 million metric tonnes) compared to 296.2 million barrels in 1996.

All Oman's crude oil is exported from the oil terminal at Mina al-Fahal. Most of it goes to the Far East with Japan, Thailand, China and Korea being the major importers during 1997.

The average price of Omani crude oil in 1997 was US$18.67 per barrel an increase on the previous year. However the price of the Oman blend fell from US$23 per barrel at the beginning of 1997 to as low as US$10 per barrel in the first quarter of 1998 but has rallied since, and the cut in production is expected to result in the maintenance of a steady market at these improved prices.

Retail Market

All refined products used to be imported into Oman, until 1982 when the Oman Refinery at Mina al-Fahal came on stream with a capacity of 50,000 barrels a day. This capacity was increased in 1987 to 80,000 barrels a day to meet the needs of the local market. In August 1996, an agreement was signed with BP to provide technical services to the refinery, which will be upgraded, but no large expansion is planned in the Mina al-Fahal industrial area. Plans for a second refinery in Salalah are still under consideration, but such a project is unlikely to be implemented before the year 2000, when unleaded petrol, which is currently unavailable in Oman, may be produced. During 1997, 23 million barrels of crude oil were supplied to the refinery, which had to import 2.1 million barrels of refined product to meet demand. The refinery produces around 40,000 tonnes of LPG annually and the Yibal gas plant can produce an additional 25,000 tonnes, but demand is increasing and 19.5 thousand metric tonnes were imported from the UAE last year. A third source of LPG, the Saih Rawl plant in central Oman is under construction as part of the LNG (Liquified Natural Gas) project. When it comes on stream in 2000, Oman will be more than self-sufficient in domestic cooking gas.





▲ **Highly-qualified Omani technicians at work at PDO.**

Until recently all the products of the Oman Refinery Company were marketed through the Shell and BP retail networks. Shell has 115 service stations and BP 75, which are owned and run by Omani dealers. Neither company is allowed to establish any new sites so as to allow the Oman Refinery Company to distribute fuels through its own marketing company established in 1994 with the brand name al-Maha and the national colours for its livery. By January this year, al-Maha had opened a total of 24 new service stations. In July 1997, Shell Oman Marketing Company (SAOG) divested 51% of its capital in shares to local investors. 40% of the shares were floated on the Muscat Securities Market, while the remaining 11% was reserved for existing Omani shareholders and service station dealers. It is expected that BP Oman will follow a similar strategy in the months to come.

Towards the end of 1996, fuel cards were first introduced into Oman. Since then credit cards have been widely accepted throughout the service station network, replacing cash for fuel

purchases. Following the European pattern, convenience stores and fast food outlets are part of the service provided by the dealers.

Some lubricants are still imported into Oman, but since the setting up of a lubricants blending plant at Mina al-Fahal, the Oman Lubricants Company, currently part of Shell Oman Marketing Co. (SAOG), a private sector joint venture, has been able to supply most of the needs of the Sultanate as well as exporting to neighbouring countries. In 1996 it was awarded His Majesty the Sultan's Cup for Industry.

The Oman Oil Company

The Government established the wholly State-owned Oman Oil Company in the late eighties with the intention of entering into foreign joint ventures and oil trading operations. Since then a number of projects have been considered. An ambitious plan to lay a deep sea gas pipeline to India has been shelved, but the Company is actively involved in other projects, notably the Caspian pipeline consortium in Kazakhstan, in which it has a 7% shareholding, and the Oman fertilizer project, in addition to a joint venture refinery project in India.

Training & Omanisation

The oil industry is a capital rather than labour intensive industry, but human resources are of the utmost importance. PDO has a long record of training Omanis and has made good progress with Omanisation. By the end of last year over three quarters of its employees were Omanis (77%). The target set for the year 2000 is 86% with complete Omanisation by the year 2007. During 1997, about US$24m was spent on training, and at any one time about 700 Omanis are undergoing courses at all levels, both in Oman and overseas.

NATURAL GAS

The Oman LNG project

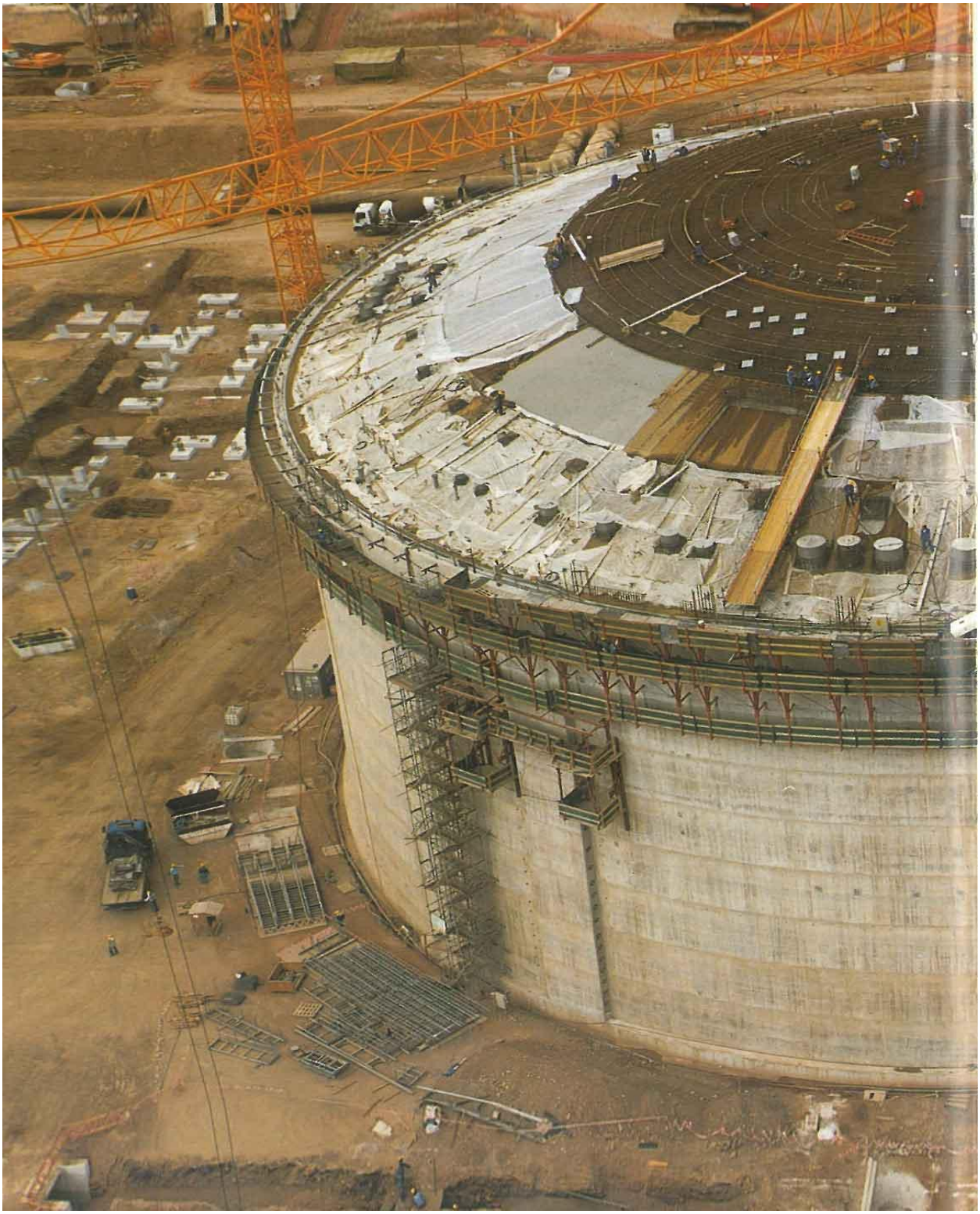
Oman's LNG project forms an integral part of the Sultanate's strategic and economic vision of the future. It is not only the biggest development project ever undertaken in Oman, but it is also one of the largest in the world and the fastest to come on stream - less than nine years from the major discovery of gas. The first customer export shipment is expected to be made in the year 2000.

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

Project Development

The gas fields in Central Oman, discovered between 1989 - 1991, are being developed by the Government for PDO at a cost of US$1.4 billion. Current expectations of Oman's total reserves of gas stand at 28.5 trillion cubic feet, of which 25 tcf are non-associated reserves, but the Government is optimistic that larger quantities of gas remain to be discovered. Total proven gas reserves at the beginning of 1998 stood at 19.1 tcf, of which 17.7 tcf was non-associated gas. These figures indicate that there are ample reserves to supply not only the LNG project, but also to provide gas for the polyolefin and aluminium projects at Sohar. Moreover the gas going to Sur will in addition supply the fertilizer project and provide a source of energy for domestic power generation and other small industries.

▶▶ **The LNG site under construction.**





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

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

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

In October 1996, the sale and purchase agreement for two thirds of the plant output (4.1 million tonnes per annum) was concluded with the Korean Gas Corporation (KOGAS) for a period of 25 years, commencing in the year 2000. This is the largest-ever single gas contract between two companies. KOGAS has four LNG tankers under construction and is committed to build two more to transport the gas from Oman to Korea. An agreement has also been reached with Japan's Osaka Gas Company Ltd. to supply 660,000 metric tonnes per annum from November 2000. Efforts continue to market the remaining production capacity of 1.84 million tonnes per annum.



▲ An impressive panorama showing the huge LNG pipeline.

Human Resources

One of Oman LNG's key objectives is to facilitate and implement the development of a skilled Omani workforce. The natural gas processing industry is relatively recent in Oman and a qualified workforce is not readily available in the required proportions. To achieve higher levels of Omanisation, the company has undertaken the sponsorship and development of several training programmes, either directly or indirectly through its contractors. By the middle of this year about 500 young Omanis were undergoing skills development programmes. Some of these young people will become qualified to work in the construction industry, while trainees under Oman LNG technical and skills training programmes are intended to work and develop their skills up to senior staff positions in Oman LNG's plant organisation. Currently 65 operator/trainees are undergoing training at Oman Refinery and at the Government Gas plant in Yibal, while 65 more will be recruited in August so as to begin operations at Qalhat as of mid-1999.

Oman LNG is also financing a Ministry of Health project for a 240-bed public hospital at Sur at a cost of RO14.8m, due to be opened in the year 2000. Since work began on the Qalhat plant, the company has implemented a progamme of contributing to the social and economic development of Sur with such projects as the development of part of the waterfront and the improvement of the environment.

Government Gas System

The facilities of the Government Gas System were built in 1978 and expanded in four phases to deliver treated gas from Yibal Gas field non-associated and associated gas to the gas consuming centres in the Sultanate. These facilities consist of:

* Gas treatment and compression trains totalling 18.5m m3/d capacity.
* 20 inch 325km pipeline from Yibal to Al Ghubra.
* 16 inch 226km pipeline from Murayrat to Wadi Al Jizzi.
* 36 inch 296km pipeline from Yibal to Murayrat.
* 9 gas spurlines and 12 gas pressure reduction terminals.
* 70 ton/day capacity butane plant including storage and loading facilities.

The Government Gas System was further expanded in 1998 by a gas spurline and pressure reducing terminal to a new Industrial Estate in Nizwa.

Major expansion of the gas distribution network is planned in the years ahead. The Government is undertaking a huge project to supply natural gas to Salalah and construct a 32 inch, 300km pipeline to Sohar to meet industrial and power generation demand in these areas. These projects are in advanced planning stage and are additional to the 48 inch pipeline to the LNG plant in Qalhat which is currently being constructed.

The 1997 annual average daily consumption of gas was 7.7m std m3 per day. This is 14.6% more than the average consumption in 1996. The average gas utilisation is predicted to rise at a fast pace in the coming years to meet the Sultanate's rapidly increasing demand for power and industrial uses.

AGRICULTURE

Although many employment opportunities are being created with the diversification and development in other sectors of the economy, well over half the population is still employed in the agriculture and fisheries sectors of the economy.

According to the most recent survey, about 105,700 people hold cultivable land (101,000 hectares) with their dependents who number 804,000. The total number of permanent agricultural workers is put at 140,000, of whom about 47,000 are paid workers, the remainder are family members working without pay. A large percentage of the population live in rural areas and many others own land and property in the countryside even though they live and work in the towns. It is a major challenge for the Government to prevent a rural exodus by setting up programmes of rural education and to ensure that communities make the best use of limited water resources for maximum productivity. The protection of agricultural land is a major concern of the Ministry. In 1995, a single flood protection barrier in the Wilayat of Ibri cost RO 646,000. This kind of barrier, which is 1.6 kilometres in length and three and a half metres high, is essential to prevent erosion and loss of valuable agricultural land.

Self-sufficiency in food production

It is the aim of the Ministry to achieve complete self-sufficiency in food production and so far the results have been encouraging. With a population that is increasing annually at a rate of about 3%, the Ministry is not complacent about food production and new ways are being explored to increase self sufficiency. The date yield has been increased by a third, while the production of tomatoes, potatoes and alfalfa has doubled in recent years.

The latest figures indicate that the Sultanate is 93 % self-sufficient in fruit, 75% in animal fodder, 64% in vegetables, 35% in



▲ **Oman is moving towards self-sufficiency in agricultural produce.**

tuber crops, 53% in dairy products, 46% in beef, 45% in eggs, 23% in mutton and 13% in poultry.

Agriculture and fisheries are Oman's main non-oil exports. This sector accounts for nearly 30% of Oman's non-oil exports. In 1996, the contribution of the agriculture and fisheries sector to the total GDP was recorded as RO147.2 million.

During the Fourth Five-Year plan considerable progress was made with improvements to agricultural produce and livestock. New research stations were established and existing ones renovated. Modern farming and irrigation methods were also introduced.

Livestock

Oman is a leading livestock producer in the Arabian peninsula with around 240,260 sheep, 854,060 goats, 213,120 cattle and 98,550 camels. Most of this livestock is reared in Dhofar where nearly two thirds of the population depend on animal husbandry for their livelihood. Immunisation and welfare of

livestock are an important element of the Ministry's livestock programme. A nationwide campaign costing over RO4 million was begun in 1992, the aim of which is to immunise all livestock against common animal diseases. In March 1996, the Government stated that there had been no cases of BSE in Oman. In conjunction with the Ministry of Regional Municipalities and the Environment strict adherence to the regulations imposed by CITES (Convention for International Trade on Endangered Species) is implemented by the Ministry on the import of certain animals and birds.

Local production of 2,757 tonnes of beef and 3,086 tonnes of mutton does not yet meet local needs, but there are plans to increase not only meat production but also egg and poultry production by building 1,640 small-scale egg farms and 234 poultry farms. The Ministry aims to increase milk production and management of dairy herds by giving farmers assistance and equipment as well as introducing modern techniques of artificial insemination. During the Fifth Five-Year Plan it is expected that exports of fish and agricultural produce will increase substantially when these and a number of other projects have been completed, such as the new fishing harbours currently under construction.

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

Water resources

Water resources are critical to the future of agricultural development in Oman which lies in an arid part of the world. Although much of the country is desert or semi-desert, the mountains attract rainfall which is retained in the limestone for-

mations in the north; while in the south the Dhofar range and coastal plain catch the regular light monsoon rains from June to September. The Ministry works closely with the Ministry of Water Resources to ensure that the best use is made of available water resources.

The Ministry encourages modern methods of irrigation to save water and has introduced the latest irrigation systems to 105 farms served by groundwater wells. At Nizwa a pilot project was established to show farmers how to make better use of the traditional falaj system of irrigation. The fruit and vegetables to be planted are chosen carefully for their qualities and amount of water needed. The Ministry gives advice and provides seeds, insecticides, fertilisers and other agricultural assistance in order to raise productivity. The Ministry encourages the use of drought resistant fodder crops and the local production of animal fodder concentrate from fish and plant waste.

HM the Sultan's Award

In order to encourage farmers, His Majesty the Sultan has instituted the annual award of a cup to the Wilayat showing the best overall agricultural performance. This is coupled with a cash prize and a number of other awards for special categories. In March 1998, the cup was presented to the Wilayat of Birka. The runners up were the Wilayat of al-Buraimi followed by the Wilayat of Saham.

Government Subsidies

Government subsidies are used to provide technology to the farmer and train him in modern methods as well as to give him guidance and advice. The amount of subsidy allocated during the Fourth Five-Year plan was RO6.4 million for agricultural machinery in addition to seeds, fertiliser and other necessities. Subsidies for livestock amounted to RO4.3 million and included assistance to small goat and poultry farms. Subsidies were also approved for modern irrigation projects making the total spent on agriculture during the plan RO17.7 million. The



▲ A farmer examines a fine crop.

Ministry is altering its policy on subsidies in the current Five-Year Plan to finance larger and more technologically oriented projects. The basic subsidies given to farmers over the last twenty years are being removed since they now have the experience to manage their farms without Government assistance and can take out loans where necessary.

Wheat, which was a traditional Omani crop in parts of the Sultanate is grown less these days and does not take up more than 315 hectares of cultivable land. The annual production of grain is 1,000 tonnes. Prices of imported wheat are a great deal less than the locally grown produce. The emphasis is on cultivating crops that give a good return. However because wheat is a strategically important crop, the Ministry conducts a research programme so that it could be grown in future if the need arises.

Date Cultivation

Renewed interest is being paid to dates, which were Oman's largest export in the 19th century. Nearly 10 million date palms thrive along the Batinah coastal strip and in the gardens of the Interior. They occupy about 60% of the cultivable land and produce high yields of good quality fruit. Annual production of dates is estimated to be between 150,000 and 175,000 tonnes. The Ministry has a department of date research which is actively involved in cloning seedlings to further improve quality and productivity. Between RO150,000 - RO200,000 is spent annually on controlling the destructive dubas bug by aerial spraying with specially equipped helicopters. Fortunately Oman is so far free from the red palm weevil, Rhynchophorus ferrugineus, which was imported into the Arabian peninsula from Pakistan. Oman has never had a policy of importing date palms and is now keeping a close watch on the palms in areas near the border to prevent the infestation of date palm gardens by this destructive parasite.

Coconut Palms

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

Bee-keeping

Bee-keeping is a traditional Omani rural craft which is being kept alive and encouraged by the Ministry through training courses. The honey produced is a high-value product. Another traditional product is frankincense, which is collected from trees growing wild in Dhofar.

Research

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

Greenhouse Farming

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

Oman Development Bank SAOG

In 1997, the Oman Agriculture & Fisheries Bank was absorbed by Royal Decree into the new Oman Development Bank SAOG, which is described in the Banking section of the chapter on the National Economy. Since its formation in 1981

with capital of RO19 million, the Oman Agriculture & Fisheries Bank had played an effective role in advancing 14,938 loans to farmers and fishermen, which up to 1996 totalled over RO55 million. Loans were granted for a wide variety of purposes in both sectors, including food and livestock production, irrigation schemes and agricultural mechanisation. In the fishing industry, which provides employment for a significant proportion of the Omani workforce, loans were granted for modern fishing craft, marine engines and equipment, as well as for fish processing, storage, transport and marketing projects. Since the new bank started its activities in July 1997, 14% of all new development loans were granted to the Agriculture & Fisheries sector.

PAMAP

The Public Authority for Marketing Agricultural Produce (PAMAP) was established in 1981 with the aim of encouraging farmers to increase the production of fruit and vegetables by creating a body to market their produce and to ensure its availability in local markets at reasonable prices, acceptable to both producer and consumer, and by raising the standard of produce in terms of quality and quantity. PAMAP's trade name for Omani produce is 'Green Oman'.

PAMAP set up a marketing network consisting of six distribution centres and 14 collection centres with its head office at Ghala in the Capital Area. All the centres are equipped with cold storage facilities and the fruit and vegetables are transported in refrigerated vehicles. At the end of 1985, PAMAP began commercial operations and was subsequently able to open additional outlets to sell produce to consumers throughout Oman. The volume of produce purchased from farmers has risen from 7,390 tonnes with a market value of RO989,929 in 1986 to 19,638 tonnes worth over RO3.3 million in 1996. In 1986 sales amounted to just over RO1 million compared to RO3.9 million in 1996. In 1997 the sales figure touched RO2.1 million which is slightly less than for the previous year.

Bananas are the main export from Oman, but heavy rains last year in the Southern region, which is the main banana production area, destroyed a substantial portion of the crop. This had a detrimental effect on production and prices tend to fluctuate in the markets. When there is a shortfall in local produce, PAMAP issues import licences to wholesalers. On account of the extreme climatic conditions the agricultural season in Oman is of short duration. This tends to create a surplus of perishable goods in a highly competitive market. Nevertheless PAMAP is always trying to expand its exports.

PAMAP manages and operates the Banana Ripening and Packing factory in Salalah and has established a Banana Reception and Packing Unit at al-Suwaiq to handle the produce on the Batinah coast. In the past, PAMAP has processed, packaged and marketed several Omani products, such as limes, dates, dried vegetables and frankincense, but in line with the policy of privatisation, the management has decided to turn over activities, like the pickles factory established in 1988, to the private sector.

High priority is given to training and Omanisation in PAMAP. Currently, 82.5% of the workforce is Omani as a result of sending staff on specialist courses at home and abroad to gain experience and training.

Information is provided for consumers, while seminars and technical training programmes are organised by PAMAP for farmers to encourage them to use modern techniques in order to improve quality and increase production of the most suitable fruit and vegetables for the market.

Although privatisation plans for PAMAP are in the offing, so far no definite plans have been made. Wholesale markets are to be established by government at various points so that the buyers and sellers of produce can deal directly and farmers are able to find their own market for selling their produce.

FISHERIES

Oman has a coastline extending 1,700 kilometres from the Musandam Peninsula in the north to the border with the Yemen in the south. For centuries there have been small and often isolated fishing communities along the length of this coastline. In recent years much has been done to expand and modernise this traditional industry. Dried fish used to be carried on camels to the interior of the country but now with the development of roads and the introduction of ice factories, fresh fish can be found in nearly every town in Oman and is even exported to Saudi Arabia from remote fishing villages.

More than 150 species of fish and crustaceans have been identified in Omani waters, ranging from sardines to tuna. A wide variety of fish are eaten locally - kingfish and hamour (grouper) being very popular - while shoals of tiny sardines are netted for use as fertiliser and animal fodder. Sharks' fins are exported and lobsters, which used to be avoided by fishermen are now caught for the lucrative hotel and restaurant trade. The quantity of the total catch landed rose rapidly during the 1980s, reaching a peak in 1988 when there was then a decline. Research carried out by the Marine and Science Fisheries Centre, set up in 1986 at Sidab with the help of FAO and UNESCO, has indicated that over-fishing has played a part in this decline. It is also suspected that marine pollution has been partly responsible. Total fish stocks have been estimated at over 5 million tonnes, yielding a potential catch of about 4 million tonnes. These stocks include between 15,000 and 27,000 tonnes of kingfish, 50,000 tonnes of tuna and 2,000 tonnes of shellfish.

The Ministry has taken a number of steps to conserve fish stocks while at the same time developing commercial fishing and preserving the livelihood of traditional fishermen. These include restricting the fishing for lobsters and abalone to two months during the winter season, regulating the size of nets and equipment used for fishing, as well as defining the areas, depths, quantities and kinds of fish that may be caught commercially. These regulations are designed to protect the traditional fishing industry. Inspectors, assisted by the Royal Air Force of Oman and Royal Oman Police coastal patrols, monitor commercial fishing vessels. Commercial fishing is limited to 15% of the total catch and within



▲ **The end of a successful day – fishermen with their huge sardine catch.**

Oman's territorial waters foreign vessels may not fish without a licence to do so.

A Fisheries Department was first established in 1972, became a Directorate-General in 1974 and was later absorbed into the Ministry of Agriculture and Fisheries. In 1980, the Oman National Fisheries Company was established with Government assistance to purchase, distribute and export the catches of local fishermen. It also handled fish caught by concessionaires. In 1987 this company was merged with the newly formed Oman Fisheries Company to which shareholders subscribed RO30 million

In March 1996, the Oman Fisheries Company launched a new joint venture with a Norwegian partner to catch and process lantern fish into fish meal for export to the Far East where it will be used for animal feed and agriculture. The Company's new vessel named 'Oman Pride' is the world's largest on-board factory ship with a capacity for a daily catch of 550 tonnes and storage for 2,000 tonnes of fish meal.

The fishing industry in Oman employs 26,000 registered fishermen and the annual catch varies between 118,000 and 160,000

tonnes. In 1997, the total catch was estimated at 112,522 tonnes, of which two-thirds came from the local fishing industry. During the Fourth Five Year Plan an industrial fishing fleet was created, while eight large ports and 16 smaller ones were built and equipped with cold-storage plants and processing facilities. The re-birth of Oman's local fishing industry really began in 1978 with the introduction of the Fishermen's Incentive Fund. By providing financial assistance for the purchase of small fibre-glass boats and outboard engines to go with them, the Fund enabled fishing communities that were in danger of disappearing to revive their fortunes. In the Governorate of Musandam where the community is almost entirely dependent on fishing this kind of assistance has been particularly welcomed and now much of the catch can be exported to the UAE and other AGCC states.

During the Fourth Five Year Plan the Fishermen's Incentive Fund approved 2,583 applications for boats, depth-finders, fish detection systems, communications and miscellaneous equipment. 6,700 lobster pots were distributed free of charge and the Ministry's marine workshops along the coast continue to provide technical support, such as maintenance of fishing gear and servicing of outboard engines. In the last five years a total of RO200 million has been allocated to the fishing industry of which RO84.1 million was set aside for investment in industrial vessels, small boats, shore facilities and transport. RO25 million was spent on harbours and RO13.9 million on fish processing firms. A further RO75 million covered resources assessment and the extension services provided by the Ministry.

Over the next five years the master plan for the development of the fishing industry to the year 2000 will continue. In March 1996, a new fishing harbour was opened at Bukha in Musandam with capacity for 200 small boats. The project took 14 months to complete at a cost of RO2.5 million. In December 1996, new fishing harbours were opened at Quriyat and Shinas at a cost of RO5.3 and RO2.5 million respectively. Each harbour is able to berth between 300-400 boats. In December last year the fishing harbour at al-Lakhbi in the Wilayat of al-Jazer was inaugurated and in April this year, the foundation stone for a fishing harbour in the Wilayat of al-Khabourah was laid. It is due for completion in February next year at a cost of RO 2.8 million. A new fisheries research laboratory was



▲ Two fishermen proudly display the results of their day's work. Lobsters may only be caught during December and January.

opened at Mina Raysut last year and a modern factory is being built in Salalah to process and can tuna and sardines, as well as producing fish oil and fish meal concentrate. The plant is scheduled to open later this year.

Whales

This year for the first time the International Whaling Commission conference was hosted in Muscat from 27th April to 20th May. This was the 50th Conference of this organisation and was attended by over 300 delegates. Oman, which joined the Commission in 1980, is the only Gulf state to have membership of the organisation which comprises 40 nations.

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

WATER RESOURCES

Water Situation

The Sultanate of Oman lies in an arid to semi-arid climatic zone. Annual rainfall records show that this is an area of water scarcity. For at least four years up to 1995, the Sultanate had suffered drought, markedly in the Dhahirah and Dakhliyah regions, which had caused many wells and aflaj to dry up as well as generally lowering the water table. Heavy rains from July 1995 onwards significantly replenished aquifers and renewed previously dry aflaj.

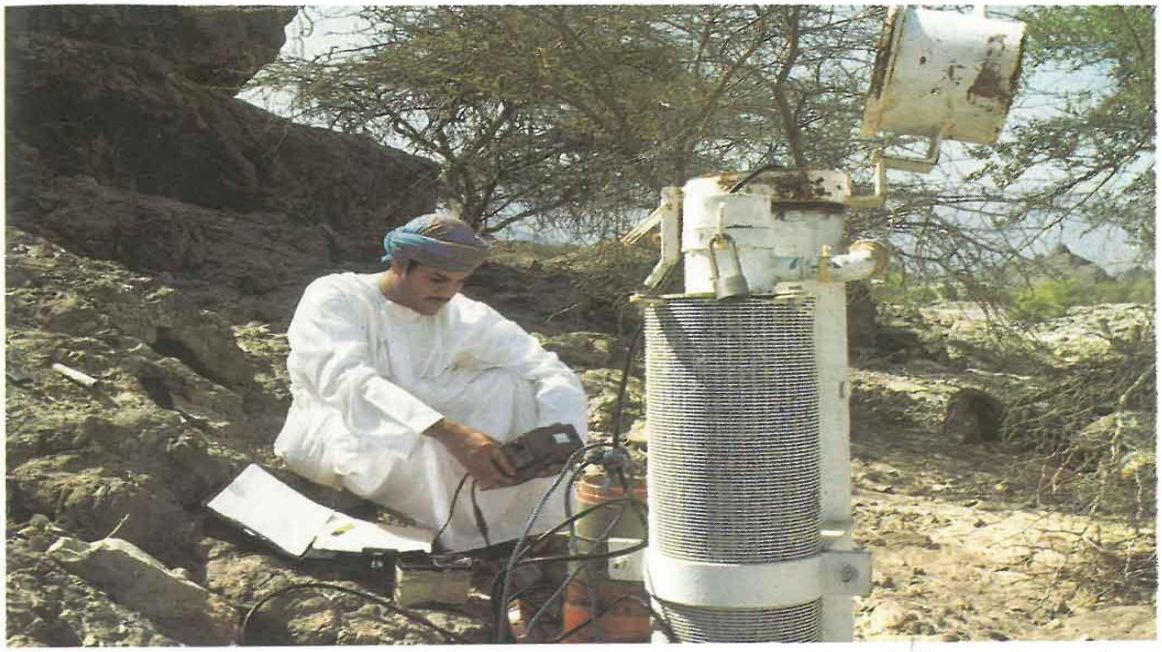
Dams

The Government has built forty-eight dams at various sites in the Sultanate. Seventeen are recharge dams, thirty are small retention dams and one is a flood protection dam. The Ministry has completed studies for an additional twenty-one dams, three of which will be recharge dams and eighteen small surface storage dams. Feasibility studies for a further thirty dams are ongoing. Ten of these would be recharge dams and twenty-five small storage dams.

The recent rains have increased available run-off to the extent that 66 million cubic metres of water have been intercepted by the recharge dams. This has assisted augmentation of water levels in underlying aquifers considerably as well as causing a retreat in the salinity front on Al Batinah. In January-February 1998 alone, the volume of rain water reaching the recharge dams was fourteen million cubic metres.

Monitoring

In order to be aware of the impact of rainfall on the water situation in the Sultanate, the Ministry recognizes the need to monitor rainfall, surface flow in wadis and groundwater levels - all components of the water cycle. As of the end of January 1998, the Ministry was monitoring 2,480 wells and 290 rainfall stations. There were also 177 wadi flow stations, 619 falaj flow stations and 16 alluvium precipitaton monitoring stations within dam basins.



▲ **A water resources technician uses a portable data logger to transfer automatically recorded water level data from a wadi flow gauge.**

The table below provides a regional breakdown of monitoring sites.

Region	Rainfall station	Wadi Flow station	Aflaj flow station	Alluvium Preciptn.
Muscat	30	28	28	2
Batinah South	34	31	81	4
Batinah North	47	41	31	4
Musandam	13	4	–	–
Al Buraimi	7	17	22	–
Ibri	24	11	76	1
Ad Dakhliyah	38	21	119	3
Ash Sharqiyah	58	23	222	1
Al Najd	10	4	–	–
Salalah	27	7	40	1
Al Wusta	2	–	–	–
TOTAL	290	177	619	16

Aflaj Maintenance

Despite the recent high rainfall which has pushed up groundwater levels and revived aflaj yield, the need for aflaj maintenance has doubled because of flood damage to many channels. Aflaj repair and maintenance is a priority task for the Ministry because aflaj are such a fundamental water resource in the Sultanate. Maintenance is an ongoing task due to damage suffered during floods and washouts and simply because of the age of the channels.

The Ministry of Water Resources' Aflaj section has a strategy for repair of aflaj nationally and has supervised the technical specifications and allocated available resources to repair forty-seven aflaj by the end of 1997. Work continues on a further ninety-five aflaj and seven augmentation wells have been drilled to support aflaj water supply.

Aflaj Inventory Results

The Falaj inventory was launched in March 1997 with the major objective of establishing accurate details about aflaj nationally which can be incorporated in the Ministry's database. Field work should be finished by March 1998.

The operations have included accurate location of aflaj motherwells, support wells, surveys of the aflaj distribution systems, description of the natural and physical environment, measurement of falaj flow and quality and determination of water demand and use. By mid-February 1998, the total number of aflaj inventoried was 4,155.

Well Registration

The Ministry completed an inventory of groundwater wells three years ago. 127,341 wells have been identified in the Sultanate. By mid-February 1998, 43,391 well registration and inventory certificates had been issued to well owners, representing thirty-four percent of the total inventoried.

Water Conservation

The recommendations adopted by the United Nations



▲ A senior laboratory technician analyses samples of water for sodium in a flame photometer.

Conference on Environment and Development held in Rio de Janeiro in 1992 and the Oman Vision 2020 Conference guide the Ministry's objectives for water resources management and development. These objectives focus on improving water use efficiency through water demand management and appropriate water resources development. The principal instrument to date has been the issuance of regulations and legislation. Well and Aflaj regulations were issued in 1990. The latest series of amendments to these regulations were passed in February 1995. Requests for construction and deepening of wells within the Sultanate are assessed according to these regulations taking into account the water situation in the area.

A pilot project to decrease drinking water consumption by putting water savers on taps was successful, demonstrating that there is a large potential saving of urban water by introducing such savers in conjunction with active public awareness campaigns.

Water Protection

The Ministry makes recommendations on water protection and remedial treatment measures. By providing flood risk maps to the Ministry of Housing, proposed residential site plans are reviewed according to possible risks to the public drainage system. Residential building must take place well outside the aflaj mother well and dam protection zones. The Ministry also liaises with the Ministry of Regional Municipalities and Environment to locate sites suitable for the construction of filling stations and landfills. The Ministry also coordinates with other Government agencies to ensure that water resources protection is undertaken during various development projects.

Regulations to protect aquifers from pollution, exhaustion and the advance of sea water intrusion are embodied in Water Supply Wellfield Protection Zones. Three of these have already been established: in Al Khaudh, Wadi Adai and Salalah. In view of the need to protect and conserve resources in other locations, the Ministry intends to establish additional protection zones in other regions where unregulated development could otherwise deplete fragile water supplies.

Studies continue on how to contain and curb nitrate pollution as well as pollution by hydrocarbons. One such incident has occurred at Falaj Al Azizi in Al Jabal al Akhdar where the falaj water was contaminated with oil seeping through rock-fractures upstream of the gathering point. The Ministry responded immediately with a water quality monitoring programme and an exploratory drilling programme to trace the source of pollution and the extent of its dispersion. The Ministry of Water Resources and the Ministry of Defence have agreed together to install an oil separator to help solve the problem. This system has been working efficiently since late 1997.

Water Discoveries

The Ministry has been undertaking feasibility studies into the cost effectiveness of several alternative proposals to develop



▲ Water is the source of life.

recently discovered aquifers in Al Masarrat, Al Najd, southern Al Batinah, Wadi Rawnab and Rimal al Sharqiyah. Emphasis has been given to completing the study for Rimal al Sharqiyah during 1997. It is believed that development of this aquifer will provide abundant potable water to satisfy the needs of many Wilayats in the Ash Sharqiyah region. Planning continues to found a consolidated company to develop the Al Masarrat aquifer southwest of Ibri.

The Ministry has commissioned an experiment at Hailat al Rakah to exploit solar power for brackish water desalination and to assess the efficiency of wind power for pumping water from the Al Najd aquifer in the Dhofar Governorate. Besides providing technical and economic information on the practicality of using solar arrays, the project has also been supplying drinking water to the Ministry staff stationed at the research site.

Well Drilling Permits

The well drilling and deepening regulations enacted by the

Ministry require that well owners seek permission from the Ministry prior to beginning drilling. Approval may be given or denied according to the prevailing water situation, and the location of the proposed well. The number of requests for well permits has dropped significantly since 1995, following the high rainfall of the last three years.

Public Awareness

The Ministry promotes public awareness programmes to boost national understanding for the need for Government to practice water resources management and to explore for new water sources, and to engage the community's cooperation in water conservation schemes. The Ministry uses numerous media, such as symposia, lectures, exhibitions, contests, newspapers, radio and TV. The Ministry arranges its own interviews and makes its own programmes for presentation on TV and radio.

Youth Work Camps

The idea for Youth Work Camps began in 1996 with the objective to use young people's spare time in the service of the environment and the community, and to instill rational water use behaviour. All sectors of the community sponsor and support these programmes, which also give the Ministry the opportunity to inform the population of its activities by visits to sites such as dams and aflaj.

The Ministry collaborated with the General Organization for Sports, Youth and Cultural Activities in holding the first Youth Work Camp in the Interior Region in August 1996. The young people carried out minor maintenance work on 20 aflaj and removed silt and debris from Wadi Ghul dam in the Wilayat of Al Hamra and Wadi Tanuf dam in the Wilayat of Nizwa. Much encouraged by the outstanding success of this camp, the Ministry has decided to make this an annual event and held the second camp in the Sharqiyah region in August 1997. Maintenance was carried out on 30 aflaj and silt and debris

cleared from Wadi al Felaij dam and Khor Rasa'a protection dam in Wilayat Sur. As well as routine maintenance, the participants held their own sports and cultural contests and exhibitions.

The third Youth Work Camp is to be held in Al Batinah in 1998.

Training and International Cooperation

In line with the national aim to improve the overall training and educational skills of its people, the Ministry has implemented a training programme which covers all levels of its technical and administrative staff. Three hundred and eleven individuals, representing just under 30% of total staff, received training during 1997. The Ministry looks forward to providing more training opportunities for its staff, locally and abroad, in water resources management and development.

As a result of training, the figure for Omanisation within the Ministry is 96.5%.

The Ministry also liaises closely with international universities and research centres to obtain the benefit of research in water resources management and development. Amongst these institutions are:

* The Middle East Desalination Research Centre (MEDRC). The Ministry participated in several programmes and conferences held by MEDRC.
* Boston University, USA, who are using remote sensing imagery to locate groundwater.
* Bern University, Switzerland, who are carrying out a collaborative study with MWR experts and technicians on the origin and movement of water in Al Batinah and the Interior regions.

DOMESTIC WATER

The demand for domestic supplies has increased sharply in recent years with the construction of housing and commercial premises to accommodate and serve a rising population with higher living standards than ever before. In 1997 water consumption rose by more than 3%. Agriculture takes over 90% of the water available.

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

Desalination plants

The first major water project to be undertaken was the construction of a desalination plant at al-Ghubra, which went into production in 1976 with a capacity of 5 million gallons a day. In 1978 natural gas was brought by pipeline from the Yibal oilfield to become the main source of energy for the power station and desalination plant. The capacity was again increased, to 11 million gallons a day in 1982, with the addition of a new desalination unit. In 1986-87, three more desalination units were completed at al-Ghubra bringing total production capacity to 23.5 million gallons a day. Last year the capacity of al-Ghubra was increased to 36 million gallons a day with the commissioning of a sixth unit.

As well as the production of fresh water from the desalination plant, groundwater is pumped from boreholes in the Wadi Dhayqah and the al-Khodh area and mixed with the desalinated water before being distributed for domestic use.

Other desalination plants in different parts of the Sultanate produce a total of around 8,000,000 gallons a day. Within the next two years six new desalination plants are due to come on stream each with a capacity to produce 22,000 gallons a day.

▶ The Control Room at Phase IV of al-Gubrah Desalination Plant.

▶ A technician checks the quality of domestic water.





Master Plan

The Ministry has completed a master plan for the supply of water to the Capital area up to the year 2010. The plan includes extension of distribution pipelines as well as commercial, industrial and house connections, which have reached a total of more than 70,000 connections to the mains supply. This year two new additional reservoirs were constructed in the Capital area at a cost of over RO1 million. Considerable progress has been made not only in the supply of water to the Capital area and other major urban developments but also to smaller communities throughout the country. Nizwa, Sohar, al-Buraimi, Mahdah and Sur all have major water distribution networks. Sur has its own desalination plant with a daily capacity of one million gallons. Smaller plants in remote locations like Ras al-Hadd and the island of Masirah provide for local communities. A further plant, at Sohar, is planned for the aluminium smelter that is projected there; the water surplus to the smelter's requirements will be made available to the public supply system. Fifteen of the desalination plants operated by the Ministry use a method of desalination known as reverse osmosis. In this process brackish water is forced through a semi-permeable membrane which allows the water to pass, but not the dissolved salts; however until ways are found of improving this technology, the capacity of these plants will remain limited to between 50 - 100 cubic metres a day. The new reverse osmosis plants are being assembled by a local company which has its factory on the Rusayl Industrial Estate. At the end of 1997, the Adam desalination plant, which cost RO1 million, was the latest to come on stream with a capacity of 220,000 gallons a day.

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

ELECTRICITY

Electricity now reaches all populated areas of the Sultanate except for some remote mountain villages, which means that about 87% of the country is fully supplied. It is hoped to extend this coverage to 93% of the total populated areas by the end of the current Five-Year Plan. During 1997, there was increased demand, and generation of electricity rose by over 4%. His Majesty has therefore ordered the allocation of an additional RO145 million within the framework of the Five-Year Plan to increase spending on water and electricity projects. This will enable the Ministry to install new gas turbines in power stations at Rusayl, Wadi al-Jizzi, Sur and Salalah over the next two years.

The first large project to provide electricity in any quantity was the construction of the al-Ghubra power station and desalination plant in 1976, with an initial capacity of 25.5mw. The first major extension to the power plant was completed in 1983 raising the capacity to 287mw. The latest expansion, with the addition of two gas units of 190mw capacity, has raised productivity to over 500mw.

Increasing Demand

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

Manah Power Project

The Manah Power Project, commissioned in 1996 ahead of schedule, is not only the first independent power project in the Sultanate, but also in the other Gulf States. It was the most important achievement of the Government's privatisation policy at the start of the current Five-Year Plan and was entirely constructed with private capital at a cost of around RO83 million. The power station has three 30 mw gas turbine units, transformer stations and power lines. It has been established on the build, own, operate, transfer basis (BOOT) principle. This means that the facilities are built and owned by the Company and after an agreed period of time are transferred to the Government. In the case of the Manah power station it was agreed that the United Power Company will operate the power station, while the Ministry will be responsible for operating the transmission facilities for twenty years. During this period the Government pays the Company for the utilisation of the facilities and purchases power from the Company for distribution and resale to consumers at a regulated price. The new plant replaces the old diesel-fired power stations at Nizwa, Bahla and Izki. The power units from these three stations will be used to increase capacity elsewhere.

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

Salalah

In the southern region the first power station was started in 1971 to serve Salalah. Subsequently two power stations have been in operation, one in Salalah and the other in Raysut with a combined capacity of 12,400kw. The capacity was later up-graded to 20,000kw. The Government is currently seeking to privatise the power system for not only Salalah, but for the rest of the Governorate of Dhofar as well. A new 200 MW gas-fired power station will be built to replace the two existing diesel-fired power stations. A private sector company will be formed



▲ Manah Power Station, a typical example of the grid system increasingly reaching all areas of the Sultanate.

to build and operate the power system under a thirty year concession agreement. The founding shareholders of the new company will be selected from qualified investors after an open competition. An invitation to tender, first issued by the Tender Board in 1997, has been extended to June this year. The general public will also have the opportunity to invest, when in due course at least 40% of the company's share capital will be available for public subscription.

Regional Development

Apart from the Capital area, Salalah and oil industry locations, there were no generating stations elsewhere in Oman before 1978; but in the following year no less than 22 were added to cover the different regions with a total overall capacity of 27mw. At first all these stations had to be run on diesel, but where possible the Ministry has a policy of converting them to gas-fired stations. A new power station was opened in Adam in January this year to replace the existing facility.

There are currently 31 power stations with total installed capacity of 1662mw and using the following sources of energy:-

Steam	106mw	= 6.4%
Gas	1151mw	= 69.3%
Diesel	405mw	= 24.3%

The electricity grid system has some 220 main sub-stations and about 11,000 distribution transformers.

Future Plans

The Ministry of Electricity and Water has always encouraged the involvement of the private sector, since its establishment as the Government body responsible for planning and supervising the development of these utilities. During the current Five-Year Plan, the Ministry is concentrating on inviting consultants to study ways of achieving privatisation in order to reduce Government expenditure and bring benefit to the consumer. One such project still under study is the Barka power and desalination plant which is planned to have an eventual capacity of 1900mw.

Renewable Energy

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

Training & Omanisation

The Minstry has had considerable success in training and preparing Omanis for technical and managerial positions and is meeting its Omanisation target of 90% by the year 2000. By the end of last year, the Ministry had reached 89% Omanisation.

SOCIAL AFFAIRS, LABOUR &VOCATIONAL TRAINING

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

Social Security

In 1997 the Ministry spent over RO20.25 million on 44,830 cases needing social security; additional amounts were paid to deserving families at the Eid al-Fitr - RO826,380 - and the Eid al-Adha - RO827,370. In some cases the money provided was for emergency assistance, where families or individuals have been the victims of natural disasters or accidents such as floods or domestic fires. Other cases of hardship included financial assistance to help some families with the connection of water and electricity supplies.

In 1997 there were 1,312 emergency cases for which a total of RO 243,253 was provided.

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

Special Needs of the Disabled

Special attention is given to the needs of the disabled, particularly young people for whom the Ministry provides a special training centre at al-Khoudh, opened in 1987, where skills such as typing, sewing, domestic science, computing and carpentry are taught. During 1997 the centre enrolled 51 male and female students. The centre also cares for severely disabled children between 3-14 years of age.



▲ **Ministry staff visit a remote village in the Interior in order to assess payment of benefits.**

The Ministry helps to find suitable employment for the newly qualified disabled and provides wheelchairs and any other special equipment that may assist the disabled to lead as normal a life as possible.

Since 1993 eleven centres have been opened in different parts of the Sultanate for the care and rehabilitation of disabled children. These centres are funded by the Ministry and run by 161 female voluntary staff who in 1997 cared for 453 disabled children.

Since 1990, the work of the Ministry has been supplemented by the Association for the Welfare of Handicapped Children, a charitable organisation which opened its first centre at al-Qurum. The Association also has centres at al-Khoudh, Quriyat and Bilad Banu Bu Hassan, caring for 240 children. Earlier this year the foundation stone was laid for a new centre at al-Azaiba on land donated by an Omani businessman.

Sport is an important part of the disabled welfare programme. The Ministry ensures that Oman is represented at

Gulf, Arab, Asian and International sporting events. The disabled sports team won gold, silver and bronze medals at the International Sports Championship for the Disabled at Stoke Mandeville in England in 1994.

In March 1996, Muscat Municipality organised a major festival in al-Qurum Nature Park in aid of the handicapped. The festival lasting ten days featured a number of attractions and was a co-operative effort between several Ministries, the Royal Oman Police and voluntary organisations.

Oman Charitable Organisation

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

This year His Majesty ordered that some commercial and residential plots of land should be set aside for the organisation, which has so far taken possession of two plots, one in the Capital area and the other in Sohar. The Organisation, which depends on the private sector for support, was able to hand out over RO 70,000, within a month of its establishment, for deserving cases over the Eid al-Fitr. Another RO100,000 was distributed at the Eid al-Adha last year. This year the Chairman of the Organisation gave a cheque for RO122,000 to the Ministry. It is hoped to build up a trust fund to ensure a regular income for future distribution.

Women & Children

Woman and children form one of the most important responsibilities of the Ministry of Social Affairs, Labour and Vocational Training. Women who wish to work are encouraged to do so. In 1997, there were 12,350 working in the public sector and 5,483 women were recorded as working in the private sector.

The Ministry has established seven women's training centres in different parts of the Sultanate, while other centres have been set up with voluntary contributions. The centres train women in needlework, embroidery and home economics, as well as in traditional local crafts, which they are helped to sell through marketing facilities provided by the Ministry. Women are encouraged to open tailoring shops in rural areas after attending a training course. In 1997, a second group of 594 trainees, both men and women, began tailoring and embroidery courses in 14 rural areas. The first batch of trainees, who completed their courses last year, have already opened 75 tailoring shops with the help of the Ministry, which facilitates interest free loans from the banks for trained tailors.

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

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

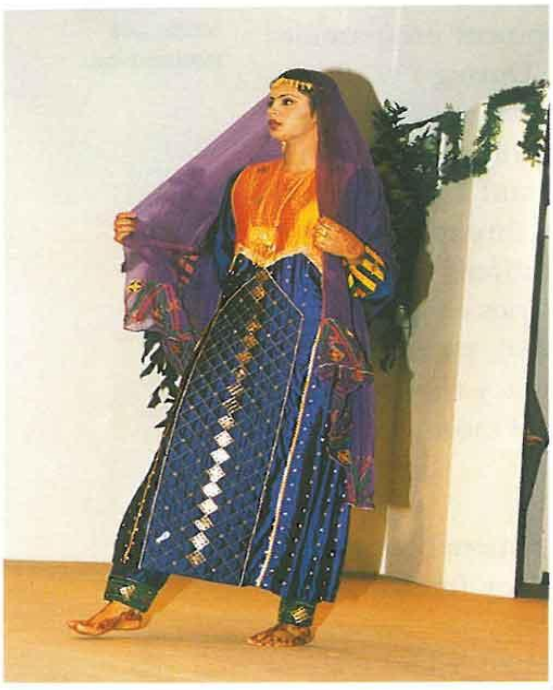
Women's Associations

Women's Associations play an important role in the voluntary sector. In 1997, there were 21 Associations with a membership of 1,960 women who co-operate with Ministry staff in carrying out social work within the local community. There is an annual competition between the Associations for which prizes are awarded by the Ministry. In 1997, first prize went to the women of Nizwa, followed by Ibra, Salalah, Saham and al-Khabourah.

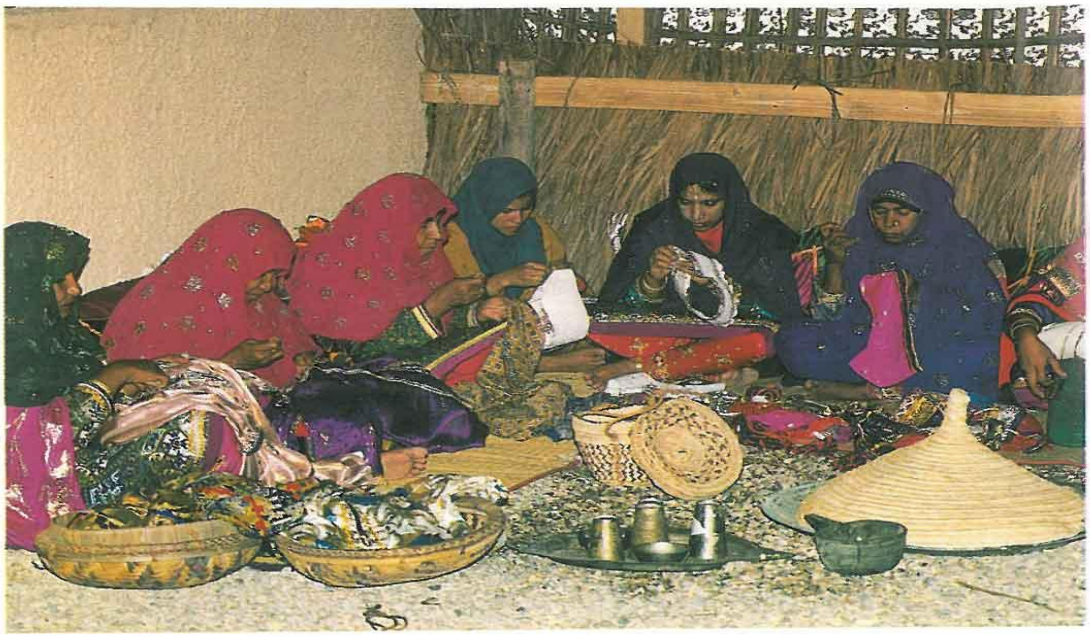
▶ A fashion parade of traditional Omani dresses.











▲ Ancient skills are passed on.

Community Development

By the end of 1997, community development programmes had reached 1,050 villages in the Sultanate. During 1997 thirty-six local community development projects were implemented at a cost of RO327,928, with substantial contributions from the public amounting to RO286,128. An important aspect of these projects is the dissemination of information through the distribution of newspapers, magazines and educational materials.

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

Labour

The Ministry is responsible for the national workforce employed in the private sector, as well as for foreign labour employed by private companies. His Majesty the Sultan has directed that no Omani should remain unemployed for want of

a job, as long as he or she is capable of working. Therefore one important aspect of the Ministry's labour policy is to bring Omani women into the workplace wherever suitable employment can be found.

In 1997, a total of 24,726 Omanis registered for work, while 28,502 were offered employment in various areas of the economy. Omanisation now has the highest priority and Omanis are encouraged to take jobs currently performed by expatriates. The Ministry co-operates with the Ministry of Commerce & Industry and the Royal Oman Police to ensure that companies are complying with the Labour Law and that foreign workers have labour permits. The Ministry has warned employers and illegal workers to legalise their status. An extended deadline was set for 30th April this year for compliance. During the first three months of this year some 12,000 expatriates left the country and during the same period 4,400 Omanis obtained jobs. The Ministry continues to issue labour permits for expatriates where they are genuinely needed, but at the same time is determined to prevent expatriates staying in the country illegally. It was reported that some had been working in Oman for as long as nine years without labour clearance. Besides identifying illegal workers, labour inspectors also carry out occupational health and safety inspections.

Omanisation

The Ministry has stipulated a fixed Omanisation ratio in six areas of the private sector. Transport, storage and communications are to have 60% Omanisation; finance, insurance and real estate 45%; industry 35%; hotels and restaurants 30%; wholesale or retail trading 20%; and contracting 15%. In February this year, the Ministry issued a decision that 50% of employees in the service stations of the fuel marketing companies must be Omanis. The Ministry set an extended deadline of 31st December 1998 for the employers to meet the Omanisation targets, which are being achieved in several sectors of the economy. During 1996 and 1997, companies were required to submit

their Omanisation plans. Of the 13,404 company plans submitted, over 10,000 were received in the Ministry by the end of 1996. However some employers have met their targets by employing Omanis in low-grade jobs, while retaining expatriates in the higher positions. At the end of 1997, there were 493,848 expatriates working in the private sector. The Ministry is well aware that Omanis must be trained to be able to take up more responsible positions in the private sector. From April this year, companies that have met their Omanisation targets will be issued with a 'green card' which will enable them to receive preferential treatment in their dealings with the Ministry.

In spite of these Omanisation plans, the overall number of expatriates in the Sultanate is likely to remain at current levels in the short term due to the anticipated expansion in the economy and the major projects being implemented by the private sector.

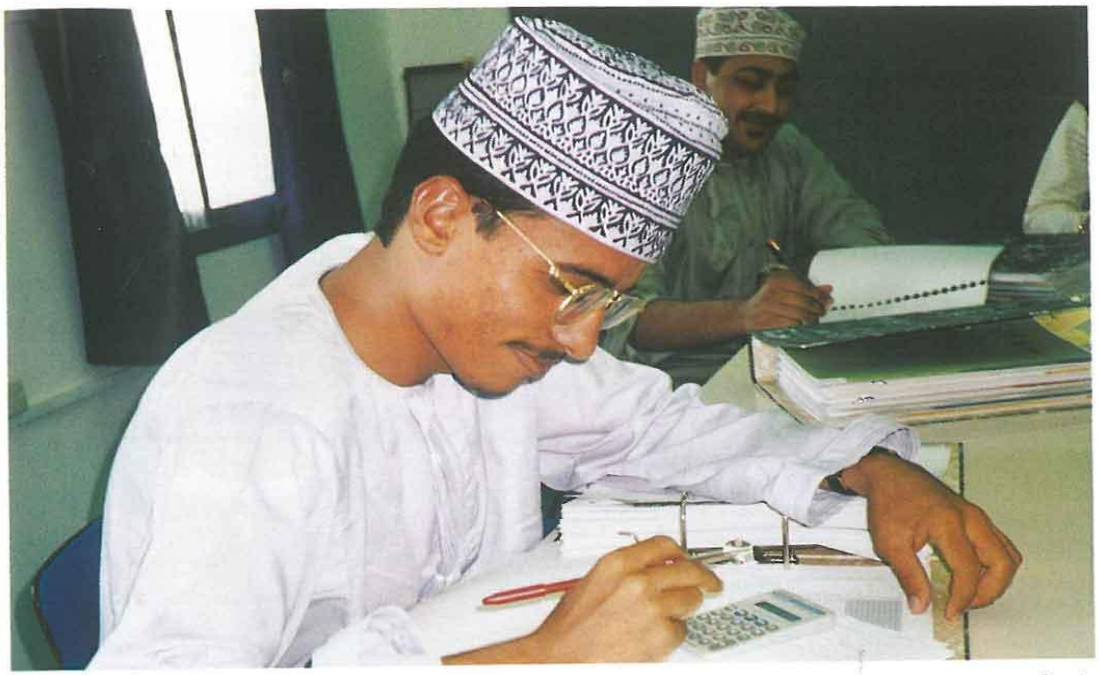
Vocational Training

In April 1997, the Ministry decided that employers' contributions to the Vocational Training Authority should be increased. For every expatriate employee earning up to RO85 a month, there is an annual levy of RO60, provided that the amount paid does not exceed 7% of basic salary. A sum equal to 6% of basic salary is payable for expatriates earning between RO85 and RO100 and for those earning over RO100, 7% of basic salary is payable.

The Vocational Training Authority was established in 1991, but at the beginning of this year, responsibility for Vocational Training was transferred to the Ministry by Royal Decree and the Authority was abolished. Over RO10.3 million has been allocated for vocational training during the 1997/98 academic year.

National Vocational Qualifications

Within the strategy of manpower development put forward



▲ **Young people have every opportunity to obtain higher qualifications – here a student studies for his accountancy examinations.**

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

The new syllabus was first introduced to the Muscat Technical & Industrial College (MTIC) and the first batch of 99 male and female students to obtain their GNVQ graduated last year. Of this number, 36 had qualified in information technology, 12 in business studies, eight in science, 33 in engineering and 10 in construction. This year it is expected that similar numbers of students will also graduate with the GNVQ from the Nizwa, Salalah, Ibra and al-Musana'a colleges where the syllabus was subsequently introduced. In 1997, an additional 47 students, both male and female, obtained their technical diplomas under the previous syllabus from the MTIC. For



▲ **Mechanics under training.**

the 1997-98 academic year, 2,268 new students have enrolled in the five TICs. The GNVQ courses are of three years' duration and because they are conducted in English include a one year foundation course in the language. Some students may be able to obtain the qualification in two years instead of three. GNVQs are a genuine alternative to 'A' Level or equivalent secondary education qualifications for students over 16 years of age, who wish to keep their options open, either to move into higher education or seek employment. As such GNVQs are a bridge between the vocational and academic systems of education. The NVQs, being introduced into the Sultanate as OVQs (Omani Vocational Qualifications) cover a more limited range of occupational areas and are conducted in Arabic at private training institutes. They are practical and flexible qualifications which can be implemented in the workplace and built into company training schemes.

Vocational Training Centres

In 1997, a total of 1,265 students were enrolled in the four centres, of whom 461 were on advanced vocational courses and 804 on basic technical courses. Seeb accepted 483 students, Sur 229, Saham 325 and Ibri 228. A total of 964 students, 414 on advanced and 550 on basic technical courses, completed their training in electrical, construction, automobile, mechanical and joinery trades. This year some 4,000 students will receive vocational training at the Government centres and at the 16 private institutes recognised by the Ministry. It is expected that the private sector will take more responsibility for vocational training and help to raise standards. It is likely that in future certain skills will be reserved for Omanis only.

Working Hours

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

COMMUNICATIONS

Roads

In 1970 there were only 10 kilometres of paved road and about 1,700 kilometres of unpaved tracks in the Sultanate. As a result of the mammoth programme of road construction carried out by the Ministry of Communications there are now about 6,000 kilometres of paved road and 24,000 kilometres of unpaved track roads. Of these totals the Ministry has constructed about 5,000 kilometres of the paved road and has built 15,500 kilometres of unpaved road, which it maintains on a regular basis. Other authorities responsible for road construction and maintenance have been the Ministry of Defence, Ministry of Regional Municipalities & Environment, Muscat Municipality and PDO.

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

In 1995 Phase One of the Rusayl-Nizwa dual carriageway project from Burj al-Sahwa at Seeb Airport to the Bidbid - Sur junction (a distance of 36 kms) was completed at a cost of RO15.5 million. Phase Two from the Bidbid - Sur junction to Izki (96 kms) is due for completion by the end of the year 2000, while the remaining section to the Firq roundabout - Nizwa junction (36 kms) is currently being designed. With the large increase in traffic volumes in recent years, dualisation of congested roads has become an important part of the road building programme and helps to reduce accidents. There are at present nearly 500 kilometres of dual carriageway. These include the Batinah highway, the Nizwa road and the link between Salalah and the port of Raysut, which is being developed into one of the world's most important container terminals, as well as the main arteries of the Muscat road system.

In April 1997 a major road construction agreement was signed



▲ **Road-widening in progress on the Bidbid-Nizwa dual carriageway to cope with the steadily increasing traffic.**

between Oman and Yemen for a 245-kilometre highway at a cost of RO 14.5 million to be paid for by Oman between al-Ghaidha in Yemen and Shahn on the border with Oman. This project is one of several bilateral agreements with Yemen which will bring economic benefits to both countries. Completion of the project is due towards the end of next year. At the other end of the Sultanate, the Khasab - Bukha road project was completed last year at a cost of nearly RO11 million. The 25 kilometre coastal road now links the two Wilayats in the Musandam peninsula. The second phase from Bukha to Tibat (12kms) is due for completion later this year.

One of the remaining major highway projects is the coastal highway from Quriyat to Sur (100kms). The route has been graded and it is therefore possible to drive along the coast all the way in a 4-wheel drive vehicle. With the industrial projects now taking shape in Sur, it is likely that this route will eventually be paved to cut down the journey time from Muscat; but it will be an expensive and difficult piece of engineering work which will probably be a toll road built by the private sector. The Ministry has evaluated the project and appointed a consultant to design the road.

The Ministry has also carried out studies of two other projects for private sector construction as toll roads, namely Thumrait to al-Mazyounah (190 kms) and the Batinah motorway (241kms).

Oman National Transport Company

The State-owned bus company (ONTC) has the franchise to operate public services throughout the Sultanate.

It also contracts out some of its fleet for short-term charters and tourism. It currently operates on 28 routes and is gradually replacing its fleet with more modern vehicles. There are currently 19 long distance departures daily to towns in the Interior, and in January last year a new service was introduced linking Ibri with Dubai via al-Buraimi. Last year seven medium sized coaches were added to the fleet for transporting passengers to and from Seeb Airport to hotels. ONTC also bought five other buses for contract work. Coaches full of tourists are now a familiar sight in the Sultanate. Two super modern luxury coaches will be added this year to the services linking Muscat with Salalah. At the end of 1996, the Salalah Express coach service celebrated its tenth anniversary of operation. The privatisation of ONTC is under consideration.

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

Seaports

A development priority for the Sultanate of Oman was the construction of Mina Sultan Qaboos which was completed in 1974 with a capacity to handle 2 million tonnes annually. Since then many improvements have been made including dredging the harbour entrance to a depth of 13 metres. The spoil from this and other operations has been used for land reclamation in Shutaifi Bay where a 150,000 sq metre container storage area has been created. Two new cranes have been ordered for delivery this year at a cost of over RO80,000 each. The cranes are the most modern of their kind and will cut container handling time by 40%. In spite of various other improvements and additions made to the facilities in recent years, studies carried out by the Ministry have shown that a

new port is needed to supplement Mina Sultan Qaboos in the next decade. Sohar has been chosen as the site for a number of reasons, the most important being the development of major industrial projects in the area, such as the aluminium smelter and petrochemicals plant.

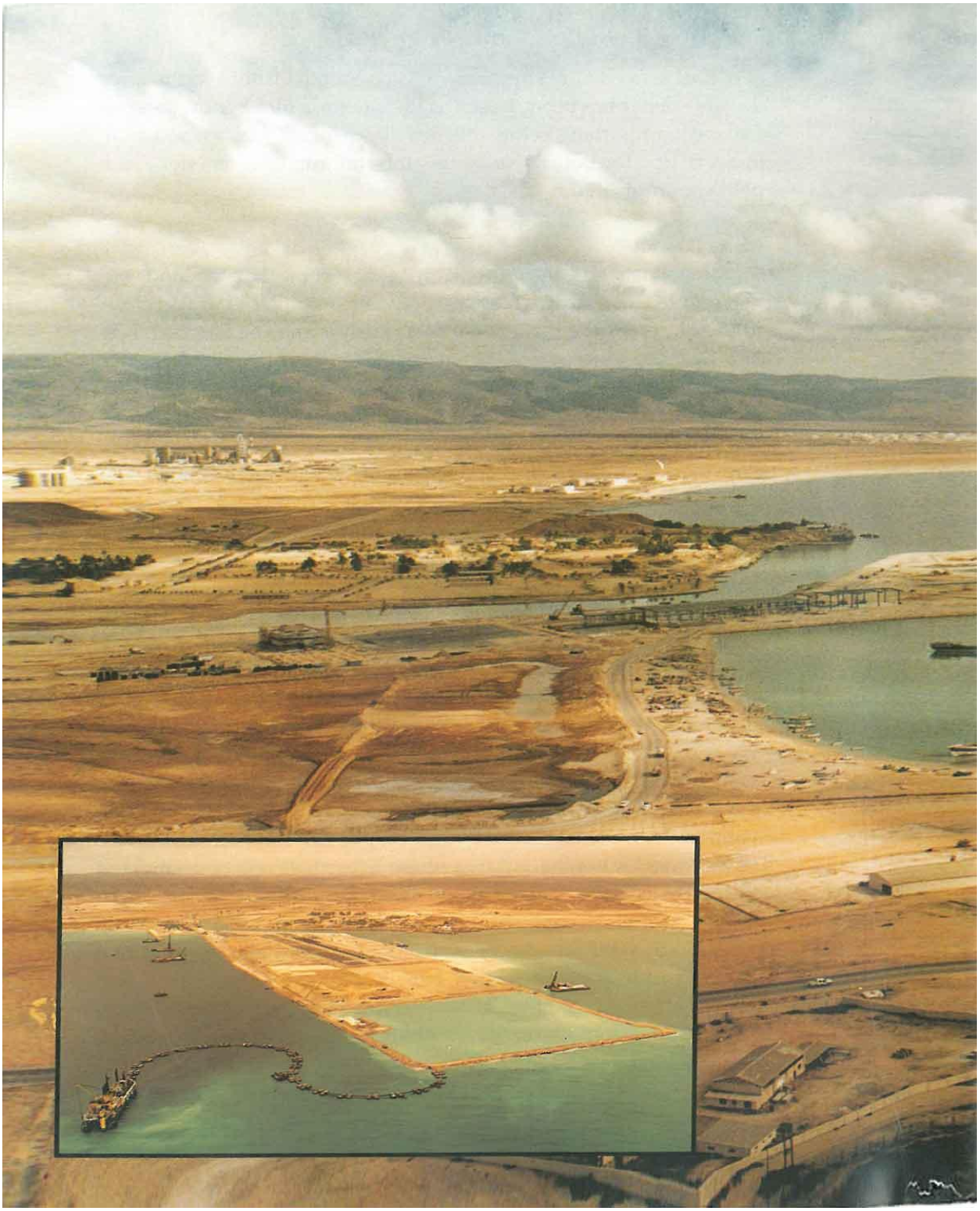
Mina Raysut

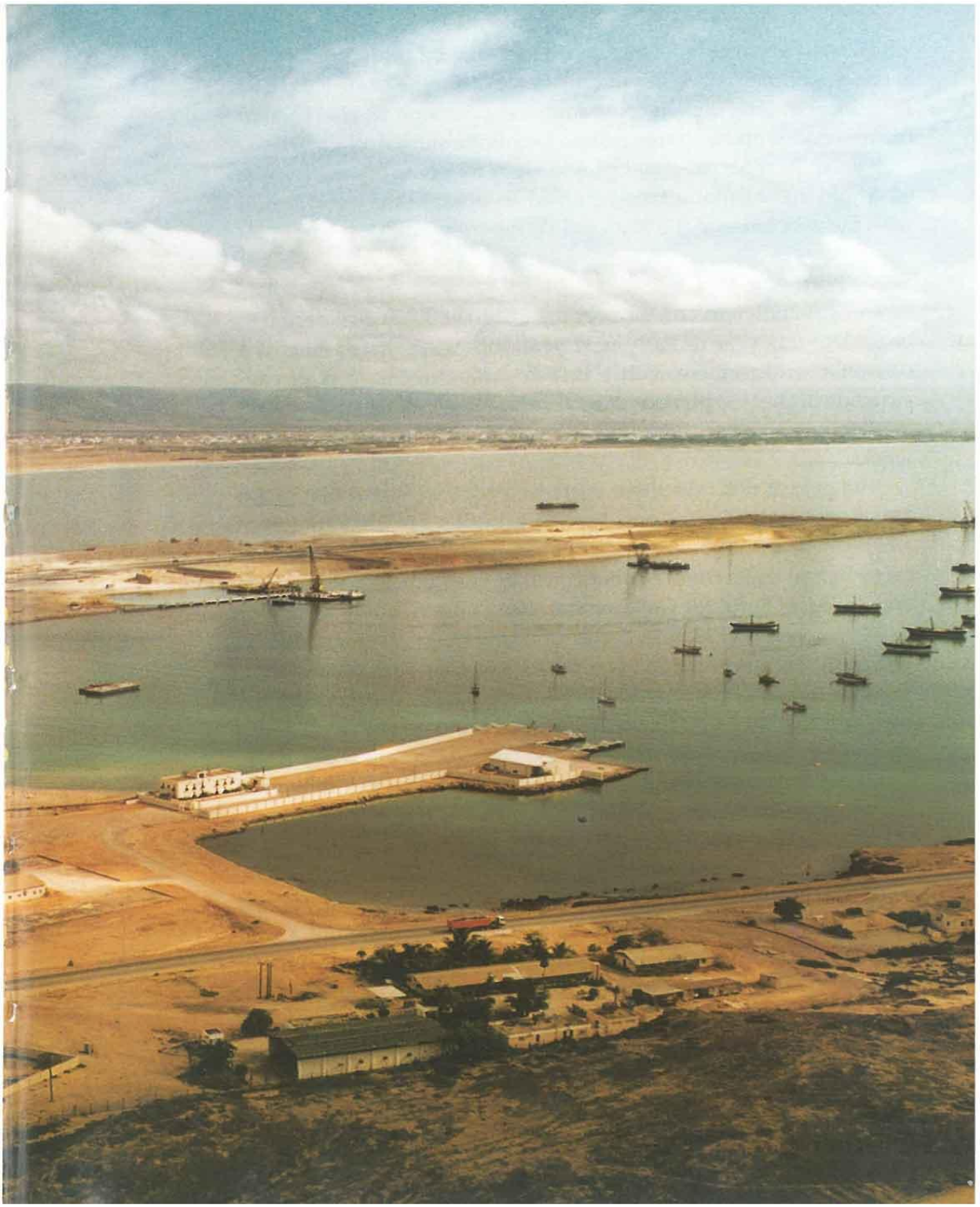
Mina Raysut is the port at present serving Salalah and the Governorate of Dhofar. However, strategically placed as it is close to the direct shipping lands between Europe and the Far East, it is in a position which provides easy access not only to the Gulf, but also to the Red Sea, Indian Ocean and East coast of Africa. With the expansion of the Raysut Industrial Estate and the prospect of increased trade with Yemen, it has been decided to develop Mina Raysut as a container port and free trade zone at an estimated cost of US$130 million.

In May 1996, a memorandum of understanding was signed between the Ministry and Sea-Land Services Inc. and its Omani partners for the transformation of the port, which has always been a natural harbour in an advantageous position, into a modern container terminal to attract transhipment trade from ships en route to the Far East. The new port will have four berths, with a total length of 1,200 metres and a water depth of 16 metres after dredging. In the first phase the terminal will have capacity for 900,000 20ft equivalent units (TEU). In February 1997, agreements were signed for the dredging and landfill necessary for the construction of new jetties. The first phase (berths 1 & 2) will be completed in September, followed by phase 2 (berth 3) at the end of this year. It is expected that phase 3 (berth 4) will be completed in the first quarter of next year. The new port will be one of the largest and most sophisticated container terminals in the world. Each berth with an area of 50 hectares will be able to hold five cranes and in future a further four berths may be added. It will have the advantage of being located in a country that is politically stable with a soundly-based economy and a nexus of communications linking East and West.

▶▶ Mina Raysut, currently being developed into one of the largest container ports in the world.

The Government will hold 20% of the shares in this venture,





which will be run over a 30 year concession period by Salalah Port Services Company (SAOG under formation). Sea-Land will have 15%, Maersk 15%, Omani companies 19%, pension funds 11% and the remainder of the shares will be for public subscription.

Salalah Port Services will provide jobs for some 800 staff, some of whom are currently being trained to operate the new facility with the assistance of the National Training Institute.

Sohar Port

Construction work on the port to be built at Sohar is expected to begin late this year or early next year, following the signing of a consultancy agreement with a British company. The cost of construction of the first phase will be approximately RO86 million, and tenders will be issued later this year for dredging and breakwater works.

The project will take three years to complete. In the first phase two liquid cargo berths and two bulk berths for the aluminium smelter which is to be located at Sohar, together with two general cargo berths and a container berth will be completed. There will be an additional berth for Government use.

Port Sohar will have a depth of 17 metres – deep enough to accept the fifth generation of container vessels which is now coming into service. Provision has been made for the future construction of a further 14 to 15 berths, should these be required, and a special site has been set aside for the construction of a dry dock. The Port has been designed essentially to serve the industrial development at Sohar.

Airports

It is hard to believe that Oman's main airport was once situated in the confined space of Bait al-Falaj. The construction of a new modern airport was an early priority in the country's development. The site chosen some 17 kms out of Muscat seemed remote at the time that it was completed in 1973; however Seeb International Airport has gone from strength to strength. The main runway has been extended to 3,585 metres and the passenger terminals have been expanded to handle 3,000 passengers an hour. Duty-free



▲ A meteorologist takes readings at Seeb airport.

shopping, lounges and transit areas have been added and expanded to make it a thoroughly modern facility. More than two million passenger arrivals, departures and transits are handled each year. In early 1997, a pay and park system was introduced at the Airport and meters have now been installed in airport taxis to replace the former fixed rates in force.

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

The Sultanate now has six civil airports: at Seeb, Salalah, Sur, Masirah and Khasab and Diba in Musandam. At present Sur and Diba can only take light aircraft but plans are being studied for up-grading the airport at Sur and to build new airports at Sohar and al-Buraimi. Construction of the Sohar airport will coincide with the development of the seaport and will relieve pressure on Seeb. It is however likely that Seeb International airport will also be further expanded and up-graded to meet demand in the years to come. However, such plans are contingent upon forecasts of demand and development priorities.

Oman Aviation Services (OAS)

In recent years OAS has expanded its services both on the ground and in the air. In 1993 Oman Air began operating scheduled flights to Salalah, Dubai, Trivandrum, Kuwait and Karachi. In 1994 Colombo was added to these routes and Bombay in 1995. In May last year, an additional A 320 Airbus was leased to join the other two airbuses and to cover three new destinations - Abu Dhabi (five flights a week), Doha and Madras (three flights each a week) – and an additional flight to Cairo. The number of flights to Bombay was increased from five to seven each week. During 1997, Oman Air flew a total of 514,000 passengers, an increase of 14 % on the figure for the previous year.

OAS currently operates 28 internal flights a week to Salalah, Sur, Khasab, Masirah and Diba. It also operates about 50 charter flights a week to the PDO airstrips at desert locations.

The company has also shown an impressive performance with its training and Omanisation plans. Some 680 staff have completed training programmes. In 1993 the first batch of four Omani pilots graduated to fly Boeing-737 aircraft. At the same time certificates were awarded to four Omani engineers who had been trained in Australia. No less than 27 pilots have now completed their training and 29 are being trained as engineers. OAS employs a total of 2,405 staff of whom 1,659 are Omani and 746 are expatriate. Attaining an Omanisation level of 70% in concert with continual expansion has been a major achievement of the company.

Omanis are also employed in senior positions in Gulf Air, which has 75% of the pilot positions filled by nationals of the four Gulf States that each own 25% of the airline. (Oman, Bahrain, Qatar and Abu Dhabi).

Last year a recovery plan, which aimed at restructuring the airline by selling some aircraft and cutting out uneconomic routes was successful. In March, Gulf Air was able to report an operating profit of US$48 million for 1997 after losses in the two previous years.

POSTS AND TELECOMMUNICATIONS

POSTAL SERVICES

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

The first Omani stamps were introduced in 1966 when the Government took over the postal services. At that time there was only one post office in Muscat and none elsewhere in the country. During 1997, new post offices were opened at al-Khoudh, al-Saadah and al-Jazir bringing the total number of post offices to 94. In addition there are 300 postal agencies throughout the Sultanate to provide services to rural areas. Nearly 500 letter boxes have been installed in public places and the number of private post boxes has increased to 47,500. There is also a fax service for customers at branches in the interior of the country. Plans have been made for the expansion of rural post offices and private letter box complexes in towns. During 1997, the post offices



▶ **Omanis enjoy a fast and reliable postal service.**

handled nearly 19 million items of incoming mail and over 600,000 items of outgoing mail.

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

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

Commemorative Issues of Stamps

In 1997, there were four issues commemorating various events and activities during the year. Besides the 27th National Day issue, the Silver Jubilee of the Girl Guide movement in Oman was celebrated, while other sets of stamps featured tourism in Oman and the Royal Amateur Radio Society.

TELECOMMUNICATIONS

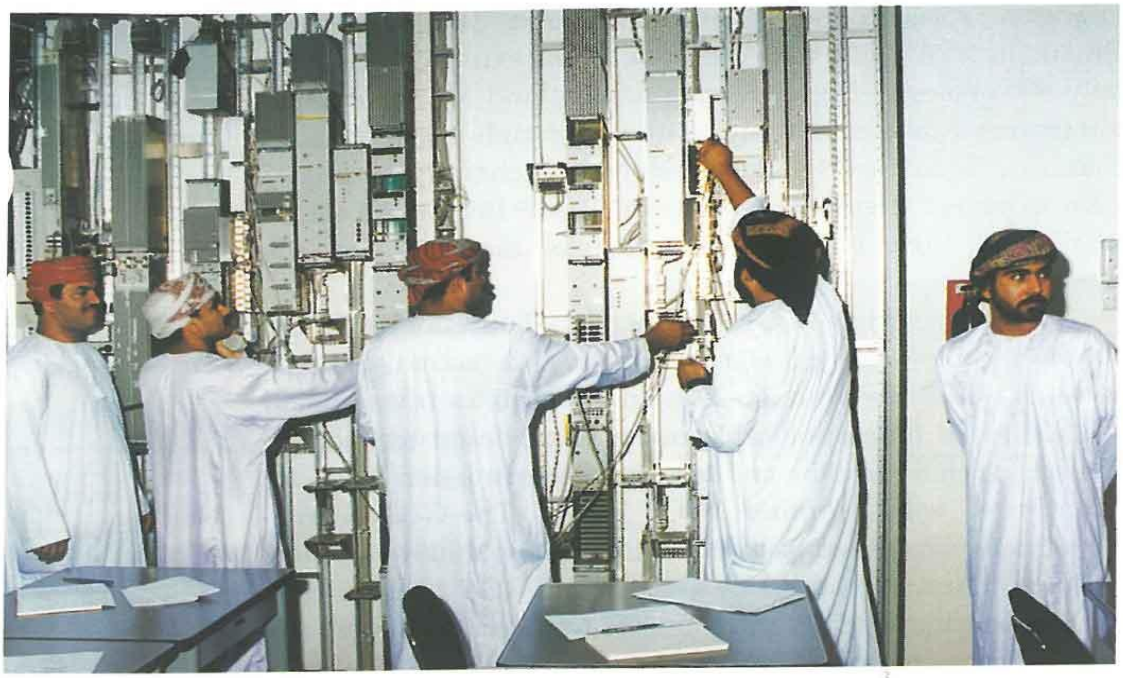
The General Telecommunications Organisation (GTO), established in 1980, is a fully-owned Government entity and is now self-financed. Plans to privatise GTO were announced in April 1996. In December 1997, the consultants employed to study the privatisation presented their report, which is being taken under consideration by the Council of Ministers. Meanwhile another firm of consultants is calculating the current net worth of GTO, which remains responsible for the infrastructure of the telecommunications network and the extension of a modern telephone system throughout the Sultanate. However it is expected that a fully state-owned joint stock company will be established which, depending on market conditions, would gradually offer the company's capital for sale to the private sector through the Muscat Securities Market. Oman was the first country in the region to privatise all terminal equipment sales, as well as maintenance and installation of equipment.

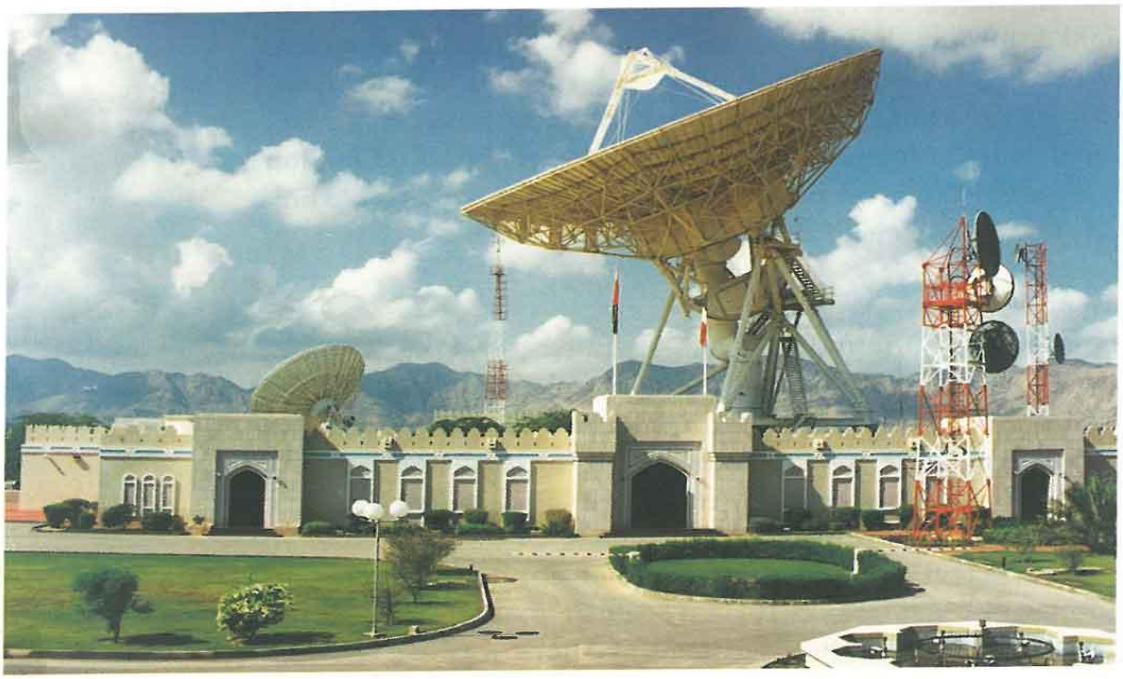
▶ **Technicians servicing the Sultanate's state of the art telecommunications system.**

Development of the Network

In establishing a telecommunications network that is second to none in the Gulf region, the GTO has played one of the most

▶ **Satellite dishes in Wadi Adai.**





important roles in the modernisation and development of Oman. In 1970, the system was basic in the extreme, served by only 500 analogue lines covering Muscat and Muttrah, while international calls could only be made through three HF radio channels. Today nearly all the telephone exchanges are digital with an overall telephone capacity of 302,039 lines at the end of April 1997. Telephone calls can now be made all over the world.

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

In August 1997, an agreement for nearly RO800,000 was signed for the installation of VSAT (Very Small Aperture Terminals) to extend communication services to remote areas, such as central Oman, Dhofar and parts of northern Oman. Oman has also invested RO89,000 in Intersat and RO21 million in SEA-ME-WE 3, the international subsea fibre optic cable link between continents.

Payphones

In 1980 GTO introduced coin-operated payphone services, and in 1985 the public were able to use telephone cards for the first time. By the end of April 1996 there were 3,974 payphones of which 49 were coin-operated and 3,581 card-operated. As part of the 25th National Day celebrations, GTO offered for sale a limited edition of a replica telephone card, made from 75 grams of silver, at a price of RO25. A Silver Jubilee pay card for normal use was also circulated. Other pay-cards issued by GTO have featured attractive items like flora or fauna and have

also been used as a commercial advertising medium. One of the new projects being introduced by GTO is the pre-paid telephone calling card system. Each card has its own unique number, which is quoted by the subscriber on making the call. The cost of the call is automatically debited from the card. The advantage of the new card is that it can be used from any phone - either in Oman or abroad - and not just from a card phone.

Mobile Phones

Mobile phones were introduced into Oman in 1985 and, at the end of April 1997, there were 8,159 subscribers with a network capacity of 9,500 lines. At the end of 1996, GTO introduced GSM (Global System for Mobile communications) to the Sultanate. The system will only cover a limited area in the initial stages and subscribers will continue to use existing systems until coverage is complete. GSM has several advantages over the present systems, such as lighter mobile handsets, lower priced equipment and high quality performance. In addition, GSM will enable a subscriber who is out of the country to use his own equipment and settle his account in his own home telephone administration. In November 1996 when GSM was introduced there were just over 11,000 subscribers. By the end of 1997 there were no less than 56,489 subscribers. The GSM network covers most of the Sultanate with a capacity for 100,000 subscribers. Two agreements were signed in 1997 for additional radio base stations to be installed to give better coverage from Muscat to Musandam.

Oman currently has international roaming agreements with 13 countries, thus enabling subscribers to use their mobile phones when travelling abroad. With the introduction of GSM, subscribers will be able to access IT (Infomation Technology) networks in future by attaching their portable computers to GSM handsets.

Internet

Oman joined the Internet at the end of 1996 linking thou-

sands of computer web sites throughout the world. Subscribers are able to send and receive files and search for information on a wide range of data bases. GTO is the sole access provider in Oman, but has appointed some 30 dealers through whom the public can obtain a connection to the Internet. Currently there are 7,343 subscribers connected to the Internet. GTO has installed DCC (Digital Cross-Connect) switches so that data can be accessed locally and internationally by computer.

Paging

Paging was introduced in 1991 with an initial capacity for 10,000 subscribers. The system offers tone, numeric and built-in voice mail box services. By the end of the first month that paging was introduced there were 1,853 active pagers and the system supported 20 transmitters. The system was later extended and the area coverage was increased by installing 13 new transmitters bringing the total up to 48. At the same time the sale of pagers was privatised leading to a variety of models being available in the market. By the end of April 1997 the total number of active pagers reached 69,146. Paging tariffs were reduced during 1996.

Reduction in Call Charges

In accordance with the directives of His Majesty the Sultan, GTO announced a reduction in off-peak charges for international calls to some countries by 15 - 40% at the end of 1996. Tariffs are of prime concern to GTO. From the beginning of May this year significant reductions were made in the cost of domestic and international telephone charges. Local calls within one exchange up to a radius of 21kms now cost only 25 baisa for nine minutes. For longer distances there are corresponding reductions with night calls being considerably cheaper. International calls have also been reduced. Calls to European countries now cost between 500-850 baisa per unit for a call at any time of the day or night. The international service offered by GTO plays a prominent role in the economic life of the coun-

try and a major part of GTO revenue is earned from this traffic.

Some GSM charges have also been reduced or abolished. Agreement has been reached with the UAE to abolish the extra charges incurred by subscribers receiving cross border calls. Cross border calls in frontier areas, such as between al-Buraimi and al-Ain in the UAE, will be treated as local calls.

Training & Omanisation

One of the main objectives of GTO is to train Omanis to operate all telecommunications systems. Training is carried out in the GTO Training Centre and at other institutes in Oman. Some specialised training is given overseas, but much of the training on new equipment is done as part of the contract with the supplier. In 1997 a total of 716 students completed courses in the GTO Training Centre, while another 101 were trained by manufacturers and suppliers of equipment. Of the 2,177 personnel working for GTO, 1,827 are Omani, which represents 84% of the total. For such a highly technical organisation this is a most creditable achievement.

Telecommunications in the Next Century

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

As part of the Sixth Five Year Plan, GTO intends to introduce ATM (Asynchronous Transfer Mode), a cell relay communication system that can carry voice, data and video information concurrently.

EDUCATION

The education of both girls and boys is given high priority in Oman. In 1970 there were only three schools with a total of 909 pupils and not more than thirty teachers. There are now 958 state schools providing education at primary (318), preparatory (472) and secondary levels (168). In addition there are 123 schools under construction or planned for this year. In the private sector, five new schools were opened in 1997 making a total of 111 private schools which are regulated by the Ministry. The Ministry has a comprehensive plan to modernise the education system to meet the needs of the 21st Century. It is planned to have 1,039 State schools by the year 2000/2001. This will enable the Ministry to dispense with the double shift system and to extend the number of hours in the classroom. The school year of 32 weeks (160 school days) will be lengthened to 36 weeks (180 days) to bring it more into line with hours of schooling in other countries. Lesson periods will also be extended in length to enable a pupil to increase the number of hours he or she spends in class during the first ten years of their education from the present 5,693 hours to 9,600 hours.

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

Education Prize

It was announced at the beginning of the year that the Sultanate of Oman had been awarded the Shield of the Arab Education, Culture & Science Organisation in recognition of the achievements made by the Ministry, particularly in the eradication of illiteracy and the raising of educational standards throughout Oman.



▲ Children learn the mysteries of computers at an early age.

Student Population

The total number of students in State education is 514,315, of whom nearly half are female. An additional 21,863 students are in private education, more than half of whom are in primary schools mainly concentrated in the Capital area. The largest number of students is in the age group 6-12. In this age range, each year on average has over 40,000 students. A total of 48,912 new students were enrolled at the start of the 1997-98 academic year.

The total number of students in the age group 13-17 declines each year from nearly 30,000 to just over 20,000.

Teaching Staff

▶▶ A Montessori School – one of many private schools for very young children.

There are 23,245 teachers of whom 13,331 are Omanis (57.3%) in State education. In private education there are 1,405 teachers of whom 213 are Omanis (15.2%). At primary school level, nearly 95% of the teaching staff are Omanis.


MAN



Training of Omani Teachers

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

Education for Girls

Girls follow the same syllabus as boys starting with entry to primary education and going on to preparatory, secondary and higher education. Before 1970 there were no schools for girls; however girls now make up 48.6% of the student population. This figure compares with the 1993 census findings which showed that females made up 49.1% of the population. Girls also make up 41% of the students in private education.

Stages of Education

There are three stages of juvenile education: primary, preparatory and secondary. Primary school education usually begins at the age of six. Having passed the sixth primary grade examination between the ages of twelve and fourteen the pupil moves on to preparatory education. Students passing the general preparatory certificate examination are then admitted to the first grade of secondary school between the ages of fifteen and seventeen. Here they are selected for the appropriate type of secondary education in accordance with the results of their preparatory examination.

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



▲ New schools are being built in remote coastal and mountain villages.

on careers which will require more specialised and technical training.

Commencing in the academic year 1998-1999 the Ministry intends to introduce the Basic Education System in two stages, the first stage will be classes 1-4 and the second stage 5-10. It will be introduced gradually, starting from the 1998-99 school year, when the first and second basic classes will be opened for all subjects except English Language, which will be taught in the first, second and third classes. In the school year 1999/2000 the new English curriculum will be introduced at grade 4, while the curriculum for other subjects will be introduced at grades 3 and 4. Thereafter one class will be added every year until the 2005-2006 school year, when the tenth class will be opened.

Adult Education

Adult education operates in parallel with the regular education system allowing advanced courses and examinations to be taken. Great importance is attached to allowing those who for

one reason or another have been unable to complete their education to continue with their studies. In 1997, there were 6,782 students enrolled in different centres throughout the Sultanate. An additional 4,193 students attended classes at 148 centres for the eradication of illiteracy.

Private Schools

The Government has encouraged the growth of private schools in the Sultanate and welcomes the contribution made by the private sector to the education system. In the academic year 1997-98 the 111 private schools and kindergartens in the Sultanate are providing pre-school, primary, preparatory and secondary education.

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

Teaching of English

The teaching of English has assumed increasing importance in recent years, particularly with the opening of Sultan Qaboos University, where science-based courses are conducted in that language. In 1987 the Ministry launched a major project to develop the teaching of English in schools with materials specially designed to suit the Omani school system. In future English will be taught from Grade 1, instead of from Grade 4 and there will be five periods a week. Teacher-training also plays an important part in raising the standard of English in schools. Omani teachers of English are given additional language programmes during their training.



HIGHER EDUCATION

In January 1994 the Ministry of Higher Education was established by Royal Decree with the Minister having special responsibility for Sultan Qaboos University.

The Ministry also supervises other higher education institutions and centres of scientific research and is responsible for formulating higher education policies and administering the Law on Grants & Scholarships.

As part of the Fifth Five-Year Plan, two new colleges of higher education are being established. The Faculty of Sharia and Law in Muscat, which opened in September 1997, will prepare Omanis to become judges and legal experts on a four-year course that will lead to a Bachelor's degree in both Islamic Jurisprudence and Law. In the current academic year there are 120 students, 30 of whom are women. All the students admitted achieved over 80% in their secondary school examinations last year. The academic year at the new college is divided into two terms, each of 16 weeks. The first year is a general foundation course to prepare students to either specialise in law or the sharia in accordance with their wishes and performance in the first two terms. The former Islamic Institute at al-Wattayah has been thoroughly modernised to accommodate the new college, which was proposed by His Majesty in his 1994 National Day speech.

A Higher Judicial Institute at Nizwa is planned to prepare students to become judges and legal advisers on a two-year post-graduate programme for which a higher diploma will be awarded.

Private Colleges

The Ministry encourages the private sector to establish colleges and institutes of higher education. There are now four private colleges under the supervision of the Ministry of Higher Education, three of which are in Muscat and one in Sohar. These colleges offer post secondary education in business administration, economics, commerce and computer sciences. The diplomas awarded at the end of one to three year courses qualify the students to enter overseas universities.



▲ One of a number of private colleges – The Fire Safety Engineering College which offers both short and long courses up to degree-level.

In addition the Ministry has plans for a Marine Sciences College in Dhofar, but a Higher Institute of Arts planned for Sohar will be deferred to the next Five-Year Plan. It is also hoped to raise the level of intermediate teachers' colleges to the standards of the College of Education in order to ease the pressure on Sultan Qaboos University. There are six teacher training colleges in Oman, four of which are for men at Nizwa, Sur, Sohar and Salalah and two for women at Rostaq and Ibri. The plan in future is to have an annual intake of 2,000 students.

Sultan Qaboos University

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

▶ Students of the College of Agriculture at work on the University Farm.



Including students abroad there are now over 13,000 Omanis studying for first degrees under the Ministry's supervision.

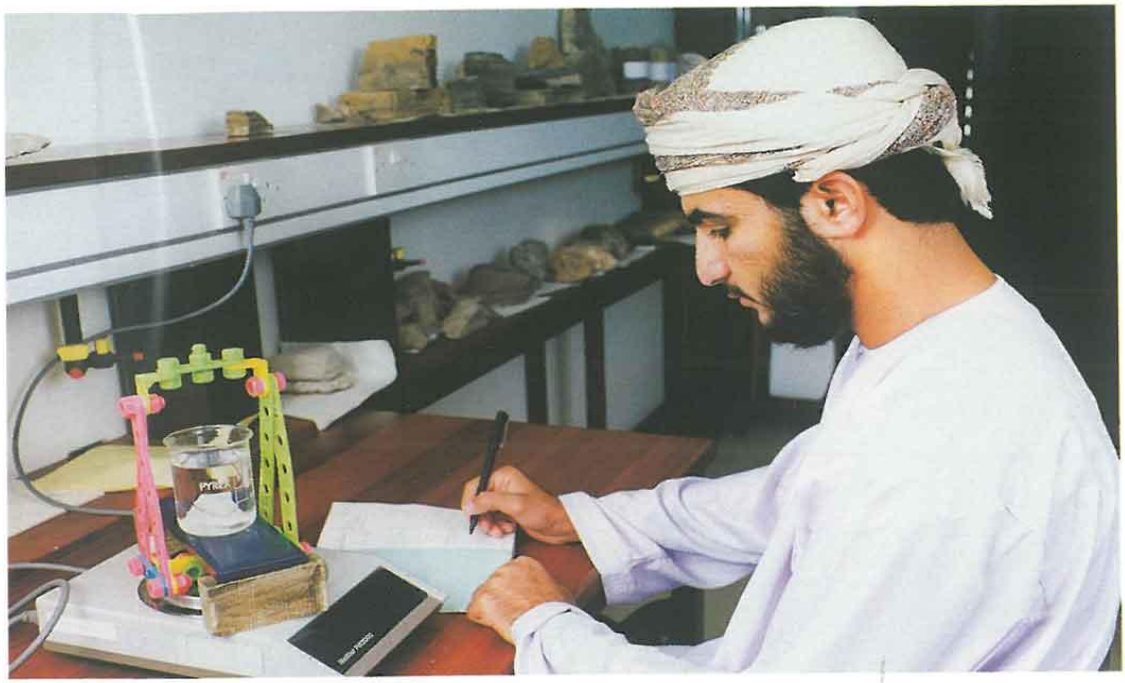
There are no Government plans at present to establish a second university, but more faculties may be added as the need arises for additional academic disciplines. It is however likely that a private sector university will be established in the near future. The privately funded College of Administrative Sciences will offer degree courses this year in conjunction with the Bolton Business School in the U.K.

For the last few years the Sultan Qaboos University has been establishing graduate programmes in order to offer Masters' Degrees. In 1993 the first programmes offered were in Education and Arts and in 1995 environmental sciences were added. In 1996 a graduate programme in agricultural economics was offered and the Faculty of Medicine plans to offer a graduate programme as well. New buildings for the Faculty of Agriculture were opened in 1996.

Career Opportunities

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

It was originally anticipated that the University would take about 3,000 students; however there are now more than 6,000, of whom about two thirds are female. His Majesty directed that an additional 500 students be enrolled in September last year, bringing the total for the 12th intake for the seven faculties in the 1997-8 academic year to 1,802 students. Separate residential accommodation for young men and women is provided at the University following the collegiate system. The academic year is divided into two terms - the first term starts in September and



▲ A student of the College of Science at the University.

finishes in January; the second term begins in February and ends in June with examinations. A total of 869 students graduated in the 1996-97 academic year, of whom 542 were women. Of the total number of graduates, 491 were from the Faculty of Education & Islamic Sciences.

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

University Research

The University is becoming actively involved in a number of research projects in partnership with local and international bodies, such as Petroleum Development Oman and Government departments. The Muscat based Middle East Desalination Research Centre is providing half the funds to address current technical issues in desalination. The University has also established close links with other universities in various fields, and in co-operation with the Australian Department of Land & Water Conservation, is to investigate a number of environmental issues.



▲ A graduate receives her diploma from His Highness Saiyid Thuwainy bin Shihab Al Said at the SQU 8th Graduation Ceremony in November 1997.

Sultan Qaboos University Hospital

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

Overseas Students

In the academic year 1997-98 there was a total of 3,174 Omani students studying at universities in seventeen different countries. Of this total 1,481 were privately funded, 588 had been given scholarships, 227 were supported by companies, banks and ministries, 279 were supported by Petroleum Development Oman and 599 by the Ministry itself.

The largest number of students is in the UK - 660, followed by the USA with 545. In Jordan there are 528 students, 368 of whom are privately funded and in the UAE there are 401 students all on scholarships. India has 429 students all of whom are privately funded.

YOUTH

The National Census held in December 1993 confirmed the importance attached to the young in the development of Omani society. The results of the Census revealed that 54% of the population was aged 15 or under.

His Majesty Sultan Qaboos has always encouraged the organisation of sporting and other activities for young people as an integral part of building the nation and developing human resources for the future. 1983 and 1993 were declared Years of Youth. In 1989 responsibility for youth affairs was transferred from the Ministry of Education to the Higher Council of Youth, which initiated a masterplan for the construction of sports and youth centres throughout Oman. In 1990, all sports and youth activities were placed under an autonomous body, the General Organisation for Sport & Cultural Youth Activities (GOSCYA) which has its headquarters in Ruwi. GOSCYA co-ordinates the activities of 52 clubs throughout the Sultanate.

Sports Facilities

The original sports complex was built at Bausher and named after His Majesty. Since then other similar complexes have been built in Salalah, Sohar and Nizwa. In 1996, a sports complex was constructed at Sur in preparation for the National Day celebrations being held there. Many other sports clubs have been established and grounds built all over the country; even some of the smallest villages boast football pitches. There are plans this year to build a fully equipped sports and youth complex in Ibri at a cost of around RO7 million.

A sports health centre, the first of its kind in Oman, has been established at the Sultan Qaboos Sports Complex in Bausher. With an area of 1,200 square metres, it will provide facilities for treatment of sporting injuries, as well as medical advice on diet and first aid for those taking part in sports. This centre is seen



▲ A thrilling moment in Oman's match v. the German national team this year.

as an essential facility for future participation in competitive sport.

Honours & Awards

At the end of each year, it has become the custom for GOSCYA to honour sporting personalities and all those teams and individuals involved in youth activities, for their sporting prowess and achievements.

Once again Oman's youngest sportsmen were honoured. The under-17 football team reached the quarter finals of the World Cup in Alexandria last year. The young Omani team also performed well in the AGCC swimming championships held in Muscat last year, breaking the 100 metres freestyle record and winning the Gold, four Silver and a Bronze medal. In March this year, the Oman Lawn Tennis Association's junior team won the Silver Medal in the 11th AGCC junior tournament. The national hockey team repeated previous sporting successes by coming second in the Asian hockey championships held in

Hong Kong in December. The Fanja soccer team won the AGCC under-17 clubs competition held in Doha, while Sur took the Bronze Medal in the AGCC soccer clubs senior tournament.

Not only footballers were honoured; the national volleyball team was commended for winning the Bronze Medal in the fifth AGCC Youth Championship held in the UAE last year. In athletics there were further successes. Three Gold and two Silver Medals were won in Dubai during the UAE President's Athletics Cup Meeting. Last year, Omani athletes took part in eleven athletics meetings. In April this year Awards were also presented for several other sporting and cultural activities. The Scientific Club which arranges courses and summer schools in science and computing, arranged a visit to Pretoria and participated in regional and local activities.

In previous years Omanis have shown particular prowess when representing their country in a number of regional and international sporting events. In Japan in 1992, Omanis carried off a gold medal, two silver medals, four bronze medals and seven certificates from the 22nd Nippon Competition.

In December last year the first annual Oman Open figure skating competition was held at the al-Khuwair rink in which forty competitors aged between 4 and 13 years old took part. Like golf and cricket in Oman, the organisation and administration of this sport is a private venture. However GOSCYA encourages the introduction of new sports and recently the Olympic sports of fencing and weightlifting have been introduced.

Oman Olympic Committee

The Oman Olympic Committee was set up in 1982 and joined other international Olympic bodies in the same year. Oman participated in the 24th Olympic Games in Seoul in 1988, in the Friendship and Peace Championship in Kuwait in 1989, in the 11th Asian Games in China in 1990 and in the 25th Olympic Games in Barcelona in 1992.



▲ Young people enact a dramatic scene in one of GOSCYA's well-staged plays.

At the 26th Olympic Games held in Atlanta in 1996, Oman participated in the following sports: athletics, cycling, shooting, swimming and tennis. Oman will participate in the Asian Games in Bangkok this year and in the 2000 Sydney Olympics. In August 1996, the GOSCYA office in Salalah organised an Olympic 'fun run' which attracted some 2,000 participants for the five kilometre event.

The National Paralympic Team acquitted itself well in the weightlifting, javelin and shot events and individual members of the team improved on their previous performances in Kuwait and in the U.K.

Women in sport

GOSCYA has established a wing for women's sporting activities. The Women's Games, held in 1994 and comprising volleyball, basketball, squash, tennis and table tennis proved extremely popular and were enthusiastically supported. Young women are also becoming increasingly prominent in the educa-



▲ **His Majesty's Royal Yacht. 'Fulk as'Salama', which he loaned for the purpose, arriving at Muttrah to a great welcome on its voyage as the 'Ship for World Youth'.**

tional and cultural activities organised by GOSCYA.

In March 1997, at the UAE open ice skating competition, a seven-year old Omani girl won a silver medal in the freestyle event, thus becoming the first Omani girl, or boy, to achieve international recognition in the sport.

The Sultanate was represented by a team at the Women's Games in Iran in December last year.

Cultural activities

Every year GOSCYA plans a number of cultural activities to take place during Ramadhan. Plays are staged, chess competitions are held and quiz competitions take place. In 1997 more than 200 lectures and other events were arranged.

A Youth Theatre was established in 1980 and other groups give concerts, hold poetry readings and arrange literary and religious evenings.

In January this year, an Omani youth delegation travelled to Tokyo to participate in the "10th Ship of World Youth Voyage"

organised by the Japanese government. The ship docked at Mina Sultan Qaboos in March. The arrival of the ship coincided with the sixth festival of AGCC folklore being hosted in Oman this year.

GOSCYA hosted joint celebrations of various kinds, in which 350 young people took part from 14 countries, in addition to over 300 folklore artistes.

Summer Camps

GOSCYA organises summer camps in different parts of the Sultanate. Last year the ninth summer camp was held in Ibra. Omani delegations also attended summer camps in Egypt and Palestine. Apart from sporting and cultural activities, the young people are shown how to participate in social and environmental projects, such as tree planting and maintenance of aflaj and dams.

Equestrian Events

His Majesty the Sultan, who is himself an accomplished rider, has encouraged young people to take part in equestrian events, which are a reminder of Omani heritage and the traditional relationship to the horse and camel as part of the Arab way of life. Under the auspices of the Oman Equestrian & Camel Federation, show jumping events, steeplechases and flat races are held at regular intervals and on national holidays.

SCOUTING

The origins of scouting in the Sultanate can be traced back to 1932 when a movement was started by a school master. In 1948 the first organised scout pack was formed in the Saidiya School in Muscat. Shortly after this, packs were started in the other two schools for boys in Muttrah and Salalah. Scouting for girls was not introduced until 1972. Last year the Oman Girl Guides celebrated their Silver Jubilee. An exhibition of arts, crafts and photography was organised to mark the occasion. This year the Arab Scouting Movement celebrates its 85th anniversary.

▶ **Boy scouts learn fire-fighting techniques.**

▶ **A weaving class for guides who celebrated their Silver Jubilee in 1997.**





The National Organisation for Scouts and Guides (NOSG) was established in 1975, with the aim of inculcating in young people a sense of service and devotion to their country and to His Majesty helping them to develop a sense of self-reliance, responsibility and public spirit. In 1983, in recognition of the keen interest he has shown in the scouting movement, His Majesty Sultan Qaboos was installed as Chief Scout, and under his patronage the movement has expanded to all areas of the Sultanate. There are 647 packs, comprising 15,286 cub scouts, boy scouts, brownies and girl guides, as well as 637 scout and girl guide leaders. In the clubs, university and colleges of higher education there are 14 rovers' groups comprising 454 rovers and their leaders.

This is a result of the progressive and interesting programme organised by NOSG throughout the year with a variety of activities such as annual summer camps, scout meetings, Ramadhan evenings, training sessions and scouting competitions which have been entered into by large numbers of boys and girls and their leaders. In addition to this activity NOSG co-ordinates special programmes with ministries and other Government bodies, such as health awareness, traffic week, student municipality weeks, world civil defence day, naval courses, community projects, assistance to pilgrims during the Hajj and Friends of the Police. The scout movement had a significant and important role to play during the Nation's Silver Jubilee celebrations in 1995.

NOSG also ensures that Omani scouts and girl guides show the flag at international scouting jamborees, as well as at AGCC and other Arab occasions. NOSG has participated in the Arab-European meeting in Switzerland, the World Scout Camp in Holland, the Arab Scout Camp in Tunis and other events. Oman hosted the 4th & 5th AGCC Scout Camps in 1994 and 1996. In February 1997, Omani scouting groups attended the 51st Annual Scout Camp in Kuwait and this year participated in the 6th AGCC Scout Camp in Bahrain.

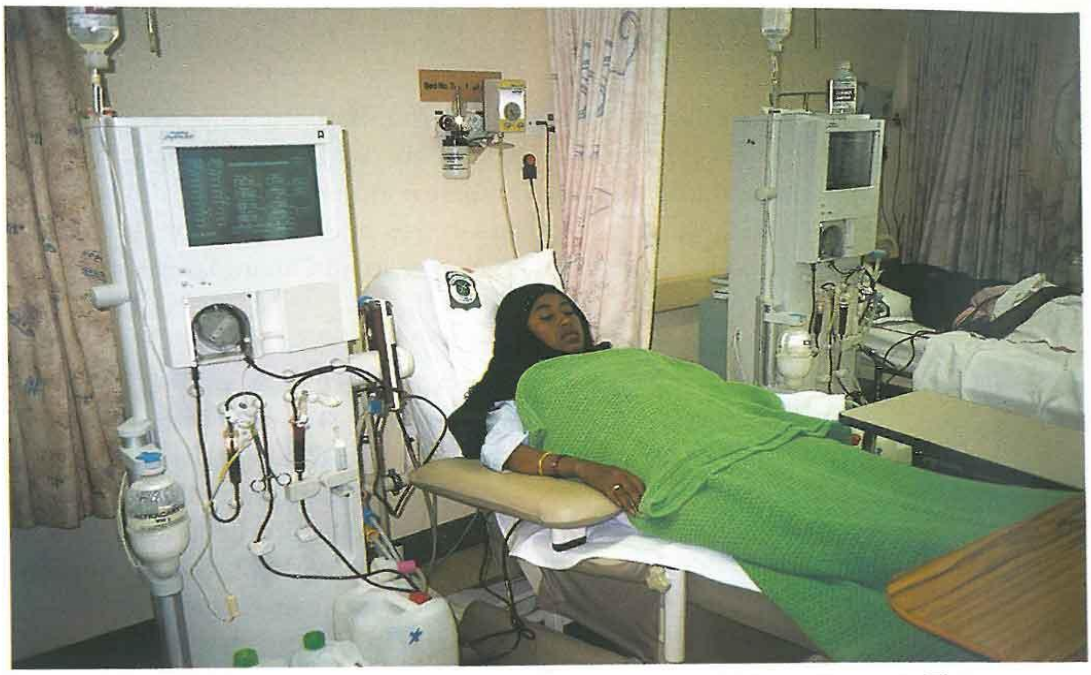
HEALTH

For a country that a little more than a quarter of a century ago hardly had any health care worthy of the name, the achievements of Oman in the development of its health services are outstanding. Medical services and hospital treatment are provided for a small token charge to all Omani families.

Hospitals & Health Centres

In 1970 the average life expectancy was under 50 years; today it is over 70. At that time there was only one small hospital in Muscat, whereas now there are 47 hospitals, 13 of which are classed as regional hospitals. In addition there are 115 health centres, of which 56 have maternity beds and six are extended health centres. At the end of 1997, the new ultra-modern 382-bed hospital at Sohar came into operation. Meanwhile the Ministry has been in the process of expanding and improving the facilities of existing hospitals. RO 2.5 million has been spent on up-grading the Khoula Hospital near Mina al-Fahal, which was built as an oil company facility in the sixties and is now the main rehabilitation and physiotherapy centre. In the interior of Oman, RO1.2 million has been spent on a 24-bed hospital, opened at the end of last year to serve some 25 villages in the Jebel Akhdar, while in Musandam a further RO1 million has been spent on the hospital at Khasab. A new 248-bed hospital, which will cost R015 million, is under construction at Sur as part of the development linked to the Oman LNG project. It is due for completion in 1999. A new hospital in Nizwa will open this year and plans for a regional hospital in Ibri are on the drawing board.

The Ministry also supports and encourages the opening of hospitals and clinics in the private sector. In 1996 there were 439 private clinics in the Sultanate. The first private hospital was opened in Salalah in 1995. The first consultant-based private hospital with 30 beds, built to international standards at a cost of RO4 million, was opened at Shatti al-Qurum in



▲ **The Sultanate's hospitals have the finest equipment – here a kidney dialysis unit at Sohar Hospital is demonstrated.**

November 1996. In addition the Ministry has received 11 applications to build private hospitals in various other areas of the Sultanate, of these one is under construction in the Capital area and another project is going ahead in al-Buraimi. The catering, maintenance, cleaning and other non-medical services have long been privatised in the Ministry hospitals.

In addition to the hospitals and health centres built and run by the Ministry of Health, the Ministry of Defence, the Royal Oman Police and Petroleum Development Oman provide facilities and health care for their employees and their families. The Sultan Qaboos University hospital, which comes under the Ministry of Higher Education, has 305 staffed beds and is the principal training ground for Oman's medical staff.

As a result of this extensive hospital and health network, access to treatment has become much easier for the great majority of the population. The remote areas are still served by visiting medical teams but less than 5% of the population are more than one hour's travelling time from a health centre or hospital.



▲ A technician in one of the new hospital laboratories.

Immunisation Against Disease

In the 1980s a mass immunisation programme was introduced for children. Thanks to this programme, 98% of all children in Oman have now been immunised against the main childhood killer diseases such as poliomyelitis, diphtheria, whooping cough, tuberculosis, mumps, measles and German measles. Hepatitis B vaccine was introduced in August 1990 for all newborns. No poliomyelitis cases, or diphtheria have been reported during the last four years. There were only 12 confirmed cases of measles in 1997. There has only been one case of neo-natal tetanus in the last five years as a result of the immunisation programme for women of child-bearing age. With almost total coverage of the country on 'National Immunisation Days' in 1997, it is hoped that polio will be completely eradicated by the year 2000. There has been a significant decline in the infant mortality rate from more than 118 per 1,000 live births in 1972 to 18.3 per 1,000 live births in 1996. The UNICEF Report for 1997 listed Oman as a top achiever in

reducing the deaths in children under the age of five.

In 1990, the problem of malaria peaked with 32,720 confirmed cases. The Ministry decided to wage war on the disease by phases. The first phase covering a quarter of a million people in the Sharqiyah region was started in 1990. Within two years the incidence of malaria had fallen from 5,000 to 470 cases and malaria transmission was successfully arrested in 1994. It was decided to cover the Batinah and the Wilayats close to the Capital area in 1993. By the end of 1994 the number of cases in the Batinah region had dropped dramatically from 6,400 to 3,000 cases. Similar results were obtained in other parts of the Sultanate. The number of cases of malaria recorded in 1996 was only 126, of which nearly a third were imported from East Africa or the Indian sub-continent.

With the rapid development of the country and the socio-economic change in people's lifestyles, there is an increase in non-communicable diseases such as diabetes and cardiovascular illness. The older generation who are now living longer are particularly prone to disease of this kind, while the younger generation tend to be killed or maimed in traffic accidents which now account for 1.4 deaths per day. The incidence of cancer is very low in Oman compared with other developed countries, but health officials are aware that cases will increase and are taking steps to encourage a healthy diet and to reduce smoking in the community. At the beginning of 1996 a total ban on smoking was imposed in all Government offices. There is no legislation at the moment on tobacco advertising in Oman. However no tobacco advertisements are shown on television and promotions of tobacco are discouraged. In fact a joint campaign initiated this year between the tobacco industry and the Ministry, entitled 'We don't sell cigarettes to those under 18', aims at discouraging the young from starting to smoke. In accordance with a decision taken by the AGCC summit in Doha in 1996, tobacco tariffs have been raised from 50 to 70%.

The Ibn Sina Hospital and the Sultan Qaboos University Hospital are equipped to deal with mental health problems and

are in the process of developing psychiatric services in Oman. Fortunately drug addiction is not a serious problem, thanks to close co-operation between the Royal Oman Police and the Ministry. Recorded cases of AIDS/HIV infection, which are all reported to the WHO, have increased slightly due to better testing and screening of high risk groups. The Ministry goes to considerable lengths to produce educational material and to heighten public awareness of the risks involved. The import of blood and blood products has been banned since the end of 1990 and all blood used in transfusions is screened not only for AIDS but also for other infections such as the hepatitis virus.

Blood Transfusion Services

In early 1997, the Ministry published a booklet to encourage blood donation and to help dispel the misconception that giving blood is harmful to the donor. About 30,000 units of blood are required annually mainly for the treatment of road accident victims, blood hereditary diseases, open heart surgery and other related services. When the Blood Transfusion Services were established in the early seventies, donors were paid but this practice was discontinued in 1990 in accordance with WHO regulations. The Ministry's ongoing public awareness campaign in the media, in schools, clubs and societies, as well as donor sessions in companies and organisations, has had a positive effect in providing the quantities of blood required, but a greater public commitment through an ongoing campaign is needed, if donations are to keep pace with future requirements.

Birth Spacing

Oman has a high fertility rate which not only doubles the population every twenty years but also creates health problems for mother and child. His Majesty the Sultan has advised his people to limit the number of children per family and the Ministry has launched a campaign to put across the message that birth spacing is not against the customs of Oman, but is essential for the well-being of the whole family. Advice is given

to mothers in all health clinics on how to limit the number of pregnancies. Breastfeeding is also encouraged, not only for the health of the child, but also as a means of preventing conception thus allowing the mother to return to normal health before bearing another child. All hospitals are confirmed as Baby Friendly Hospitals by UNICEF and are annually reviewed for the implementation of the 10 steps for certification. A family medical card was launched in January 1996 in six health centres and has so far proved to be both popular with the public and an effective information record for doctors.

Health Education

The Ministry lays great emphasis on all aspects of health education, believing that prevention is better than cure. Attention is paid to hygiene and sanitation in order to eliminate common communicable diseases like diarrhoea and acute respiratory infection to which children are particularly vulnerable. The Ministry with the help of UNICEF has launched a booklet entitled 'The Facts for Life' in Arabic for distribution in schools, which discusses a variety of health issues. Both the WHO and UNICEF have endorsed the rapid health transition in the Sultanate with a booklet entitled 'Oman's Leap to Good Health' which presents the findings of a team of international scientists in the field of public health.

▶ **Young student nurses learn child care.**

Training of Medical Staff

The Faculty of Medicine at Sultan Qaboos University started functioning in 1986 and is currently training 584 Omani doctors. The Ministry is responsible for eleven nursing institutes in Oman, one in Muscat and ten in the Wilayats, currently training around 1,000 Omanis. Since 1984, 1,339 nurses have graduated from these institutes, of whom 1,023 are women. Two new nursing institutes are to be opened in Muscat and 20 nursing graduates have been sent to the United States to obtain degrees qualifying them to join the teaching staff of the institutes on their return.

▶ **Trainee radiographers under instruction.**







There are three other health training institutes in Oman run by the Ministry. The Institute of Health Sciences has trained 192 medical laboratory technicians since 1986, 106 radiographers and 64 physiotherapists since 1990 and 46 dental surgery assistants since 1994. There is no shortage of young Omanis wishing to train for a career in the health services.

164 public health inspectors have graduated from the Oman Institute of Public Health since 1993 and 98 health educators have graduated since 1995. 101 assistant pharmacists have graduated from the Oman Institute of Assistant Pharmacists since 1994. There are now 30 students studying Nutrition and Dietetics in the Public Health Institute, another 20 will join shortly. Postgraduate training in Renal dialysis was started last year; Midwifery and Neonates ICU are planned to begin this year.

With the continued efforts to train and subsequently employ Omani nationals in place of expatriates, the proportion of nationals among medical staff has been increasing slowly but surely. There are now over 250 Omani doctors and nearly 2,000 nurses employed by the Ministry, representing 15% and 21% of the total establishment respectively. However half of all staff employed by the Ministry are Omani, which is no mean achievement, considering the challenge of keeping pace with the expansion of health services over the last few years.

In 1992 The Ministry of Health issued a policy statement, reiterating Oman's commitment to provide comprehensive integrated, preventive, as well as curative and rehabilitative health services through regional health programmes in order to achieve the goal of good health for all by the year 2000. Since then more and more of the health services have been decentralised, operating at regional level with their own budgets and administration. To keep track of developments the Ministry has a management information system which is fully computerised at both national and regional levels.

◀ **A nurse comforts a young patient.**

HOUSING

At the end of 1984 a Ministry of Housing was established to take over the responsibilities for town planning and land allocation from the Ministry of Lands and Municipal Affairs.

His Majesty Sultan Qaboos has directed that every Omani should be allocated one plot of land in the area where he works and another plot in the area where he lives. The target is to provide housing for all by the year 2000. In spite of the increase in population this goal is being achieved through the best efforts of the Ministry which attaches great importance to the preparation of detailed planning for all regions of the Sultanate. It is evident from the 1993 census that nearly 90% of Omanis now own their own homes.

Town Planning & Land Distribution

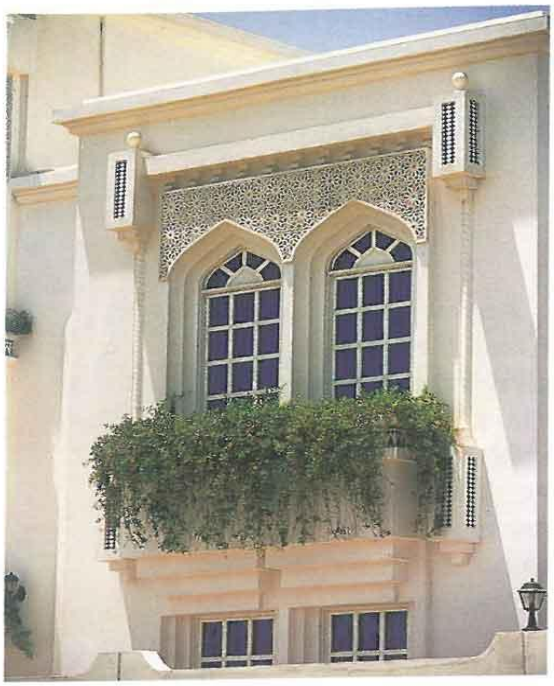
During 1997 the Ministry developed 202 plans, providing 29,816 plots of land for various uses throughout the Sultanate. Of this total, 11,466 plots were in the Governorate of Dhofar, while only 2,362 plots were allocated in the Governorate of Muscat.

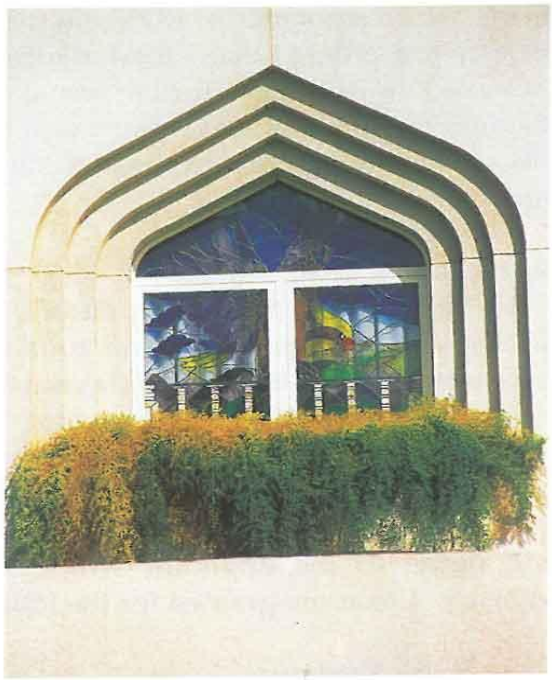
Land is divided into three categories - Government land, religious endowments and individual ownership. In 1997 a total of 26,748 new plots of land were surveyed throughout the Sultanate, 12,858 were merged or divided, the designation of 17,782 plots was changed and 22,180 were either resurveyed or given a new designation.

Social Housing Programme

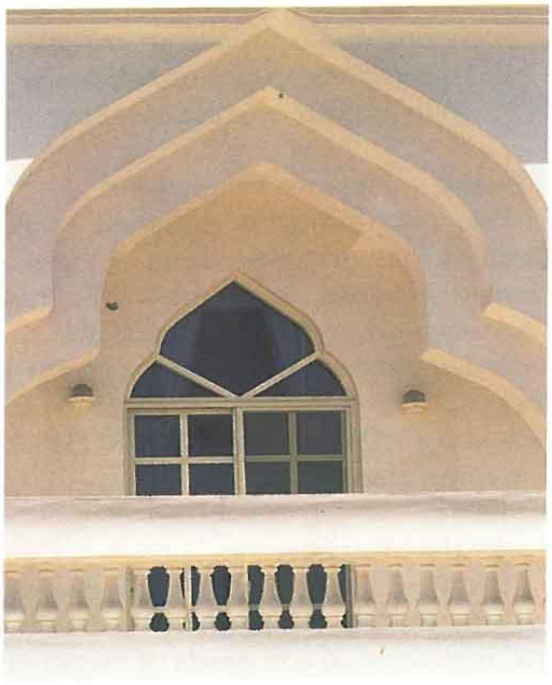
As early as 1973 a low cost housing scheme for those on limited incomes was introduced. In 1977 with the issue of the Social Housing Law, this scheme was updated. The Government provided the basic infrastructure, such as access roads, water and electricity, while the residents only paid a monthly instalment of RO25 towards the cost of their home. In July 1997, His Majesty directed that all those currently in the scheme should be exempted from paying the remaining instal-

▶ Typical examples of the beauty of Oman's traditional architecture.









ments, which amounted to RO37 million. In previous years His Majesty had ordered that a total of nearly 2,000 households be exempted from paying further instalments. Since its introduction, the Ministry has spent more than RO100 million on this scheme, which has provided 8,260 homes throughout the Sultanate.

Soft Housing Loan Scheme

In 1991, it was decided to introduce a scheme where an interest free loan is granted on condition that the borrower repays it in equal monthly instalments before his retirement from either the public or private sector. The borrower must not be over 60 and the monthly deduction from his salary must not be detrimental to the family's overall income. He may borrow up to RO15,000 but the size of the loan is determined by the age and needs of the applicant which are scrutinised by the Ministry. Loans are granted for the following purposes:-

1. To build a house.
2. To purchase a ready-built house.
3. To buy and complete an unfinished house.
4. To complete an unfinished house.
5. To extend an existing dwelling.

Housing Assistance Programme

This programme is designed to help those who do not qualify for other entitlements or loans. In granting assistance, priority is given to families who have suffered in natural disasters, such as flood victims, and then to families on social security or those with incomes of not more than RO1,548 per annum. The assistance is given as a Government grant not exceeding RO6,000. In 1997, RO533,893 was paid out to 42 deserving cases.

Real Estate Register

The Real Estate Register safeguards the property rights of owners. In 1997, the Ministry dealt with 14,947 sales of property and registered 40,639 deeds of ownership, as well as recording

9,272 other transactions concerning inheritance and exchange of property. Real estate investments are increasing with the growth in the economy. Last year real estate sales totalled about RO50 million and a further RO67 million was invested in mortgaged property. In 1995 the property files for the Governorate of Muscat were fully computerised. The Land Affairs Committee in Muscat and local committees in the Wilayats are responsible for deciding on ownership applications. The local committees are chaired by the Wali of the area concerned and there is an Appeals Committee chaired by the Minister of Housing.

In 1997 the Muscat and Quriyat Land Affairs Committee examined 399 cases, while the local Wilayat committees looked into a total of 8,780 cases of property ownership. During the year 267 cases went to the Appeals Committee.

The Ministry has adopted a decentralisation policy to enable citizens living in the Wilayats to complete their applications for land and loans as quickly and efficiently as possible. Directorates have been established in various parts of the Sultanate. Each directorate has a land survey and planning section as well as a branch of the Real Estate Register.

Training & Omanisation

In accordance with the directives of His Majesty, particular attention has been paid to training and Omanisation of positions within the Ministry, by sending staff on courses both at home and abroad. Three members of staff have been sent to Egypt and the USA to obtain higher degrees, while in co-ordination with the Civil Service Ministry 36 secondary school leavers and technical college graduates have been sent to the United Kingdom to study to become surveyors and town planners. A number of courses have also been arranged in Oman, these range from attachments to the Oman Housing Bank, the Institute of Public Administration and the Oman Chamber of Commerce & Industry to courses in financial administration, human resources development, English at the British Council and software programmes at the National Computer Institute.

Oman Housing Bank SAOC

The Oman Housing Bank provides finance to low and middle income families for the purpose of construction, purchase, addition and completion of residential property. The aim of the bank is to provide a social service rather than maximise profits, but at the same time producing sufficient returns to cover its administrative expenses. The Government of Oman is the major shareholder with equity of 60.9%. The rest of the shares are held by state pension funds. The Oman Housing Bank borrows from other banks at commercial interest rates in order to offer loans to citizens that are subsidised by the State. The Bank plans to advance RO20 million annually in subsidised loans and around RO4 million in unsubsidised loans. There is considerable demand for loans, but the bank has been able to reduce the waiting period from four years to three and is planning to reduce it further.

From its establishment to the end of last year, the Oman Housing Bank has granted 20,438 loans worth RO330,082,388 of which 12,778 (RO160,557,850) went to those on low and middle incomes.

During 1997, the bank granted 1,055 loans worth RO22,000,000 of which 551 (RO8,862,800) went to those on low income.

Out of the total number of loans made since the establishment of the Bank, 9,345 (RO136,140,253) have been for Omanis outside the Capital area. During 1997, a total of 403 loans (RO7,383,286) were granted to those living outside the Capital area. At the end of the year there were still 4,781 persons on the waiting list applying for loans to the value of RO93,545,900.

By the end of last year, over 95% of the staff of the Oman Housing Bank were Omanis.

The Alliance Housing Bank

A second housing bank opened its doors in January this year to provide housing loans and relieve some of the pressure on the Oman Housing Bank. The new bank will operate as a public company with initial capital of RO30 million.

NATIONAL HERITAGE & CULTURE

Omanis are justly proud of their heritage and history, which goes back thousands of years. In order to safeguard this precious birthright and the long established traditions of Omani society, His Majesty Sultan Qaboos directed that a Ministry of National Heritage and Culture be established in 1976.

In preparation for the Silver Jubilee, the year 1994 was declared the Year of National Heritage. Major plans and programmes were initiated to celebrate the occasion.

Manuscripts & Documents

With the co-operation of the public, the Ministry of National Heritage has gathered together no less than 4,161 valuable manuscripts over the years. In 1994 a Manuscript Competition was held with prizes being awarded to the three Wilayats submitting the best collection of documents and in 1995 a further 75 came to light. A centre has been established for storing and researching these papers, and Omani staff are being trained to microfilm and to carry out restoration work on them. During 1997, some 40 ancient manuscripts and over 100 precious documents were restored. There is also an Islamic Library containing a wide range of religious works.

In 1997, the Ministry published 23 books on a variety of subjects. Among the new books is a history in three volumes chronicling the reign of H.H. Sultan Thuwaini bin Said bin Sultan written by the Omani historian Humaid bin Mohammed bin Ruzaiq.

Museums

Several interesting museums are popular with Omani schoolchildren and visitors to the Sultanate. The Omani Museum, established in 1974 at Medinat al-Alam, has been ren-

ovated and is now distinguished by a massive wooden entrance door in the Omani tradition. The surroundings have been improved and the layout of exhibits re-arranged and expanded. In Muscat the Omani-French Museum, which was the French Consul's residence in 1896 has been restored to its former glory. A museum in a completely different modern setting is the Children's Museum, where children can learn through 'hands on' experience basic scientific principles. The historic fort at Sohar also contains a museum and there are plans to install exhibits in the Cultural Centre in Salalah.

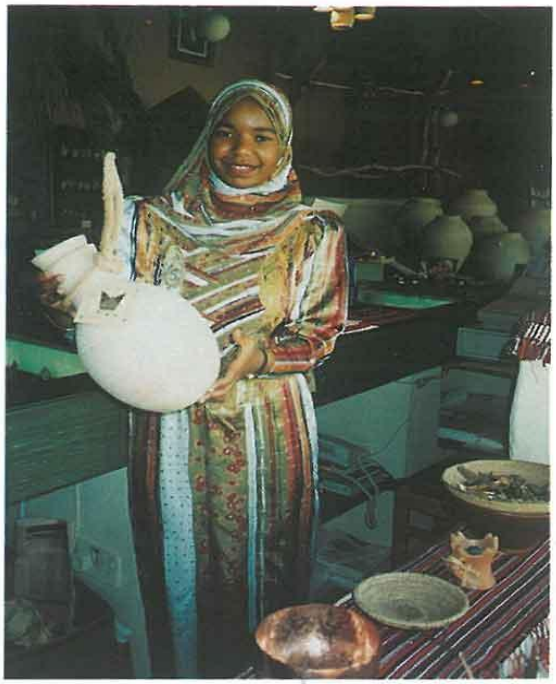
One of the most visited museums, situated within the Ministry's complex, is the Natural History Museum. In 1995 a fossils exhibit was added as a National Day gift to the Nation from PDO. This museum with its whale hall and displays of animals and birds has an educational purpose as well as being of interest to tourists. Mention should also be made of two places appreciated by visitors but not part of the Ministry - the Sultan's Armed Forces Museum at Bait al-Falaj and the permanent Oil & Gas exhibition at Mina al-Fahal.

Earlier this year Bait al-Zubair, one of the historic houses in Muscat, was opened to the public after extensive renovation by its owner at his own expense. Displays inside the building include collections of jewellery, weaponry, cosmetics and clothing collected from all over Oman.

Exhibitions

The Ministry has organised numerous exhibitions at home and abroad. In February this year a fine display of archaeological finds was exhibited at the Qurum Cultural Club. Oman participated in the Spanish 'Expo' and in 1994 and 1995 held a 'Sea & Forts' exhibition at l'Institut du Monde Arabe in Paris. In October 1995, in accordance with the wishes of His Majesty Sultan Qaboos, an Omani Cultural Exhibition was held at the Congress Building in Washington. It was organised by the Diwan of Royal Court in conjunction with the Ministry of National Heritage & Culture and the Ministry of Information.





▲ Closely-woven baskets and bowls for camels' milk – fine examples of traditional Omani handicrafts.

▲▶ A smiling assistant in the "not-for-profit" Heritage Gallery. The production of traditional artifacts provides popular bargains for tourists.

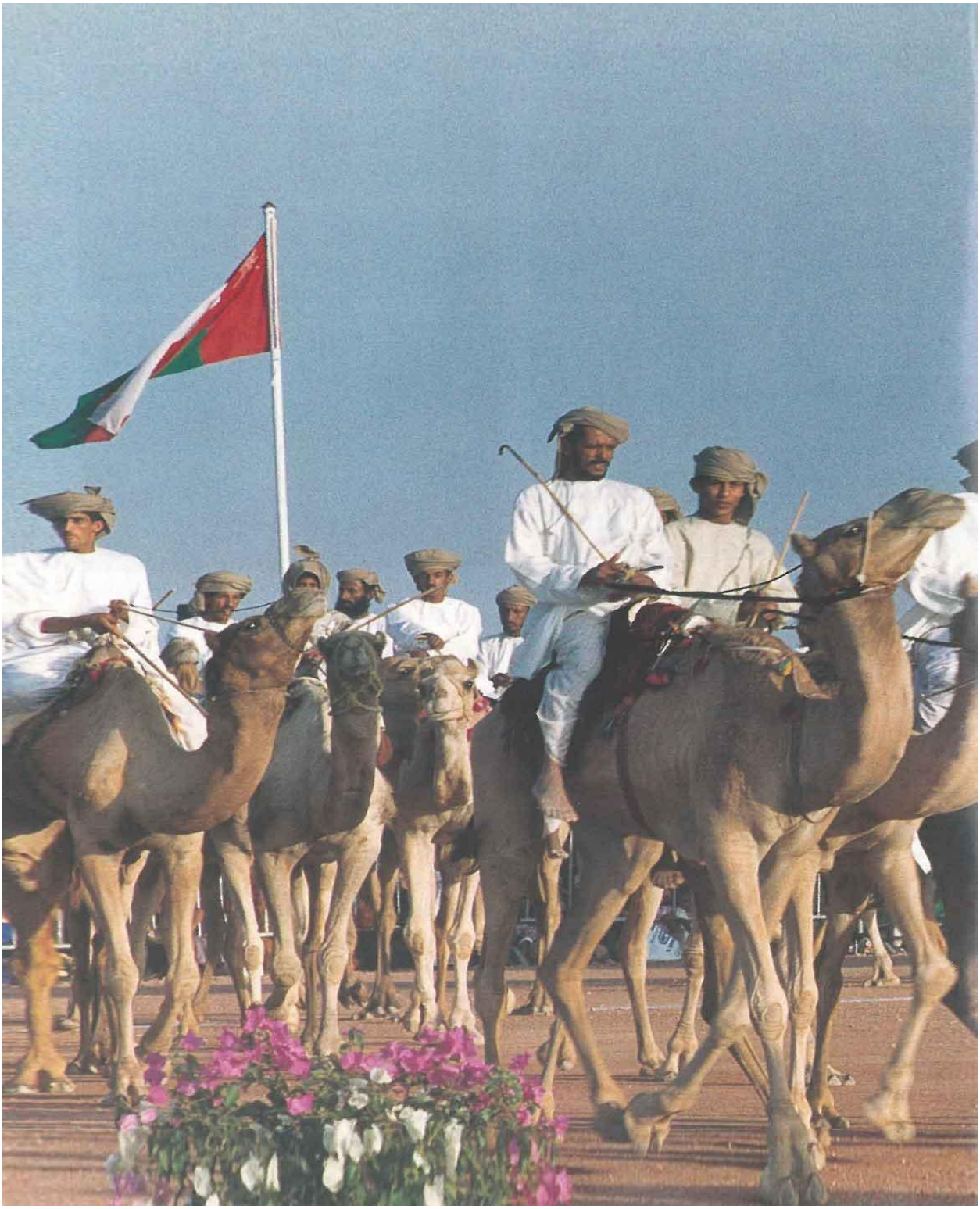
▶▶ Omani riders are famous throughout the Arab world.

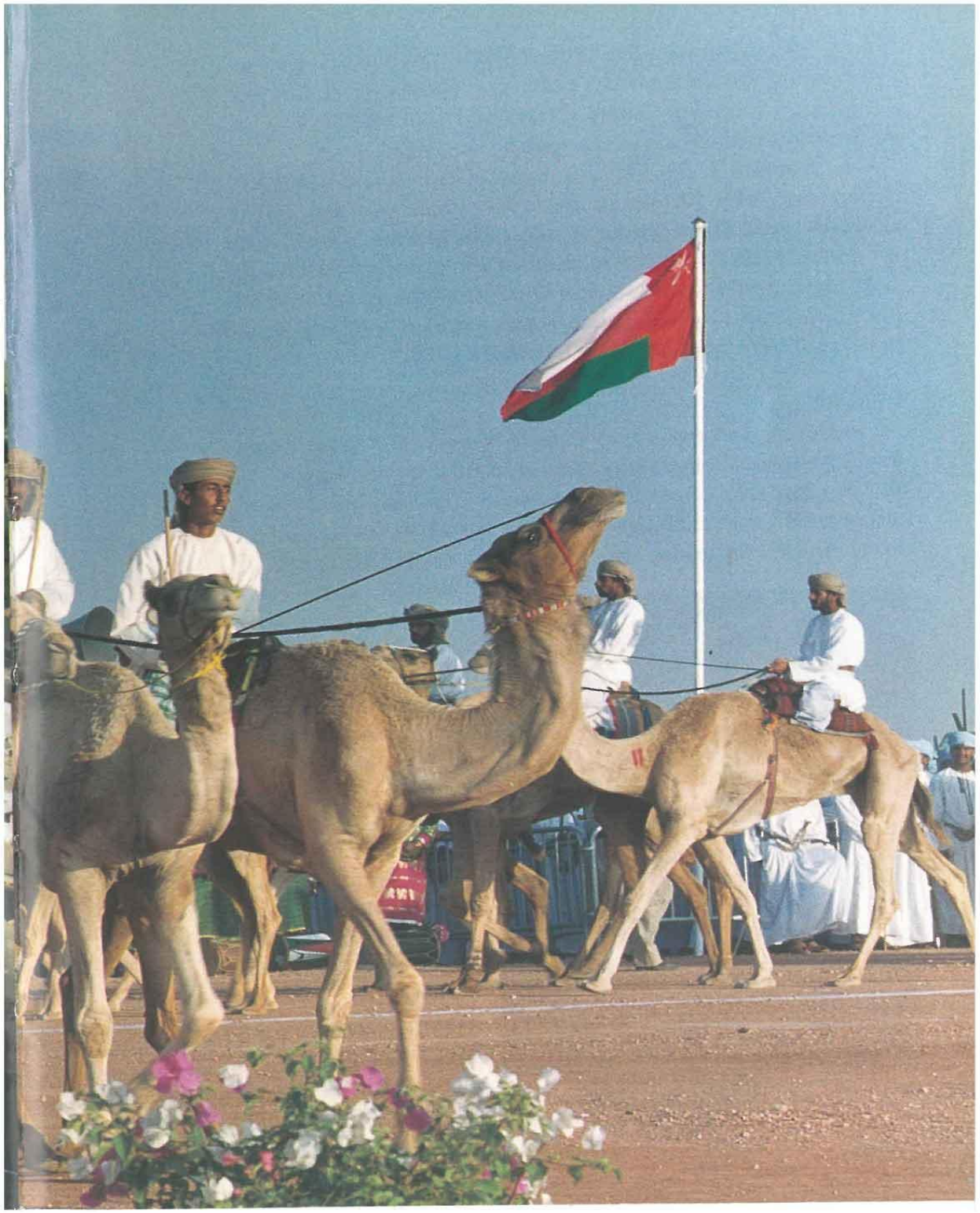
In 1996, the Ministry participated in exhibitions in the United States, UK, France, Belgium, Italy, Egypt, Morocco, Abu Dhabi as well as in local cultural events and displays.

In April 1997, the Ministry organised an Omani cultural exhibition in Tehran, which displayed the historic links between Oman and Iran and strengthened ties between the two countries.

Forts & Castles

One of the major achievements of the Ministry has been the restoration of over 100 historic forts and castles, most of which are now open to the public as some of Oman's foremost tourist attractions. The painstaking restoration was carried out to preserve a precious and unique part of Oman's heritage, but the time and money spent has been well repaid by the international interest shown in the project. Work continues at Bahla, which has been listed as a World Heritage Site by UNESCO. The Ministry recorded a total of 173,528 visitors to forts and castles





during 1997. In view of the interest shown by tourists in these historic sites, the Ministry has been running courses in English and giving lectures to Omani guides and staff responsible for the forts and castles open to the public.

The restoration of Oman's historic buildings has been carried out with Moroccan expertise under an agreement signed in 1983. There are many other fine buildings worthy of preservation, such as the more modest 19th Century Bait Nasib Khan in Muttrah (now known as Bait al-Turath), which was for many years used by the British Council and is now the headquarters of the Historical Association of Oman.

Archaeology

Oman has numerous important archaeological sites, many of which are still being excavated during the winter season. In 1997, no less than 68 ancient sites were found in the northern part of Jebel Qara in Dhofar. The work is carried out by foreign teams of experts under the supervision of the Ministry. A German team has been investigating the fort at Nizwa, while French and Italian archaeologists have found evidence at Ras al-Junaiz to support the theory found in Greek and Latin writings that Oman traded with India, Mesopotamia and East Africa 3,000 years ago. Past discoveries at Ras al-Hamra, Bat, Sohar and other sites have shed interesting and invaluable light on



◀ **A dinosaur bone excavated in the Al Khoud area in March 1998.**



▲ A craftsman makes a new silver bracelet based on a traditional design.

Oman's early civilisations. The rediscovery of the ancient city of Ubar in the sands on the edge of the Empty Quarter in Dhofar was made possible in 1992 thanks to satellite technology.

The Ministry, with the assistance of a French archaeologist, is preparing a map of all the most important archaeological sites in the Sultanate.

Traditional Crafts

The Ministry is responsible for preserving Oman's arts and crafts. In 1986 a traditional pottery was opened in Bahla and a textile weaving workshop in Sumail. Young Omanis are encouraged to learn and keep alive ancient skills, such as precious metalwork and woodcarving. At Sur, shipbuilding in the traditional manner can still be seen to this day. Many of the magnificent old wooden ships have disappeared, but the people of Sur have preserved a 220-tonne vessel, the "Fateh al-Khair", on dry land.

The Voyage of the "Sohar"

It was at Sur that the replica of an ocean-going Omani sailing ship was built in 1980 to sail to Canton. After its epic voyage the "Sohar" was brought back to Oman and is preserved on land near the al-Bustan Palace Hotel. In 1995 to mark the Silver Jubilee, a monument was constructed in Canton commemorating the Voyage of the "Sohar" and the historic links between Oman and China.

Natural History

Since 1985 when the first phase of the Natural History Museum was opened, there has been growing interest in Oman's wildlife, heritage and natural environment. Visitors to the Museum have steadily increased each year from 11,000 in 1986 to just over 30,000 in 1996. In 1997, a record 31,318 people visited the Museum. School visits and Omani families accounted for 18,389, while tourists and expatriate residents numbered 13,429.

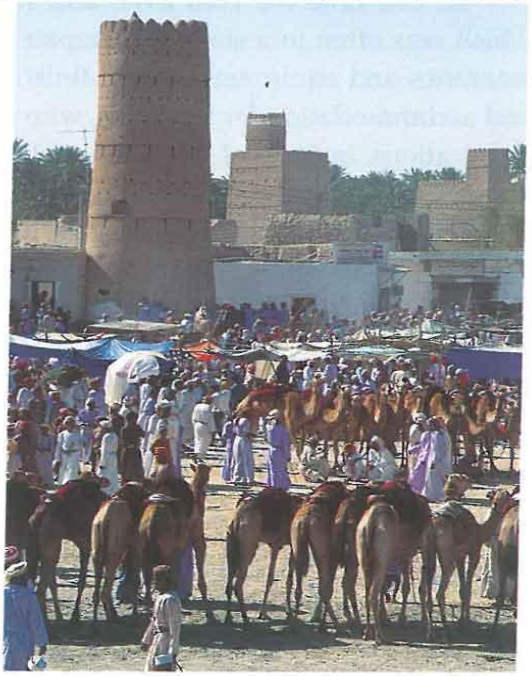
The diversity of Oman's wildlife is shown in dioramas, displaying 24 mammals, 59 birds, 30 reptiles and hundreds of seashells and insects. A National Herbarium has been established, as well as a botanic garden of Omani trees and shrubs. For the scientist the Museum maintains a wealth of study collections of flora and fauna from Oman. The Museum has close links with Sultan Qaboos University and allied scientific institutions in the Arabian Gulf and abroad.

Last year the fossilised bones of a dinosaur were uncovered at al-Khoudh. It was identified as being from the species dinosauria: Saurishia theropod, a plant-eating dinosaur about eight metres long and four to five metres tall which lived 65 million years ago.

INTERIOR

Before 1970 the traditional form of Government in the Interior of the Sultanate consisted of the tribal Shaikhs, who were responsible to the Sultan's representative or Wali of the region or Wilayat in which their community lived. The Walis were responsible to the Minister of the Interior who represented the Sultan in Muscat.

Today the basis of this system has been maintained, but the Wali of today has to work in a very different way from his predecessors. There are three Governorates: Muscat, Dhofar and Musandam, where fifteen Walis report to the appropriate Governor. The Governor of Dhofar is also a Minister of State. There are 44 Walis in other parts of the Sultanate, who are responsible to the Ministry of the Interior. The Walis and their offices form an important link between past tradition and modern Government administration. The Wali has the task of co-ordinating Government activities in his area. Several Ministries now have decentralised offices and regional directors in the regions with whom the Wali will be in contact. He chairs local committees on matters to do with land registration and other development matters. His role in the organisation and supervision of elections to the Majlis al-Shura, under the Ministry is important.



▶ **Camels are displayed by their proud owners in al-Kamil al-Wafi in the Sharqiya.**

At one time the Wali would have had a small band of armed men called 'askars' to keep law and order. Now in every large town there is a Police Station and a Court of Law. Applications for passports are scrutinised in the Wali's office before being processed by the Royal Oman Police. In each of the 59 Wilayats, lists of voters are prepared by the Wali, who ensures that citizens comply with certain conditions:-

* The voter (male or female) must be an Omani by birth, officially certified to be 21 years of age or over.
* An Omani citizen is denied the right to vote if he or she:-
  - is an undischarged bankrupt
  - is mentally ill
  - has been convicted of a felony
  - is a member of the security forces
* Candidates for election must fall within one of the following categories:-
  - shaikh, local dignitary, man of learning, graduate or businessman of standing in his/her Wilayat.

At one time the Wali lived and worked in the local fort, which was often in a state of disrepair and lacking in modern amenities and equipment. The Ministry has built new offices and accommodation for the Walis, who now have modern communications instead of ancient wireless sets. However one ancient democratic institution has been reintroduced since the restoration of the traditional forts by the Ministry of National Heritage. This is the 'Barzah', when the Wali holds monthly audiences to discuss local problems with members of the public. These gatherings have proved extremely popular, as well as being a useful channel of communication.

REGIONAL MUNICIPALITIES AND ENVIRONMENT

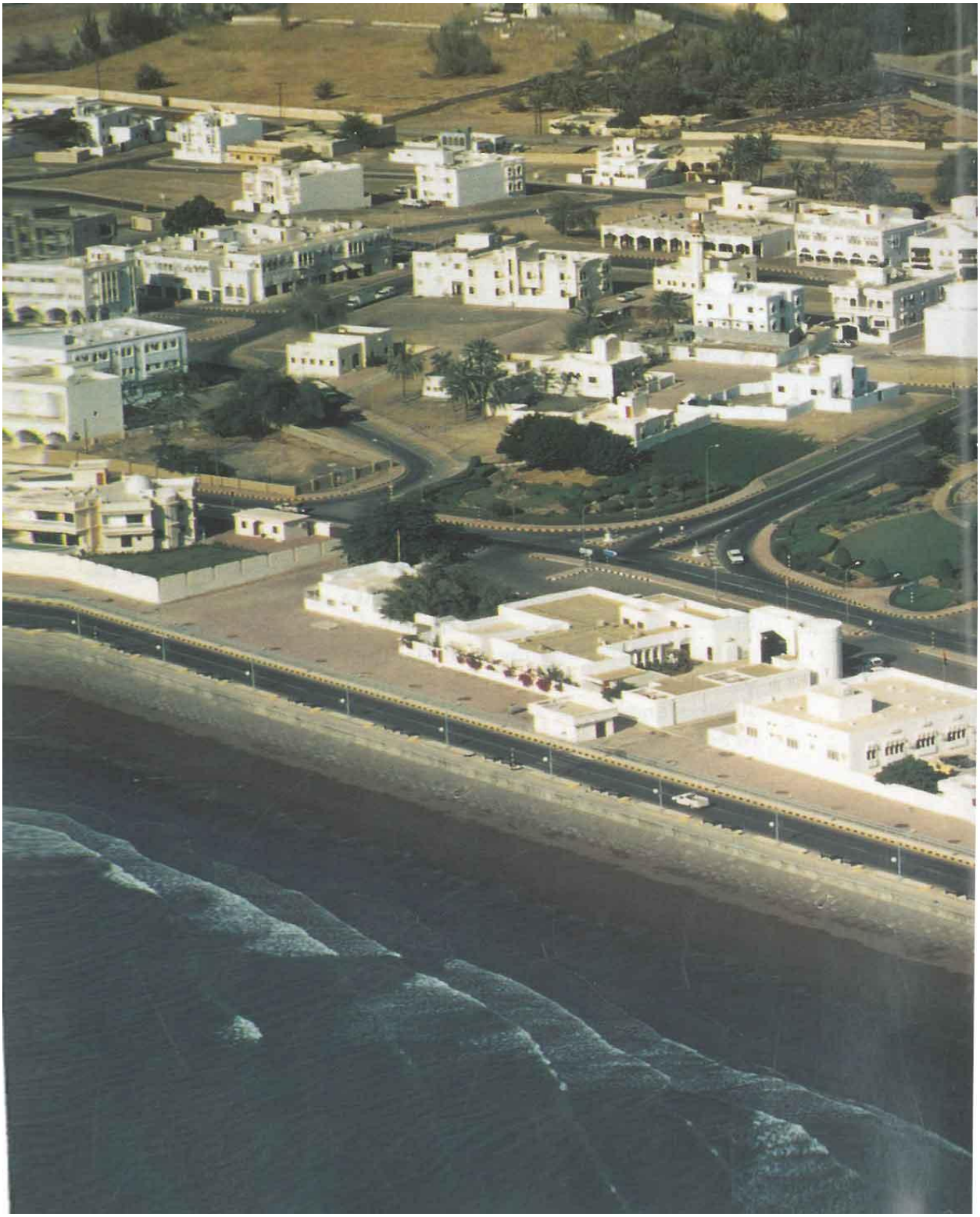
The Ministry of Regional Municipalities was established in 1985 and in 1991 was merged with the Ministry of the Environment. It now controls the work of 43 municipalities, 14 municipal sections and 22 cleaning units in remote areas of the Sultanate. In 1994 construction of a new ministry building began with the result that all offices of the Ministry are now under one roof at al-Khuwair.

Town Development

It is the Ministry's policy to develop Oman's towns and provide them with all the necessary infrastructure, services, facilities and aesthetic standards expected in a modern environment. The Ministry has launched an ambitious plan to develop the ancient and traditional towns of Nizwa, al-Buraimi, Sur and al-Rostaq. The plan was carried out in phases and included road surfacing, street lighting, tree planting, and landscaping. New markets, abattoirs, car parks, public parks, playgrounds, sun shelters and public conveniences were also built. The facades of buildings and places of historic interest were restored. Since all these projects are nearing completion, the plan has been extended to Ibri, where reconstruction of the old market and the roads leading to it has begun. On the Jebel Akhdhar a municipality building is being built and roads, a market and a sewage treatment plant will also be constructed. In April last year, agreements were signed for the Jebel Akhdhar plant and another in Ibri. Agreements have been signed for similar plants in Sumail and Al-Buraimi at a cost of around RO 1.5 million.

With all these development schemes, the Ministry is taking care that the historic character and ancient identity of the towns are not lost, while priority is being given to the cleanliness and hygiene.

▶▶ An aerial view of the city of Sohar which won His Majesty's prize for the best kept community 1997.





Municipal Services

The Ministry has responsibility for providing the usual municipal services such as environmental health, public hygiene, pest control, inspection of food and monitoring of water quality. The Ministry also issues decisions empowering municipalities to take action to improve the environment. In January this year, farmers and owners of properties in public areas of towns and villages were required to remove dead palm trees on the grounds that they had become an eyesore.

Each October a 'Municipalities Month' is held. This annual event, held for the 13th year in succession, is designed to heighten public awareness of the importance of high standards in health and hygiene and to show the measures being taken by the municipalities in the public interest. There is a 'Best Municipality' award presented by His Majesty as well as a cash prize. In 1997 it was won by the Wilayat of Bidyah. The runner-up was the Wilayat of al-Buraimi, followed by the Wilayats of Izki, al- Kamil wal-Wafi and Liwa. His Majesty's award for the best environmentally-friendly industry went to Sallan Foodstuffs Industries on the Sohar Industrial Estate. Recognition was also given to municipalities that had made special efforts in the competition and individuals were similarly honoured.

Arab City Awards

In March this year, it was announced that Sohar had won the Arab Cities Gold Cup award for the best urban landscaping, coming first out of 48 nominations from 29 cities in 14 Arab countries. Muscat came second in another class in the competition, winning the Silver Cup award for the most environmentally aware municipality.

Muscat Municipality

Muscat Municipality, which comes under the Diwan of Royal Court, installed the first parking meters in Oman in February 1996 along the length of Ruwi High Street, providing



▲ A happy scene from the Muscat Festival held in February 1998.

over two hundred parking places. The meters work on solar energy and take cards, similar to telephone cards, as well as cash. Last year the metering was extended to the Muttrah business district, souq and corniche, providing about 400 new parking slots. Meters have also been installed in Qurum to ease traffic congestion.



▶ Parking meters in the Capital area are making life easier – and providing a useful source of income.

Following the successful installation of

traffic lights at the al-Khuwair roundabout, which has improved traffic flow, their extension to other locations is being considered to improve traffic flow.

Muscat Municipality currently operates and maintains nine waste-water treatment plants, totalling 30,000 cubic metres a day. Work on a RO 232 million private sector sewerage project will begin next year. A public limited company will take over the responsibility on the BOOT (Build, Own Operate, Transfer) principle, making this project the first of its kind in the Middle East. The treated waste-water is a valuable commodity that can be sold for re-use, thus saving precious water resources. The municipality has led the way in water recycling, which has made it possible to beautify the Capital area and provide recreation areas for its citizens.

In 1996, the largest amphitheatre to be built in the Gulf was opened in the Qurum Park. It has a capacity to seat 5,500 people and a stage which is 15 metres deep and 25 metres in width. In March last year, the Seeb Beach Park was inaugurated. When completed it will be second to the Qurum Park in size and will have a large artificial lake and other facilities.

In February this year, the first Muscat Festival was organised by the Municipality. The principal venue for the 17-day entertainment was the Qurum Park where a wide variety of events and competitions were staged, featuring local and international participants. Later this year, a private sector initiative will establish the Qurum Amusement Park at a total cost of RO9.6 million. The site has been leased from the Municipality for a 25-year period.

Disposal of Municipal Waste

Oman is not a densely populated country and in rural areas, communities are scattered far and wide, which makes recycling for the most part uneconomical because of the collection costs. Therefore in rural areas the only practical means of disposal is landfill, but studies have been made to recycle as much municipal waste as possible. Items such as paper, glass and metal are now

recycled or exported by scrap merchants to India and Pakistan. Organic waste, particularly from the fish markets, is processed into animal feed.

ENVIRONMENT

The Sultanate of Oman's imaginative and forward-looking environmental protection and conservation policies have won international recognition. The United Nations Environmental Programme has cited Oman as a country with one of the best records in environmental conservation and pollution control measures. The first environmental legislation was enacted in 1974 and in 1979, His Majesty the Sultan decided to chair the Council for Conservation of the Environment and Prevention of Pollution. In May 1984 Oman became the first Arab country to set up a ministry exclusively concerned with the environment. The Sultanate celebrates Environment Day on the 8th January each year.

The Sultan Qaboos Prize for Conservation was initiated by His Majesty in 1991, and was awarded for the first time to the Mexican Environmental Study Centre. It is awarded every two years to a conservation body or individual chosen by UNESCO for environmental performance. In 1993 it was awarded to a Czech scientist and in 1995 was won by the Republic of Malawi for the management of the Lake Malawi Nature Reserve. In 1997 the prize was awarded to the Environmental Department of the Faculty of Science at Alexandria University and to a non-governmental forest protection society in Sri Lanka.

In October 1996, the International Union for the Conservation of Nature (IUCN) announced the award of the John C. Philips Prize to His Majesty the Sultan at a congress held in Montreal, for the efforts made to protect Oman's natural resources and heritage. The Sultanate is the only Arab country which has membership of the IUCN.

In 1990 a seven-year coastal zone management project was completed in response to the threat posed by rapid urban development. This project, which covered the entire 1,700km-long coastline of the Sultanate involved detailed ecological sur-

veys of the coastal regions, the sea and offshore islands, with the result that Oman has one of the most intensely-studied coastal environments in the world for management purposes. In 1997 the Ministry announced a new action plan for coral reef management and a proposal to grow mangroves. The largest mangrove swamp in Oman is on Mahout island and mangroves grow at Qurum (which means mangrove in Arabic) and along the Batinah coast. Mangroves are an important element in the biodiversity of the environment.

The Ministry stages regular oil pollution control exercises with Petroleum Development Oman, the Royal Oman Police and the Ministry of Defence to test the National Oil Spill Contingency Plan (NOCP) in the event of a major oil spill. Oman also cooperates with her neighbours on pollution control through participation in the Regional Organisation for the Protection of the Marine Environment (ROPME). Last year it was announced that a joint Oman-UAE project would be established in al-Fujairah to treat supertanker ballast water, which is all too frequently dumped at sea.

In 1995 a Royal Decree authorised The Minister of Regional Municipalities & the Environment to sign the United Nations Agreement on the Prevention of Desertification in countries facing severe arid conditions.

Development & the Environment

The Sultanate of Oman has always struck a judicious balance between the needs of development and the environment.

The role of the private sector in environmental protection is stressed by the Ministry and companies are urged to comply with ISO 14000 standards, which are globally accepted as a means of promoting sustainable development. Industrial construction projects are required to have a certificate from the Ministry before they are allowed to go ahead. Before issuing a certificate the Ministry examines the possibility of damage to the environment and ensures that all measures have been taken to minimise pollution from waste products.

Wildlife

Oman has a wide variety of wildlife, some of which is now extremely rare. Strict laws exist to protect wildlife from being hunted, and nature reserves have been established to prevent encroachment on the natural habitat of species, such as leopards, hyenas, oryx, gazelle, tahr, ibex, desert foxes, antelope and wild cats. In the sea, thirteen different kinds of whales and dolphins have been recorded and some 400 species of birds are to be found in Oman at different seasons of the year.

Nature Reserves

The turtle breeding beaches at Ras al-Hadd are protected by Royal Decree as a nature reserve, to which entry is controlled by the Ministry. There are plans to extend the protection of turtles in other areas and to train Omanis as rangers to monitor the beaches where they lay their eggs. The Daymaniyat islands, north west of Muscat, are a bird sanctuary to which entry is restricted during the breeding season. In 1997, sanctuaries were established on Jebel Samhan and in the creeks along the Dhofar coast by Royal Decree. The al-Saleel park, a new nature reserve in the Wilayat of al-Kamil and al-Wafi provides a habitat for gazelle and other animals as well as preserving plantations of Samr and Ghaf trees (Acacia tortilis & Cineraria). One of the first reserves to be set up was in the Wadi al-Sarin in the Wilayat of al-Amerat. It is home to the Arabian tahr, a mountain goat unique to Oman. The Jiddat al-Harasis, where the Arabian oryx has been re-introduced was listed in 1994 by UNESCO on its World Natural and Cultural Heritage Register. At the same time the project boundary was extended to hold increasing numbers of oryx - in November 1997 it was estimated that the herd numbered nearly 400 - which roam at will.

The Arabian Oryx

The last oryx in the wild were exterminated in 1972. In 1976, His Majesty Sultan Qaboos decided that a way should be found to allow their return to Oman. This was done and in 1982 the first oryx were released into the wild from the captive herd.



▲ The Arabian Oryx (Oryx leucoryx) has been successfully reintroduced at the Arabian Oryx Sanctuary, in Al Wusta Region. This was Oman's first Nature Reserve and in 1998 a pilot project for eco-tourism at the Sanctuary was launched.

Endangered species

The houbara bustard is recognised worldwide as an endangered species, but is protected in Oman which has the largest population of bustard in Arabia. In January 1996, an international meeting was held at Sultan Qaboos University to discuss how to protect this shy desert bird which has been hunted nearly to extinction. The meeting was arranged by the Ministry in conjunction with the World Conservation Union (IUCN).

Rare plants and trees

As well as wildlife, Oman's plants and trees are of great scientific interest. In Ja'alan a rare tree (cordia perrottettii), which occurs in Dhofar, was discovered in 1996. It is believed to be the last of its kind in Northern Oman and is perhaps a survivor from a bygone age when the monsoon climate extended over more of Oman.

▶ Birds of Oman: 1-European Bee-eater *(Merops apiaster)* 2- Indian Roller *(Coracias benghalensis)* 3-White-tailed Plover *(Vanellius leucurus)* 4-Blue-cheeked Bee-eater *(Merops supercilliosus)*.


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JUSTICE

In his address to the people of Oman on National Day last year, His Majesty reiterated the importance of the Basic Statute of the State which was promulgated by Royal Decree 101/96.

The Basic Statute of the country establishes a legal framework for the Sultanate on which all future legislation will be based. An important aspect of this legislation is the reform of the criminal justice system which is now taking place. His Majesty has made clear his intention to organise the judiciary along modern lines to meet the demands of the 21st century. This will include the establishment of a supreme court to protect the collective and individual rights of the people of Oman.

Royal Decree 84/97 separated the Ministry of Justice from the Ministry of Justice, Awqaf and Islamic Affairs, which was renamed Ministry of Awqaf and Religious Affairs.

The principles derived from the Sharia law are the basis for all laws in Oman but in recent years separate bodies have been established to deal with matters like arbitration in civil and commercial disputes to which Sharia law cannot always be applied. The Sharia law remains the basis for family law and deals mainly with such matters as divorce and inheritance. In June 1997, the Personal Status Law was promulgated by Royal Decree 32/97 with the aim of unifying judgments on matters like marriage and divorce, which had been open to differing interpretations under the existing customary laws.

For criminal cases there is the Court of First Instance, which deals with misdemeanors, the Criminal Court which handles all serious crime and the Court of Appeal in Muscat. There are now 46 Sharia courts in all parts of the country, consisting of a qadhi (the judge) and his deputy with court officials providing administrative and clerical support. During 1997, a total of 63,314 cases were brought before the Sharia Courts. In addition, 9,368 cases came before other courts. In most cases the verdict of the Court was final but over 600 cases went to the Appeal Court, which delivered judgement in 485 cases. The Appeal Court held 134 sessions.



▲ **The newly-opened Law College.**

The Ministry is responsible for safeguarding the finances of orphans and has established a department to deal with such matters. The money coming to orphans through inheritance is properly invested for their future. To this end the Ministry has over the years purchased residential and commercial buildings in Muscat and Muttrah. This has added substantially to the value of the funds held on behalf of orphans.

In May 1997, in accordance with the Royal Decree 108/96 regulating the Legal Profession, the Ministry established a committee under the chairmanship of the Under-Secretary to regulate the activities and appearances in court of both Omani and non-Omani lawyers.

The Law is studied at the Institute of Sharia Jurisprudence, Counsel & Guidance, which runs a three year course. Having completed this course, students may be employed in the Ministry or in the courts, but can go on to specialise in Sharia Jurisprudence in order to qualify for appointment as a deputy judge in one of the courts. Preparations are being made for a higher institute for training judges to be established during the next Five-Year Plan in 2001.

AWQAF & RELIGIOUS AFFAIRS

Islam is the religion of the Sultanate of Oman which was one of the first countries to accept the teachings and doctrine of the Prophet Mohammed. Oman developed its own branch of Islam, named Ibadhism after its founder Abdullah ibn Ibadh who lived in the seventh century AD. Not all Omanis are Ibadhi Muslims, many are Sunni and there is also a small Shia minority. However apart from the historical differences there are no divisions in society between one branch of Islam and another and Omanis are tolerant not only of the beliefs of their Muslim brothers but also of the many Christians in the foreign community who are allowed to practise their own religion.

In his National Day speech in 1994, His Majesty re-affirmed his country's tradition of religious broadmindedness. Condemning fanaticism based on a lack of correct knowledge among some Muslims which could lead to violence, discord and hatred, he gave a reminder that Islam rejects such exaggeration and bigotry because it is the religion of liberality.

Awqaf (Religious Endowments)

The awqaf are religious endowments, properties and revenues which are administered by the Ministry for the upkeep of mosques and for the benefit of the community. The payment of zakat is one of the Pillars of Islam. It is a religious wealth tax collected and administered by the Ministry, which every Muslim has a religious obligation to pay according to his means.

The Ministry is responsible for the teaching of the Holy Koran. There are 410 Holy Koran schools, in which 26,650 boys and girls are introduced to their religion as well as reading and writing before they enter the stage of formal education. The Ministry runs holiday centres for teaching the Holy Koran when the secular schools are closed for the vacations.

Ramadhan

The obligation on Muslims to fast during Ramadhan is one of the Pillars of Islam. For 29 or 30 days the country sees a complete change in its social habits and working hours. It is customary for non-Muslims to abstain from eating, drinking and smoking in public during the hours of fasting. Ramadhan is however a month of celebration and a time when Muslims think of their fellowmen and perform acts of charity and generosity. Every year, His Majesty the Sultan shows his concern for the welfare of his fellow Muslims by arranging for meat to be distributed at a subsidised rate. Additional cattle are slaughtered during Ramadhan and sold through the markets at a specially reduced rate.

Because the lunar year is shorter than the solar year by ten or eleven days, 1998 will have two periods of fasting. The month of Ramadhan coincided almost exactly with the month of January, which means that on or about 20th December, Ramadhan will begin and continue over the Christmas and New Year periods into 1999.

The Pilgrimage

The Hajj or Pilgrimage is also one of the Pillars of Islam. The Ministry is responsible for co-ordinating the arrangements for pilgrims to travel to Mecca. Pilgrims are first of all registered at the Ministry and then prepared both spiritually and physically to undertake the Pilgrimage. The Ministry also ensures their good health and well-being during the course of their stay in Saudi Arabia. The Omani Hajj mission numbers about 40 persons, including medical staff and police officers and this year 96 Omani contractors were involved in helping the Ministry with all the arrangements. The pilgrims from Oman started to arrive in Saudi Arabia towards the end of March and before going to Mecca visited the Prophet's tomb in al-Medina. The Omani Hajj mission took part in the ceremony of washing the Ka'aba which takes place twice a year. The Mission remained in Saudi Arabia from 23rd March to 12th April.

The total number of pilgrims travelling from Oman this year (1418 A.H.) was 17,377, of whom 10,603 were Omanis (7,109 men and 3,494 women). Of the 6,774 expatriates living and



▲ The Sulltan Said bin Taimur Mosque under construction at Al Khuwair.

working in Oman, who performed the Pilgrimage, 4,450 were men and 2,324 women. A similar number of Muslims performed the Pilgrimage in 1997. The number of pilgrims from each country is regulated by a quota system based on population statistics and agreed by the Islamic Conference Organisation. The total number of Muslims from all over the world making the annual Pilgrimage is in the order of 2 million.

Publications

In 1996, at the beginning of Ramadhan the Ministry published the Holy Koran in thirty volumes for distribution to mosques and schools. The Ministry has also published a directory of Oman's mosques. In December 1996, His Majesty, the Sultan ordered 30,000 copies of the Holy Koran to be published at his personal expense.

Each year some expatriates embrace Islam. Most of the converts are women who have married Omanis. To assist those who wish to become Muslims, the Ministry has issued two booklets, both prepared by the Grand Mufti, His Eminence Shaikh Ahmed bin Hamed al-Khalili, to explain the basic tenets of Islam.

The Sultan Qaboos Mosque

In 1995, His Majesty the Sultan announced the construction of a new mosque in Bausher which will hold 15,500 worshippers. The mosque which, when completed, will include a library and centre for teaching religious studies. The mosque which is clearly visible beside the main road leading from the airport to Muscat is the largest in the Sultanate. The project is being implemented at His Majesty's personal expense by the Diwan of Royal Court.

The Diwan of Royal Court is responsible for the Sultan Qaboos Islamic Insitutes, of which there are four - in Sohar, Khasab, Jaalan and Salalah. At the end of last year the sixth batch of 28 students graduated, bringing the total number trained in the Institutes since they were established in 1988 to 355. Last year six graduates were recruited for posts in the Ministry of Awqaf & Religious Affairs.

Many historic mosques have been renovated, like the oldest mosque in Oman at Sumail. The first mosques were simple buildings, often indistinguishable from the surrounding houses. There were no minarets and little or no adornment except around the mihrab (niche marking the direction of Mecca) inside; some fine examples of this decoration still survive in ancient mosques at Manah and Nizwa. If possible mosques were always sited close to the village falaj so that the worshippers could wash before prayer. With the provision of piped water this is no longer a consideration in the construction of modern mosques. The many beautiful mosques built over the last twenty-five years are not only an expression of the devotion of Omanis to their religion but also a marvellous and varied display of all the features of Islamic architecture through the ages. Over 2,100 mosques in Oman have been built at private expense, of which 360 have been paid for by individuals and their families. Only six mosques have been built at Government expense.

Mosques in Oman are not open to non-Muslims, and unlike mosques in some other parts of the Islamic world are not considered to be a tourist attraction. The mosque has a very special place in the hearts and minds of the community and must be preserved as a holy place. In 1996 the Ministry published a decision banning advertising hoardings and boards on or near the walls of mosques so as to preserve their sanctity.

CIVIL SERVICE

The Ministry of Civil Service was established in 1988 and in 1992 a Royal Decree was issued defining the functions of the Ministry. The principal aim of the Ministry has been the modernising and streamlining of the Civil Service to make the machinery of government more effective and less bureaucratic. In 1970 the State employed less than 2,000 Omanis. Today the Government (excluding the Diwan of Royal Court and other organisations considered as public corporations applying special regulations) employs nearly 53,608 Omanis.

One of the primary aims of the Civil Service is to provide Omanis with the right qualifications to realise their potential and contribute to the development of their country. In 1988 the new Ministry introduced an Omanisation plan, in accordance with the directives of His Majesty to replace expatriates with trained Omani Personnel without detriment to the efficiency of the Service.

The target for Omanisation during the period of the fourth Five-Year Plan (1991-1995) was 72%, excluding the Ministries of Health and Education which employ more than three-quarters of the expatriates in the public sector. The sum of RO10 million was allocated in the development budget for the Omanisation plan and a technical office was established in the Ministry to implement the plan with other Government departments. According to statistics released by the Ministry last year the target has been exceeded and 85% of the personnel in the public sector are now Omani nationals. Even if the Ministries of Health and Education are included, it has been a major achievement in recent years to bring the figure down to 68%. The number of expatriates is 31.8% of the total number. They occupy positions in Education and Health Services in the Ministries of Education and Health, reaching 76.7% of the total number of expatriates in the Civil Service. The rest (15.2%) are employed in other Government units, mainly in manual jobs.

Rules for Early Retirement and for Job Classification

In January 1996 important new rules were introduced for early retirement from the Civil Service. After a minimum of ten years of service and provided that the employee was not over 55, he or she could apply for early retirement with the consent of the department head concerned. The pension then paid was calculat-



▲ A group of Government officials studying business administration at the IPA.

ed on the final basic salary of the employee who was also entitled to receive an end of service benefit equivalent to one month's basic salary for every year of service up to a maximum of 12 months' salary. Under the new rules a pensioner is not allowed to join another Government organisation. By the end of 1997 3,471 Government employees had retired.

The rules give the employer the right to request an employee to take early retirement. The aim of these new regulations is to make the public sector more flexible in its employment policy. The Ministry has developed a new system of performance appraisal, whereby employees are evaluated on their achievements and rewarded with promotion on their merits rather than on their seniority.

Salaries, benefits and allowances in the public sector are generally higher than in the private sector. While wishing to recruit the highest calibre of candidate for the Civil Service, the Government seeks to bridge the gap in salaries, benefits and allowances between the public and the private sectors and to encourage young Omanis to seek employment in both areas as rewarding career opportunities.

The Ministry has adopted a professional approach to career planning, job classification, salary and pension administration, as well as training planning, management information systems and recruitment aptitude tests. At the same time much of the routine administration has been devolved to individual ministries in order to save time and effort and cut down on wasteful correspondence.

On top of its agenda for enhancing the capability of the Civil Service, this Ministry has embarked on a position classification project for the whole Civil Service. The aim of the project is to eradicate the many problems facing the personnel management as a result of the absence of a rational classification system. This includes the building of a salary structure based on the evaluation of posts according to its duties and responsibilities and not merely on the qualification obtained. This system of the new classification shall provide measures to differentiate between positions and their ranking.

The major stage of the project has been completed. It included the Job Description for (76,646) positions covering 44 government units.

This Ministry hopes that the project will serve other aspects including training and manpower planning, conflicts in responsibilities or providing the service with position titles based on the actual functions of the positions.

The plan has been submitted to the concerned authorities for consent.

The Pension and Post service law is now under active consideration by a special committee including representatives of different Government units. It is hoped that the committee will fulfil its assignment shortly.

A new Ministry building was completed in mid-1995 and its offices were occupied in September of that year.

The Institute of Public Administration (IPA)

The Institute of Public Administration (IPA) was established by Royal Decree in 1977 and is an autonomous body which came under the supervision of the Ministry of the Civil Service in 1988. The Director-General of the IPA is appointed by the Minister and a board of directors. The Institute works closely with the Ministry to produce a national training programme. Some thirty training courses have been proposed for this year. Agreements have been

signed with several training organisations, including the Gulf Institute for Manpower Development to train technicians. The Ministry also offers scholarships for higher studies enabling employees to obtain degrees and doctorates.

The IPA plays an important part in the successful efforts made to meet Omanisation targets in the Civil Service. Training programmes for senior civil servants, including under-secretaries and directors general are arranged as well as courses for staff at lower levels in Government. Courses in accountancy, statistics and English language proficiency are some of the subjects offered by the IPA.

In 1997, twenty-nine students graduated in statistics and accountancy. The aim of the IPA is to enhance the professional competence of Omanis in both the public and private sectors.

In addition to its training programmes, the IPA also provides research and consultancy services and maintains a library of reference material in Arabic and English.

According to the Omanisation policy in the field of training school teachers, the system now followed is to train Omanis in different specialisations in the six Teacher's Training Colleges and in the Faculty of Education and Islamic Studies in Sultan Qaboos University. This is mainly intended to provide the teacher with academic knowledge blended with technical teaching studies.

Another system of training followed in teacher's training is the progressive system through training of university graduates in Liberal Education, Art and Islamic Studies, for one year in teaching methods. This will provide teachers with relevant teaching knowledge, hence leading to Omanisation of positions occupied by expatriate incumbents.

The Ministry, in collaboration with the Ministry of Higher Education, has taken further steps to Omanise more positions by fulfilling a teacher training programme for University graduates leading to a diploma in teaching methods. This included Teacher's Training Colleges in Rustaq and Sohar which can train 81 teachers from both sexes in accordance with the urgent need by the Ministry of Education.

OMAN IN BRIEF

Land Area:	309,500 square kilometres
Population:	2,018,074 (1993 census) (current estimate 2.2 million) 1,483,226 Omanis (73%) 534,848 Expatriates
Density:	6.5 inhabitants per square km
Capital:	Muscat (population over 400,000)
Official Language:	Arabic (English widely used)
Religion:	Islam
Time:	4 hours ahead of GMT
Currency:	Rial Omani = US$ 2.58 (RO 0.387 = US$ 1) (1 Rial = 1000 Baisas)
Gross National Income:	RO 5,692.3 million (current prices)
Total GDP:	RO 5,890.3 million (current prices)
Climate:	Hot and humid in summer (June 31- 48 ∞ Centigrade) Pleasantly cool in winter (January 20-25° Centigrade)
Measures:	Metric
Electricity:	220 Volts
Oil Production:	800,000 barrels a day
Total Oil Exports:	for 1997 = 303 million barrels (41 million metric tonnes)
Oil Reserves:	5.4 billion barrels (proven reserves)
Natural Gas Reserves:	28.5 tcf (Trillion Cubic Feet) (proven reserves)
Copper Reserves:	15 million tonnes

Fish Stocks:	4.77 million tonnes
Birth Rate Increase:	3.2%
Life expectancy:	71.6 years
Education:	circa 500,000 boys & girls aged 6-18 in school
National Day:	18th November (Government offices usually close for two days later in the month in lieu of the holiday)
Official Holidays:	Dates vary according to lunar year. 7th July 1998(Prophet's Birthday) 16th Nov 1998(Ascension of the prophet) 20th Dec 1998 (Ramadhan begins) 20th Jan 1999 (Eid al-Fitr) 28th Mar1999 (Eid al-Adha) 17th Apr 1999 (New Islamic year 1420AH) 26th Jun 1999 (Prophet's Birthday) (The above dates may vary slightly)
Official hours:	Saturday - Wednesday 7.30 am - 2.30 pm (except in Ramadhan 8.30 am - 1.30 pm)
Private sector hours:	Saturday - Thursday 8.00 a.m. - 1.00 p.m. 3.30 p.m. - 6.30 p.m. timings variable)

During Ramadhan, Muslims in the private sector may only work six hours a day or 36 hours a week.

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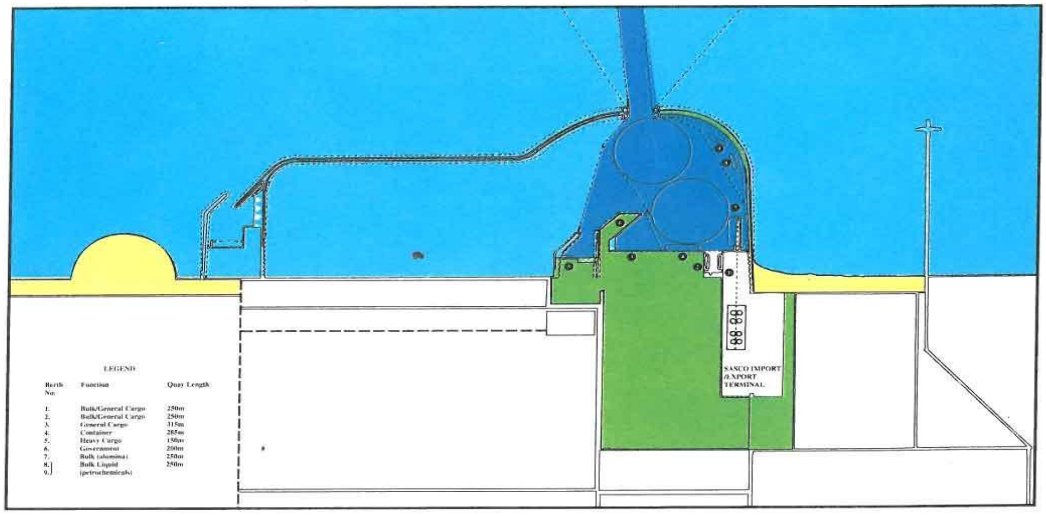
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Port Sohar Project



THE YEAR OF THE PRIVATE SECTOR