

Ras Markaz.. a world hub for crude oil export



Construction of an
international school in Duqm



Completion of
primary design of the
railway to Duqm



الدقم Duqm

هيئة المنطقة الاقتصادية الخاصة
Special Economic Zone Authority

Sultanate of Oman

سلطنة عُمان



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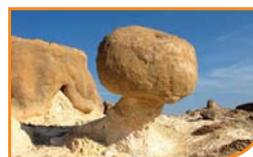
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Welcome partners

The first quarter of this year saw many developments that add a new dimension to SEZD, notably the increase of its area to 2,000 square kilometers by the addition of Ras Markaz that became the ninth investment area in SEZD. Ras Markaz will be for oil storage activities. Ras Markaz overlooks the Arabian Sea, a sea open to the Indian Ocean and close to the international shipping lines. It has also a natural depth that ranges between 30 and 32 meters, which allows the reception of the largest crude oil tankers.

This new development of SEZD expresses the vision of His Majesty Sultan Qaboos bin Said - may God protect him – for SEZD to be one of the mechanisms through which the Sultanate can achieve economic diversification. Royal Decree No. 5/2016 issued on 28 January 2016 laid the foundations that enable Ras Markaz to achieve its objectives. It stated that the project is a public utility, allowing the competent authorities to expropriate through direct implementation the properties and lands needed for the project and installations thereon in accordance with the provisions of the Expropriation Law for Public Utility.

While we welcome OTTCO that will build oil storage terminal in Ras Markaz, we stress that SEZAD team accords profound attention to this project. Projects implemented in Ras Markaz shall enjoy the various facilities, privileges and incentives provided for by the Royal Decree No. 79/2013 that issued SEZD System. These incentives encourage investment and in which SEZAD tried to attract investors and to keep pace with their ambitions.

We are also pleased to welcome our new partners in SEZD, such as Marina Duqm, which won a usufruct for the construction of a tourist interface AND Al-Tamman Holdings, which plans the construction of an international school in Duqm. We also renew our welcome of Renaissance Services Company, which announced its desire to expand its existing project and establish a leisure club. We also welcome construction companies that started its work in Duqm recently whether to implement infrastructure or other projects.

There is another positive development witnessed in SEZD during the first quarter of this year, viz. the issuance of Royal Decree No. 17/2016 granting public utility status to the third part of the railway, which runs from Fahud to Duqm. This will pave the way for linking Duqm Port with the system of logistics ports and areas in the Sultanate first and then in the Gulf cooperation Council later.

On the legislative side, SEZAD issued regulatory decisions and regulations regarding tenders, fees, and Customs Management System in SEZD as part of its efforts to establish a legislative system that regulates the exercise of economic activities in SEZD. Last year, SEZAD issued regulations concerning the registration of companies, organization of the investment environment, land usufruct, regulation of construction and environmental permits and licenses and other legislation.

Once again, we welcome our new partners in SEZD and look forward to working together to achieve the ambitious goals that led to SEZD establishment.



Yahya Bin Said Al Jabri
General Supervisor



As we welcome OTTCO, which is building oil storage terminal in Ras Markaz, we stress that SEZAD team accords highest attention to this project

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“ PROUD TO BE
ONE OF THE
KEY PROJECTS
IN DUQM ”

JACOBUS NIEUWENHUIJZE
PROJECT DIRECTOR

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The magazine welcomes
specialized research and
academic studies



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From Fahud with a total length of (488.4) km

Completion of primary design of the railway to Duqm and announcing status of public utility of the project

Three passenger terminals, one cargo terminal and logistics center for the supply and catering



Muscat -  :

His Majesty Sultan Qaboos bin Said - may God protect him - issued Royal Decree No. (17/2016) declaring the public utility status for the project on the third part of the railway from Fahud to Duqm.

The Decree issued on 17 March 2016 stated that the project is a public utility, allowing the competent authorities to expropriate through direct implementation the properties and lands needed for the project and installations thereon in accordance with the provisions of the Expropriation Law for Public Utility.

The issuance of the Royal Decree came after the Oman Rail Company completed the primary design and preparation of the tender documents for the implementation of the third part of the railway project in the Sultanate, which connects SEZD with the rest of the project parts.

The third part of the railway shall start from Fahud in Dhahirah Governorate to Wilayat of Duqm with a total length of approximately (488.4) km. This part includes implementation of the railway main line from Fahud to Haima of (309.7) km, connections

linking the railway to Duqm Port of (178.6) km, and a service roads of about (976.8) km.

This part also includes the implementation of three passenger terminals, one cargo terminal, one filling station, logistics center for multimedia supply and catering, and support and assistance facilities for moving units (ROLLING STOCK). It also includes the construction of (10) maintenance stations sideways on the track, and two yards for the distribution, assembly, and organization of trains, one station for light maintenance, a single bridge of 360 meters, and the transfer and protection of all affected services lines.

The third part of the project provides a new mode of transportation due to the potentiality of railway to move large quantities of goods and absorb a large number of passengers for a long distance. It also integrates with the system connecting ports of the Sultanate with the GCC railway network.

The implementation of the railway in the Sultanate is a strategic project that contributes to the achievement of sustainable development requirements on all economic and social levels by linking development centers in the country.

Ten maintenance stations sideways and two yards to distribute, collect and organize trains

Construction of tourist interface in SEZD



Muscat -  :

Today (Monday, February 15, 2016), Special Economic Zone Authority in Duqm (SEZAD), granted Marina Duqm Company of the Golden Group a land usufruct in the Special Economic Zone in Duqm (SEZD) for the construction of a tourism façade. This would include hotels, mall, residential complexes, entertainment center, water amusement park and a number of other tourist services and facilities.

H.E. Yahya bin Said bin Abdullah Al-Jabri, SEZAD Chairperson, signed the agreement on behalf of SEZAD, while Sheikh Salem bin Ahmed bin Mohammed Al-Ghazali, Chairperson of Duqm Marina, signed it for the investment company.

The Tourist Façade Project includes three 5-, 4-, and 3-star hotels, a 4-star hotel suites and residential

complexes comprising villas and apartments. The project also includes the construction of a mall with a range of restaurants, cafes, stores, water amusement park, a variety of different beach games, a mosque, a cultural and entertainment center, gardens, and public services and utilities.

The project area will be about 741 thousand square meters at an estimated cost of about OMR 283,000,000 and its implementation will be in four phases, each of about four years. Upon completion, the project will provide about 800 jobs.

H.E. Yahya bin Said bin Abdullah Al-Jabri confirmed that the Tourist Façade Project of Marina Duqm is a welcome addition to SEZD and will help stimulate tourism and enrich the tourist and resident because it will include a variety of tourism projects that keep pace with their aspirations.


Yahya Al-Jabri:
SEZAD commends initiatives of Omani business-people and welcomes their investment in Duqm




Salem Al-Ghazali:
We cooperate with the government to establish projects that enhance the vision of the Sultanate and its position in the tourism sector

In a press statement after signing the agreement, Al-Jabri commended the initiatives of Omani businesspeople to invest in the Sultanate. “These initiatives contribute to the capital investment locally and achieve good gains for investors and the national economy alike. These initiatives are also consistent with the government’s efforts to achieve economic diversification and provide more employment opportunities for the youth,” added SEZAD Chairperson

“SEZAD welcomes local investors and provides many incentives for investors. We hope to see more investment initiatives of the Omani private sector in Duqm,” asserted Al-Jabri.

For his part, Sheikh Salem bin Ahmed bin Mohammed Al-Ghazali indicated that the vision of the Golden Group is to cooperate with the government to accomplish a variety of tourism projects to enhance the vision of the Sultanate and its position in the tourism sector. He praised SEZD features in terms of its strategic location overlooking the Arabian Sea in

addition to being a promising tourist area that have the basic components to create a highly competitive tourist destination.

“These factors encouraged the Golden Group to take serious steps towards investment in Duqm. Through its new project, Marina Duqm Company seeks to provide a new concept of tourism in Duqm to meet the aspirations of the various segments of society therein,” added Al-Ghazali.

Al-Sedrah Real Estate Company of the Golden Group would handle the real estate development of the Tourist Façade Project of Marina Duqm. It is noteworthy that the Golden Group has recently signed agreements with several international companies to develop and operate hotels of several categories in the various governorates of the Sultanate.

Marina Duqm Company stated that it would review project implementation period and financial estimates within a comprehensive economic feasibility study including financial indicators for each stage.

Boeing 737 on Muscat – Duqm Route

fifteen thousand passengers across Duqm Airport last year and growing



Passengers leaving the Boeing 737 during a flight to Duqm Airport

Duqm -  :

The number of passengers at Duqm Airport almost doubled last year to about 15,000 passengers compared to 7,629 in 2014 with expectations of other increases this year as more projects in SEZD are in the pipeline.

Duqm Airport started operation on 23 July 2014 after Ja'alouni Airport that started operation in 2012 helped facilitate the movement of passengers between Muscat and SEZD.

On 17 January 2016, SEZAD announced the operation of Boeing 737-800 on Muscat - Duqm route to provide additional seats to passengers on Sunday and Thursday of each week, while the flights on Monday and Wednesday would be on Embraer 175.

Officials from SEZAD, Oman Air, Oman Airports Management Company, and Royal Oman Police graced the inauguration ceremony.

SEZAD is the supervising entity of the operation of Muscat – Duqm route. Boeing

737-800 can accommodate up to 162 seats, including 12 seats in Business Class and 150 in Economy Class. As for Embraer 175, the number of seats is 71, including 11 in Business Class and 60 in Economy Class.

The increase in the absorptive capacity on Muscat – Duqm route shall contribute to the marketing of SEZD further for investors who wish to invest therein. It will also keep pace with the increasing demand from residents and people working in SEZAD and serve many companies operating there, such as Oman Dry Dock Company, Duqm Port Company, Duqm Refinery Company, and many other companies, consulting firms and construction corporations.

Terminal Construction

The operation of Boeing 737-800 on Muscat - Duqm route comes at a time when the pace of work in the terminal construction increases and expected to complete in 2018 within the third package of the airport project,


Provision of additional capacity on Muscat - Duqm route to keep pace with growth in passenger numbers





Part of construction works of passengers' terminal

Acceleration of pace of work in the passenger terminal and completion in 2018

which accommodates about 500 thousand passengers a year.

According to a statement issued by the Ministry of Transport and Communications, the terminal will feature a ground floor and a basement service floor to meet the critical needs of travelers in terms of restaurants, shops and services. The terminal shall also include four bridges linking it to aircrafts.

The statement pointed out that the terminal would have five check-in counters and an electronic gate that facilitates check-in procedures via a sophisticated security system. The airport shall also have luggage belts for international and domestic flights.

The project also includes air navigation compound, which contains a 38-meter high traffic tower, navigation and meteorology services buildings, along with multiple buildings for services, maintenance of airport equipment, firefighting, gate guarding, substations of the third package, and cooling unit building.

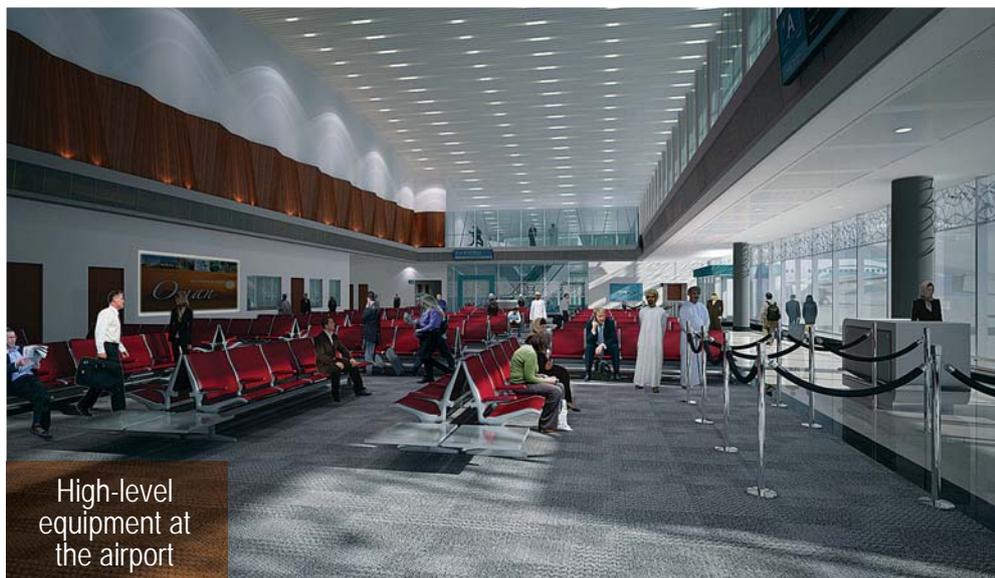
The project incorporates the construction of an air cargo building with a capacity of approximately 25 thousand tons per year open

for future expansion to keep up with the trade and economic movement in SEZD.

In its statement, the Ministry of Transport and Communications indicated that the technical designs for the terminal in Duqm Airport are practical and effective to facilitate the in/ out movement of passengers smoothly at the least possible time. The possibility of the expansion of the terminal and raising its capacity for future increase in the numbers passengers and the requirements of air cargo in the long term was also in mind through horizontal expansion according to the development of air traffic at the airport and the growth of trade and tourism activity in the surrounding area.

The operation of Duqm Airport on 23 July 2014 followed the completion of the first and second packages of the project, which included implementation of roads, rainwater drainages, drinking water facilities, fire-fighting utilities, and electricity network. The works of these two packages also include the construction of the runway along with linking bridges and parks for nine aircraft, including Airbus A380 and other service facilities.

Passenger terminal accommodates 500,000 passengers a year open for future expansion



High-level equipment at the airport

Ras Markaz..

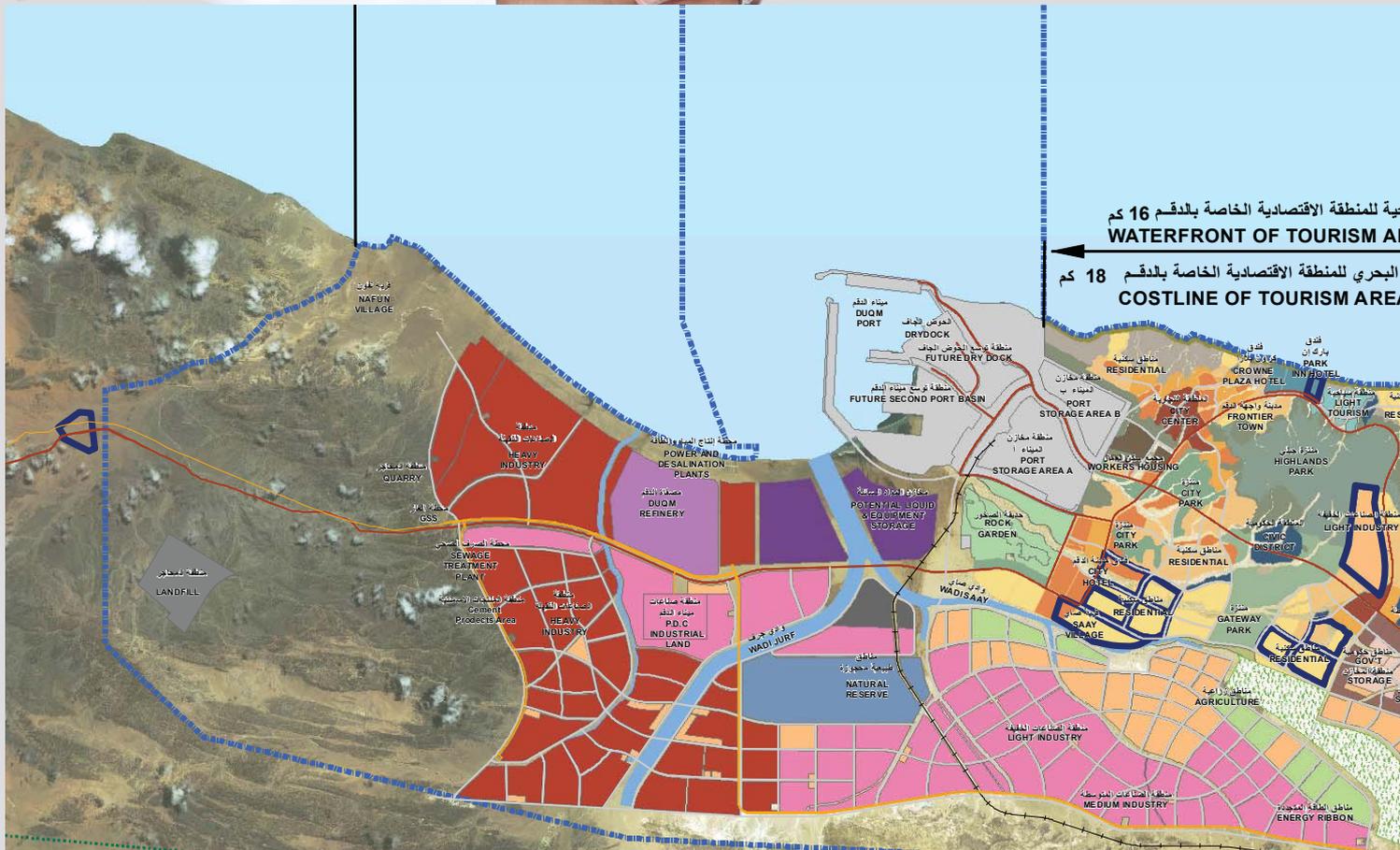
a world hub for crude oil export





SEZAD Chairperson of in an exclusive interview for **الدوم** Economy 21

Increasing SEZD area to 2,000 km² asserts HM attention to activate the performance of economic sectors



Yahya bin Said bin Abdullah Al-Jabri, Chairperson of SEZAD, confirmed that SEZAD is trying to make SEZD an international hub for storage of crude oil, stressing that Royal Decree No. (5/2016) annexing Ras Markaz area to SEZD lay a good foundation for the construction of the oil storage terminal in Ras Markaz operated by Oman Tankers Company (OTTCO), a subsidiary of Oman Oil Company (OOC).

“The issuance of the Royal Decree to annex Ras Markaz area to SEZD is a clear indication of the attention of His Majesty Sultan Qaboos bin Said to SEZD. HM’s patronage of the various economic activities in the country achieves many gains to the national economy,” stated Al-Jabri.

“SEZD follows the approach instituted by His Majesty Sultan Qaboos bin Said - may God protect him - to achieve economic diversification in the country. Increasing the area of SEZD to be 2000 square kilometers to accommodate oil storage activities in Ras Markaz would contribute to enhancing SEZD status at the local and global levels,” added SEZAD Chairperson.

SEZAD implements the Decree

H.E. Al-Jabri pointed that Royal Decree No. (5/2016) issued on 28 January 2016 stated that the development of Ras Markaz is a public utility project. “Immediately after the issuance of the Royal Decree, SEZAD began to take the necessary mechanisms to implement it to achieve the aspirations of the Sultanate of this vital project. Oil storage terminal in Ras Markaz aims to support and achieve the future vision of Omani economy in terms of diversifying sources of national income,” indicated Al-Jabri.

The main components of the project include the establishment of warehouses for the storage and export of crude oil. This would lead directly to the optimization of crude oil trade sector and promoting related value-added industries sector through the exploitation of the site and reducing production costs. Consequently, oil sector revenues will increase along with the optimization of value added natural depths of the Arabian Sea and linking the commercial interests of the companies involved in oil production and marketing sectors.

Economic and Social Returns

H.E. Yahya bin Said bin Abdullah Al-Jabri said: “SEZAD gave this project the



A diagram illustrating the link between the terminal and oil tankers, Duqm refinery, and port

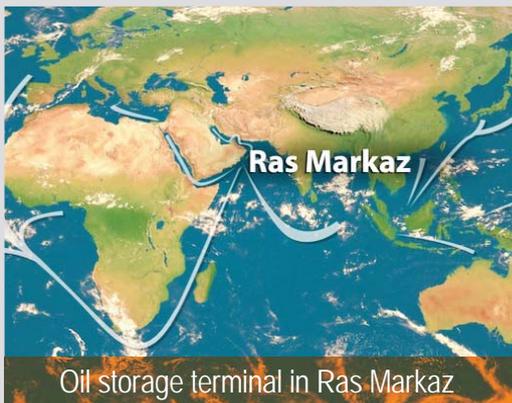
due importance in terms of economic and social returns and growth that would result from its implementation. The annexation of Ras Markaz area to SEZD will enable the project to benefit from the existing investment, legislative, and legal environment that characterizes SEZD particularly the benefits and incentives provided for in SEZAD System issued by Royal Decree No. (79/2013) and the services of the one-stop shop.”

He pointed out that SEZAD allocated a land area of 1600 hectares to oil storage terminal in Ras Markaz, which will enable it to store about 200 million barrels of crude oil. “This is a strategic project, which will connect the terminal to oil fields in Oman through a pipeline network. The terminal would also connect to Duqm refinery, which will contribute to the provision of the refinery crude oil needs and establishment of many heavy and petrochemical industries in SEZD. In addition, Oman Tankers Company (OTTCO) will construct offshore facilities to transport crude oil to the countries importing Omani oil, which will lead to speed up the arrival of oil shipments to international consumers because of the characteristic location of SEZD outside the Strait of Hormuz close to the international shipping lines,” explained Al-Jabri.

Taking advantage of the privileges, incentives, and facilities

His Excellency stressed that OTTCO customers who will establish companies or branches of their companies in SEZD will receive privileges, incentives, and facilities provided by SEZAD for investors, which gives an added advantage to OTTCO customers.

“SEZAD is working to attract many projects to SEZD to achieve the objectives of the Sultanate’s economic diversification. In this regard, SEZAD signed many agreements during the past four years to grant land usufruct for a variety of projects in the economic, industrial, and tourism sectors, pointing out that this diversity contributes to achieving SEZAD objectives to make SEZD an ideal place for living and working,” concluded SEZAD Chairperson.



Royal Decree No. 5/2016

Designating the Development of Ras Markaz Area at Duqm State as a Public Utility Project and annexation to the Special Economic Zone at Duqm

We, Qaboos bin Saeed, Sultan of Oman

After perusal of the Statute of the State promulgated by Royal Decree No. 101/96;

The Expropriation Act for public interest promulgated by Royal Decree No. 64/78;

Royal Decree No. 85/2006 designating the development of Duqm City in the Central Region as a public utility project;

Royal Decree 119/2011 establishing the Special Economic Zone Authority at Duqm and issuing the Articles thereof;

Royal Decree No. 44/2014 lifting the status of a public utility project from some of the projects located within the Special Economic Zone Authority at Duqm;

And based on what the public interest requires, I have decreed the following:

Article One

The Development of Ras Markaz Project at the State of Duqm in the Central Region, as specified in the attached Memorandum and Diagram, shall be considered a public utility project.

Article Two

The Ras Markaz area referred thereto above shall be appended to the Special Economic Zone Authority at Duqm and the location and boundaries of the Authority shall be modified in accordance with the attached Diagram.

Article Three

The relevant authorities shall seize by way of direct execution on the real estates and lands necessary for the mentioned project as well as the facilities existing thereon in accordance with the Expropriation Act for the public interest referred to above.

Article Four

This Decree shall be published in the Official Gazette and shall be effective from the date of issue.

Qaboos bin Saeed Sultan of Oman

Issued on: 18 Rabie Al Thani 1437hijri
Corresponding to: 28 January 2016

IMPORTANT NOTE:

The regulation issued originally in Arabic. In the event of inconsistency between this translation and Arabic regulation, the Arabic text will prevail.

OTTCO Board of Director Chairperson

Annexing Ras Markaz to SEZAD allows Oman to enter Crude oil storage global market

Interview by: Mohammed bin Ahmad Al-Shezawi

Hilal bin Ali Al-Kharusi, Board of Director Chairperson of Oman Tank Terminal Company LLC (OTTCO), a subsidiary of Oman Oil Company, confirmed that the issuance of Royal Decree No. (5/2016) to annex Ras Markaz to SEZAD allows the Sultanate to enter crude oil storage global market.



In an exclusive interview with , Al-Kharusi said that crude oil storage terminal “OTTCO” that would be established in Ras Markaz is a vital project aimed at storing all types of crude oil in large quantities outside the Strait of Hormuz.

“The vision of OTTCO is to contribute to the expansion of crude oil storage operations and to facilitate the distribution thereof around the world in a manner that reinforces the government’s efforts for economic diversification. Ras Markaz crude oil storage terminal is storage facilities that match the best international standards. The plan is to become the largest in the Middle East to serve as an important global hub for crude oil storage. Given the strategic location of Ras Markaz on the Arabian Sea, overlooking the Indian Ocean, the terminal will accommodate the needs of the logistic markets to facilitate access to and from markets in South Asia, Far East, and Africa, as well as land and sea transport operations for producers in the Middle East,” stated Al-Kharusi.

Al-Kharusi acknowledged the support given to Ras Markaz terminal by SEZAD through the allocation of a land area of more than 1600 hectares. “This space allows the creation of storage facilities for up to 200 million barrels of crude oil, which will allow for the development of refineries and petrochemical sector in SEZD,” indicated OTTCO Chairperson.

We aim to store all types of crude oil in large quantities outside the Strait of Hormuz

Creation of storage facilities that match the best international standards and hoping to be the largest in the Middle East



Special Location

He pointed out that the selection of Ras Markaz for the construction of crude oil storage terminal was for a number of considerations, notable the proximity to the emerging markets, particularly in Asia and Africa, witnessing steady growth. The site selection relied on technical characteristics in terms of natural water depth of up to 32 meters below sea level at a distance of less than 5 kilometers from the coastline. He indicated that the implementation of the project would be in several stages to keep pace with the demand for storage capacity levels by OTTCO domestic and international customers.

Jobs Opportunities

He noted the creation of job opportunities associated with the project stating that the number of potential jobs provided by the project during the construction

period would be more than 2,000 direct and indirect jobs, while the number of jobs during the operating period would be about 500 direct and indirect jobs.

Economic Gains

In response to our question about the role of Ras Markaz in enhancing national economy, OTTCO's Chairperson indicated that this project has many economic and commercial gains. "It provides the infrastructure and flexibility for the growth of oil and petrochemical sector in the industrial zone in Duqm. It will also contribute to increasing the number of tankers of crude oil coming to the Sultanate. Moreover, the project will contribute in the long term to make and mark the Sultanate as a major hub for the storage of crude oil in the region. Singapore, for example, is a major hub for the storage of world oil though it is a non-oil producing country,"





Construction of offshore facilities for Crude oil import and export to meet global market needs through giant oil tankers

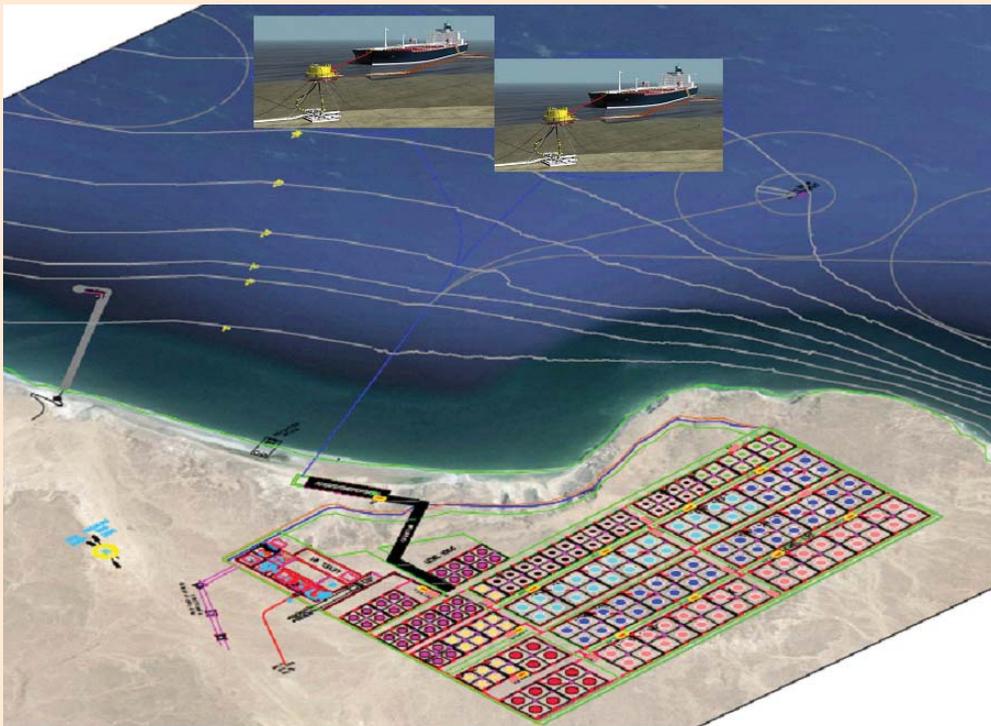
added Al-Kharusi.

He touched upon OTTCO potentials of storage and capacity and said that OTTCO already has launched a project to store oil in floating ship at MAF with a capacity of two million barrels. "During the last period since OTTCO establishment in 2013, we began to acquire a good experience that contributes to achieving OTTCO objectives. OTTCO storage capacity will gradually rise and the capacity of the first phase of Ras Markaz terminal would be 6 million barrels," stated Al-Kharusi.

Provision of Duqm Refinery Needs Concerning linking Ras Markaz terminal

to Duqm Refinery, Hilal bin Ali Al-Kharusi said that Duqm Refinery would get its needs of crude oil by transporting crude oil through a pipeline linking it to the terminal "OTTCO". "We shall link Ras Markaz terminal with Oman oil fields in the future. OTTCO will construct offshore facilities for oil import and export, which contributes to providing the refinery with its needs of crude oil. The offshore facilities for the import and export of crude oil meet the technical needs of various oil tankers categories such as Suezmax and Panamax up to the huge supertankers (VLCC)," elaborated OTTCO Chairperson.

Our vision is to contribute to the expansion of oil storage operations and facilitate its distribution around the world



Ras Markaz has a natural water depth of up to 32 meters below sea level

Provision of 2,000 direct and indirect jobs opportunity during the construction period



Construction Tender

Regarding the steps made by the project so far, he said that the initial design of the terminal completed in October last year and the working team is currently working on the final engineering designs with the aim of floating the construction tender later this year.

He pointed out that the initial designs of the pipeline for transporting Omani oil mixture from Saih Nahidah to Ras Markaz are still under study. He pointed out that this pipeline would boost the project and allow linking Omani oil to Ras Markaz and exporting it abroad as Ras Markaz would become an additional gateway for the export of Omani oil.

Global Promotion of Project

He emphasized that OTTCO is currently intensifying its efforts to promote the project globally. "We are working to attract different types of oil from other countries in addition to Omani oil in line with the Duqm Refinery plan for the filtration of different types of crude oil," stated Al-Kharusi.

Competitive Factors

Al-Kharusi referred to the competitive factors that make OTTCO optimistic re-

garding achieving its objectives and attracting many international companies to SEZD. "The geographical location of SEZD off the Indian Ocean, promotion of the terminal and its possibilities, as well as the facilities, privileges, and tax exemptions enjoyed by OTTCO customers raise the competitiveness of Ras Markaz. This is in addition to the complementary infrastructure of SEZD. Oman has invested in the establishment of a commercial port, a dry dock for maintenance of ships, and power and desalination plant. This is in addition to creating double roads connecting the various parts of the region, along with other government and private investments to create a range of tourist and hotel services, shopping malls, and educational and medical services. All these services support the competitiveness of Ras Markaz terminal for crude oil storage," asserted Al-Kharusi.

Hilal bin Ali Al-Kharusi, OTTCO Chairperson, expected that SEZD would become an essential attracting site not only in the Gulf region and the Middle East, but also on a global level, pointing out that SEZD strategic location, services, state-of-the-art infrastructure position it to attract large foreign investments during the next few years.

Terminal construction tender hopefully will be floated during this year

Facilities, privileges, and tax exemptions of SEZAD raise Ras Markaz project competitiveness



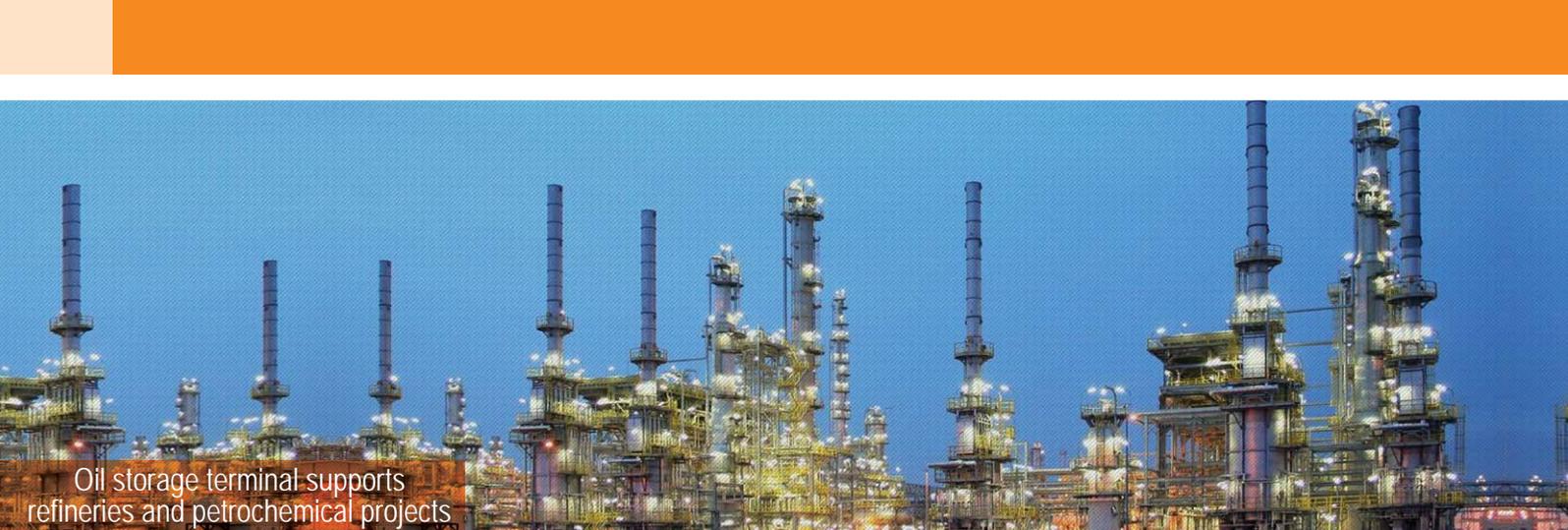
By: Mohammed Al-Shezawi

OTTCO Project Director General:

We look forward to the launch of the first phase of the project in 2019

Said bin Homoud Al-Ma'awali, Project Director General of Oman Tank Terminal Company LLC (OTTCO) predicted the launch of the first phase of the Oman Tank Terminal project during 2019. He pointed out that this date is the target for the operation of the first phase of the project, which goes so far, according to the implementation schedule. "The first phase of the project will focus on the storage of Crude Oil imported and export by sea with the off-shore facility. In a later stage, we shall link the project to infrastructure for the export of Omani crude oil, which will enable the transport of oil through land pipelines," stated Al-Ma'awali. "Ras Markaz Crude Oil terminal will start with a capacity of a capacity of about 6 million barrels of oil, but this will rise gradually in line with the needs of OTTCO's customers as well as any future demand. We can increase the storage capacity of the terminal up to 200 million barrels to keep up with demand due to the space available for the project in Ras Markaz, which supports the development of this new industry in the Sultanate. This also gives way to the development of refineries and petrochemical sector and facilitates the establishment of new expansions. The issuance of the Royal Decree No. (5/2016) annexing Ras Markaz to SEZAD paves the way for Oman to enter the commercial and strategic storage sector of crude oil," elaborated OTTCO Project Director General.





Oil storage terminal supports refineries and petrochemical projects

The first phase of the project focuses on building storage tanks with facilities to support import and export of crude oil by sea and future plan by pipeline.

Establishment of eight tanks with a capacity of up to 650 thousand barrels per tank in the first phase of the project

Al-Ma'awali pointed out that OTTCO was established in 2013 as a project wholly owned by Oman Oil Company, noting that OTTCO is seeking to attract local, regional and international countries and companies to store oil in Ras Markaz according to the international prices, which supports the steps of Sultanate towards economic diversification.

Additional Oil Export Terminal

He said that OTTCO investments in Ras Markaz would enable Oman to find an alternate port for the export of crude oil in addition to MAF. "Ras Markaz location just off the Indian Ocean would also encourage international Oil companies and many countries in the region to utilize Ras Markaz Terminal for the storage and export of their oil. Further, it encourages the consuming countries to use Ras Markaz as a strategic stockpile location of oil," indicated Al-Ma'awali

Project Components

The first phase of the project includes the establishment of eight tanks with an estimated capacity of 650 thousand barrels per tank, along with the establishment of floating platforms for the process of oil import and export, towing and support boats, and 7-km pipelines undersea to receive and export oil. It shall also include the establishment of pump station for oil to and from the storage tanks along with laboratories, control rooms, and OTTCO administrative building. This is in addition to the other facilities relating to safety and security arrangements. "The technical characteristics of the project allows the blending of different types of crude oil specifications and loading/unloading crude to ships in record times, al-

lowing customers to save logistics costs, giving OTTCO a competitive advantage. Moreover, the marine geographical features of Ras Markaz location enables easy access to the terminal with more than 99% of expected operation availability," indicated Al-Ma'awali.

Interest in Local Community

Said bin Homoud Al-Ma'awali stressed OTTCO interest in the local community, pointing out that Ras Markaz project will reflect positively on Al-Wusta Governorate in general. "OTTCO has an ambitious program in the field of social responsibility that includes implementation of sustainable initiatives harmonious with the character and aspirations of the local community in which OTTCO operates and aligned with the government's development plans. Our initiatives rely on coordination and cooperation between the various relevant authorities, so that these programs aim to build a better understanding of the needs and aspirations of the people of Al-Wusta Governorate in general," added Al-Ma'awali.

Commitment to Environment Sustainability

Al-Ma'awali touched upon OTTCO's environmental commitment through implementing all international standards to ensure the preservation of the environment and nature conservation in all its work sites. "We accomplish this through coordination and follow-up with the Ministry of Environment and Climate Affairs. One of OTTCO priorities upon launching construction works would be to ensure meeting all occupational health and safety standards," concluded Al-Ma'awali.



Ras Markaz pays farewell to “sail ships” and writes a new nautical history



Ras Markaz when night falls

Duqm - Saleh Nabhan Al-Ma'amari

In ancient times, Ras Markaz - as its people tell – was a terminal for sailing ships to take water and supplies and exchange goods, but Royal Decree No. (5/2016) allowed the area to rewrite its maritime history to become within few years a main terminal for crude oil storage.

Hamad bin Humaid Walad Dalakh Al-Junaibi, an old-timer of Ras Markaz, indicated that the region was one of the ships terminals between Africa and Asia due to its unique location on the Arabian Sea. He pointed out that the area has monuments that witness to its maritime history and the researcher can see some rocks and caves used to store supplies and goods for incoming and outgoing vessels cruising the Arabian Sea.

Abdullah bin Marzouq Al-Junaibi stated that Ras Markaz was inhabited in prior periods by known tribes and families. It also has ancient tombs and water wells, and is a good place for fishing and supplying vessels with dried fish,

pointing out that many residents still head to Ras Markaz for fishing.

In the context of their talk, many residents of the area welcomed the new history witnessed by Duqm, stressing that annexation of Ras Markaz to SEZD was a solid step to take advantage of its geographical location in the construction of projects that contribute to the economic diversification of the Sultanate. They also expressed their hope that the local community would be a partner in development and benefit from the services and opportunities offered by such projects.

Nasser bin Salim bin Hamad Al-Junaibi expressed his feelings towards the expansion of SEZD, saying that it would accommodate large projects with good returns on the region and its development and prosperity. This is promising through large-scale projects. “There is no doubt that this expansion will have a positive impact on the nature of life and development to the benefit of the people and the local population in the region,” concluded Al-Junaibi.

Citizens welcome SEZD expansion and express optimism about the future

Caves used in the past for storage of goods and supplies to ships sailing in the Arabian Sea

Developing Oil Storage Facilities in Duqm A Futuristic Vision

Oil and natural gas occupy center stage position in the global energy sector, together representing nearly 60% of the international energy mix. Oil is the most important strategic commodity in today's global economy not only for the generation of energy, but also given the multitude of industries depending on oil, most notably oil refining and petrochemicals. The world's oil consumption increased from 2 million barrels a day at the beginning of the twentieth century to 8 million barrels within fifty years, then rising sharply to 40 million bpd by 1970. By the end of the Twentieth Century, world oil consumption reached 75 million bpd, increasing steadily to 82 million bpd by 2014.

International Oil Market Determinants

Oil prices are determined based on strong interaction between supply and demand. On the supply side, the key factors are production policies adopted by oil producers and their needs from oil to meet domestic consumption needs versus the need to export oil to generate state revenues or save this oil as a strategic reserve. This is in addition to the policies adopted by oil producing and exporting cartels like (OPEC) and (OAPEC), as well as, independent oil producers outside these cartels and the extent of cooperation between all these players. Furthermore, supply is determined by the production capabilities of individual producers at any given time, as well as, flexibility of the oil supply process.

On the other hand, international demand is influenced by a number of factors, including global economic growth rates; economic growth rates in the US, China and the EU, who represent the world's major industrial powers; international economic cycles and geopolitical considerations such as wars or revolution. Furthermore, modern technology and new technological advances and applications have a crucial impact on demand on the mid and long run, especially with the increasing trend to create and invent new, diversified, cost effective and environmentally friendly energy alternatives.

Oil Storage and Futures Contracts

The first futures oil contract was executed in 1987 at the New York Commodities Exchange for domestic heating oil in oil futures

market. This deal ushered the era of futures contract to include all grades of crude such as Texas Mid Crude in the New York Stock Exchange, and Brent Crude in the London Oil Futures Exchange, and Dubai Crude and Oman Crude in GCC markets. Futures contract (forward markets) also include petroleum derivatives and natural gas.

Therefore, it is believed that the history of futures contracts began in the seventies of the last century. At that time, oil prices were tied to spot prices announced by the main oil markets in London, Rotterdam, New York and Singapore based on the so called Arabian Light Crude Signal which was used to calculate price variations based on the crude types and production locations. This methodology, however, changed when (OPEC) decided to abandon the use of Arabian Light Crude as the reference crude in 1985 in favor of other crudes such as the Dubai Crude for Far East Markets and Brent Crude for the markets in western Europe and Texas Middle Crude for the US markets. Another key factor was the US government's decision in the early eighties not to interfere to dictate prices of petroleum products in local markets. Those two developments contributed into the creation of an environment that favored the conclusion of futures contract for crude and derivatives.

The relationship between oil storage operations and futures contracts may be explained in terms of the "contango situation" under which it is futures prices are expected to be higher than spot prices; leading speculative traders vying for forward profits to retain huge oil reserves in anticipation of upward oil prices movements to sell and realize forward profits. This marketing strategy requires significant storage capacity to the extent that some traders use oil tankers docked at ports or in high seas to store the crude. Internationally, the main centers used to store oil for speculative trading and forward profits include Singapore, Amsterdam, Rotterdam, Antwerp, Houston and Al Fujairah.

The increasing reliance on futures contracts led to significant developments seen in international oil markets such as allowing traders in futures markets to diversify the scope of speculative trading in international oil bourses where futures contracts are con-

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cluded to guarantee the supply of specific quantities and crude types at a specific time in return for a preset price which reduces the risk of oil and derivatives price fluctuations. Furthermore, futures contracts offers the key advantage of efficiency of government planning in oil importing states to meet future demand for oil in their domestic markets.

Furthermore, futures contracts contribute in expanding the scope of crude and petroleum derivatives worldwide and achieve relative stability in managing oil investments. Therefore, oil storage is a key policy implemented by oil producers to manage oil supplies to importers and markets through taking advantage of spikes in demand during relatively short periods of time, thus, increasing prices and contango. Indeed, Oil companies and major traders and speculators made significant profits by taking advantage of oil storage for short and intermediate terms before sale when prices are high.

Storage by Consumers

On the other hand, a growing trend was seen during the past three decades in oil consumers to store imported oil when oil prices are low using mega storage facilities in such consumer states and to regulate later consumption of stored quantities in accordance with variables and assumptions applicable to each state, while at the same time being keen that oil storage operations have as little effect as possible on demand levels and prices. Markets indicators show that excessive supply by major producers and the subsequent drop in prices contribute to making storage a viable option for consumers and contango traders.

The US is one of the biggest oil consumers implementing the oil storage policy and building a massive strategic reserve exceeding 700 million barrels to be used in emergencies or oil supplies disruptions, while Indonesia continues to expand its oil storage operations to migrate from purchasing gasoline and diesel form spot markets to the execution of fixed and long-term

contracts with producers.

The Future of Oil Storage in Sultanate of Oman

GCC states, Iraq and Iran control 56% of the world's confirmed oil reserves and 40% of the confirmed natural gas reserves. GCC states control oil reserves estimated at nearly 495 billion barrels and 42 trillion cubic feet of natural gas. GCC states oil wealth is estimated to worth 65 trillion US dollars at current prices. These numbers confirm the importance of the GCC region to international economy especially in the field of oil and gas exports. The situation for Sultanate of Oman may be described in terms of Oman's strategic location at the entrance of the Arabian Gulf which is a major transit for oil and gas tankers carrying imports to the rest of the world.

In light of the above determinants, the government of His Majesty Sultan Qaboos Saed the Great took a decision on Jan. 28, 2016 to annex the "Ras Al Markaz" area to Al Duqm Special Economic Zone pursuant to Royal Decree No. (5/2016), thus, expanding the area of Al Duqm Special Economic Zone to two thousand square kilometers. With this spatial scope, Al Duqm Special Economic Zone is expected to become one of the most important investment and logistical areas in the Sultanate of Oman, the GCC region and the world with the construction, operation and development of oil storage and export facilities in(Ras Markaz) believed to increase the logistic and investment significance of this zone. Plans to build an oil refinery and a diversified industrial and economic base gives more credibility to these exceptions and establishes Al Duqm Special Industrial Zone as a promising destination for local, Arab and foreign investments especially in light of the facilities offered by Sultanate of Oman to Omani, Arab and international investors and the potential for creating employment opportunities and achieving economic development in the region and boosting the national income.

Dr. Muhammad Al-Barwani in a special interview for  :

Oil storage in Ras Markaz enables the Sultanate to play a pivotal role in crude oil import and export

 Interview by:

 Mohammed bin Ahmed Al-Shezawi:

Dr. Muhammad Al-Barwani, Chairperson of MB Holding Company, predicted that the Sultanate would play a pivotal role in the import and export of crude oil, describing the geographical location of Duqm as strategic overlooking the Indian Ocean and close to the consumer markets in Asia and Africa.

In an exclusive interview with  he indicated that oil storage is one of the activities that contribute to economic diversification, stressing the need to establish an integrated system of interdependent projects that provide a variety of services towards realization of joint gains to stakeholder companies.

He turned to the company's investments in SEZD, pointing out that Park Inn Duqm hotel has achieved good results since it started operation late 2014. "MB is considering investing in oil storage in Duqm Port of and is looking to hold partnerships with foreign companies to enter into similar projects. After MB, in cooperation with a foreign alliance, won a project of mineral exploration in the Pacific off Papua New Guinea, it will set up a center in Duqm to test the giant equipment manufactured for the extraction of minerals from seawater and train staff on this equipment before transferring the same to the sites in the Pacific," stated Al-Barwani.

Dr. Al-Barwani called the companies to develop economic solutions to overcome the crises they may encounter along with focusing on priorities and reducing expenses. "The crisis of bearish oil prices is fading after recent indicators showed that the prices are on the rise. I expect oil prices to range between USD 50 - 55 a barrel through this year," added Chairperson of MB Holding Company.

Dr. Al-Barwani touched upon many other economic issues, stressing the need for companies to diversify their activities to avoid exposure to severe economic crises.





Singapore ... a major oil storage site in the world

Contribution to economic diversification

» **Earlier this year, Oman announced annexing Ras Markaz Area to SEZD to create an oil storage hub. In your capacity as a specialist in the oil sector, what is the strategic importance of this project?**

This project has a good future due to many reasons. The strategic site of Ras Markaz on the Arabian Sea overlooking the Indian Ocean would enable the Sultanate to play a pivotal role in the import and export of crude oil given the location of Duqm on the trade route between the markets of Asia, Africa and the region.

Oil storage is one of the activities that contribute to economic diversification. As you know, the boom of oil storage activity in Singapore made it establish many oil refineries, though it does not produce a single barrel. This

trade enabled it to establish itself as a world hub for crude oil trade and export. This is what we are looking to see in the Sultanate.

Integrated system of projects

» **What is the value added of Ras Markaz oil storage project?**

We do not want to look at the oil storage terminal in Ras Markaz as an independent project. Individual projects often do not achieve great economic returns. However, through an integrated system, we can achieve many goals. For example, the oil storage complex at Ras Markaz, in cooperation with Duqm Refinery, petrochemical and heavy industries complex, and other local and international companies would achieve many economic gains. They collectively form an integrated system of diver-

Strategic partnerships with foreign companies to store oil in Duqm Port

Diversification of economic activities protects companies against severe economic crises



Dr. Al-Barwani during his interview with the Editor-in-Chief

Oil prices are on the rise towards USD 50 this year

Park Inn Duqm Hotel has good results and focus on long-term investments

Diversification of company's activities and considering going into aircraft maintenance



Part of the business MB in Duqm

sified services that achieve joint gains to various companies.

Profitable and economically beneficial activity

» **Does this mean that the activity of oil storage is profitable and economically beneficial?**

The idea of importing oil, storing it in a distinctive location, and then re-export it to another state is a good idea. In our company, we have trends in this regard. We are currently studying with Duqm Port Company the use the port as a hub of our activity in the field of oil storage. We want to store oil in the port and then export it to other markets in Asia. In order to provide success factors for the project, we are currently looking to enter into partnerships with foreign companies engaged in oil import and export to take advantage of their expertise and markets around the world. These partnerships will enable us to access the markets where these companies operate.

Unique location for Duqm

» **Why did you choose Duqm to establish this project though there are other ports with the same facilities?**

Our selection of Duqm was because of its strategic

off Strait of Hormuz and proximity to the markets of India, Pakistan, Africa and the Far East. Our investment in SEZD is part of our strategy to strengthen government efforts to develop national economy.

Addressing bearish oil prices

» **MB Holding Company is one of the Omani companies that went global.**

What are the measures you took to minimize the negative effects of bearish oil prices given that most of your business is in the oil sector?

Usually, when companies face any crisis, they try to search for suitable economic solutions, focus on priorities and reduce expenses. For example, they can postpone investment in unfeasible sectors now and this is what we have done already.

In fact, the decline in oil prices does not affect only the companies operating in the oil sector but also the governments and many other companies. This volatility in oil prices usually passes through an economic cycle approximately every 10 years, and the current crisis is the third I witness in my life. Oil prices shall not rise to USD 110 per barrel soon, but we expect oil prices to range between USD 50 and 55 a

barrel this year and USD 60 and 65 next year. They shall then continue to grow, but will be bearish again.

Now, we find an atmosphere of optimism and there are signs that prices are in the process of recovery. The prices in February were at the level of USD 25 a barrel, but approached USD 40 late March. This makes us optimistic that we have passed the most difficult stage and we are embarking on a good economic activity.

Economic diversification

»» Did these challenges make you try to diversify investment and target other sectors, such as engineering and tourism?

There are various risks of relying on one activity. Over the years, we found that we should face the fluctuations in oil prices through diversifying company's activities and areas. Therefore, we turned to invest in tourism and engineering sectors, and manufacturing steel structures used in the construction of oil and petrochemicals warehouses. We also invested in the securities and ship maintenance sectors. We are currently studying undertaking the activity of aircraft maintenance. We want to reduce dependence on oil sector and find that

the investment opportunities available in other sectors in the Sultanate are numerous.

In general, we focus on oil, engineering, mining, tourism, ship maintenance, securities and insurance sectors. We also have investments outside the Sultanate as we operate in some 25 countries around the world and we focus on a particular sector in every country. For example, in Egypt we focus on the oil and exploration sector while in Britain and Germany we focus on the engineering sector. This applies to the various countries in which we invest.

As regards the number of staff, I am pleased to say it reached 7,000 at a time, but now ranges between 5,000 and 6,000.

Our strategy in the company is looking at long-term investments, which extend to 10 or 20 years.

Good results

»» What is your assessment of company's achievement because of the diversification of its operations sectors?

This diversification has benefited the company significantly. In the tourism sector, for example, we now have three hotels, namely Park Inn Muscat, Golden Tulip Niz-

◆◆
Many investment areas in the Sultanate and the young should utilize modern technologies

◆◆
We operate in 25 countries around the world with six thousand employees



Park Inn Hotel Duqm



One of the three equipment to be used in mineral extraction upon arrival in Duqm

Oil storage terminal is part of an integrated system of projects with joint gains

wa, and Park Inn Hotel and Resort Duqm. The latter achieved good results since its operation in 2014. We also have a partnership with Imran in Al-Bilaid Resort, Governorate of Dhofar resort scheduled for inauguration this year.

In the metals sector, we invested in Mawarid Mining Company in Sohar and achieved good successes. Our investments in the field of securities, insurance and Takaful also geared good results.

Mineral exploration

»» **You mentioned your investments in the tourism sector in Duqm through Park Inn Hotel Duqm and the desire to invest in oil storage. Are there any other projects you plan to set up in Duqm?**

We have a third project we started recently in the engineering sector. As part of a foreign consortium, the company won a project to explore for minerals in Papua New Guinea, a country in the Pacific Ocean near Australia. MB Holding Company holds 28% of this venture. As the exploration will be in the sea, we have manufactured giant equipment specific to this project for our company and not in any of the other country. We will use the equipment for extraction of minerals, such as gold, silver, copper and other minerals from the sea controlled by a dedi-

cated staff in specialized ship underway for this purpose. Because this equipment uses a new technology, we brought it to the Sultanate and chose SEZD for testing it and training our staff before transferring it to the Pacific. We will build basins to test and commission the equipment and training staff. I am happy to emphasize that we are the only company that invests in the mining sector in the sea. All other similar investments are carried out by governments, not companies, as is the case in Japan and Russia, while we are the only private sector company in the world that invests in this area. We recently got the right of concession to explore for minerals from the Government Papua New Guinea and the amount of investment in this project is about USD 500,000,000.

Message to Young People

»» **By virtue of your experience in several sectors, what message do you send to young people?**

I call upon the youth to focus on science, engineering, and information technology and invest their energies to achieve their aspirations and employ modern technologies in their various businesses. As today's world has become a global market using modern techniques on a large scale, this helps young people succeed in the projects they do.

Concession for mineral exploration in Papua New Guinea and choice of Duqm to test equipment and train workers

Expansion of Renaissance Village in Duqm and construction of a leisure club in tourist area



Construction works in Renaissance Village in Duqm

Muscat - :

Renaissance Services Company, a joint-stock company publicly listed at MSM, announced its intention to expand Renaissance Village in Duqm currently under construction to accommodate up to 16 thousand beds with many other services.

Last February, SEZAD granted Renaissance Services Company land usufruct for the expansion of Renaissance Village in Duqm at an additional area of (71,805) meters, and the Company allocated OMR 5,000,000 to invest in the new project, which includes the construction of a variety of rooms, restaurants, and many other services.

Through this expansion, the company is seek-

ing to keep pace with growth in the number of population in SEZD and the increased movement of projects. The project will take two to three years for implementation and provide 100 new jobs.

Earlier, Renaissance Services Company said that Renaissance Village in Duqm will complete during the current year.

At the same level, Renaissance Services Company signed with SEZAD an agreement under which the Company acquired the usufruct of a land for construction of the leisure club in the tourist area on an area of 10 thousand square meters at an investment cost of about OMR 3,000,000. The project includes - which provides about 40 jobs - will include restaurants, playgrounds, open swimming pools and a number of other services.

 **Provision of 140 new jobs in investments of OMR 8,000,000**

 **Construction of variety of rooms, restaurants, playgrounds and outdoor swimming pools**



Construction of an international school in Duqm and opening in September 2018

Al-Tamman Holding Company invests OMR 6,500,000 to build Al-So'od International School

Focus on enabling students to grow in a stimulating educational and international environment

School has 100 classrooms with a capacity of up to 2,500 students

Muscat -  :

In February 2016, the Special Economic Zone Authority in Duqm (SEZAD) and Al Tamman Holding Company, signed an agreement under which the company acquired a land usufruct in SEZD for the construction of an international school. This move is in line with SEZAD vision to make Duqm meet the aspirations and needs of its population and become a place appropriate for living, residence, and work.

H.E. Yahya bin Said bin Abdullah Al-Jabri, Chairperson of SEZAD, signed the agreement on behalf of SEZAD, while Mr. Himansu Mohapatra signed it for the company in his capacity as its General Manager.

The propose of a new educational establishment wish call (A'Soud Global School) will deliver international school programs based on the IGCSE curriculum. It will target both Omanis and expatriates to ensure a good mix of representation in the school and will be a Global School having an integrated focus on academics, social services, community development and community engagement leading to improved student learning and healthier community.

The school will also offer a personalized curriculum that emphasizes real-world learn-

ing and problem-solving thereby helping students to acquire skills for designing their future in a society that is increasingly dependent on imagination, creativity and innovation.

The proposed institution will start its operation in September 2018 on a land area of 15,000 square meters. It will be a co-education school catering to students from age group of 3 to 18 years. The Global School in Duqm will rely on two principles: to enable children to flourish in a stimulating educational and international environment and to provide internationally mobile families with a stable educational framework.

The institution will have 100 classrooms with a maximum of 2,500 students. The company expects to start the school with 166 students in its first year, and then reach 1729 students over 10 years.

In addition to classrooms, the school facilities will include labs for science, ICT, physics, chemistry and biology, audio-visual room, library, Arabic tutoring rooms, yoga room, swimming pool, football pitch, basketball, volleyball and badminton courts, various sports facilities to mention only a few.

The institution will be setup in two phases: phase I will have a built up area of 6,500 square meters, while phase II will have an area of 5,500 square meters.



Façade of Al-So'od International School



Initial perception of Al-Sorod International School in Duqm

Establishment of laboratories for science, ICT, physics, biology, and chemistry

The commitment of the school will be to recruit highly qualified teachers and support staff with relevant, international experience and proven performance. Hailing from across the country and globe, our faculty and support staff will come from a diverse pool of nationalities, adding to the diversity and international-mindedness of our school environment.

The estimated investments of the Company in the international school project is OMR 6.5 million, including OMR 4 million for infrastructure and OMR 2.5 in form of working capital.

According to the feasibility study prepared by the company, the school will generate a fair number of direct, indirect or induced jobs estimated at 50 for senior management, academic and administrative staff in the first year rising to 124 in the fifth year and 183 in the tenth year. Other than the direct jobs

the school will outsource various activities which would include transportation, facilities management, security, landscaping, tours, medical services, sports etc. resulting in an indirect job creation for at least 200 people in the next 5 years. During construction stage, it will also create ample job opportunities for local contractors.

The school will follow the directives of His Majesty Sultan Qaboos underlining the growing need for collective efforts to boost Omanization. The school will employ Omani nationals based on their qualification and availability for the positions of Deputy Head Teacher, teachers of Arabic and Islamic, teachers of social studies, assistant teachers, administration and support staff like PRO, security, drivers etc. It expects to achieve at least 25% Omanization by the 5th year of operation.

Company confirms its commitment to hiring the best talents with international experience and outstanding performance



At a cost of OMR 132.5 million

New agreements places Duqm Port on the global investment map



Signing third package agreement

**Al-Jabri:
Duqm Port is
a prime mover
of SEZD**

Muscat - :

In the first quarter of this year, SEZAD signed two agreements for the implementation of the third and fourth packages of Duqm Port within its efforts to complete the implementation of the Port to be one of the main ports on the international shipping lines. The total cost of the two projects is OMR 132,500,000.

The third package relates to the construction of the commercial pier terminal. This includes the construction of roads, gate, inspection area, truck registration building, one-stop shop building, customs building, and other buildings related to clearance matters. United Gulf Construction Company shall implement the project within 36 months from the awarding date. It has expertise of 40 years in the construction industry since its inception in Kuwait in 1975. The project will cost OMR 77,100,000.

As for the fourth package, it relates to the establishment of government pier infrastructure, the first integrated wharf implemented in the Omani ports to serve government agencies. The cost of the project shall be OMR 55,400,000 and implementation period shall be 30 months from the date of awarding in addition to 30 days of preparations. Combined Group Contracting Company, a Kuwaiti public shareholding company listed on Kuwait Stock Exchange, won the project.

Strategic Multi-Purpose Port

Strategic Multi-Purpose Port

H.E. Yahya bin Said bin Abdullah Al-Jabri, SEZAD Chairperson, asserted the government's commitment to complete the construction industry since its inception in Kuwait in 1975. The project will cost OMR 77,100,000.



Active movement in Duqm Port

Construction of commercial pier terminal and government pier infrastructure

tion of Duqm Port project and several SEZD infrastructure projects adopted earlier.

In a press, Al-Jabri stated that Duqm Port is one of the prime movers of SEZD. "It is a multi-purpose strategic port intended to supplement the government efforts for economic diversification. It has a unique geographical location near the international shipping lines and the African and Asian markets and able to attract various companies. The equipment and level of infrastructure it has as well as the benefits provided by SEZAD to the investors in SEZD contribute to attract many international shipping lines, which will contribute to the development of many commercial and industrial activities and enhance the role of the Sultanate in the logistics sector," added SEZAD Chairperson.

He noted the sophisticated infrastructure of the Port, pointing out that the total lengths of wave breakers is about 8.7 km while the depth of the harbor basin is 18 meters and the entrance channel 19 meters, which qualifies it for the reception and handling of giant container ships. "Moreover, the Port has enough space sufficient for future expansions and this qualifies it for the construction of more than one oil refinery and many heavy industry and petrochemical projects," indicated Al-Jabri.

Third Package

The third package of Duqm Port includes the construction of roads of 8 km with a variety of cross sections as well as all internal access roads to buildings and parking lots, paving

Duqm Port has enough space for future expansions and more than one oil refinery



Government pier is one of the most important security facilities in Duqm Port

Construction of fast ferry passenger building along with required services and facilities



Signing agreement of fourth package of Duqm Port

parking spaces to serve all activities, design, supply and installation of traffic lights, and construction of two helicopter pads.

The third package also includes the infrastructure of the drinking water system, firefighting and drainage networks, rain/surface water drainage channels, electrical work, communications, street and yard light, in addition to fencing and secondary gates.

With regard to buildings, the third package includes the construction of three buildings in the commercial pier area. These include exit and entry cabins of commercial gate, one-stop shop building, pass permit offices, and offices of customs, Ministry of Health, Ministry of Agriculture and Fisheries.

Government Pier

The government pier of 980 meters is one of the most important security facilities at Duqm Port allocated to a number of government agencies, as well as fast ferries. It will provide readiness to manage logistics opera-

tions for these entities and to full security to the Port and entire SEZD.

The project works include extension of electricity, water, telecommunications, sanitation, and fire-fighting networks, construction of four pumps, canals to drain surface water, water tanks, fencing of government pier, and construction of the main gates and security gates.

The length of roads on the government pier shall be about 2 km and a width of 7 meters. These include major and internal roads with road lighting and parking for vehicles of all kinds. The project includes the construction of three helicopter pads.

The project also includes the construction of buildings of a number of government agencies, staff housing, administrative offices, and areas for logistics services. The project also includes the construction of a fast ferry passenger terminal along with the required services and facilities, such as waiting halls, stores, and buildings of public services.



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The Future of Empty Space Lands in Oman

I was greatly motivated and induced by the keen and wise decision announced and taken by His Majesty Sultan Qaboos, the great to expand the area of Al Duqm Special Economic Zone from 1745 square kilometers to 2000 square kilometers to become one of the biggest economic zones in the world. I believe the objective of this decision was not merely to (expand and enlarge this key) economic zone but also to express the visions of a leader who is personally well versed with the concept of transformation and change on the long run and the resoluteness of will. For who would have ever imagined that within the span of four decades the Sultanate of Oman would emerge as a country playing a vital regional and international role and a promising destination in the field of tourism by attracting visitors from around the world to enjoy the modern infrastructure, the authentic and vibrant culture and Oman's captivating natural landscape.

His Majesty could have settled for the original area as quite sufficient to position Al Duqm Special Economic Zone at a leading position among competing zones in the region and the world and that such expansion may entail unnecessary or avoidable costs now instead in perhaps 15, 20 or 25 years where it would be better to make such decision. However, Sultan Qaboos is known for his sagacious leadership and for his farsightedness and his decision to expand this zone reflects a the same futuristic vision that His Majesty saw when he rose to the helm of power to establish modern Oman.

One of the common weaknesses of Arab culture is the lack of future vision. We are not talking about long term plan here as we have seen how many of our Arab cities have been lost in unplanned and entangled urban mazes that grew to become like an iron chain suffocating these cities due to the lack of strategic vision. There are many examples around us of businesses, companies or new districts that could have benefited from thousands of acres of vacant land around it but failed to do so and as a result, became eventually trapped by urban growth.

Back to Al Duqm Special Economic Zone, the author of these line believes that the decision to expand into the oil storage operations is a clear indication that manipulation of oil prices and markets is bound to continue and may become an established and accepted business practice. Therefore, accumulating large quantities of stored crude will be effective in ensuring uninterrupted and continuous supplies and a strong safeguard against the risks of spot and daily sales. I also believe that Al Duqm Special Economic Zone will novel economic and business activities that are impossible to predict now but will exist in the future. From a pragmatic point of view, only reasonable investments are initially needed for the expansion since it is a prudent business practice to restructure the general plan to take the expansion into consideration in order to maximize the returns from any investment spending. Another key element to take into consideration is to en-

sure that infrastructure is completed reasonably ahead of the setting up of projects and the incorporation of companies so that when any given company or project completes the formal registration and licensing process can immediately begin its business activities and the construction of services, industrial or administrative facilities without any undue delays. However, and at the same time, it is unadvisable to radically and rapidly expand in infrastructure works so that such infrastructure is complete a long time before projects because this would entail a waste of precious funds and resources. Therefore, it may not be feasible to extend electrical power, water and gas lines to cover the entire expanded area even if it is well known that it not be immediately used.

In all cases, marketing and promotion efforts for the total area of the expanded economic zone is critical and important especially for strategic investors who plan for their businesses to say in the Sultanate of Oman for decades. So, if competent Omani and foreign engineers are able to create an adaptive and fixable long term plans, there is no doubt that those who will inhabit and frequent this zone as tourists or visitors and other developments will generate ideas that are impossible to predict now. Therefore, it is important that these new ideas find a margin of space allowing adaptability and response.

There is little doubt several strategic factors led to the His Majesty's decision to expand the Duqm Special Economic Zone to create a geo-strategic and developmental reserve to accommodate the future growth of Oman and become a source of inspiration that such arid desert land overlooking the great ocean well-known to our great grandfathers can be a source of substantial benefits.

Thanks to the developed documentation capabilities available today, the Duqm Special Economic Zone Authority may start form now to document qualitative data on naval and logistical activities with respect to ports integration inside the Sultanate of Oman on one hand and relationship with the external world on the other. Technological advances now allow us to instantaneously calculate trade proceeds and volumes in all ports and around the clock. This information can be used to determine cargo release times and compare this data with past records, as well as, to document import and export details and to prepare general and product specific custom release certificates to compare the final release time from logistic zones complexes with other ports. In this way, it will be possible to measure and document every step, input or output, as well as, human activities to construct a representation of the living history of this site that serves as valuable material for future analysis and inspirations to continue the march of development.

NB:

Al Aradh Al Barah means the undeveloped and uncultivated Empty Space lands

Two lease agreements signed with local companies

Duqm Port provides facilities for export of dry commodities



Reggie Vermeulen: we look forward to place Duqm Port among the most important major international hubs for exports of industrial metals

Duqm - :

Duqm Port managed to provide the service of exporting dry cargo with the first shipment of dolomite shipped from the commercial pier recording a new success of the Port, which is looking forward to supporting the various industries in SEZD.

The first ship that sailed from Duqm Port in February 2016 to India carried three types of dolomite totaling approximately 50 thousand metric tons and the metal originated from a quarry located about 30 km from the port. The estimated product reserve is 300 million metric tons and it is expected that this mine would produce hundreds of thousands of metric tons

per month the largest share of which shall be exported through Duqm Port. Dolomite is used in producing building materials and steel industry, in addition to its use in ceramics, cement and glass production.

Reggie Vermeulen, CEO of Duqm Port indicated that the “metallurgical industry is one of the industries that Duqm Port is looking forward to supporting. The flow of metals through the port contributes to the establishment of medium-term metal Industries and thereby provide many jobs for Omanis in this area.”

“Duqm Port is fully equipped to deal with this type of operations in record time, hence placing it among the most important export international hubs of industrial metals in the next few years,” added Vermeulen.





Signing agreement with Duqm Civil Company


Engineering Services Company: providing a platform to support advanced technology for maritime and oil and gas sectors in the Sultanate


Civil Duqm Development Company: providing a variety of services in warehousing and logistics

In addition to dolomite, there are also other ores in Duqm, such as gypsum, silica sand and limestone expected to contribute to feeding the major industries in SEZD.

Signing of two lease contracts

On the other hand, Duqm Port Company signed in the first quarter of this year two agreements for leasing land of a total area of 11 hectares in its own concession area for 25 years.

The first agreement was with United Engineering Services Company regarding an area of 6 hectares for use in the services of technology, oil field supplies, power generation, gas and water services, while the second agreement was with Duqm Civil Development Company regarding an area of 5 hectares to provide logistics services.

United Engineering Services Company is a wholly owned subsidiary of MB Petroleum Services, a supportive company in the field of engineering services in the Sultanate for more than three decades.

The area dedicated to the company is in the middle of the Port near the logistics area,

Dry Dock and commercial pier. Neville Storey, CEO of United Engineering Services Company, stated that they were proud to be part of the continuous development of Duqm Port. "Our relations with Duqm Port will provide a base for us to support cutting-edge technology for the marine industry, oil and gas in the Sultanate," said Storey.

As for Duqm Civil Development Company, it is a joint-stock company established by the people of the Wilayat of Duqm in order to contribute to the support services for SEZD. Through signing the agreement, the company seeks to provide multiple services in warehousing and logistics. Its land is close to the commercial pier.

His Excellency Sheikh Taher bin Mabkhout Al-Junaibi, CEO of Duqm Civil Development Company indicated that that agreement was the culmination of the existing cooperation between Duqm Port and the company, which lasted since the start of the initial operations of the port three years ago. The company has been providing the logistic services to the port and the companies operating in the oil and gas sector in the Sultanate.



Exchange of instruments of agreement signed with United Engineering Services Company

Integrated system of Environmental Management in SEZD

SEZAD prepared an integrated system of environmental management based on Royal Decree No. (119/2011) that vested SEZAD with the application of the laws and regulations on environmental protection and the issuance of the necessary environmental permits for projects. In implementation of these goals, SEZAD established the Department of Environmental Affairs concerned with the achievement of all environmental objectives assigned to SEZAD based on the principle of environmental sustainability and institutional corporate governance.

One of the main objectives of the Department is to instill environmental culture and awareness among workers and residents in SEZAD, prepare an integrated environmental management system for achieving all SEZAD strategic objectives and activate the commitment of all industrial and economic institutions in SEZD to applicable laws and environmental regulations. The Department also aims to manage existing and potential environmental risks related to the projects in SEZD and develop appropriate solutions according to the Omani environmental and international environmental laws, regulations and best practices towards the achievement of environmental sustainability. The Department works to achieve all the desired environmental objectives through its various divisions.



By: Iman Salim Al-Maqbali:



Environmental Impact Assessment and System

The Division for Assessment of Environmental Impact and Studies reviews the environmental and social effects of the economic and industrial projects scheduled before they start. These studies can bring many environmental and economic benefits such as reducing the cost and time to design and implement projects and controlling environmental effects resulting from project establishment and operation. EIAs are the most important document provided by the project owner on how environment-friendly his project is and assert that proper management plans are executed so that it does not damage the surrounding environment and public health of the citizens and residents near the project.

The said Division took many measures and provided many facilities for projects to speed up their implementation in SEZD or investors. By the end of 2015, more than seven preliminary studies and eight comprehensive environmental impact studies were reviewed and approved. The Division also prepares environmental conditions for investors in SEZD. The environmental studies reviewed and approved included Duqm Refinery and its camp, Packages 2, 3 and 4 of Duqm Port, and Crude oil depots in Duqm Port. They also included Jaraf and Say dams and their channel, oil and gas facilities

corridor, cement production factory and brick project in Duqm Port.

Waste Management

Waste Management Division coordinates with and follows up with the wastes generated in industrial and economic institutions and guides the industries in how to manage and dispose of it according to the applicable environmental laws. The Division is also responsible for the management of all waste disposal facilities in SEZD and follow-up of the implementation of environmental legislation, regulations, laws, and decisions related to waste management systems by all industrial enterprises in SEZD. It also evaluates and visits locations subject to complaints such as indiscriminate disposal of hazardous and non-hazardous waste and construction waste. It coordinates with relevant agencies and work to find appropriate solutions to address the situation. This is achieved through periodic inspections and environmental control of the projects and companies in SEZD in order to assess their overall situation and ensure their compliance with environmental requirements in the field of waste management and methods of disposal.

SEZAD, in collaboration with the Ministry of Regional Municipalities and Water Resources, set up a wastewater treatment plant with a ca-



SEZAD engineers are pursuing workflow in the new landfill

Focus on the study of environmental impact of projects and activating commitment culture by industries operating in SEZD

Continuous inspection and control of the environmental impacts from the projects implemented

Construction of sewage treatment plant with a capacity of 2,000 cubic meters per day



Work in industrial waste processing unit and landfill

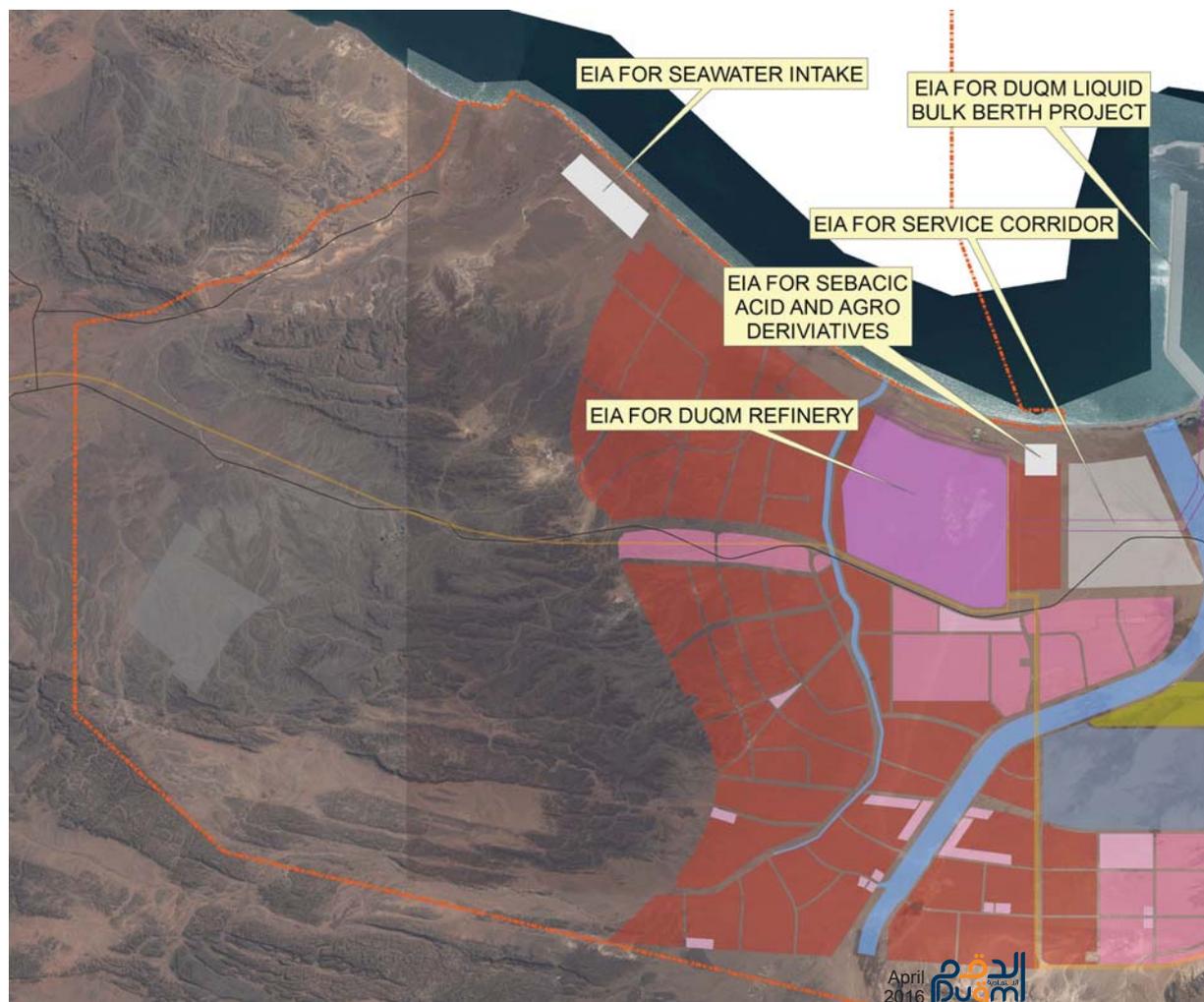
capacity of 2,000 cubic meters per day designed to serve approximately 16,600 inhabitants and currently sewage disposal to the STP is done through the vacuum trucks. SEZAD also cooperated with Oman Dry Dock Company to set up a plant for receiving and processing oily waste generated from the ships undergoing repairs in the dry dock facility.

The new landfill for storage and treatment of hazardous and non-hazardous waste is a promising environmental project in waste management under the ambit of the Division in cooperation with the Omani Environmental Services Holding Company "Be'ah" expected to com-

mence operation in the fourth quarter of 2016.

In addition, the Division provides a number of services to investors. These include technical advice, provision of information and data on hazardous and non-hazardous solid waste management, introducing the investor to utilities for waste management and evaluation of plan for management of waste of industrial and development facilities. It also introduces them to legislations, regulations, laws and ministerial decisions related to waste management and propose technical and practical methods of how to deal with the potential waste output of the proposed projects based on existing environmental laws.

Construction of a plant for receiving and processing oily waste from ships faring Duqm Port



Permitting and Inspection

The Division of Control, Inspection, and Environmental Permits in the Department issues necessary environmental permits for all economic and industrial installations in SEZD. It also inspects the industries to verify their compliance with the provisions of the Law on Environmental Protection and Pollution Control and environmental regulations mentioned in the issued environmental permits.

The Division inspects the institutions and companies operating in Duqm and under implementation, during all phases of the project, to make sure that the companies adhere to the environmental regulations and standards to preserve environment. It also follows up and monitors the environmental performance of projects after the issuance of environmental permits, during the two phases of construction and operation, through the environmental inspection program.

Pollution Control and Monitoring

Pollution Control Division reviews sample analysis and monitoring reports of all industrial enterprises in Duqm to control any contamination that may result from their industrial activities. This is done through periodic inspections and follow-up of monthly reports to ensure conformity of outputs of all environmental elements in industrial institutions in SEZD with applicable environmental laws and regulations.

The project for cleaning lagoons, rehabil-

itation of the affected sites and protection of groundwater from contamination is among the most prominent projects carried out by the Division. In this context, it rehabilitated 16 lagoons and backfilled them in an environmentally appropriate way.

Conservation of Nature and Heritage

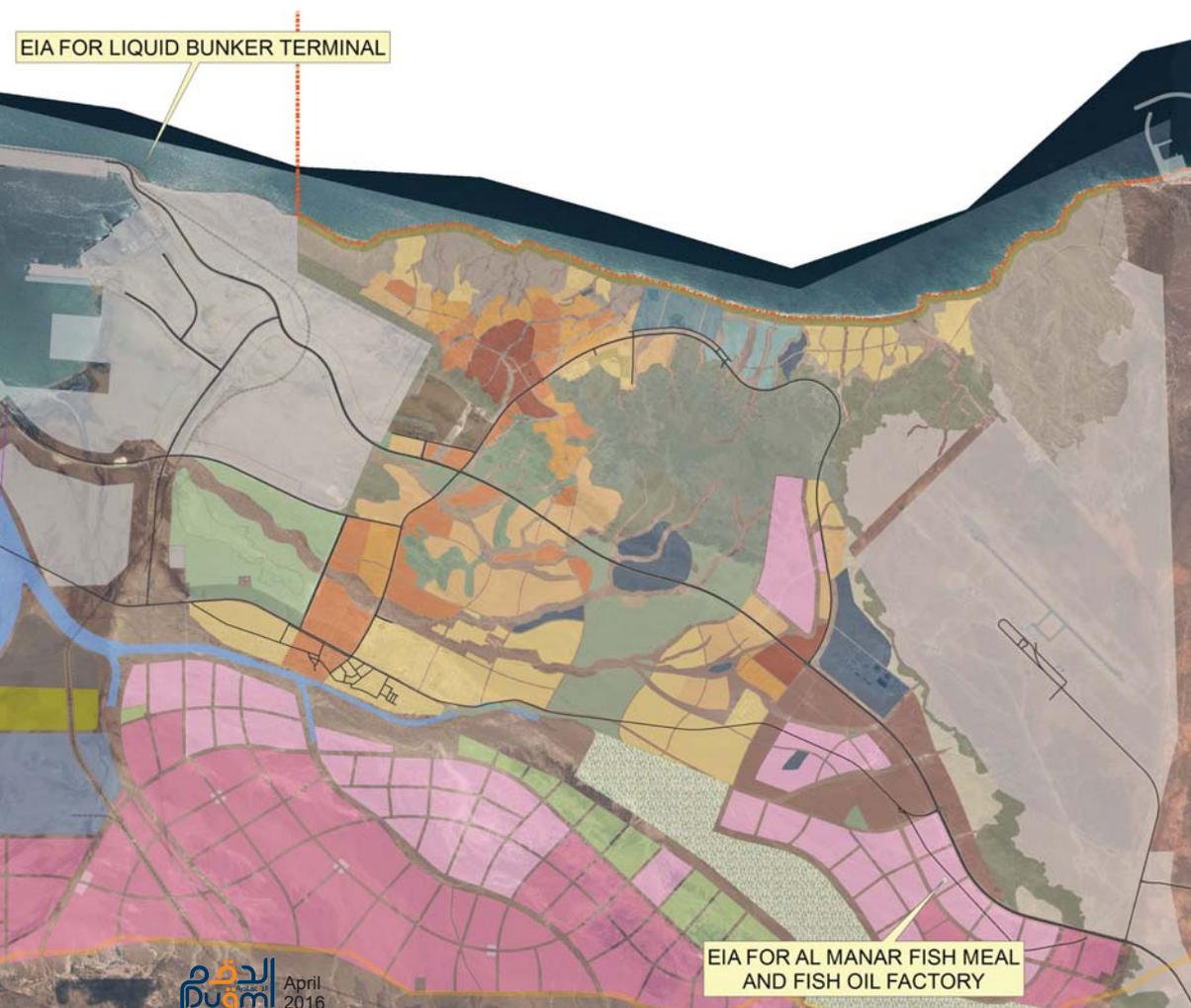
Wilayat of Duqm features a number of archaeological sites dating back to the Stone Age. Archeologists found sites that included numerous remains of stone tools, which indicates that these sites were centers for the manufacture of stone tools in the past.

The results of exploration studies in various locations in Duqm indicate that man performed a number of marine professions at the time, such as fishing, shipbuilding and others. Given the importance of protecting the natural environment and the living organisms therein, SEZAD established the Department of Conservation of Nature and Heritage under Environmental Affairs Department for the implementation of projects concerned with the maintenance of the marine environment and biodiversity, and the preservation of heritage and archaeological sites, sustainable development and environmental awareness.

Currently, the Department cooperates with the Ministry of Heritage and Culture to carry out studies to assess all archaeological sites in SEZD, determine their importance, and ways to handle and maintain them.

Implementation of projects concerned with the conservation of the marine environment and biodiversity and preservation of heritage and archaeological sites

Operation of the new landfill by the end of the year 2016



Oman Dry Dock enters the world of military ships and fleets maintenance



Dr. Ahmed Al-Abri, Deputy CEO for Operations, Oman Dry Dock Company, and John Hui, CEO of Babcock International Group, during MoU signing

MoU with Babcock International Group of Companies for integrated solutions in systems management in the off-shore support sectors

Muscat - :

This year, Oman Dry Dock Company inaugurated a new stage added to its success record achieved since it started its activity four years ago. Last March, it signed a memorandum of understanding (MoU) with the British Babcock International Group specialized in the provision of services engineering support under which the company entered the world of military ships and fleets maintenance.

His Excellency Sheikh Dr. Abdul-Malik bin Abdullah Al-Hinaey indicated that the growth and development of capabilities is going on for Oman Dry Dock to ensure success in the next stages.

He described the MoU signed with Babcock International Group as the beginning of a new stage in the world of ships and military fleets' maintenance. "We are seeking to expand off-shore services in this area. The MoU allows the

company to expand its customer base in the global market," said Al-Hinaey.

He added: «We are very happy with the ongoing success we are witnessing today and the attraction to the maritime sector services provided by our company to its customers from different countries. The MoU is an affirmation of our commitment to continue to work in order to achieve greater excellence in the provision and meet the needs of the labor market to conform to the expectations of customers.»

Integrated solutions for systems management

The MoU signed by Oman Dry Dock and Babcock International Group provides for the development and provision of integrated solutions for systems management in the sectors of offshore support jointly in the Wilayat of Duqm. The MoU followed a period of intensive efforts to share the experiences of one of the largest dry docks to repair merchant ships in



SEZAD Chairperson reviews areas of cooperation with British Defense Minister

the region with Babcock International Group's experience in the field of naval support. The MoU provides for establishment of a joint venture capable of providing engineering services to international standards for domestic and international naval forces fleets in this strategic location.

International standards

For his part, John Hui, CEO of Babcock International Group, said that the MoU with Oman Dry Dock Company has the support of the Governments of the United Kingdom and the Sultanate of Oman. "We are constantly striving to develop and improve our services to our customers. This agreement to form a joint venture represents an important step in our common commitment to provide world-class offshore support," stated Hui.

For his part, Mike Willie, GM of Babcock for warships said: "We are delighted to be the partner of choice by Oman Dry Dock for the establishment of this joint naval power. This achievement is a significant positive step toward our common goal. We are fully committed to continue to develop this initiative, along

with Oman Dry Dock Company in operating and future growth stages," indicated Willie.

Expand of company's business

Dr. Ahmed Al-Abri, Deputy CEO for operations, Oman Dry Dock Company, stated that the MoU promotes the expansion of the scope of work and services of Dry Dock Company to reach a larger segment of customers domestically and internationally. "The Company is seeking to implement the best international practices in the maritime sector by providing high quality and specialized services for business customers, and military sector, as part of its continuing quest to be the best ship repair dock in the region," said Al-Abri.

Aspects of cooperation

The signing of the MoU took place on the sidelines of the visit of His Excellency Michael Fallon, British Defense Minister, to the Sultanate. During the meeting, held prior to the signing of the MoU, the two parties reviewed the existing bilateral relations between the Sultanate and Britain in the common areas, and the role of visits between the two countries in

Dr. Abdul-Malik Al-Hinaey:
development of Oman Dry Dock capacity is continuing



John Hui:
provision of excellent offshore support



Many possibilities in Dry Dock


Converting the giant Greek ship «Olympic Trophy» into crude oil tanker

promoting cooperation.

H.E. Yahya bin Said bin Abdullah Al-Jabri briefed the British high-profile visitor on the possibilities and advantages of SEZD and the incentives provided by SEZAD for investors and projects implemented there.

Al-Jabri welcomed British investments in SEZD, praising the cooperation between companies operating in SEZD and the British companies. He pointed out that SEZD has diversity of investment opportunities available to investors and enjoys local and international attention.

For his part, His Excellency Michael Fallon, the British Defense Minister, commended the growth and prosperity witnessed by the Sultanate in the era of modern renaissance, hoping to strengthen the existing co-

operation between the two countries.

Converting “Olympic Trophy” into a crude oil tanker

In the Wilayat of Duqm, Oman Dry Dock Company received in March 2016 the giant Greek ship «Olympic Trophy» under its deal with the Greek company Springfield Maritime to convert its iron carriers and tankers of crude oil to only crude oil tankers.

This process, which began in March and will last 80 days, involves more than 300 workers and using more than 2,200 tons of iron.

Recently, Oman Dry Dock Company has completed the conversion of three ships of Springfield Maritime from iron ore and oil tankers to only crude oil tankers, namely: Olympic Luck, Olympic Lion, and Olympic Leopard.



World Free Zone Convention Grants SEZAD Website Award

Bangkok -  :

The Fourteenth Session of the World Free Zone Convention granted SEZAD the Internal Website Award.

This followed an assessment carried out by the conference organizing company for the websites of participating economic authorities and zones. It pointed out that it granted SEZAD this award in recognition of the richness of its website, which gives the investor a clear idea of the characteristic investment environment and available projects in SEZD. It indicated that the continuous updating of news and tenders and providing footage materials and publications on the website help attract investors.

Muhammad bin Ahmad Al-Shezawi, Director of Awareness and Media at SEZAD and editor in chief of Duqm Economist Journal, received the award. This award shed light on the investment in SEZD in one of the specialized international conferences in the field of economic and free zones attended by representatives from 21 countries.

The conference, held in Bangkok, Thailand, from 27 February to 1 March, reviewed the global economic trends that affect economic zones with regard to free trade agreements and their impact on economic zones and investment trends. It also touched upon the importance of geographical location, industries in economic zones, and importance and feasibility of investment in border free zones.

The conference also touched on foreign direct invest-



ment and its relationship to the growth and development of economic zones and financing and development of infrastructure to attract more investments, along with the gains achieved by the economic zones that enjoy diversity in the areas of investment and have ports and airports.

The conference sought to highlight the customs regulations used in economic zones, and touched on the gains achieved by the logistics there, the opportunities available in this sector and the challenges it faces, and how to exploit the site to connect a company's services between its targeted local and foreign markets.

SEZAD adopts Customs Management System and sets fees for services

Muscat-  :

In February 2016, SEZAD adopted the customs management system in SEZD applicable to the goods that enter or exit SEZD. The same controls and procedures laid down in the law and its implementing regulations apply on conducting customs inspections quickly and effectively, clarity and transparency of valuation grounds, simplicity and quickness of customs clearance procedures without prejudice to efficiency, and comprehensive and precise examination of controlled samples at a single site.

Under the customs management system exempted from customs duties shall be the goods imported by the projects registered in SEZD commercial register from within and outside the Sultanate to SEZD, and goods exported by the projects in registered in SEZD commer-

cial register from SEZD abroad.

The system stressed the need for projects that import exempted goods to store them in accordance with the conditions and regulations stipulated in the system, and not to dispose of the goods in other than the purposes for which they imported them as in the customs undertakings. They should also abide by the conditions of their respective economic activities.

On the other hand, SEZAD began the application of the new fee schedule for services provided to investors and users of its services on 1 March 2016.

The registration fees in the commercial register are OMR 1,000 renewable every five years. According to the decision issued by H.E. Yahya bin Said bin Abdullah Al-Jabri, SEZAD Chairperson, SEZAD set the fees for the licenses it issues to engage in economic activities. These fees vary from one activity to another.

Attractive legislation to place Duqm on world in- vestment map (3-3)

Duqm :

The legislative environment receives the attention of SEZAD as main route to achieve justice among the various investors and prepare SEZD to compete locally and globally. The laws and legislation prepared by SEZAD since its founding in 2011 target the development of SEZD on the global investment map.

According to regulations issued in 2015, SEZAD seeks to provide an encouraging investment environment through a number of legislations including the Regulation on Organizing the Investment Environment in SEZD, which organizes licensing the economic activities. It stipulates that it is impermissible for projects to engage in any economic activity within SEZD before obtaining a license from SEZAD.

In 2015, SEZAD also issued the Regulation of Environmental Permits, which emphasizes the importance of preserving the environment in the various projects implemented in SEZD. SEZAD is the entity that issues the environmental permits for projects and take the necessary environmental measures. The Regulation stresses that projects may not operate or amend their activities before obtaining an environmental permit from SEZAD.

To achieve the benefit of these legislations, published the Regulation on Organizing the Investment Environment and Regulation of Environmental Permits and shall publish the remaining regulations in the April issue.



Decision No. 327 /2015

Issuing the Regulation organizing the use of the State Owned Lands at the Special Economic Zone at Duqm

In pursuance to Royal Decree No. 119/2011 establishing the Special Economic Zone Authority at Duqm and issuing the Zone's Articles and Articles of the Special Economic Zone at Duqm issued in pursuance to Royal Decree No 79/2013;

Royal Decree No. 44/2014 lifting the capacity of a public utility from some of the schemes within the scheme of the Special Economic Zone Authority at Duqm;

Approval of the Board of Directors of the Special Economic Zone Authority at Duqm in the Board's fourth meeting held on 31 December 2014;

And on the basis of public interest,

It has been decided

Article One

Provisions of the attached Regulation shall apply to regulating the use of the State owned lands at the Special Economic Zone at Duqm.

Article Two

There shall be abolished everything that contravenes this Decision, the Regulation attached thereto or contradicts with its provisions.

Article Three

This decision shall be published in the Official Gazette and shall be effective from the date following the date of publishing.

Issued on: 26 Ramadhan 1436 hijri

Corresponding to: 13th July 2015

Yahya bin Said bin Abdullah Al Jabri
Chairman of the Board of Directors

IMPORTANT NOTE:

The regulation issued originally in Arabic. In the event of inconsistency between this translation and Arabic regulation, the Arabic text will prevail.

The Regulation organizing the use of the State Owned Lands at the Special Economic Zone at Duqm

Chapter One Definitions and General Provisions

Article (1)

In the application of this Regulation, the following words and terms shall have the meanings assigned thereto them unless the context otherwise requires:

Authority: The Special Economic Zone Authority at Duqm

Zone: The Special Economic Zone located in the State of Duqm for the purposes of establishing the economic and service projects and other projects within the boundaries and location shown in the Scheme attached to Royal Decree No. 119/2011 and Royal Decree No. 44/2014 referred to above.

Board: Board of Directors of the Authority

Chairman: Chairman of the Board

Projects: The projects licensed to be established at the Zone, whether they are in the form of individual institutions, firms, company branches or foreign institutions or the licensed professional or handicraft activities to be practiced at the Zone.

Activity: Any commercial, industrial, agricultural, tourism, media, service or professional activity.

Usufruct Permit: The approval issued by the Authority to the project to use the State owned lands at the Zone.

Licensee (The User): Any person or body who has obtained a usufruct permit from the Authority.

Article (2)

Provisions of this Regulation shall apply to the State owned lands at the Zone. In case that there is no special text provided for thereon in this Regulation and the decisions issued in implementation thereof, provisions of Royal Decree No. 5/81 on the regulation of the use of lands in the Sultanate, the Executive Regulations and the decisions issued in implementation thereof shall apply.

Chapter Two Licensing Conditions for the use of the State owned lands at the Zone

Article (3)

The Authority may alone issue permits for the use of the State owned lands at the Zone. No person or body may use these lands without obtaining prior permit therefor from the Authority, in accordance with the provisions of this Regulation.

Article (4)

Usufruct permits shall be issued to the projects in return of an amount of money determined by the Board upon approval of the Ministry of Finance for practicing or expanding their activities or constructing accommodation buildings for their employees.

Usufruct permits shall also be issued to the governmental bodies, places of worship, institutions of public use nature and charity societies against a nominal amount of money or free of charge, with a decision established from the

Board upon approval of the Ministry of Finance.

Article (5)

The right of use of the State owned lands at the Zone is subject to the provisions of this Regulation and conditions set forth in the Usufruct Agreement concluded between the Authority and the User in accordance with the form developed by the Authority in such a way that does not contravene with the provisions of this Regulation.

Article (6)

The right of use of the State owned lands at the Zone is considered a temporary right in rem which shall expire with the expiration of the period determined thereof or expiration of the project, whichever comes first.

Article (7)

The Usufruct Agreement concluded between the Authority and the User shall comprise of the following:

1. Determine the location and area of the used land and nature of the use thereof
2. Determine the annual fee of the right of use, annual increase rate that may be effected during the agreement period and mode of payment.
3. Determine the financial guarantee to be furnished by the User.
4. Determine the period of use.
5. Description of the project, its various components, implementation phases and the time schedule thereof.
6. Determine the project documents required to be furnished to the Authority and procedures of

Land Usufruct Regulation offers many advantages and determines usufruct period not exceeding 50 years

dealing therewith.

7. Determine the two parties' obligations.

8. Determine the circumstances for the termination of the agreement.

9. State the ensuing impacts on each party due to the breach of obligations and termination of the agreement.

10. Any other additional clauses the Authority may deem appropriate to include in the agreement.

Article (8)

The land the subject of the use shall not be split whatever the reason for the split may be.

Article (9)

There shall be observed in determining the area of the land licensed for use by the projects, to be appropriate for the nature of the activity and actual needs.

Article (10)

The use by the projects of the State owned lands at the Zone shall be for the period the project continues to practice its activity, provided that such a period does not exceed (50) fifty calendar years, renewable subject to an application filed by the User and approval of the Authority.

Article (11)

There shall be observed in the right of the use prescribed under the provisions of this Regulation that the purpose of the use is in agreement with the planning prepared for the land.

Chapter Three Procedures for obtaining the Usufruct Permit

Article (12)

The application for obtaining the usufruct permit shall be submitted by the concerned body or his legal representative to the Authority in accordance with the form prepared for this purpose, attaching therewith the documents and data contained in the form prepared for this purpose. The Authority may request the documents and data it may deem appropriate to decide on the application.

Article (13)

The Authority shall study the application and take a decision thereon within not more than (30) thirty days from the date of the submission thereof, satisfying all the required data and documents. In case of elapse of the mentioned period without any decision being taken thereon, the decision shall be deemed as "acceptable". In case the application has been rejected, the decision must be justified.

Article (14)

The Applicant for the permit shall be notified of the decision issued thereon at the address recorded in the permit application within (5) five business days, and the concerned body may contest the decision in case of rejection before the

Chairman within (60) sixty days from the date of the notification or the date he has become aware for sure of the rejection of his application, stating therein the reasons for the appeal and attaching therewith the supporting documents.

Article (15)

The appeal shall be considered and a decision be taken thereon, either by accepting or rejecting, within not more than (30) thirty days from the date of the submission thereof and notify the concerned body of the result of the appeal. In case of elapse of this period without any decision being taken thereon, the decision shall be deemed as "acceptable". In all cases, the decision of the Chairman on the appeal is final.

Chapter Four Rights and Obligations of the Authority and the User

Article (16)

The Authority shall be committed to hand over the land, the subject of the right of use, to the User free of any rights that may prevent the use thereof in accordance with the terms and conditions contained in the Usufruct Agreement.

Article (17)

The Authority shall guarantee that the User will not be obstructed for the whole period of the use, whether by the Authority itself or any other body.

Article (18)

The User shall, personally or his associates, have the right to use the licensed land and utilize it in such a way that does not violate the provisions of the Usufruct Agreement or contravene with the provisions of this Regulation.

Article (19)

The User shall be committed to use and utilize the licensed land as follows:

1. The restrictions and rules prescribed by the Authority, as well as the restrictions set forth in the Usufruct Agreement.

2. Use the licensed land and utilize it in accordance with the purpose prepared therefor.

3. Accomplish the project on the used land within the period agreed thereupon with the Authority in accordance with the time schedule approved by the Authority.

4. Pay the right of use fee on the agreed deadline, without delay.

5. Preserve the land licensed for use and maintain it throughout the usufruct period.

Article (20)

The User may dispose of the prescribed right of use under the provisions of this Regulation, by all types of dispositions, on condition that the disposal does not contravene with the purpose for which the utilized land has been allocated, without prejudice to the ownership of the land itself and provided that the disposal is after the com-

SEZAD is the competent authority to grant usufruct rights in SEZD ... Regulation emphasizes the need to obtain prior authorization

Land area shall be in accordance with the nature of activity and actual needs

Usufructer shall hand over land free of any liens to SEZAD after the end of the usufruct period

SEZAD is the competent authority to contract for the implementation of services and infrastructure projects in SEZD

Usufruct is temporary in-kind right that ends by the expiry of the period specified or the end of the project, whichever is earlier

30 days is the maximum period for review of and decision on usufruct applications

pletion of the project and start of practicing of its activity.

In all cases, no rights shall be devolved to the disposing body except within the limits of rights of the User, period and the same conditions prescribed in the Usufruct Agreement.

Article (21)

The User must register the right of use and all disposals conducted thereon, whether by relinquishing to another one or pledging it to the Authority.

The Chairman, upon approval of the Ministry of Finance, shall determine the fee payable to the Authority in return of these services.

Article (22)

The User must be committed to hand over the used land to the Authority upon expiration of the usufruct period, free of any rights thereon.

Article (23)

The User must be committed to hand over the used land to the Authority upon expiration of the usufruct period as of the same original status, remove all the buildings and facilities set up thereon, any wastes and rubbles unless an agreement in contrary thereto has been reached.

In case that the User violates his prescribed obligations and the Authority is not interested in retaining these buildings and facilities, the Authority may take one of the following two actions:

1. Sell the buildings and facilities in public auction.
2. Remove the buildings and facilities or the wastes and rubbles, if not sold, at the expense of the User, without prejudice to the right of recourse by the Authority to the User with all the costs incurred thereon and for compensation in return of the sustained damage.

Chapter Five Final Provisions

Article (24)

The Authority may cancel the Usufruct Agreement in the following cases:

1. If the User request the cancellation.
2. If it has proved that the User obtained the permit based on incorrect data and information or forged documents.
3. If the permit for practicing an activity at the Zone has been cancelled.
4. If the project has been removed from the commercial register of the Zone.
5. In case of bankruptcy or liquidation of the User or expiration of its legal personality.
6. Any other circumstances agreed upon between the two parties.

Article (25)

The Authority may cancel the Usufruct Agreement or impose an administrative fine of not more than OMR (100,000) Hundred Thousand Omani Rials on the User if he violates any of his obligations set forth in the Usufruct Agreement, condi-

tions of the permit or this Regulation.

The Authority may not cancel the usufruct permit in the cases referred to above before notify the User of the violation attributed to the project and determine the deadline for removal of the causes of the violation and expiration of the mentioned deadline without removing the violation.

Article (26)

The Authority may cancel the usufruct permit for public utility considerations in accordance with the laws in force in the Sultanate.

The licensee shall be notified of the decision on the cancellation of the permit at the address recorded in the registers of the Authority.

Article (27)

The licensee may contest the permit cancellation decision by submitting an application to the Chairman within (60) sixty days from the date of notification of the permit cancellation, stating therein the reasons for the appeal and attaching therewith the supporting documents along with a copy of the contested decision.

Article (28)

The appeal shall be reviewed and decided thereon, either by accepting or rejecting, within not more than (30) thirty days from the date of submission and notify the concerned body of the result of the appeal. In case of elapse of this period without any decision being taken thereon, the decision is deemed as "rejection". In all cases, the decision of the Chairman on the appeal is final.

Article (29)

Cancellation of the permit in accordance with the provisions of this Regulation shall not prejudice the User's obligations toward the third party.

Article (30)

Without prejudice to the agreement concluded between the Authority and the User, if the Authority expressed interest in retaining the buildings or facilities existing on the used land after the expiration of the right to use, the Authority must take the necessary actions to purchase them in accordance with the rules, administrative and financial procedures in force in the Authority, taking the following into consideration:

1. Obtain approval of the Board for the purchase process after verifying the economic feasibility of the purchase.
2. Form a committee, by a decision from the Chairman, from among the competent employees of the Authority to evaluate the buildings and facilities existing on the land. The Committee may seek assistance from the experts and specialists for the evaluation purposes, if necessary.

Article (31)

The Authority shall have, at all times, the right to request any documents, data or information it may deem appropriate and carry out inspections to verify commitment of the User towards the provisions of the Usufruct and Development Agreement, conditions of the permit and provisions of this Regulation.

Decision NO (3/2016) Issuing Tender Regulations of Duqm Special Economic Zone Authority

Pursuant to Royal Decree NO (119/2011) Establishing Duqm Special Economic Zone Authority & issuing its Regulations,

To the Royal Decree NO (7/2013) issuing the regulations of Duqm Special Economic Zone Authority,

& to the approval of the Board of Directors of Duqm Special Economic Zone Authority,

& in pursuance of the public interest,

We have decided the following

Article One

The provisions of the accompanying regulation shall apply to Duqm Special Economic Zone Authority tenders.

Article Two

All that is contrary to this decision or contradicts with the provisions hereof is hereby repealed.

Article Three

This decision shall be published in the official gazette and shall come into force effective from the date following its publication.

Issued on: 25 Rabi AL Awal 1437 hijri

Corresponding to: 6 January 2016

Yahya bin Said bin Abdullah Al Jabri
Chairman of the Board of Directors

IMPORTANT NOTE:

The regulation issued originally in Arabic. In the event of inconsistency between this translation and Arabic regulation, the Arabic text will prevail.

Tender Regulations Of Duqm Special Economic Zone Authority

Chapter one: Definitions & General Provisions

Article (1)

In the implementation of the provisions of this regulations, the following words and expressions shall have the meaning ascribed to each of them unless otherwise implied by the context:

Authority: The Special Economic Zone Authority at Duqm

Zone: The Special Economic Zone located in Wilayat Al-Duqm with the purpose of establishing economic, service and other projects, which boundaries and sites are shown in the plan attached to the issuing decree.

Board: The Board of Directors of Duqm Special Economic Zone Authority.

Chairman of the Board: Chairman of the Board of Directors of the Authority.

Concerned Division: SEZAD administrative division wishing to contract.

Public Tender: A set of procedures publicized in accordance with the provisions contained in this regulation and its rules. It may be local or international.

Article Two:

The provisions of this regulation shall apply to all of the Authority contracts.

Article Three:

The provisions of Tenders law issued by the Royal Decree NO (36/2008) & its executive regulations issued by decision No (29/2010) shall apply if a particular text has not been provided in its regard without violating the provisions of this regulation.

Article Four:

Contracts for services or public facilities projects and other key projects in the zone shall be granted through public tender or engagement, however, contracting may also be done through any of the following means:

- A. Limited Tender.
- C. Direct Assignment.
- D. Competition.

Article Five:

Contracting shall be subject to the amounts limits allocated from the Authority budget, unless values are approved by the parties concerned.

Article Six:

While applying the provisions of this regulation, identical supplies, works or services may not be split.

Article Seven:

The Authority shall not be bound to accept the lowest bid in the tenders or engagements, even if it is technically qualified.

Chapter 2 Tender Committee.

Article Eight:

A tenders committee shall be formed, consisting of minimum (5) members from the Authority BOD, employees & those possessing experience and skills from outside the authority. Members, committee head, vice president & secretariat shall be from the authority & their names shall be announced hereby chairman decision after obtaining BOD approval.

Article Nine:

Tenders committee shall perform the following functions:

1. Process contracts that value (1,000, 000) million OMR or more.
2. Process contracts of companies established by the authority, government wholly owned companies established in the zone that value more than (3,000,000) million OMR.
3. Review technical specifications, terms, instructions and the specifications provided by the concerned division and evaluate its efficiency.
4. Determine contract method, and announcement as per the data and specifications given by the concerned division.
5. Receive bids, open envelopes or refer them to the contracting administrative division for revision, analysis and advice.
6. Receive the results of the studies, analysis from the contracted administrative division, review, evaluate and take the appropriate decision.

Regulation permit the Tender Committee to cancel any tender if it is finally discarded or if this is in SEZAD best interests

7. Prepare a special register of suppliers, contractors, and approved consultancy offices as per the criteria set by the board.

8. Set the value of tender invitation according to the mechanism approved by the chairman.

9. Review tender regulations projects that are implemented by the companies established by the Authority, government wholly owned companies established in the zone, and submit relating recommendations to the Board.

10. Suggest any amendments to the regulations, and submit recommendations in this regard to the Board.

11. Any other jurisdictions referred to tender committee by the chairman or the board.

Article Ten:

Tenders committee holds a meeting when required, upon the invitation of the committee chairman or the V.P. The meetings of the Board shall be valid only if attended by a majority of its members including the Chairman or vice president.

V.P may head the committee meetings on behalf of the chairman in case of chairman absence for any grounds.

The decisions of the committee shall be issued by an absolute majority of the members present, in cases of a tie the chairman side shall prevail.

The committee shall have the right to seek the support of experienced resources without including them for votes.

Article Eleven:

Tenders committee is entirely responsible before the chairman and the board for all of the works it is exercising.

Article Twelve:

A purchase committee shall be formed comprising minimum (5) members of the authority employees. Their names shall be announced by chairman decision & the decision shall specify the committee chairman, V.P & secretariat.

The committee shall process contracts that are less than (1,000,000) million OMR, & the provisions prescribed in this regulation applied on tender committee shall apply to purchase committee.

Chapter 3 Contracting Preliminary Procedures

Article thirteen:

The concerned division shall determine appropriate time for submitting contracting requests together with the required data and documents, in order to get the required supplies or services in the appropriate time, considering the following:

1. Tender notice advertisement period in newspapers shall be (5) days minimum & (15) days maximum.

2. Technical study, analysis and response period shall be (15) days maximum from the date of referring bids, unless contract nature requires longer period.

Article fourteen:

The concerned division shall submit a request to tenders division specifying estimated cost, terms of reference, and technical evaluation. The concerned division shall have the right to seek the help of experts in preparing terms of reference and the technical evaluation.

Chapter 4: Public Tender

Article fifteen:

Contracting shall be through a public tender if the contract value exceeds (250, 000) OMR.

Article sixteen:

Tender Notice advertisement shall be published in one daily local Arabic and English language newspaper or more well in time for the date set for bids submission. It may also be publicized through any specific electronic means & shall mention the following:

1. The Authority address in clear fonts.

2. The last date for tender submission, and opening date.

3. Type of the contract required.

4. Bids submission mechanism.

5. Cost of tender invitation documents.

Any other data requested by the concerned division.

Article Seventeen:

The bids shall be submitted within the time specified in the Tender Notice, and in no circumstance shall a delay in submission be accepted after this date.

Article Eighteen:

The bidder shall abide by all of tenders submission terms and prescribed considerations as provided in the terms specifications sheet including the following:

1- All bids shall be submitted in a sealed envelope, with the tender name, tender notice number and to be delivered to the authority address.

2- The above mentioned print shall be clear, with no deletion, alteration or addition.

3- A mounts shall be written in numbers & letters.

4- The bid shall have the name, address of the bidder and shall be stamped, signed & enclosed with sample signature issued by MOCI.

5- A valid commercial register certificate & enrollment certificate shall be enclosed.

6- A guarantee for adequate execution shall be provided if the tender is awarded to one of the bidders.

7- A proof of the company financial competence and its ability to perform its obligations shall be provided.

8- Any employee connection to the company shall be reported.

Article Nineteen:

A bid on the supply of items to the authority

Contracting for implementation of services and infrastructure projects in SEZD would be through a public tender or practice

Preference given to national products that meet the conditions and specifications

Legislation allows SEZAD to contract through limited tender, direct award, and competition

Contracts shall be within the limits of designated funds within SEZAD budget

Variation orders may be issued during the validity of the contract provided their value does not exceed 10% of the original tender

shall be consistent with the standard specimen, specifications or approved drawings which the bidder must peruse. His submission of the bid shall be treated as an acknowledgement of his perusal thereof.

Article twenty:

Technical and financial bids shall be submitted in one envelope unless it is necessary to submit the technical, financial bids in separate envelopes as per the nature of each tender.

Article Twenty One:

Bids may be submitted, opened, referred, ratified & results may be announced through electronic means as per the applicable procedures approved by the board.

Article Twenty Two:

Tender committee shall open bid envelopes in the day specified with the attendance of the committee members. The secretariat shall register the bid envelopes in the opening minute, recording the number of bids, the names of bidders and the total value. The minute shall be signed by committee members.

The committee shall assign two of its members at least to open the bids.

Article Twenty Three:

If the tender committee finds that a bid is unusually below the bids submitted, it shall be entitled to ascertain from the bidder the extent to which the latter has satisfied the conditions of the tender and his ability to execute the contract.

Article Twenty Four:

Comparison shall be made between the bids for the selection of the best one in accordance with the criteria and grounds specified in the tender documents. The committee may assign the contract to the appropriate bid if it sees that the lowest bid is not consistent with the authority standards explaining the grounds.

If the committee decides to exclude one or more bids, its opinion shall be grounded.

Article Twenty Five:

Tenders may be cancelled by a decision of the committee, explaining the grounds, after their publication and before a final decision on them if they are discarded finally or if the authority good so warrants.

Tender committee may cancel the tender at the recommendation of the concerned division in any of the following cases:

1. If a single bid is submitted or only one bid remains after the rejection of other bids.
2. If all or most of the bids are accompanied by essential reservations.
3. If the value of the lowest bid exceeds the market value.
4. If the bids submitted are incomplete or have more than one meaning or contradicts tender documents terms.

Tenders committee may cancel the tender after awarding decision is issued and before signing

the contract for the authority good so warrants, or at the recommendation of the concerned division explaining cancellation grounds.

Article Twenty Six:

A single bid may be accepted with the approval of tender committee if the bid meets the requirements, and the work doesn't require reflatting the tender.

Article Twenty Seven:

A decision on the tender shall be taken and notified in case of acceptance before the conclusion of the validity period of the bids.

Failing this, the committee shall ask the bidders at the appropriate time to extend the validity of their bids for an appropriate period without increasing the value.

Article Twenty Eight:

Priority in bids shall be given to national products of small and medium industries that meet the conditions and specifications.

The priority shall include priority in prices in the range of a 10% increase.

Article Twenty Nine:

The authority may issue modification orders increasing or reducing the period, value, quality, quantity or specifications of the items, works or services covered by the contract within the validity period of the contract up to 10% of the value of the original bid approved by the authority provided the prices of the modification orders are the ones approved by the committee.

Modification orders value may be excluded – in urgency- from the limits prescribed herein & the prices given in the contract if the Board approved it.

Chapter 5: Limited Tender

Article Thirty:

A contract may be concluded through a limited tender in cases the nature of which requires restricting the participation in the tender to specific suppliers, contractors or consultants within or outside the Sultanate who satisfy the required conditions.

Article Thirty One:

Invitation shall be extended to suppliers, contractors and consultancy offices specialized in the tender activity whose names are registered in the bidders register, technically and financially qualified for participation in the limited tender, meeting good conduct terms provided that they shall not be less than 3 companies or establishments.

The qualification of the suppliers, contractors or consultancy offices shall be approved by a decision of the Board.

Invitation for the participation in the limited tender shall be through official letters or electronic mail. The tender shall be governed by the procedure and rules applicable to public tenders.

Article Thirty Two:

Tender committee may recommend referring the limited tender to engagement if it sees that is beneficial for the Authority to get better terms for the contracts.

Chapter 6: Engagement

Article Thirty Three:

The committee shall contract through engagement by negotiation in order to secure the best bids at the lowest prices in any of the following situations:

A. Articles the manufacture or import of which is monopolized or whose nature or the purpose of whose obtainment entails that they should be purchased from the places of their production or those which are available only with an individual.

B. Articles for which no exact specifications may be made.

C. Technical and consultancy works or services that require specific technical know-how or specific specialization.

D. Supplies and contracts of works or transport for which tender procedure may not be followed on account of urgency.

E. Execution of works or provision of services by concerned entities outside the Sultanate.

F. Purchase and leasing of real estate.

Chapter 7: Direct assignment

Article Thirty Four:

The authority may enter into a contract through direct assignment if the contractor is chosen from the best bids submitted provided that values shall be fitting & its opinion shall be grounded

The authority may enter into contracts, through direct assignment, provided that the value of the assignment does not exceed (250,000) OMR in accordance to the procedures issued by chairman decision.

Article Thirty Five:

Competition is a special method for contracting for the purpose of conducting studies or preparing designs, layouts, models or other technical works required for a specific project.

Article Thirty Six:

The Authority shall specify the objectives, framework and specifications of the project in detail and the prizes, remunerations or compensations to be granted to the winners, in addition to the status of the ownership of the winning and non-winning reports, studies, designs and models and any other conditions the authority deems fit.

Article Thirty Seven:

Invitation for participation in the competition

shall be extended either through advertising in the printed or electronic media or through direct invitation to those possessing expertise and skills required for the project or the purpose of the competition.

Article Thirty Eight:

The authority shall form a special committee to study the bids submitted, and submit it to the chairman for approval. The committee may summon the participants and discuss their bids with them.

Article Thirty Nine:

The provisions of Chapter 9 of this regulation shall not apply to the competition.

Chapter 9: Guarantees

Article Forty:

A provisional security equivalent to (1%) of the total value of the bid shall be submitted with each bid.

If the bidder withdraws his bid before the expiry of the period specified for the validity of the bid, the provisional security submitted by him shall become the property of the authority without the need for a notice or any other measure.

The provisional security shall be refunded to the bidders of the unaccepted bids immediately by the issuance of contract award decision to a bidder and to the winning bidder if he submits a guarantee for adequate execution.

Article Forty One:

The winning bidder shall, within fifteen working days from the day after the day on which he is notified of the acceptance of his bid, submit a guarantee for the adequate execution of the contract equivalent to 5% of the total awarded value. In respect of the contracts concluded with a contractor abroad, the guarantee shall be submitted within thirty working days & he must open office in the Sultanate.

A guarantee for the adequate execution of the contract shall be valid till commencement of the contract or the end of warranty period whichever comes later, unless otherwise is agreed upon.

Article Forty Two:

If the winning bidder does not submit a guarantee for adequate execution within the period stipulated in article 41 of this regulation, the committee may, by a written letter, cancel the award and confiscate the provisional security without prejudice to the concerned office's right to compensation.

Article Forty Three:

The bidder of the accepted bid shall be exempted from the guarantee for adequate execution if he supplies the contracted items and the authority accepts them finally within the period specified for submitting the guarantee for adequate execution.



Similar procurements, business, or services shall be indivisible except in cases of necessity, as determined by SEZAD



Determining the cases in which the Tender Committee may negotiate to get the best offers at the lowest prices



**Mohammed bin
Ahmed Al-Shezawi**
Editor-in-chief



In fact, the factors of economic and social development as well as mild weather throughout the year represent the positive elements that encourage investment in Duqm

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Duqm ... Journalistic Viewpoint

Before I sent this issue to the press, a delegation from Reuters visited SEZD to have a first-hand experience of it, which reflects the keenness of the prestigious Reuters news agency to present accurate and credible reports on any location in the world.

Andrew Torchia, the American journalist who covers the economy and emerging markets news in Europe and the Middle East, was much impressed of the shift witnessed by Duqm since the Sultanate launched the "Duqm Development" project, which culminated in the establishment of SEZAD late 2011. During the past few years, Andrew was following the various news published on Duqm. However, as any journalist who loves his work field visit adds a lot to him. During our conversation, he said that he wanted to visit Duqm about a year ago, but his busy schedule prevented him.

During the interviews he conducted in Duqm or Muscat, he wanted to know everything about Duqm and the impact of the projects on people's lives. He believes that a giant economic project in this area will lead to a real change in its economy, which relied several years ago only on a few sporadic shops that cannot meet the aspirations of its population who were heavily dependent on services available in the Wilayats of Mahout and Haima about 200 km away.

Andrew was not only searching for the economic change, which reflected positively on the people of Duqm and for which he sought answers from the people of Duqm themselves before asking the officials in SEZAD and companies operating in SEZD for projects they carry out. The moderate weather in Duqm has its share of attention by this journalist, who spent nearly 20 years covering economics news in Hong Kong, Taipei, Tokyo, Singapore and Shanghai before he became an economic correspondent in the Middle East and North Africa since 2009. He promised to return to Duqm.

In fact, the factors of economic and social development as well as mild weather throughout the year represent the positive elements that encourage investment in Duqm. This was the subject of my discussion with an appeal judge during his trip from Muscat to Duqm. He openly voiced an optimistic viewpoint regarding Duqm future and believed that the local investment funds have to inject funds in the Sultanate rather than looking for investment opportunities that may not be feasible abroad.

When we look at reality, we find that there is a real change, not only on the ground but also in investment thinking of the local and international private sector, which believes that Duqm has become a fertile place to invest. This explains the growing interest among international news agencies and local and global economic figures to see what is going on in Duqm and witness the development and the size of achievements so far. Given the efforts of various government and private agencies to achieve the ambitious goals of SEZD, we express our optimism about the future that awaits Duqm.