



# Duqm

Integrated system of  
logistics facilities  
and services

**Said Al-Mawali:**  
Increasing  
ODC's  
activities to 11



**Hilal Al-Balushi:**  
Duqm Port  
prepares for the  
second phase of  
logistics area





## A WORLD CLASS OIL REFINERY

### STRATEGICALLY LOCATION IN DUQM

Duqm Refinery and Petrochemical Industries Company L.L.C is a Joint Venture (JV) between Oman Oil Company (OOC) and Kuwait Petroleum International (KPI). Located in Duqm, along the coast of the South Eastern region of Oman, the Duqm Refinery projects enjoys a strategic location and has access to both the Indian Ocean and the Arabian Sea. With an aim to be a world-class refinery business, Duqm Refinery's objective is to fuel the economic growth in the .Duqm area as well as make a significant contribution to Oman's future prosperity

Once the refinery is completed, it will have the capacity to process 230,000 barrels of various crude oil per day. Diesel, jet fuel, naphtha and LPG will be its primary products. The project is located in the Special Economic Zone of Duqm. Duqm Refinery will be one of the growth engines for the special economic zone and will provide development opportunities for new projects that .will directly and indirectly interface with the refinery



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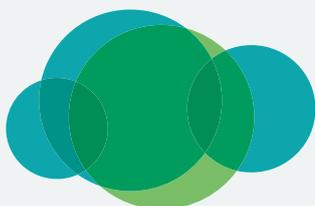
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# Investment in Logistics



Yahya Bin Said Al Jabri  
General Supervisor

This issue of Duqm Economist focuses on the role of the Special Economic Zone in Duqm (SEZD) in enhancing the performance of the logistics sector in the Sultanate given the projects in SEZD that support this sector. The Duqm Port, Dry Dock and Duqm Airport and their associated projects are a mainstay for the development of SEZD, achieving its objectives, creating jobs and encouraging the local private sector to grow and provide more business to small and medium enterprises (SMEs).

The logistics sector is also directly linked to the industrial and commercial sectors and contributes directly to their success. Therefore, SEZAD has allocated a number of sites near the major projects in SEZD, such as Duqm Port, Airport and the Ras Markaz oil storage center to be logistic areas that meet the growth and success requirements of these projects.

Other expected objectives from investment in this sector include the establishment of logistics villages that can be independent projects similar to the Sino-Omani Industrial Park.

This issue of Duqm Economist reviews the most important developments in SEZD during the second quarter of this year, such as the laying of the foundation stone of Duqm Refinery with joint investments by the Sultanate and the State of Kuwait. The project aims to develop the petrochemical industries and turn SEZD into one of the largest industrial and economic centers in the country. In the second quarter of this year, SEZD also witnessed the commencement of the construction works of the Sino-Omani Industrial Park and the signing of a memorandum of understanding with the Omani Food Investment Company Holding to develop a strategy to promote fish industries zone as part of SEZAD plan to establish a specialized global fish center.

During the second quarter, SEZAD also issued the Road Control and Protection System, the Health and Hygiene Control System as part of its endeavor to apply the best international practices in these areas and to prepare for a new phase of growth and prosperity.



**Expected objectives from investment in this sector include the establishment of logistics villages that can be independent projects similar to the Sino-Omani Industrial Park**

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## Environment Investment Promising

الدقم

هيئة المنطقة الاقتصادية الخاصة  
Special Economic Zone Authority  
Sultanate of Oman سلطنة عمان



**SEZD (Special Economic Zone at Duqm) in the Sultanate of Oman offers a variety of investment opportunities in different fields such as Industrial sector, logistics, trade, tourism and fisheries with many incentives that include:**

- Up to 30-Year tax exemption, renewable.
- 50-Year usufruct agreements, renewable.
- A comprehensive array of services to investors through the One-Stop Shop.

**SEZD (Special Economic Zone of Duqm) is distinguished by:**

- Its strategic location on the Arabian Sea, near international shipping lines.
- Moderate climate year-round
- (2000 km<sup>2</sup>) of available lands for investment.
- Multi-purpose port.
- A dry dock yard for ship repair and maintenance.
- A refinery and petrochemical industries area.
- A regional airport.

**Special Economic Zone  
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# Development of strategy to promote fish industries in Duqm



## Muscat -

In May 2018, the Special Economic Zone Authority in Duqm (SEZAD) signed a Memorandum of Understanding (MoU) with the Omani Food Investment Holding Company under which the latter would prepare a strategy to promote the fish industries zone in the Special Economic Zone in Duqm (SEZD) up to establishment of a global specialized center in the field of fish. This would include a number of buildings, labs, stores, as well as logistic services and other facilities that help ensure sustainable fishing, sustainable production processes, production planning, packaging processes, and the presence of trademarks and certifications in food safety and quality.

The MoU was signed by H.E. Yahya bin Said bin Abdullah Al-Jabri, Chair of SEZAD Board, and H.E. Dr. Fuad bin Jafar bin Al-Sajwani, Minister of Agriculture and Fisheries, Chair of the Company's Board

The fish industries zone will include about 60 factories, research and training center, refrigeration and freezing warehouses, and ship maintenance and repair workshops. It will also aim to promote fish farming and attract projects that add economic value to SEZD.

### Promotion of fishing port facilities

The strategy includes the promotion of fishing port facilities and fish unloading areas with support services for processing facilities and ensuring the availability of an integrated supply chain for the processing of raw materials and the export of the finished product. It would also focus on working with local fishers and small and medium enterprises in Duqm and adjacent areas to obtain fresh fish through sustainable and responsible management and preparing the suitable site for the establishment of fish industries with sufficient land for future expansion, and supporting the establishment of a project for the manufacture of fishing vessels



Initial design of fish industries zone

### Development of many facilities

The MoU provides for determining the proper location of the seafood processing series with adequate land for expansion, provision of water and electricity to the treatment site in the near future along with access to the facility to the required level. It also stipulates support in obtaining all necessary permits such as environmental impact study, risk analysis system, Critical Control Points, ISO, Halal and FDA and EU approvals, which demonstrate that all facilities within the center meet the highest operational standards in accordance with international requirements.

### Feasibility study

In accordance with the MoU, Oman Food Investment Holding will prepare a feasibility study, an action plan, an investment plan and a guide for business opportunities, including fish farming, and submit the same to SEZAD for adoption. These documents shall form the basis for entering into the development and management agreement between the two parties.

Oman Food Investment Holding is the investment arm of the Government of the Sultanate in the field of food security. Established in 2012, it was to enhance food security by investing in food projects locally and abroad in partnership with local investment funds and companies from inside and outside the Sultanate.

Strategy looks forward to the establishment of a global specialized center in fish field

Availability of integrated supply chain for processing of raw materials and export of final product

Strengthening relationship with local fishing communities



**Largest  
joint venture  
between two  
Gulf States in  
SEZD**

# Oman and Kuwait Celebrate the Groundbreaking of Duqm Refinery

## Duqm - :

Duqm Refinery and Petrochemical Industries Company officially broke ground for its 230,000 barrels per day refinery in Duqm. The ceremony was held on Thursday at the project site under the patronage of His Highness Sayyid /Haitham bin Tariq Al Said, Minister of Heritage and Culture. The event was attended by HE Dr/ Mohammed bin Hamed Al Rumhi, Minister of Oil and Gas and Chairman of Board of Directors of Oman Oil Company, HE/ Bakheet Shabeeb Al Rashidi, Minister of Oil, Electricity and Water in Kuwait and senior public and private sectors officials from both countries.

The project is considered the largest cross-border GCC investment in the downstream sector. His Highness prompted the groundbreaking ceremony to mark the launch of construction work for the project. Also, the project is planned to be the cornerstone for other downstream projects in the future .

The strategic partnership between Oman

Oil Company and Kuwait Petroleum International will open doors to opportunities for other businesses in Duqm that can cater to auxiliary needs of the refinery. It will extend towards new horizons that will drive wider economic cooperation to serve the common interests between the two brotherly countries.

### Omani - Kuwaiti partnership

H.E. Bakheet Shabib Al-Rashidi, Kuwait's Minister of Oil, Electricity and Water, said that the project is the first project of Kuwait International Petroleum Company in the Sultanate, indicating that there will be other similar projects in the future.

He added that the State of Kuwait supports the integrated projects among the GCC countries, pointing out that there are subsequent projects, such as petrochemical complex integrated with the refinery project.

He said that the parties obtained an integrated financing of Duqm Refinery Project of USD 4.8 billion from international banks.

**Contributes to  
transforming  
SEZD into one  
of the largest  
industrial and  
economic  
centers in the  
Sultanate**

### Enhanced oil revenues

“Oman Oil Company performs the role of a catalyst to develop industrial hubs and regions in Oman. The Duqm Refinery is one such project that symbolizes the effective collaboration between Oman and Kuwait. We believe development of the refinery will support the business landscape in Duqm and will contribute to the creation of an attractive infrastructure for foreign investors, thereby developing the area further and adding jobs to the local economy,” said Eng. Isam bin Saud Al-Zadjali, Chief Executive Officer of Oman Oil Company. “OOC strives to integrate all its investment projects and aims to maximize value from Oman’s resources through the development of the petrochemical industry,” he added.

### Project financing

He told reporters that the financing of 50% of the project - the share of the Omani Oil Company (OOC) - was through international credit agencies and commercial banks, indicating that the project would raise the OOC investment portfolio is expected to exceed USD 10 billion.

H indicated that the marketing plan at the start of operation includes the use of 50% of the refinery products for the Petrochemical Industries Complex. He added that 65% of the crude oil will be from the State of Kuwait and 35% from the Sultanate indicating that the proj-

ect would create between 900 and 1,000 direct and indirect job opportunities.

### Development of oil sector

“The refinery will mark the beginning of a new era for both companies and will lead to new opportunities in the energy sector. This modern landmark will leverage the energy sector of the Sultanate since it is a combination of integrity, maximization of resources and development, to be laid in a very favorable region. Oman Oil Company and Kuwait Petroleum International will implement joint efforts to manage the refinery, execute its operations and add great value to the project as well as the economy as a whole,” said Mr. / Nabil Bourisli, Chief Executive Officer and President- Kuwait Petroleum International.

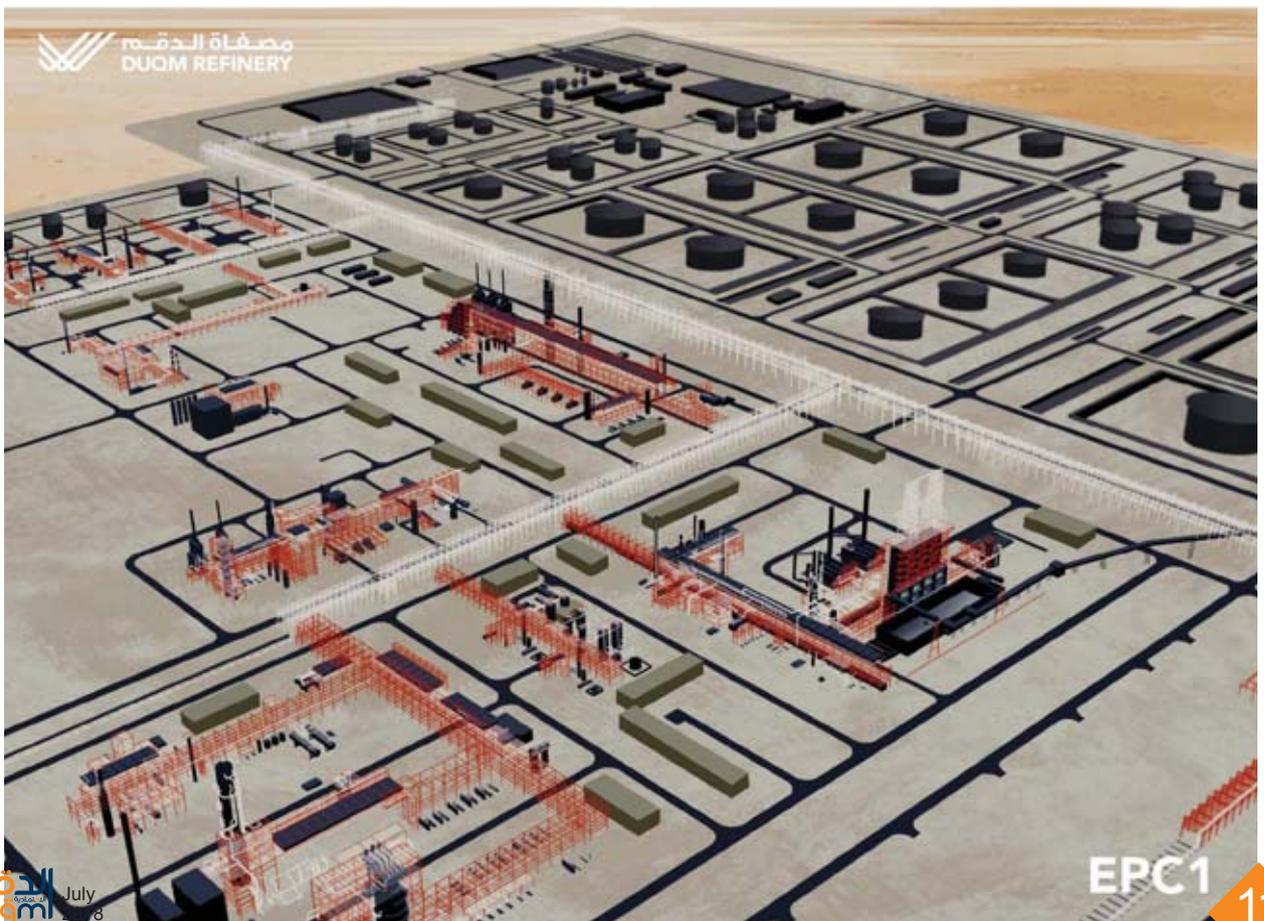
Duqm Refinery will be a world-class oil refinery that uses advanced technology. It will manufacture clean, high-quality products in compliance with global standards for safety whilst striving to achieve the highest operational standards. The state-of-the-art refinery will bolster the energy industry of the Sultanate by strengthening the supply and production of Diesel, Jet fuel, Naphtha, LPG, Sulfur and Pet coke as its primary products.

### Components of Refinery

About 900 hectares of site is prepared to construct the Duqm Refinery. The scope of

**Kuwaiti Oil Minister: The refinery is our first project in the Sultanate with more to come**

**Essam Al-Zidjari: We focus on the development of the petroleum and petrochemical industries in the Sultanate**



**Nabil Borsali:**  
The project opens wide horizons for the development of the oil sector in both countries



Eng. Isam Al-Zadjal



Mr. Nabil Bourisli

**Use of the latest global technologies in the field of oil refineries in accordance with the highest global standards of quality and safety**

work includes three EPC packages. The first is the process unit of the refinery, whilst the second includes utilities and offsite facilities. EPC package three consists of the product storage and export terminal in Duqm, crude storage tanks in Ras Markaz and the 80km crude pipeline from Ras Markaz to the Refinery complex. This project is amongst Oman's most significant undertakings to date in the energy and petrochemical field, with the potential to serve as the springboard for Duqm's planned transformation into one of the largest industrial and economic hubs in the region.



EPC2

**The refinery contributes to increasing the demand for logistics and paves the way for other new projects benefiting from its products**

Situated strategically in the South East of Al Wusta Governorate of the Sultanate of Oman, the project is positioned in a strategic maritime location. This gives the project a competitive advantage being in the path of international shipping lines in the Indian Ocean and the Arabian Sea, thereby easing the process of transport in and out of the region. Duqm Refinery is set to drive the growth of the Special

Economic Zone Authority of Duqm (SEZAD) through development of new projects. Different ventures will be born from the refinery's products as well as render diverse logistic services. The project will add substantial value to Duqm as a brand whilst introducing new industries to the area.



EPC3.A

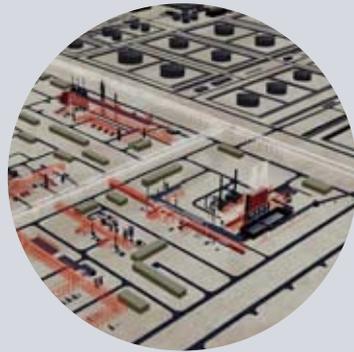


EPC3.B



EPC3.C

# Duqm Refinery



Joint venture between  
OOC and KPC



Refining capacity  
230 thousand  
barrels per day

Oman Kuwait



Largest joint venture  
between two Gulf States  
in SEZD



Expected  
cost: USD 7  
billion



Adding quality to  
the refinery and  
petrochemical sector  
in the Sultanate



Use of 50%  
of refinery  
products for  
Petrochemi-  
cal Industries  
Complex



Featured  
products:  
diesel, jet  
fuel, naphtha,  
liquefied  
petroleum gas,  
sulfur and coke



Using 65%  
of the crude  
oil from  
the State of  
Kuwait and  
35% from the  
Sultanate



Direct job  
opportunities  
range from 900 to  
1,000

Infographics 

## Duqm Refinery issues a “Notice to Proceed” to its EPC Contractors

Muscat - :

Following the Groundbreaking Ceremony of Duqm Refinery held at their project site on 26 April, officials have now formally issued a “notice to proceed” (NTP) to the contractors of the three EPC packages worth \$5.75 billion dollar.

The formal issue of the NTP signifies start of the project schedule of the construction work of the 230,000 bpd Refinery project. The project is expected to complete and be ready for startup 42 months from the issue of NTP.

Initially, contractors will allocate resources to complete detailed engineering design work at their home offices where they will be joined by staff from Duqm Refinery.

Jacobus Nieuwenhuijze, Project Director of Duqm Refinery, commented: “This truly is an exciting and important milestone for all of us, since it not only signifies start of construction work but also culminates the efforts put in by stakeholders to have the project reach this stage.” He further added: “the contractors and the project team have prepared themselves thoroughly to ensure a solid start of the project activities.” The commencement of the construction work of this key project will also trigger other direct and indirect benefits to Duqm and the region.

Duqm Refinery’s EPC scope of work is divided into three separate packages. The scope of EPC 1 includes the process units of the Refinery, while EPC 2 consists of the utilities and offsite facilities. EPC 3 includes the product export terminal at Duqm Port, the Duqm Refinery dedicated crude storage tanks in Ras Markaz and the 80 km interconnecting pipeline from these crude tanks to Duqm Refinery.

The contractors for the three EPC packages are:

- EPC Package 1 (Process Units): Joint Venture of Técnicas Reunidas S.A. and Daewoo Engineering & Construction Co., Ltd
- EPC Package 2 (Utilities and Offsites): Joint Venture of Petrofac International Limited and Samsung Engineering Co Limited
- EPC Package 3 (Offsite Facilities): Joint Venture of Saipem SpA and CB&I.

# Integrated system of logistics facilities and services

International airport, multi-purpose port and road network



**Duqm Port caters for commercial activities, refineries and petrochemical industries**

**OMR 439 million projects in Duqm Port**

## Duqm - :

Logistics is one of the main sectors that the Special Economic Zone Authority in Duqm (SEZAD) is focusing on in view of the many gains the sector is making for Omani national economy.

SEZAD interest in the logistics sector comes at a time when the Sultanate is poised to increase its contribution to GDP to OMR 2 billion by 2020 and reduce the period for completion of clearing procedures of sea imported cargo from 7.2 to 1.5 days. According to the National Logistics Strategy, the contribution of the logistics sector to GDP will rise to OMR 14 billion in 2040 and provide 300,000 jobs. It also envisages that the Sultanate will be among the top 10 countries on the Global Logistics Performance Index by 2040.

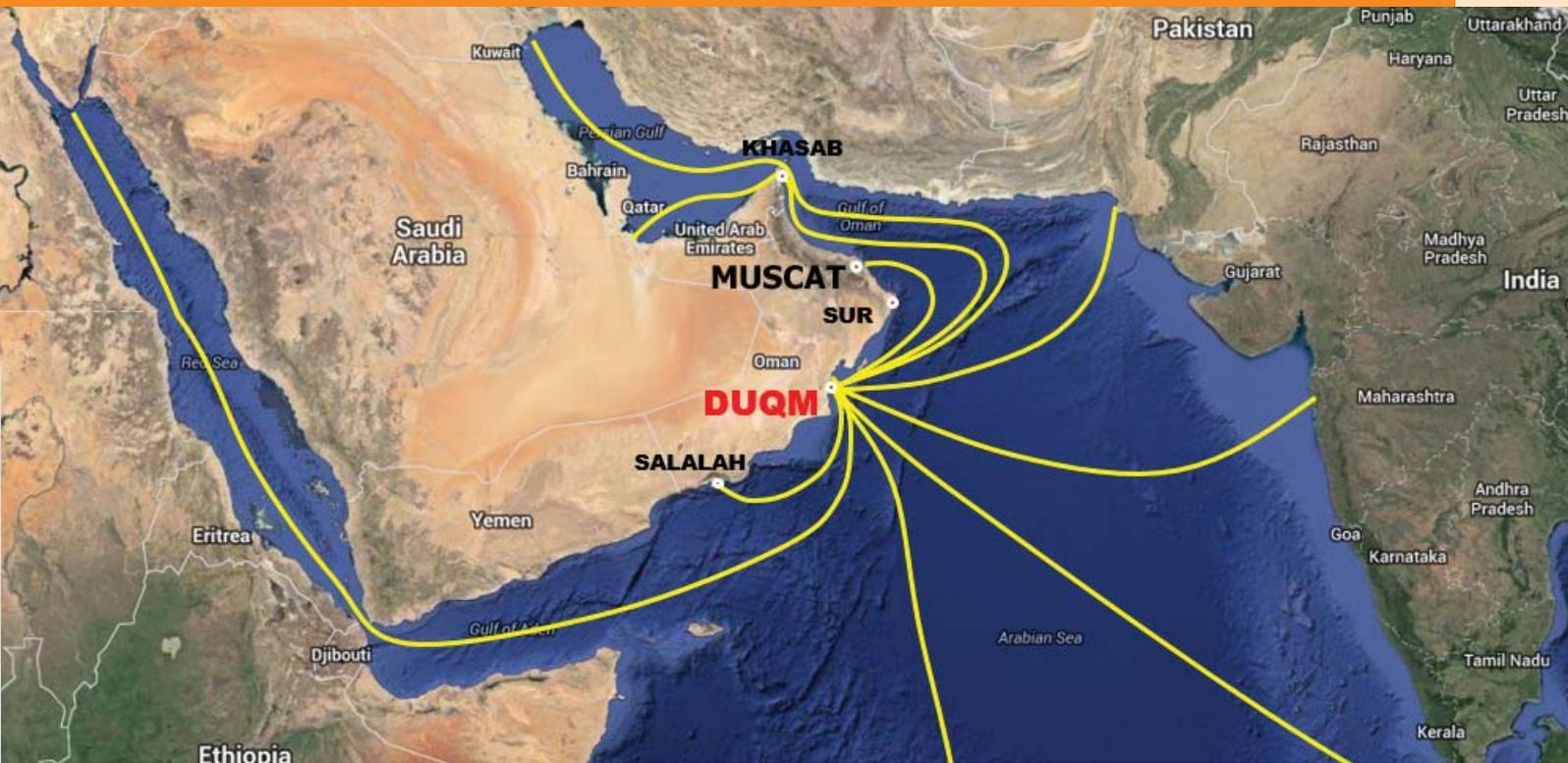
### Duqm Port

The Special Economic Zone in Duqm (SEZD) has a number of logistics components and facilities, notably Duqm Port

characterized with a geographical location on international shipping lines and near African and Asian markets. According to a previous study by the Ministry of Transport and Communications (of which Ithraa published excerpts in a report in December 2016), the use of Duqm Port reduces the cost of transport of international shipping lines. The study estimated the cost of the main trip from Singapore to Suez with one docking per week for the giant containers vessels in Duqm Port at about USD 8.7 million dollars annually compared to USD 17 million in Sohar Port and USD 24.6 million at Jebel Ali Port in Dubai.

Duqm Port has an advanced infrastructure with a total length of the main breakwater of 4.1 km, secondary breakwater 4.6 km, depth of basin 18 meters and vessel entry channel 19 meters and 10 kilometers long enabling it to receive and handle giant container vessels.

The design of the Port meant it to be multi-purpose to cater for commercial activities, refineries, petrochemical industries, other industries and many economic sectors.



The commercial dock is 2250 meters long and 350 meters wide with a storage area directly connected to it, as well as a logistics zone run by Duqm Port Company about 3 kilometers from the commercial dock.

Duqm Port is currently witnessing a number of construction works that would qualify it for full commercial and industrial operation through four packages: the second, third, fourth and seventh at a total cost of OMR 439 million.

The second package of OMR 107.3 million includes preparation of the commercial dock to accommodate containers, construction of buildings, service roads, cranes and workshops for the operation of the dock implemented by a consortium of the Turkish SERKA Company and Portuguese MSF. This package is one of the most important operational facilities for the dock for the commercial operation of the port.

According to the project agreement, there shall be four terminals on the commercial platform, including two container terminals with a length of 1600 meters to handle 3.5 million TEUs annually along with a bulk dry terminal with a capacity of 5 million metric tons per year and a mixed-use terminal of 800,000 metric tons. The second package also includes the establishment of the port operations area.

The construction cost of the third package of Duqm Port is OMR 77.1 million. It includes the construction of the commercial terminal, which includes roads, commercial terminal gate, inspection area, building of truck registration, one-stop shop (OSS) building, customs and inspection building and other buildings for commercial clearing works. The United Gulf Construction Company, established in Kuwait in 1975, executes this project.

The fourth package of OMR 55.4 million includes the construction of the infrastructure of the government dock implemented by the Combined Group Contracting Company (CGC), a public Kuwaiti Joint Stock Company listed on the Kuwait Stock Exchange. This important security facility in Duqm Port will make it ready to manage the logistics of these entities and security aspect of the Port and the entire SEZD.

The project will include construction of buildings, roads, facilities and services for the operation of the dock of government agencies along with fast ferry passengers' terminal along with the necessary services and other facilities, such as waiting lounges, warehouses and public service buildings.

The seventh package, implemented by Boskalis Westminster (Oman) Limited, includes the construction of liquid and bulk dock for OMR 199.1 million. It will enable Duqm Port to export liquid refined products and enhance its value in national economy.

The project includes the development and reclamation of 2.4 km of the area adjacent to the 4.6 km secondary breakwater for the construction of the liquid and bulk berth along with a double marina with accessories and marine navigation equipment. It also includes drilling 26 million cubic meters to deepen the Port basin and passage channel leading to the liquid and bulk dock to reach 18 meters and using about 5 million cubic meters of these materials to reclaim and fill the site assigned to the dock. The agreement also provides for the construction of a 1-kilometer-long dock and the installation of buoys and navigational aids.

The construction of oil tanks and warehouses for bulk materials of Duqm Refinery Company and its associated facilities on the dock to export refined products from Duqm Refinery and petrochemical indus-

**Construction of four terminals on the commercial dock**

**Two container terminals 1600 meters long to handle 3.5 million TEUs annually**

**Bulk dry terminal to handle 5 million metric tons annually**

The Passenger building at Duqm Airport

**Multi-use terminal to handle 800 thousand metric tons annually**

**Liquid and bulk dock exports refined liquid products**

tries zone will follow the project completion.

#### Logistics Zone of Duqm port

The facilities of the logistics sector also include a logistic zone of 1000 hectares near Duqm Port to facilitate the transport of goods from and to the Port.

#### Duqm Airport

Duqm Airport is one of the main components of SEZD. Operating since 2014 through a temporary terminal, it shall have a new passenger terminal, air cargo terminal, air control tower and other components before the end of the year.

The total area of the passenger terminal is about 5700 square meters while the capacity of the airport at this stage shall be 500 thousand passengers annually, and cargo building shall accommodate about 25 thousand tons annually.

With a runway of 4 km long, Duqm Airport has the capacity to operate internationally.

#### Road Network

Duqm Airport connects to the Port via a double 3-lane road in each direction, providing a smooth and easy link between them. This will encourage the movement of imports/exports and transport of goods arriving through Duqm Port to other areas inside or outside the Sultanate through Duqm Airport, as well as the transport of goods coming from the airport to the port then to other ports inside or outside the Sultanate.

SEZD includes a network of dual and single roads that connects its various parts

and contributes to the revitalization of the logistics sector. A dual road linking the port and the main road from Muscat is under construction to facilitate the transport of goods by land to various parts of the Sultanate and then abroad.

#### Logistics Zone

The logistics zone is one of the investment zones in SEZD and its importance is not less than that of the industrial, tourist and commercial zones, which are the focus of SEZAD, given the expected future interest from the investors, especially after the operation of Duqm Port and the air cargo terminal of Duqm Airport.

The Logistics Zone is near Duqm Airport on the dual route connecting the port and the airport. It is part of SEZAD plans to attract projects that provide a good addition to SEZD, including logistic services related to aviation activities, such as DHL, port services, such as Maersk, car hire, tankers, marine shipping companies, warehouses of all types, and other investment activities related to the logistics sector.

SEZAD also aims to provide additional options to investors in addition to other investment sectors, such as industry, tourism, trade and real estate development.

SEZAD provides investors in the logistics zone and other investment zones in SEZD with many incentives that include exemption from income tax for renewable thirty years from the date of commencement of the activity and exemp-





tion from customs tax for goods imported from outside the Sultanate to SEZD and goods exported from SEZD abroad. Investors can also enjoy usufruct of State lands in SEZD for up to fifty calendar years renewable for similar periods in accordance with the rules set by SEZAD while non-Omanis can own the whole project capital and be exempt from the minimum capital requirement invested provided for in the Commercial Companies Law or any other law. The investors in SEZD are also exempt from any restrictions on bringing in, trading and conversion of foreign currencies, including the transfer of invested capital and profits outside SEZD. Add to this easy access to project necessary services through the OSS, including registration in the Commercial Register and issuance of all licenses, permits, approvals and visas.

Another characteristic of SEZD is its ability to provide land areas needed by the projects due to its vast area up to 2000 square kilometers.

The incentives offered by SEZAD to investors in the logistics zone also include competitive prices at OMR 1/ USD 2.5 per square meter per year while developers can receive 40% discount on the condition that they provide infrastructure services. According to SEZAD-approved classification, the projects for the development of

logistics villages should be about 50 hectares and include about 50 warehouses or storage tanks.

The planning of the logistics zone has considered it should provide support services associated with the works of Duqm Port and Airport to reach the largest international markets.

#### **Fishing Port**

The fishing port, which started in 2017 at an estimated cost of OMR 60.7 million, provides logistics support to the Fish Industries Zone under construction as one of the main fish production centers in the region. The port will provide all the services needed by the fisheries industry and meet the needs of anglers and commercial fishing companies.

The port consists of two breakwaters with a total length of 3.4 km, a fixed pier for fishing purposes of 850 meters and a fixed pier of the Royal Oman Police of 50 meters. The ongoing activities include deepening the port basin up to 6 meters and establishing floating tourist berths, 5 floating berths for anglers with connecting bridges, and floating marinas for Coast Guard. The project will also include a reclamation of lands to erect the port service buildings and a tourist area with a quay, in addition to many other facilities.

**Logistics Zone accommodates aviation activities, car rentals, tankers, and shipping companies**

**Developers can build logistics villages up to 50 hectares**



Part of the construction works at Duqm fishery port

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## Logistical Safety and Security

Logistics began as a coherent process in the military field, as did the operations research that underpins the modern administration science. I did not understand the sense of the supply chain and its integration until I attended the comprehensive maneuver “Badr Al-Kubra” the Egyptian army conducted in Sinai in the mid-1990s, a spectacular event that included human formations and diverse equipment on the ground and fighting planes in the air. The missions were also very diverse and complex and one had to manage all of this at the same time without forgetting the measures to evacuate or succor the wounded, refueling, providing ammunition, food and drink, and deceiving the enemy up to coordinating firings and timings. The aim was to avoid overlapping or repetition of targets or an error that would harm the advanced forces. It was a coincidence that later I joined another logistical lesson with a military hue, but inside the naval base at Alexandria port. I knew the tasks of the warships and submarines to secure the incoming and outgoing ships within the economic and territorial waters. Moreover, we knew that world armies in general undertake backup missions in certain degrees to meet any difficulties caused by internal or external factors concerning the unloading of ships carrying essential materials whose flow should continue, such as wheat, corn and fuel.

These two experiences left an impression that added to what was firmly on the mind and conscience of the story of Prophet Yusuf and the lesson of the storage of surplus at the time of prosperity to benefit from the same in times of distress. I may also refer to an inheritance I share with the farmers of Egypt concerning the need to hedge for what the farmers call “time of need” and remaining ready to take measures - and I do not say tricks - to support the avoidance of any impasse concerning the supply of food and drink in particular.

I can no longer talk about logistics, its importance, its efficiency, its quality, its contribution to economy, employment, etc., without addressing the security and safety dossier. I do not mean the performance of a secure service only, but the development of adequate and studied scenarios to meet any risks or disruption of the supply cycle from the producer to the consumer with all its components and cycles. There is certainly much said or done in the field of analysis and management of the risks of the entire supply chain and its strengths and weaknesses. There are companies specialized in this area and each country has national contingency plans, including how to address any shortage in any vital commodity or service due to any serious damage to logis-

tics, whether technical, financial, administrative or transitory, which can be quickly crossed, or for reasons of fore majeure, including hostility or bad faith. However, what I may suggest in particular is the establishment of a national emergency center to deal with the serious problems in transport, communications, mail, shipping, unloading, storage, etc. Although it is customary that several countries declare the time covered by main commodity stocks, such as oil, sugar and wheat, I refer to the importance of managing stock information in general in a calculated manner. For example, it is inappropriate for a party to know that the country’s stock of insulin is enough for a certain number of days or the locations of distribution and consumption of certain drugs. I say this only as examples and without elaboration due to the sensitivity of the subject.

It is interesting that sometimes it occurs to me that it is necessary to take advantage of the “genius” of those who circumvent the traffic rules in our Arab countries, and they are many indeed. Sometimes, when a main road stops for one reason or another, you find that some drivers invented side roads to continue with or without excuse. This draws our attention to the importance of alternatives when roads disrupt while trucks carrying materials are on them for which there is an urgent need.

Finally, we must also review the feasibility and current uses of all logistics-related infrastructures, and ensure that there is flexibility to change tasks - and I do not say activity - sometimes according to internal needs or in response to international variables.

We have learned a great deal about Omani plans to diversify economic activity and sources of national income and turn the Sultanate into a leading logistics hub in the world and in the region, commensurate with its location, capabilities and ambitions of its leadership and people. However, we also note the increasing interest in huge investments in ports, airports, railways, roads, sea and air transport, storage, packaging, assembly, maritime and air maintenance in a number of Arab countries and in a large number of countries of the world. This means that competition will increase in the future. However, as repeatedly said, all stakeholders may develop and accelerate the pace of international trade and distribute the benefits equitably among all. This requires constant consideration of the future, monitor emerging trends and transitions early, and interact vigilantly with it. It also requires a broader Arab dialogue that is integrative, transparent and conscious. The Arab countries have a huge opportunity to achieve collective gains in this area.



# Duqm Port

prepares for the second phase of logistics area

*Hilal Al-Balushi: We are working to attract international companies and encourage local companies to invest in Duqm*

◆ Duqm - by Mohammed Al-Shezawi

Duqm Port has announced preparations for the development of the second phase of its logistics area, located about 3 kilometers from the port.

Hilal Al-Balushi, Business Development Manager at Duqm Port, said the area of the second phase, which will be developed, is 100 hectares, adding that the work includes settling the land and preparing it for investment by local and international companies.

In an interview with Duqm Economist, he added that the area of logistics area of Duqm Port is 1000 hectares. The first phase included the development of 65 hectares, and this phase witnessed a large turnout of local and international companies and 95% of it were booked. In view of this success, we began to develop the second phase while later phases will be developed in the coming years and according to demand growth.

◆◆◆  
**Focus on encouraging transit trade and shipping, and stimulating import and export through Duqm Port**

◆◆◆  
**The area of the second phase reaches 100 ha and completion before the end of this year**

◆◆◆  
**1000 ha logistics area not more than 3 km from Port**

#### Area Features

He reviewed the advantages of the logistics area of Duqm Port and said that the area is one of the main components of Duqm Port located on the Arabian Sea open to the Indian Ocean. This multi-purpose port has a high capacity to receive the various types and sizes of ships. Its location on the international shipping lines encourages companies to use it as a hub for their business operations between East and West, and thus to use the facilities provided by the Port, especially the logistics area located not more than 3 kilometers from the commercial dock. This makes it easier for companies to store their goods in the area whether to export abroad, feed local markets or supply companies operating in the oil and gas fields near Duqm. Moreover, the vast space of the area up to 1,000 hectares allows companies to hire the space they want.

#### Most prominent projects in the logistics area

On the most important projects currently in the logistics area, Hilal Al-Balushi said that projects related to the storage of salt,

multi-purpose storage, transport of heavy equipment, oil project stores, open warehouses and logistic warehouses are the most prominent projects currently in the Port logistics area.

«We have companies from the Sultanate and GCC countries as well as a number of international companies that have leased plots in the area to expand their business. We expect an increase in the number of companies in the region during the coming period after the full commercial operation of the Port. There are negotiations with a number of investors who have indicated their desire to rent plots in the area,» added Al-Balushi.

#### Many gains

He referred to the economic gains of the logistics area so far and that it can achieve in the future. He said that the area has contributed to the provision of suitable sites for companies importing equipment shipped to the oil and gas production sites in the Sultanate. It also reduces the cost of transport given the readiness of the area to provide storage services needed by the companies that will build



One projects on logistic area of the port



Hilal Al Baloushi speaks with an investor outside Oman

the Duqm Refinery. They can use the logistics zone facilities to store spare parts and other equipment until installing at refinery facilities.

#### **Marketing of potential of the logistics area**

Al-Balushi asserted that Duqm Port works to market the potentialities of the Port and the logistics area in its various local and external participations. He added that the Port is

keen to emphasize the strategic importance of SEZD in its various activities to attract international shipping lines and large companies. This will vitalize the Port on the one hand and the logistics area on the other. He expressed his hope that the facilities provided by the logistics area will contribute to the promotion of transit trade in Duqm, maritime shipping and import and export through Duqm Port.

◆◆◆  
**95% re-  
served from  
the first  
phase ... de-  
mand contin-  
ues**

◆◆◆  
**SEZD has con-  
tributed to the  
provision of  
suitable sites  
for companies  
importing  
equipment  
shipped to oil  
and gas pro-  
duction sites in  
the Sultanate**

◆◆◆  
**Port location  
on interna-  
tional ship-  
ping lines  
encourages  
companies  
to use it as a  
hub for their  
East-West  
business  
operations**

◆◆◆  
**Many facili-  
ties to offer  
to compa-  
nies operat-  
ing in Duqm  
Refinery**



# METS moves to the Duqm Port logistics area



*SEZD would witness further growth in the coming years*



*Duqm site near oilfields encouraged us to move our business there*

## Duqm - :

Andrew Caster, General Manager of Middle East Tubular Services (METS), indicated that the company had established its business in the Special Economic Zone at Duqm (SEZD) in order to provide a better service to its customers, benefiting from its geographical location in the Sultanate.

METS provides a complete supply chain management for Oil Country Tubular Goods (OCTG) used in the oil and gas fields. OCTG Materials from outside the Sultanate are imported via Duqm port and held at METS logistics hub before being supplied to PDO facilities or directly to PDO Rig Sites.

Last year, PDO signed a long-term contract with SUMITOMO for the supply of OCTG through SEZD. The contract, which began earlier this year required that METS construct a new services facility in Duqm from which materials are prepared "Rig Ready" and then transported to PDO sites. This contract is a renewal of an existing contract with Sumitomo to supply PDO with casing and tubing joints.

### Good performance

Caster said that the new location of METS in the logistics area of Duqm Port has facilitated the company's business. «I can say that our work in SEZD is going from strength to strength. Since the start of operations in Duqm in October 2017, the company has received around 80,000 tons of pipes at an average of approximately 10,000 tons per month,» added Caster in a statement to Duqm Economist.



**Andrew Caster: We have received approximately 80 thousand ton of pipes since the start of operations in November 2017**

Middle East Tubular services established in 2006 in Sharjah, United Arab Emirates hold a market leading position providing a one-stop-shop for OCTG tubular services offering OCTG storage and integrated logistics, OCTG Receiving Inspection services,



OCTG Rig ready Inspection and OCTG Premium and API threading services, currently operating in U.A.E, Iraq and Oman.

In 2016 METS became part of MEDSERVE plc, a publicly listed company with its head offices in Malta, which operates in the integrated marine oil and gas industry and supply chain management of pipe goods to oilfields in the Mediterranean countries of Malta, Italy, Cyprus, Portugal and Egypt. Medserv, listed on the Malta Stock Exchange, supports national and international oil companies in offshore exploration, development and production activities and has provided a range of essential services to the oil and gas industry for more than 40 years.

#### Partnerships

In his interview, Caster praised the relationship between METS and SUMITOMO and its continued service support to PDO, also stating that the relationship with SUMITOMO dated back many years. He indicat-

ed that the company first established Operations in Oman early January 2011 when METS-Sohar was established. However, the establishment of SEZD and its proximity to the oil and gas fields encouraged METS to establish a new operating base in Duqm in order to provide better service to the oil and gas sector in the Sultanate. In addition to the services provided to Sumitomo in Oman, METS are working to secure contracts with other National and International Oil Companies as well as with International OCTG mills and suppliers.

Andrew Caster pointed out that the Omanization percentage in the company is 33%, noting in this regard the company's interest in providing appropriate training for young Omanis.

Caster, General Manager of METS, said that SEZD would witness further growth in the coming years, adding that this growth would open the way for business growth and increase the number of companies operating in Duqm.

*Our business in Duqm is progressing very well and we are proud of our relationship with Sumitomo supporting PDO Operations*



CEO of the Oman DryDock Company reveals to Duqm Economist features of company's plan until 2040

# Increasing company's activities to 11 and USD 500 million contribution to economic activity annually



Eng. Said bin Homoud Al-Mawali

Providing 18,000 direct and indirect jobs

Focus on building and repairing offshore platforms for oil production and specialized ship manufacturing

Plan implementation allows 10 times increased activity in the dry dock

Attracting more Omani companies to work in the dry dock

Interviewed by: **Mohammed bin Ahmed Al-Shezawi**

Eng. Said bin Homoud Al-Mawali, CEO of Oman DryDock Company, said that the company plans to increase the number of activities it provides in the dry dock in Duqm, which is one of the best dry docks in the region and the world.

In an exclusive interview with Duqm Economist, he indicated that the company has succeeded over the past years in imposing its presence by providing distinctive works in three activities related to ship repair and maintenance, conversion of ships from one use to another and manufacture of steel structures. However, the company's plan until 2040 includes increasing and diversifying its activities into 11 activities, including construction/ repair of offshore oil production platforms, increasing manufacture of steel structures used in oilfields, repair of warships, manufacture of specialized vessels, such as large fishing vessels and tow boats, maintenance and repair of large/super yachts, conversion of ship uses, and many other activities. He explained that the company is willing to carry out these activities in partnership with the private sector and it would continue to provide its distinctive services in the field

of ship repair as it represents about 80% of the world transport.

«The implementation of this plan shall increase the level of activity in the dry dock by about 10 times the current level. This will provide 9,000 direct and 9,000 indirect jobs and increase the level of economic activity of the dry dock to about USD 500 million annually,» indicated the CEO of the company.

#### SHORT-TERM PLAN

He said that the short-term plan until 2020 includes continuing to repair and maintain ships of different types and sizes, commencing the process of building ships and oil platforms, continue the Omanization plan, and providing technical support to transport and logistics companies.

#### REPAIR OF MORE THAN 580 VESSELS

The CEO of Oman DryDock Company stressed the economic importance of the dry dock as one of the components of the logistics sector in Duqm. He said that the company has been able to provide ship repair services to many domestic and international companies since the beginning of its operation seven years ago. It repaired 580 vessels. In 2017, we repaired 94 ships and we hope to achieve this figure this year.

«Our ambition is to be able to repair 200





ships a year by 2021, «added he.

### **SUPPORT OF NATIONAL LOGISTICS STRATEGY**

Concerning the support the company can provide to the 2040 national logistics strategy, he said that the company's plan to increase its activities to 11 by 2040 is one of the strategies the company will pursue to support the national logistics strategy that focuses on providing more jobs for citizens, achieving economic diversification and increasing government revenues.

### **ENHANCING PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES**

He stressed that the company is working to enhance the performance of small and medium enterprises and allow them to participate in the works needed by the dry dock, explaining that the total number of companies dealing with the dry dock is currently 876.

He said that 80% of the company's business goes to local companies. «We want the local companies we deal with to grow not only through its work with us but also through its other business in the Sultanate. We will attract more Omani companies to work in the dry dock and award them many works,» added Al-Mawali.

He pointed out that the business opportunities offered by the dry dock to local companies included many areas, notably: awarding

a number of tenders to local companies, especially companies operating in the Special Economic Zone of Duqm (SEZD), in support of SMEs, and a number of works related to the provision of labor (subcontractor) for local companies operating in Duqm. The company purchased and provided ship maintenance equipment and tools from local companies.

### **EMPLOYMENT OPPORTUNITIES FOR OMANIS**

Eng. Said bin Homoud Al-Mawali, CEO of Oman DryDock Company, spoke about the employment opportunities provided by the dry dock to Omanis until now. He said that the opportunities provided by the company amounted to more than 400 in various technical and administrative professions and levels, stressing that the company is keen to have Omani competencies at the senior posts. He said that the company has set the goal of raising the level of knowledge, skill and qualification required for the Omani youth. This included developing training plans, sending training batches abroad in the fields that support the company's industry, developing joint work programs to benefit from foreign competencies working in the company to share experiences and transfer knowledge. The company involves a number of Omanis in targeted committees to address and make recommendations for strategic issues, in addition to preparing Omani employees to occupy leadership positions in the company.



**80% of our business goes to SMEs**

**Our ambition is to repair 200 ships annually by 2021**

**Providing 400 opportunities for Omani youth and keen to have Omanis in senior management**

**Focus on raising the level of knowledge, skill and qualification required for Omani youth**

**Developing joint work programs to benefit from foreign expertise and knowledge transfer**

# Logistics services in Duqm

## the focus of the business owners



Number of attendees at Sohar seminar

**Local familiarization seminars call on private sector to invest in Duqm**

**Economic and industrial zones are attractive investment environments for capitals**

### Special - :

Four seminars held by the Special Economic Zone Authority in Duqm (SEZAD) in Muscat, Sohar, Rustaq and Buraimi focused on the logistics services available in the Special Economic Zone in Duqm (SEZD), SEZAD efforts to attract local and foreign investments and projects implemented in SEZD.

The presentations reviewed SEZD projects that serve the logistics sector, such as the multi-purpose Duqm Port and the airport, which reached its final stages (at time of presentations) and the main roads linking the various investment zones in Duqm, especially the Sultan Qaboos road that links Duqm Port and Airport smoothly.

The seminars also touched on the investment zones within SEZD master plan, such as logistics, industrial, tourism and trade zones.

The seminars followed three other seminars held in February and March in Wilayats of Nizwa, Sur and Ibra in the second phase of local familiarization seminars held in cooperation with Oman Chamber of Commerce and Industry (OCCI) and focused on encouraging the private sector to invest in Duqm.

#### Encouraging domestic investment

Mr. Zahir bin Mohammed Al-Kaabi, Chair of OCCI Board in Buraimi Governorate,

stressed the importance of these seminars in introducing businesspersons to the investment opportunities available in Duqm and encouraging local investment.

Eng. Homoud Al-Saadi, Chair of OCCI Branch in Batinah South, indicated that the qualification of the economic and industrial zones throughout the Sultanate underscores the continued interest in creating attractive investment environments for capitals and encouraging for the creation of businesses that contribute to the national economy. «The niche infrastructure in Duqm is an attractive element for capitals, modern technologies and foreign investments,» added Al-Saadi.

#### We welcome local investments

Saleh Al-Hasni, Director General of Investor Services, said: «SEZAD welcomes local investments and offers many incentives and facilities that encourage the private sector to invest in SEZD. Moreover, SEZAD is constantly seeking to attract and support small and medium enterprises and provide facilities that encourage them to work in SEZD.»

In a presentation at Rustaq Forum, he addressed the main logistical advantages of SEZD, such as Duqm Port, the dry dock, Duqm Airport and the modern and dual road network.

#### Services of one-stop shop

Jalal bin Abdul-Karim Al-Lawati, Director of Marketing and Promotion Department at SEZAD, said that the number of usufruct



Attendance at Al Rustaq seminar



Homoud Al-Saadi



Ahmed Al-Dighishi



Jalal Al-Lawati

agreements signed by SEZAD with investors from the Sultanate and abroad until the first quarter of 2018 amounted to 230. He indicated that that forum was to encourage the private sector to invest in SEZD.

Al-Lawati pointed out that the expected investment value of the total signed agreements is about OMR 5.4 billion in addition to the investments of the Sino-Omani Industrial Park in Duqm if about USD 10.7 billion.

#### Single-window services

One presentation highlighted the services provided by the single window in SEZAD to the investors as being the gateway of investment in Duqm. The services include providing the necessary data for investors on investment opportunities and procedures, registration services in SEZD commercial register, issuance of land usufruct licenses and registration of usufruct contracts, issuing licenses to practice activities, including industrial, tourist, mining and environmental licenses.

#### Transparent tendering procedures

Eng. Ahmed bin Saif Al-Dighishi, Director of the Infrastructure Department, said that SEZAD is committed to a transparent policy regarding the procedures for placing and assigning tenders, including subsidiary works of small and medium enterprises (SMEs). He indicated that SEZAD accords profound attention to SMEs through awarding at least

10% of tenders to them and ensuring transparency in the process of assigning subsidiary works in accordance with the prescribed standards. He stressed that SEZAD, government-owned companies and government projects within SEZD are committed to allocate this percentages of total purchases and contracts to SMEs registered in SEZD that meet the requirements. Al-Dighishi explained that SEZAD legislation provides that the tender documents submitted by SEZAD and companies owned by the government in full should include a text confirming the commitment of the executing companies to allocate projects not less than 10% of the value of the contracts concluded to SMEs. To obtain these facilities, SMEs should meet the requirements prescribed by SEZAD and be registered in the SEZAD SMEs register.

#### Project progress

Ibrahim Al-Rawahi, Acting Director of the Infrastructure Department in SEZAD, in his presentation, discussed the progress of a number of project., such as the Sino-Oman Industrial Park, the Duqm Refinery, Ras Markaz oil storage station, the Sebacic acid refinery and other projects.

In their discussions, the entrepreneurs focused on the investment mechanisms in SEZD, how to participate in the tenders offered by SEZAD, and facilities provided by SEZAD, banks and companies operating in SEZD to stimulate domestic investment.

**Signing of 230 usufruct agreements with investors through the single window**

**OMR 5.4 billion investments expected in accordance with signed usufruct agreements**

**transparent policy in placing and assigning tenders and sub-works for SMEs**



# DEVELOPMENTAL ROLE OF CONTEMPORARY LOGISTICS

## Dr. Ayman Al-Nahrawi

Professor of Transport,  
International Trade and Logistics

The Economic Adviser to the  
Arab Sea Ports Federation

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Throughout history, the military implemented most elements of the concept of logistics upon planning and effecting army movements and their necessary supplies of water, food, ammunition and stock. This was most evident in World War II when the Allied forces prepared to land on the coast of Normandy by hundreds of ships planned to sail from multiple areas in the United States, Canada, England, Ireland, Australia and other parts of the world. This operation involved tens of thousands of troops and vast amounts of military equipment, and ammunition at the coasts of Normandy in France to confront the German army. Following World War II the concept of logistics developed and moved from military to administrative and engineering sciences.

The application of the concept of logistics in business has crystallized since the fifties until the early seventies due to the evolution of the total analysis concept of cost elements and systems approach, increased interest in customer service and quality levels, and distribution channels and flow. In the 1970s, logistics management began to appear in the organizational structures of many companies in Europe and America. In the 1980s, logistics focused on the implementation of an integrated system that ensures the efficiency and effectiveness of the implementation of the concept of logistics and its development. The 1990s witnessed the development of wide-scale work of the concept and its applications in all fields and levels while taking advantage of the development of ICTs and to date.

## LOGISTICS CONCEPT

Some confuse the physical activities of supply, transport and distribution with the concept of logistics, but the concept of logistics is in fact the most comprehensive and general. It connects all these elements at the same time because it concerns planning, organization, implementation, control and supervision of all activities that help the flow of the product from the stage of acquisition, manufacturing and preparation of raw material until the final product reaches customers and markets at the right time and place and lowest possible cost.

It is thus possible to say that the Integrated Logistics System aims to plan, organize, implement, supervise and control the flow of materials and products from their sources and production centers to the markets and the end consumers.

Given the increasing trend of economic establishments towards specialization, division of labor and competitive advantage in light of the complex-

ity and interconnection of competitive elements, the expansion of markets on a global scale, and the great development of transport and ICT, the time and spatial gaps between raw materials and production and markets and consumption on the other hand expand. Therefore, by applying the concept of logistics, we can overcome the differences in time and space and timely supply materials, products, and services in an efficient manner at the right place.

This evolution in logistics thought has resulted in a range of economic and technological factors including:

### Change of consumption patterns

In recent decades, there has been a significant increase in population worldwide, as well as an increase in population density in urban areas and cities at the expense of rural areas, resulting in the concentration of supply operations to large limited-scale selling centers (central markets).

### Cost considerations

Most industrial and productive enterprises have sought savings by streamlining supply, production and distribution activities. Therefore, increasing the performance of logistics has thus become the path to the goal of rationalizing expenditure and increasing productivity helped by the progress in ICT.

### Logistics integration

As the concept of logistics evolved, there emerged the need to integrate all activities related to the transfer of materials to the operation and production centers (supply) on the one hand, and between the activities related to the transfer of the product from the production centers to the markets and sale centers and consumption (distribution).

### Expansion of markets under globalization

With the signing of the GATT and GATS agreements and the creation of the World Trade Organization (WTO), many obstacles and barriers to the flow of exports and imports ended and trade movement has expanded worldwide

### Definition of logistics management

The US Board defines logistics management as the planning, implementation and management of the highly efficient and accurate system, which ensures good inventory management and provides a good flow of raw and semi-processed materials and various components and associated information from the source to their final destination, the final consumer to meet his requirements.

### Al-Nahrawi defines logistics management as

"An integrated process based on transport, information and communication systems to plan, or-

ganize, implement, supervise and control the movement and flow of materials and components from their sources to production sites and then to markets and customers as final products efficiently and effectively ensuring the realization of temporal and spatial benefits to meet the final consumers' requirements."

#### **Logistics management and product life cycle**

Product life cycle is one of the most important concepts in the field of production and marketing. This cycle goes through basic stages of product life, from innovation, research and development through the stage of introduction to markets, then growth, maturity, deterioration and regression. The research and analysis of these stages and their association with logistic operations show that the first thereof is the introduction of the new product to the market. Usually, the growth rate of sales at this stage is slow, in line with the limited quantity of sales, bearing in mind that the product is new in the market and relatively unknown and has limited spread. Therefore, we can expect that logistics management activities at this stage will focus on conservative distributions to cover a limited number of sites or a limited market range.

#### **Important stages**

As for the growth phase, logistics management activities at this stage are at a high rate in response to the growth of the sales movement of the product. This would be a reflection of the acceptance of the product in the markets and to customers. With the rapid increase in sales movement, logistics management activities become more complex, given the difficulty of devising product distribution policies given its newness and the lack of historical data to rely on at this stage, which requires inventory levels to be determined at the different storage points of the product, or the number of storage points. With the lapse of time, product availability in the market, increased demand and spread in many geographical areas, the logistics management activities become less complex and difficult than they were in the introduction phase and the beginnings of the growth phase, which are usually short under these conditions.

The next is maturity stage that usually takes longer than the growth period. According to the characteristics of this stage, the growth rate of sales is slow but stable at a relatively high level. Therefore, the product, according to the characteristics of this stage, is widespread and widely circulated, and therefore there are multiple storage points on a wide geographical scale in order to provide the product and make it available in different markets.

For the final phase, the deterioration stage, which witnesses the decline in sales for a variety of reasons, such as technological obsolescence, nature of competition or demand factors. Then, there will be a contraction in the logistics management activities associated with the product, where the number of storage points and inventory level decrease. In this



way, the concept of product life cycle is a critical element that has a significant impact on the logistics management activities of that product, particularly distribution policies. Therefore, it is essential that the logistics management of an entity be in constant coordination and cooperation with the marketing department to identify all phases of the product in its life cycle on time in order to amend the distribution format, channels and pattern and achieve the highest logistic efficiency at this stage of the product life cycle. This will be in accordance with the conditions and variables that affect this product at each stage.

#### **Temporal and spatial benefits of logistics**

The temporal and spatial benefits of the transport process already materialize through logistics that serve as the cornerstone of the concepts and applications of modern international transport systems and act as the artery of international trade flows. Thus, the improvement of logistics applications in the field of trade and transport means that the production and consumption processes geographically separate at a high pace. This is already taking place in the contemporary international trade movement in which domestic and regional production and consumption processes are separate in the context of the globalization of trade, with which the elements of comparative advantages theory materialize for countries or regions to specialize in the production of such goods and products in which they have comparative advantage. They then export the surplus to other countries or regions. The import process is limited to non-domestically produced products. In this way, logistics contribute to achieving efficient production at various levels. This efficiency reflects on a better level of consumption and customer satisfaction and in general achieves higher standard of living of the individual and society.

Transport activities and operations are a major focus of the generation of logistics costs. Transport brings the product a time benefit as well as a spatial benefit, the former in providing and making the product available at the place of demand at the right time and the latter in providing this product at the location and place of demand or on the existing and targeted markets.

Some experts point out that transport may account for 30% or more of the total logistics cost and integrates with storage activities in the period and temporal benefit as storage activities add to the material, component or product the time value. It is piratical to provide fixed or guarantee delivery times without inventory guarantee. Thus, the integration of production, logistics and marketing activities within the logistics management framework are channels that link demand and supply.

# OMAN CONFERENCE FOR ECONOMIC AND FREE ZONES DISCUSSES PROMOTING COMPETITIVENESS AND ECONOMIC DIVERSIFICATION



Conference opening session

**Dr. Ali Al-Sunaidi:**  
*Omani economy started to recover and registered good growth in 2017*

*Economic and free zones are an opportunity to maximize the benefits of Oman's distinguished relations with world countries*

*The Sultanate focuses on development of free and industrial zones, encouraging foreign investment and facilitating establishment of economic activity*

## Muscat - :

Participants in Oman Conference for Economic and Free Zones discussed the promotion of the competitiveness of the Special Economic Zone of Duqm (SEZD) and the free zones in Sohar, Salalah, and Mazyouna and the industrial estates in the various governorates of the Sultanate.

Participants in the conference, held under the patronage of His Excellency Dr. Ali bin Masoud Al-Sunaidi, Minister of Trade and Industry, affirmed that the Sultanate enjoys many comparative advantages that contribute to enhancing the performance of economic and free zones and provide many investment opportunities for economic diversification.

H.E. Dr. Al-Sunaidi, Minister of Trade and Industry, said that the three main economic zones in Duqm, Salalah and Sohar would be an important factor in attracting investments not only in the manufacturing sector but also in the other four sectors, which are the focus of the current five-year plan: tourism, logistics, mining and fisheries.

«These zones are an opportunity to maximize the benefits of the Sultanate's distinguished relations with the world countries along with the advantages enshrined in free trade and technology transfer agreements. They also avail from the membership of the Sultanate in the Arab and GCC economic communities,» said Al-Sunaidi in the opening speech of the Conference organized by the Special Economic Zone Authority in Duqm in cooperation with Free Zone Watch (FZW).

### GOOD GROWTH OF NATIONAL ECONOMY

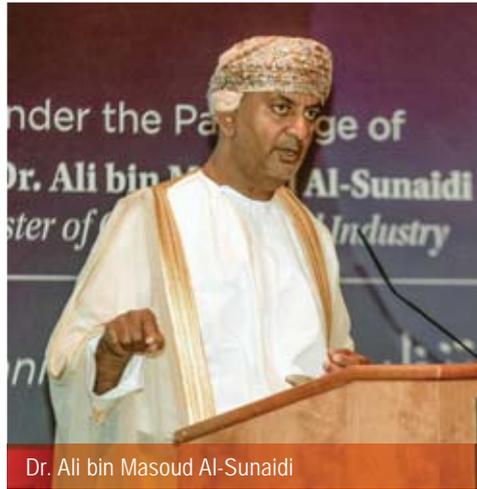
Al-Sunaidi said that the Sultanate has intensified in the last three years its attention to economic diversification by focusing on investment in five promising sectors, namely manufacturing, tourism, logistics, fisheries and mining through the National Program for Enhancing Economic Diversification (Tanfeeth). It involved the private sector in this program while maintaining government expenditure on infrastructure and exploration and production of oil and gas. He pointed out that Oman, like other world countries, has faced the challenges of bearish oil prices and managed through a



One conference session



Yahya bin Said Al-Jabri



Dr. Ali bin Masoud Al-Sunaidi

**Yahya Al-Jabri: Economic and free zones incentivize investment and business development**

package of measures to overcome these challenges, pointing out that the Omani economy began to recover and recorded good growth during 2017 expected to increase during the coming period.

The Minister of Commerce and Industry highlighted that the Sultanate has adopted during the past three years a package of measures to enhance the performance of national economy. These included focus on the completion and development of free and industrial zones, encouraging foreign investment and facilitating the establishment of economic activity. The government has also adopted innovative means of financing for the establishment of some service facilities, such as hospitals, ports, economic and industrial zones, providing public transport and providing electricity and telecommunications services.

**SUCCESSES AND CHALLENGES**

The Conference attended by about 250 people from the Sultanate and abroad reviewed the successes achieved by the economic and free zones and the challenges they face. H.E. Yahya bin Said Al-Jabri, SEZAD Chair, said «The Conference aims to shed light on the Omani experience over three decades

in establishing and management of free zones, industrial cities and special economic zones. It aims to activate dialogue on the successes achieved by these systems to the present time, as well as the challenges facing them in the next phase, draw lessons, and then submit the views on the mechanism of maximizing their contribution to the GDP of the Sultanate and reaching the vision of Oman 2040.

**STIMULATING INVESTMENT**

In his speech at the Conference, Al-Jabri asserted that the free zones in the Sultanate, SEZD, and the industrial estates of the Public Establishment for Industrial Estates (PEIE) are the main building blocks of Tanfeedh. It is necessary to add another main building block represented in the seaports in Sohar, Salalah, which in total constitute a system for stimulating investment and business development, linking the Sultanate to the supply chain and value added at the regional and global levels. This would surely employ the comparative advantages of the Sultanate in terms of political stability, distinctive geographical location on global navigation routes, safe supply of energy, and preferential trade relations under bilateral and multilateral free trade agreements that al-

**Linking the Sultanate to the supply chain and value added at the regional and global levels**



Participants familiarize themselves with SEZD master plan

Participants: Duqm is rich in investment opportunities and its business environment is making good progress



Pranay Pradhan



Young He Lee

low access to consumer markets with a population of about one billion people.»

Al-Jabri explained that the system of free zones, SEZD, industrial cities and major ports in Sohar, Salalah and Duqm, is only a vital area and spatial space through which government policies can interact in the field of economic diversification in an integrated and organic manner to bear fruit on the ground in the form of high value-added productive projects.

#### CONFERENCE SESSIONS

The first session included presentations from SEZAD, Free Zone in Salalah, Sohar Port, Free Zone in Sahar, the industrial estates of the Sultanate and the Free Zone in Mazyouna. This session focused on the potentials of economic and free zones and their efforts to attract investments and the advantages and facilities they offer to investors.

The second session discussed the role of infrastructure and logistics in activating businesses in the economic and free zones.

The third session reviewed the role of the banking sector in encouraging companies to invest. The session confirmed that the recent period has witnessed easing of some restrictions on financing, which contributed to providing more liquidity to investors. In their discussions, the banks stressed that they are a major contributor to development and project financing asserting that they consider the feasibility of projects before financing them.

The fourth session, entitled «Digital Free Zones,» discussed the investment opportuni-

ties available in the economic and free zones for investment in the field of ICT. In their interventions, the speakers stressed the importance of these zones becoming digital zones, pointing out that the interest of companies in this sector contributes to reducing costs.

#### PARTICIPANTS VISIT DUQM

The day after the Conference, the participants visited SEZD to see the projects and the investment climate. «I believe that such visits play an important role in informing investors about the business environment in SEZD and the advantages therein. The projects here are growing and this is an indication of the success,» said Young He Lee, Director General of the Korea Trade-Investment Promotion Agency (KOTRA).

«This is my first visit to the Sultanate of Oman and I was impressed with what I saw,» said Arslan Derhkam, a member and president of the International Iranian University. «The investment climate in Duqm is good and I expect its business environment to make great progress. The strategic location of the port would contribute to the growth of SEZAD.»

Pranay Pradhan, General Manager of SIMAC India, said: «I have business with a number of projects in Duqm. In fact, SEZD is rich in successful investment opportunities and I believe that in the next five years, it will be one of the most successful economic zones due to its strategic location serving the various industrial and logistic activities of the Gulf countries, Africa and Indian sub-continent.»

The Conference aims to present the views on maximizing the contribution of economic and free zones in the GDP



Participants visit Duqm Port

# Launching the e-portal and mobile services of SEZAD

## Muscat - :

The Special Economic Zone Authority at Duqm (SEZAD) launched the first stage of its e-services portal, as part of transformation to e-services provided to investors in the region.

During this stage, investors will be able to submit a usufruct application electronically without the need to go to the same station to submit the application. The system also allows the investor to follow up the completion of his application electronically and investors can access the portal through the link (<https://eoss.duqm.gov.om>).

The launch of this service comes within the framework of SEZAD efforts to facilitate procedures for investors. Through this service, SEZAD targets all investors, both from the Sultanate and abroad. The investor from outside the Sultanate can apply for land usufruct, follow up the application, pay online and inspect the pro-

posed land site for his project through mobile navigation applications without having to come to the Sultanate provided subsequent fulfilment of registration procedures in SEZD commercial register and signing the usufruct agreement through the visit to the Sultanate.

The investor can access the services portal through a variety of options, whether by mobile phone, e-mail or electronic authentication (using the smart card on the ID card for citizens and the residence card for non-Omanis residing in the Sultanate).

The inauguration of the first stage of SEZAD e-services portal coincides with the launching of the mobile phone application, which allows the investor to view general information about Duqm, its economic zone, the latest news and highlights of the region, the flight schedule to and from Duqm and emergency call numbers.

Applicant can also submit any report/call to the authority by locating the call/report through the application.

  
**Enabling foreign investors to apply for land usufruct without the need to come to the Sultanate**



تقدم بطلبك الاستثماري في أي وقت ومن أي مكان  
Apply online for Land Usufruct anytime, from anywhere

<https://eoss.duqm.gov.om>

استكشف الدقم عبر تطبيق هاتفك المحمول  
Explore Duqm through your mobile App

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Available Now  
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**Mobile application provides general information about Duqm, SEZD and the latest news**



One of the expected projects in the Chinese-Omani industrial park

**The Chinese-Omani industrial park is an important step in promoting practical cooperation between the two countries to new levels**

**Sultanate welcomes and supports the Chinese «Belt and Road» initiative**

**Agreement on the full employment of the complementary advantages of both countries in economy and trade**

# Sultanate and China decide to establish strategic partnership

## Muscat -

The Sultanate and China have announced the establishment of strategic partnership relations that include many political, economic, cultural, educational and other aspects.

A joint communiqué issued on 25 May 2018 on the 40th anniversary of the establishment of diplomatic relations between the Sultanate of Oman and the People's Republic of China on 25 May 1978 confirmed that since then mutual political trust has steadily strengthened. It also indicated that the historical friendship has steadily established and cooperation in energy, economy, and trade, along with popular rapprochement have made fruitful achievements.

### The statement indicated:

His Majesty Sultan Qaboos Bin Said and Xi Jinping, President of the People's Republic of China appreciate the great progress made by the bilateral relations. Out of the actual need to develop the Omani - Sino relation at the current time and the joint interest of both sides to enhance the level of bilateral relations, the leaders of both countries decided to establish strategic relations among them. This move achieves the joint interests of both countries and peoples and contribute to enhancing the development and common prosperity for both countries. In this regard, both sides are keen to give priority for cooperation in the following fields:

First: Enhancing communication and consultation between leaderships of both countries, continue permanent coordination about bilateral relations and regional and international issues of joint

interest and continue expanding joint visions and deepening mutual political confidence.

Second: The two countries will exchange support in the issues related to the independence of both countries and the safety of their territories. They stress their commitment to non-interference in the internal affairs. The Sultanate of Oman reaffirms its firm commitment of One China Principle and that Taiwan is an integral part of the Chinese territories. It supports the Chinese government stance towards Taiwan issue and the issues related to Chenggang and Tibet, as well as the Southern Sea of China. China supports the Sultanate of Oman efforts aimed to maintain sovereignty, independence, the safety of territories, national security and stability.

Third: The Sultanate of Oman expresses its welcome for the ' Belt and Road' Initiative and is keen on active participation in the projects of the ' Belt and Road ' initiative. It is also keen on continuing support and participation in the ' Belt and Road ' Forum for International Cooperation, as well as other relevant important events. China appreciates the active participation of the Sultanate of Oman in the « Belt and Road'. It welcomes Oman as a partners cooperating in the building of the « Belt and Road'. The two sides are keen on continuing enhancing the coordination of policies and compromise between ' Belt and Road' initiative of China and the Omani 9th five-year development plan. The two sides are also keen on accelerating the discussions and signing cooperation documents related to building ' Belt and Road' initiative.

Fourth: The two countries believe that cooperation in the productive energy and investment is an important component for practical cooper-



Wan Fang Oman Company signs an agreement with a Chinese company on the sidelines of the 2017 China-Arab Business Summit

ation between the two sides. The two sides will enhance compromise among development strategies and utilizing their benefits. The two sides will continue enhancing cooperation in production and investment fields while complying with the guiding role for the government and the main role for the companies, as well as the guiding role for the market and commercial principles. They will give priority to energy development, resources, chemical industries, processing industries and marine industries. They will make the Chinese Industrial Zone in the Omani Duqm Zone as an important framework for promoting practical cooperation between the two countries to new levels.

Fifth: Full utilization for the integrative benefits between the two countries in economy, commerce and continue to utilize the role of the mechanism for the joint economic and commercial committee between the two countries. They will expand the existing cooperation to achieve the different forms of mutual benefits in the infrastructure, industrial parks, logistic parks, railway, ports, power generation plants and others. They will also enhance the comprehensive development of the economic and commercial relations between the two countries.

Sixth: The two countries consider energy cooperation as an important pillar for practical cooperation between the two countries. Both sides support more cooperation between the companies in both countries in crude oil trade, exploration, development of oil and natural gas resources, engineering and refining services, petrochemicals fields and others. They also support enhancing cooperation in new and renewable energy fields.

Seventh: The two countries are keen to push forward financial cooperation and are supporting considering the possibility of cooperation in the field of currency and utilizing the role of the local currency in trade and investment between the two sides. They also encourage financial institutions of both countries to achieve mutual benefit of its work and open branch offices at the other side. The two sides also promote harmonization of financial services and provision of financial support for trade and investment cooperation between them.

Eighth: The two countries are keen to carry out human and cultural communication and enhance cooperation in education, health, scientific research, tourism, information, youth and sports and aviation spheres. They are keen on promoting mutual understanding and friendship between the two peoples. The Chinese side is keen to provide more opportunities for Omani students to complete their studies in China and support teaching Chinese in the Sultanate of Oman. Both

sides confirm their readiness to positively consider opening the Chinese Cultural Center in the Sultanate of Oman.

Ninth: The two countries are keen to strengthen communication and cooperation in law enforcement, security and counter-terrorism, and intensify the exchange of intelligence, information, technical cooperation and personnel training.

Tenth: The two Countries are keen to make joint efforts to promote the establishment of the free trade zone between China and GCC as soon as possible. They are also keen to enhance communication and coordination within the framework of the Arab-Chinese Cooperation Forum. They are also keen on developing collective cooperation between China, the GCC and Arab countries.

Eleventh: The two countries agree that the Sultanate of Oman and China share broad common interests in many important regional and international issues and will enhance coordination and cooperation in the United Nations and other international organizations and other multi party forums. Both sides stress that the issue of UN Security Council reform requires consensus of all Member States and move in a balanced manner to reach the widest possible consensus and reach a solution with one package. The two sides also support a peaceful solution to the hot issues in the region through dialogue and political negotiation. The Sultanate of Oman appreciates China's just position and its important role in the region's affairs. China also supports the active role of the Sultanate in the affairs of the region.»

**Expanding cooperation based on mutual benefits in infrastructure, industrial and logistic parks, rail-ways, ports and power plants**

**Encouraging financial institutions to make mutual use of their businesses and open branch offices on the other side**

**Chinese side stresses its keenness to provide more opportunities for Omani students to complete their studies in China**



## Construction of the Sino-Omani Industrial Park kicks off in Duqm

Chair of Wan Fang in an interview with Duqm Economist:

# Working to make Duqm a logistics hub that feeds neighboring markets



Ali Shah



Duqm - Saleh bin Nabhan Al-Mamari

The construction of the first industrial project in the Sino-Omani Industrial Park in Duqm, developed and operated by Oman Wanfang Company, started with a commercial and residential complex in Duqm (late April).



The residential commercial complex that started in April 2018

Oman Wanfang Company plans to cooperate with Chinese investors to set up 35 projects in the city located in three locations in the Special Economic Zone in Duqm (SEZD), the heavy industries, the light and medium industries, and the tourist zone.

Ali Shah, Chair of Oman Wanfang Company, said, «Wanfang Commercial and Residential Project, with a total area of 40,000 square meters, consists of four commercial buildings. The first phase includes the construction of a five-story commercial and residential complex with an area of construction 15,000 square meters and at a height of 22.9 meters.»

#### Building materials market

In an exclusive interview with Duqm Economist, Shah stated that the building materials market, which will start this year, would focus in its first phase on meeting the needs of the local market and covering the requirements of the construction sector in the Sultanate. Its second phase will focus on making Duqm a logistics hub that feeds

markets in neighboring countries as well as in many outlets around the world, such as India and African countries, benefiting from our strong relations with partners in India.

«We will be promoting the building materials market internationally and I hope that in the next five years SEZD will become a logistics hub for building materials market because its location and strategy is very impressive given its proximity to many markets. There is a high demand for building materials in the Middle East, with the pace of development and construction and the company will work to bring raw materials for building materials from several countries, notably China, India and Iran in addition to the local market,» added Shah.

#### Blankets factory

Ali Shah said, «There is also a large project coming to SEZD and its business has been registered, which is a factory producing blankets and carpets of various kinds. It is hoped that the factory at a cost of USD 98 million will produce 12 million pieces a year. The main factory is in Shan-

**Building materials market keeps pace with the growth of demand locally and regionally**

**Construction of two power and desalination plants to meet the needs of projects in Sino-Omani Industrial Park**



SEZAD officials and workers in the Sino-Omani Industrial Park during the start of work in the commercial residential building



An outline of the building materials market

**Blankets and carpets factory is a big project we are working on attract to Duqm**

**Expected production of 12 million pieces per at a cost is USD 98 million**

**Attracting more companies to Sino-Omani Industrial Park**

dong Province, China. A team from SEZAD visited the factory and admired the techniques used in manufacturing the products. The manufacturer has a leading trademark in manufacturing blankets and carpets and exporting its products to different markets around the world.»

«The factory will be in SEZD on an area of 20 hectares and will operate 6 production lines. It will bring its raw materials in the early stages from China and can take its materials from the local market once they are available. These are «minute chemicals» and currently, there are only a few countries in the region that produce them but can be produced later by special technologies produced by petrochemical refineries.»

#### Plant and water stations

The Chair of Wan Fang Oman Company referred to the cooperation between the company and SEZAD regarding the provision of energy and water to the factories to be built in the Sino-Omani Industrial Park. He said, «We have agreed with SEZAD to invest in the construction of two plants, one for power and the other for water desalination. The two plants will meet the needs of the projects to be established by the com-

pany in the light industries zone and thus provide good service to investors whose projects require large amounts of electricity or large quantities of water for cooling purposes.»

#### Promotional campaign in China

Ali Shah reviewed the company's efforts to attract more companies to the Sino-Omani Industrial Park in Duqm. He said: «We intend to cooperate with SEZAD in organizing a promotional campaign in three cities in China such as Guangzhou specialized in light industries, such as building materials and electronics, etc., Shandong to that targets petrochemical industries and refineries, and a third city that focuses on other heavy industries.

#### Duqm reputation in China and the world

«Duqm has a good reputation not only in China but also most of the world. I read an article in Forbes magazine that Duqm will be a great city in the Gulf region. This is evidence that SEZD will receive economic attention during the coming period. There are many articles on Duqm in the Chinese newspapers concerned with international economic affairs,» concluded Ali Shah.



# Tatweer owns 15% of the construction materials market project in the Chinese-Omani industrial park



## Duqm - :

Oman Company for the Development of Special Economic Zone at Al-Duqm (Tatweer) has announced that it has signed a partnership agreement with Wan Fang Oman Company and Thabat Holding Company to acquire 15% of the capital of Duqm Company for Building Materials Market established to establish a building materials market in the Sino-Omani Industrial Park in Duqm.

Wan Fang is the main investor in the new company with 51% of its shares, while Thabat owns 34% of the capital.

Tatweer is the investment arm of the Special Economic Zone Authority in Duqm (SEZAD) that owns 100% of its shares. It acts as a partner to investors in Duqm by having a minority stake. This is the third investment of the company after its investment in Duqm Quarries Company and Imdad Logistics Company.

Tatweer, established in 2013, is concerned with the management of assets assigned to it by SEZAD and the implementation of all the projects and development projects in SEZD or one of its sectors, particularly strategic infrastructure projects that support investments, such as land settlement, and the implementation of public utilities projects, such as water, electricity, gas, telecommunications, roads and transportation. The projects run by the company in SEZD are worth about OMR 650 million.

### Contribution to new projects

Tatweer said that its investment in Duqm Company for Building Materials Market is part of its objectives to diversify its sources of income and contribute to the new projects established in SEZD.

The construction materials market is one

of 10 projects to be built in the Sino-Omani Industrial Park in the first phase that includes nine other projects.

Wan Fang Company Oman is developing and operating the Sino-Omani Industrial City, with an estimated investment of about USD 10.7 billion.

### Building materials market

The construction materials market project includes land development, core warehouses and retail space areas dedicated to other construction companies to showcase and store their products. It is hoped that this project will attract many companies around the world to come to Duqm, and make it a base to market and sell their products in the construction sector. In light of the excellent location of Duqm, the initiative is expected to provide many logistical capabilities to the sector, not only to the Sultanate but also to other countries in the Middle East and East Africa. Companies in these countries will benefit from the construction materials market built in Duqm.

This is one of the projects of the Sino-Omani Industrial Park to be built in the light industrial zone. The building materials market includes an area of 250,000 square meters allocated for retail, commercial, warehouses, logistics and many plots for benefits and infrastructure. The first phase of the construction materials market is scheduled to begin before the end of this year.

Wan Fang Company Oman, which has signed an agreement to benefit from the development of an industrial city and tourist area in Duqm, has executed several projects in Duqm with the support of Chinese investors while Thabat Holdings is an active investment tool in the infrastructure activities being implemented in the Sultanate.

  
*The new investment is the third of the company after investing in Duqm Quarries and Imdad Logistics*

  
*Duqm location provides logistical capabilities for the construction materials sector locally and internationally*

  
*Building materials market aims to attract companies to Duqm and make it a base for marketing and selling their products*

Part of the program of training 1000 students to work in Duqm

# The first batch of students studying in China finish their training program at Ningxia College



Training includes vital specialties such as petrochemical engineering, construction materials, renewable energy and petroleum equipment.

## Yinchuan (China) - :

The first batch of Omani students, who studied at Ningxia Polytechnic in Yinchuan city, China, June 2018, has completed their training program, which lasted for a year and a half. The students will resume their training in the Sultanate, after the end of the summer vacation, for 6 months before they can join their work in one of the projects established in the Chinese-Omani industrial park of Duqm.

There were 39 students in that batch belonging to Wilayat Duqm, as well as other Wilayats of the Sultanate, who were sent out to study in China under the plan of Oman Wanfang Company, in coordination with the special economic zone of Duqm for sending out 1000 students to study in China and then recruit them in one of the projects undertaken in the city, which is being developed by Oman Wanfang Company.

Additionally, sending out 1000 students to



study in China comes under the plan of the special economic zone of Duqm aiming at re-qualifying Omani youth to work in Duqm Industrial Park.

Oman Wanfang company and Ningxia Polytechnic College have signed at the end of June 2016 a Memorandum of Understanding (MoU) to train 1000 Omani Students in these specialties: petrochemical engineering, construction





Visiting a landmark in China

materials, computer software, technology, renewable energy, petroleum equipment, and economic management, and the course includes %75 academic training and %25 vocational training in the field of work.

#### A new world

During the graduates' speech, delivered by student Said bin Ali Al Hakmani, speaking on behalf of his colleagues, he said: I am pleased to congratulate all the students who are being graduated today for their success and hard work. It is a great day for us, Omani students; we have completed our study here for one year and a half, and we are about to embark on another journey as apprentices in the industry. He added: our study here we opened a new world in the beautiful country of China through the excellent education. We have learned a great deal of Chinese language and our command of English language has been improved considerably, which appears clearly from the way I'm speaking. We have earned an excellent skill in sports as we were exercising on the campus and it was a good opportunity to benefit from the experience of our friends of Chinese students. We played soccer, volleyball, badminton with the best players at college; we reached the highest level with the support of our professors and colleague friends.

He also added: we have gained amazing experience abroad, as well as many long-term friendships here. Having access to a rich and great culture has enriched our lives here, especially the spirit of tireless efforts and innovative ideas of the Chinese people. We are deeply aware of all these fruitful times through the initiative of the belt and the approach of investing in improving the commercial and investment relations, as well as fostering friendly relationship between the two great countries. We trust that this period, which cannot be forgotten in Ningxia Polytechnic College, will strengthen the pursuit of our personal and professional lives so that we would act as cultural ambassadors between China and Oman, through our work in the Chinese-Omani industrial park of Duqm and remaining in contact with our Chinese friends here.

#### The second batch

The first batch has graduated while the second batch is getting ready to travel to China after they have completed a 6-month training program in the Sultanate. The number of students who passed the preliminary tests was 41 students. The students who will pass the final interview will travel to study in China in September 2018.

**Alumni:**  
Studying in China has opened a new world for us, and we look forward to becoming cultural ambassadors between the two countries

**Conduct interviews for the second batch includes 41 students**



Participation in sports activities

*Green areas on 50 thousand square meters*

# SEZAD spreads a 'green carpet' in Duqm

## Duqm - **الدقم** :

The Special Economic Zone Authority in Duqm (SEZAD) has implemented many projects to spread vegetation in the Special Economic Zone in Duqm (SEZD) through the cultivation of various types of fruit trees, shadow trees, palm trees and green spaces suitable to SEZD climate. SEZAD has used modern environmentally friendly irrigation techniques to contribute to maintaining ecological balance.

The estimated area of green spaces cultivated during the past years is 50,000 square meters. The most important projects implemented in this field include planting Sultan bin Taimour Road through the cultivation of more than 220 palm trees, 120 shadow trees, and 35,000 square meters with shrubs and green areas.

SEZAD attaches great importance to afforestation and the spread of green areas in SEZD so that these areas are not less than 10% of the areas allocated to investors to contribute environmentally and aesthetically to SEZD given the variations in temperature and sand storms therein. Plants are among the most important factors that contribute to maintaining the ecological balance, mitigating climate conditions, reducing the impact of erosion factors, improving soil, increasing fertility and reducing pollution and dust.

The Afforestation Division of the Infrastructure Department of SEZAD follow ups and studies SEZD requirements in this aspect and oversees the implementation thereof. Studies currently underway include a study of the types of trees that suit SEZD climate, a study of suitable sites for afforestation and parks, a study on priorities according to urban and demographic growth in Duqm.

# Engaging local community in the sports programs in Duqm



The winning team in a commemorative photo

## Duqm - :

Ramadan tournament of the Special Economic Zone Authority in Duqm (SEZAD) witnessed an active participation of the local community in Duqm. Duqm team that included a number of athletes from Sai Village, the center of Wilayat of Duqm achieved a big victory in the final match against Duqm Airport team with four goals against one goal to receive the tournament cup.

Sixteen teams from a number of companies operating in the Special Economic Zone in Duqm (SEZD) and the civil teams in the Wilayat. Four teams went up to the Golden Square: Duqm, Duqm Airport, SEZAD and Al-Shuawair.

Duqm team came first followed by Duqm Airport team and SEZAD team in third place.

The Department of Partnership and Development in SEZAD organized the tournament in cooperation with SERKA Construction Company and Rajab and Aida. The tournament witnessed a public presence, interaction and encouragement from the community.

Abdulaziz bin Mohammed Al-Hinai, Director of Partnership and Development Department, said that SEZAD is keen to involve the local community, especially youth, in the social, sports, cultural and health programs it organizes noting that SEZAD organizes such events in Ramadan to exploit youth leisure time.

  
**Sixteen teams competed in Ramadan tournament ... Duqm wins**  




# Joint efforts in Duqm to deal with the expected effects of Cyclone Mkono



SEZAD team during a visit to a project

**SEZAD forms a working group to ensure readiness of projects and investors**

**Ensuring appropriate storage of hazardous materials**

**Informing companies of accommodation places and communication channels**

## Duqm - :

The Special Economic Zone Authority in Duqm (SEZAD) has formed a working group to take precautionary measures to deal with the expected impacts of the extraordinary weather conditions "Cyclone Mkono", which affected Dhofar Governorate and expected to affect Al-Wusta Governorate indirectly from 24 to 27 May.

Under the direct supervision of the Deputy Chief Executive Officer and headed by Mahmoud bin Homoud Al- Rawahi, Director General of Supervision and Compliance in SEZAD, the working group visited all infrastructure projects in SEZAD and investors' projects to ensure the readiness of projects and investors. The working group visited 17 companies, notably those operating in Duqm Port, dry dock, dams, drainage channels and fishing port.

During the visits, the working group raised the awareness among the security and safety staff and managements about the tropical situation and its expected effects, and the way to deal with it. It also reviewed companies' emergency plans and activation mechanism, and confirmed the storage of hazardous materials in appropriate ways. The working group also informed the companies of the accommodation places and communication channels. During the adverse weather period, SEZAD also issued a series of alerts and statements to all companies operating in Duqm to take all precautionary measures and draw up contingency plans and security and safety measures when dealing

with the impacts of climatic conditions.

In an expanded meeting held on Thursday (24 May) at the office of Wali of Duqm, SEZAD working group stressed the importance of unifying the efforts between the various government agencies and companies operating in SEZD. It explained the role of SEZAD and Tatweer Company in coordinating between the companies operating in SEZD and the relief and accommodation agencies and updating the companies on any developments.

The meeting, chaired by H.E. Sheikh Mohsen bin Hamad Al-Maskari and Wali of Duqm, reviewed the precautionary measures and contingency plans prepared by some government agencies, companies and contractors. It also stressed the responsibility of each entity to play its role and take the necessary measures to protect the lives of its employees and the mechanism of dealing with the tropical situation in case it affected Duqm.



# Road Control and Protection System in SEZD issued

## Muscat - :

H.E. Yahya bin Said Al-Jabri, Chair of the Board of Directors of the Special Economic Zone Authority in Duqm (SEZAD), issued a decision on Road Control and Protection System in the Special Economic Zone in Duqm (SEZD).

The new System stipulates that road users must keep the road safe and clean and prohibits carrying out any action that could damage the road. The System prohibits any cutting of an asphalt road without permission.

The new System stresses the need for vehicles to comply with the weights and dimensions specified in the Executive Regulations of the Traffic Law and obliges the drivers of sand, cement and other similar materials trucks to cover the load before proceeding on the road.

The System has four chapters on road organization and protection, licensing provisions, and penalties, in addition to the annexes on violations and administrative fines, and on license fees.

System accords maximum attention to public health and imposes financial penalties on violators

Projects may not engage in any economic activity in SEZD without a health license

Health license and health card shall be valid for one year from the date of issue

# Health and Hygiene Control System in SEZD issued

## Muscat - :

H.E. Yahya bin Said Al-Jabri, Chair of the Board of Directors of the Special Economic Zone Authority in Duqm (SEZAD), issued Decision No. 26/2018 on the Health and Hygiene Control System in the Special Economic Zone in Duqm (SEZD).

The decision came into force in June after it was published in the Official Gazette. The decision granted a one-year period to companies and professional and vocational activities in SEZD to adjust their situation.

The decision comes in light of the attention SEZAD accords to public health and achievement of the best regulations in this regard.

The Health and Hygiene Control System in SEZD consists of four chapters that address health control, hygiene and administrative sanctions. The System also includes three annexes related to the health requirements of activities related to public health. The second annex deals with economic activities whose

workers should have a health card, while the third annex deals with violations and sanctions.

The Health and Hygiene Control System in SEZD confirmed that the projects might not carry out any economic activity in SEZD without a health license after satisfying the health requirements for activities related to public health and paying the prescribed fees. It also stresses the need for vehicles that transport water, food or fish have a health license to be able to do business in SEZD and should meet a number of requirements that ensure public safety.

The System identified six activities for which workers should obtain a health card: sale, supply, storage and trading of food, preparation and processing of meals, food factories, slaughterhouses, transport and marketing of foodstuffs, transport of drinking water, transport of non-potable water and activities related of public health, such as hair-dressing, beautification, laundry, and health clubs.



Transportation of the potable water is one of the activities must obtain a health card

# **Decision No. (26/2018) Issuing the Control of Health and Hygiene Regulation In the Special Economic Zone in Duqm**

Pursuant to the Royal Decree 119/2011 establishing the Special Economic Zone Authority in Duqm and issuing its regulations,  
The regulation of the Special Economic Zone in Duqm issued by the Royal Decree 79/2013,  
The approval of the Board of Directors of the Special Economic Zone Authority in Duqm,  
And in the pursuance public interest,

It was decided

## **Article One:**

The attached Health and Hygiene Control Regulation shall apply in the Special Economic Zone in Duqm.

## **Article Two:**

The projects in the form of a sole proprietorship, company or a branch of a foreign company or institution, professional and vocational activities existing in the Special Economic Zone in Duqm shall rectify their situations in accordance with the provisions of the attached Regulation within one year from the date of its effective date.

## **Article Three:**

All that is contrary to the attached bylaw or contradicts with the provisions hereof is hereby repealed

## **Article Four:**

This decision shall be published in the Official Gazette and shall come into effect from the day following its publication.

Issued on: 21 Ramadan 1439 AH  
CT: 6 June 2018

**Yahya bin Said bin Abdullah Al-Jabiry  
Chairman, Board of Directors**

# Health and Hygiene Control Regulation in the Special Economic Zone in Duqm

## Chapter One Definitions and General Provisions

### Article (1)

In the application of the provisions of this Regulation, the following terms shall have the meanings given to each unless the context otherwise requires:

**Authority :** The Special Economic Zone Authority in Duqm.

**Zone :** The Special Economic Zone located in Wilayat Duqm.

**Board:** Board of Directors of the Authority .

**Chair:** Chairperson of the Board of Directors.

**CEO:** Chief Executive Officer of Authority .

**Projects:** Projects licensed in the Zone , whether in the form of a sole proprietorship, company or a branch of a foreign company or institution, professional and vocational activities licensed in the Zone .

**Economic activity:** Any commercial, industrial, agricultural, tourism, real estate, media, service or professional activity, and any other activities required within the Zone in a manner that does not contradict the laws in force in the Sultanate.

**Establishment:** Any building, fixed or movable, engaged in an economic activity in the Zone .

**Health license:** Approval issued by the Authority .

**Health card:** A card issued by the Authority confirming that its holder is free of infectious diseases.

### Article (2)

The provisions of this Regulation shall apply to the projects engaged in economic activity in the Zone . In the absence of a special provision in this Regulation, the provisions of the relevant laws, regulations and decisions in force in the Sultanate shall apply.

### Article (3)

The projects shall allow the Authority employees who have judicial arrest capacity to enter and inspect them, enable them to exercise their legal jurisdiction, and allow them access to the records and documents required.

## Chapter Two Health Control

### Article (4)

The projects may not carry out any economic activity in the Zone without a health license and before satisfying the health requirements of the public health related activities specified in Annex 1 attached to this Regulation and paying the prescribed fees.

### Article (5)

The vehicles transporting water, food or fish shall not operate in the Zone without a health license and shall abide by the following:

- A. To use the vehicle for its prescribed purpose;
- B. To conduct periodic maintenance of the vehicle to ensure that the cooling and freezing devices are working properly and to ensure that there is no leakage of water during transport and distribution.
- C. Not to discharge any water in other than the places designated for this purpose.

### Article (6)

Any natural person may not work in any of the economic activities specified in Annex 2 attached to this Regulation without a health card and after undergoing the required medical examination from the health institutions determined by the Authority .

### Article (7)

The application for health license and health card shall be to the competent department in the Authority by the concerned person or his legal representative, on the form prepared for this purpose, along with the documents specified in the form. The Authority may require the documents and details it deems necessary to decide on the application. The application for the health license or card shall be deemed canceled if the applicant does not complete all the documents specified in the form or requested by Authority within (20) twenty business days from the date of the request.

### Article (8)

The competent department in the Authority shall review the application and ensure that the health requirements for the activities related to public health specified in Annex 1 to this Regulation are met. After that, it shall conduct the necessary

inspections for the establishment and issue its decision, in either approval or rejection, within (10) ten business days from the date of submission with all the required documents. In the case of rejection, the decision shall be justified.

The expiry of the term referred to without a decision on the application shall constitute as a rejection.

#### Article (9)

The duration of the health license and card shall be one year, starting from the date of issue, and renewable for similar period(s) at the request of the concerned party or his legal representative (30) days before expiry of the health license. Provided fulfilling health requirements for the activities related to public health specified in Annex 1 to this Regulation and paying the prescribed fees.

#### Article (10)

The health license shall be placed in a place where it can be clearly seen by the competent authorities. The employees holding the health cards shall keep it with them continuously and show the same to the competent staff whenever required.

### Chapter Three

#### Hygiene

##### Article (11)

The Projects shall take all necessary measures to maintain hygiene, in particular the following:

1. Continuous cleaning of all parts of the establishment, internal and external, and the yards and outer space of parking lots that serve the establishment.
2. Collection of waste in plastic bags and placing them in the designated containers.
3. Providing appropriate containers for storage of waste resulting from its activity, in accordance with the health conditions and specifications approved by the Authority .
4. Transfer of waste periodically to the disposal sites identified by the Authority.

##### Article (12)

The projects shall undertake the necessary procedures and measures to control insects and pests, and prevent the breeding, reproduction and spread of rodents, mosquitoes, flies and other insects, and other procedures and measures prescribed by the Authority.

##### Article (13)

Hygiene shall be maintained in the Zone and the following shall be prohibited:

1. Throwing, leaving, laying, littering, discharging or burning any waste in public places within the Zone.
2. Disposal of waste in locations other than those specified by the Authority.
3. Throwing waste in the empty lands, fenced or unfenced, or open yards and valleys.
4. Throwing rubble, parts of trees, furniture, large appliances, and the like next to garbage containers.
5. Throwing the carcasses of dead animals or the remains of slaughtered animals in waste containers or in public places.
6. Dumping burning materials, such as coal or others, in waste containers or on roads or public facilities.
7. Leaving wastes within or dumping them around food establishments.
8. Any other practices that would disturb public health and hygiene.

##### Article (14)

The Projects shall dispose of wastewater by transporting it by tankers to the sewage plants specified by the competent department of the Authority.

The Projects may establish special treatment plants for reuse of treated wastewater in accordance with the conditions and specifications set by the Authority.

### Chapter Four

#### Administrative Penalties

##### Article (15)

In case of proven violation of the provisions of this Regulation, The Authority may take one of the following procedures:

1. Warn the violator, and notify him to rectify the situation, and remove the causes of the violation within the time limit it sets, or remove the violation directly at his own expense.
2. Impose an administrative fine of not more than OMR 200 in accordance with Annex (3) attached to this Regulation.
3. Suspend the health license or card for a period not exceeding six (6) months.
4. Cancel the health license or card.

The Authority may not take any of the procedures provided for in items (3 and 4) of this Article unless it has notified the project of the violation attributed to it, set a time limit to rectify it and the expiry of the said period without rectifying the violation.

##### Article (16)

The concerned person shall be notified of the decision of rejection of his application in accordance with the provisions of Article (8) and the decision issued in accordance with the provisions of Article (16) of this Regulation at the address

recorded in the Authority's registers. The concerned person may appeal the decision to the Chairman within (60) sixty days from the date of notification of the decision, provided that the appeal includes its grounds and accompanied by the supporting documents.

### Article (17)

The review and decision on the appeal shall be within (30) thirty days from the date of its submission, and the concerned party shall be notified of the outcome. The expiry of this period without a decision shall be deemed as a rejection. In all cases, the decision of the Chair shall final.

## Annex (1)

### Health Requirements for Activities related to Public Health

#### Section One

#### (General health requirements for activities related to public health)

##### **First: Health requirements of building**

1. The internal design of the facility shall facilitate the smooth flow of all stages of work in accordance with the principle of going forward to ensure food safety.
2. The construction of the building shall be of fixed materials, such as bricks, reinforced concrete, aluminum, glass fiber or similar in terms of quality or appearance in accordance with the technical and standard requirements in force.
3. The use of asbestos or any substance asbestos goes into its composition or any harmful substance is strictly prohibited.
4. The ceilings shall be at suitable height of not less than (3) three meters and painted in light and smooth color easy to clean to prevent the accumulation of pollutants and foulds and reduce the condensation of vapors, and the growth of bacteria and fungi. It is permissible to install suspended ceilings if the ceiling exceeds (3) three meters.
5. The floors shall be of non-permeable and non-absorbent material, easy to clean and wash, non-slip, not affected by detergents, with flat surface free from cracks and pits, and of a design with sufficient inclination to discharge liquids to designated drainage sites.
6. The floor contact areas with walls shall be curved (preferably an inclination of 45 ° C), sealed and smooth, so as not to allow for the collection of liquids or sediments.
7. The floors shall be of tiles, ceramics, marble of high resistance to abrasion or corrosion, reinforced concrete covered with a high-resistance insulation material, or any of the materials technically approved for the floors in accordance with the type of activity.
8. The walls of the places for receiving raw materials, preparation, processing, cooking, display, that have fumes or volatile oils, washing facilities for tools and equipment, hand washbasins and bathrooms shall be covered with light-colored ceramic to the ceiling or similar quality or appearance. Otherwise, the walls shall be painted the walls with suitable paint or another material of similar quality or appearance.
9. The doors shall be of aluminum and glass so that they are waterproof, non-absorbent, with clean surfaces easy to clean and tight.
10. The windows shall be of aluminum and glass or any anti-rust metal, with a tight wire netting fabric to prevent the entry of insects and rodents and shall be dismantable and installable for easy cleaning and maintenance provided the thresholds of windows from the inside are inclined to prevent their use as shelves.

##### **Second: Health requirements for electrical extensions**

1. The electrical wiring shall be safe, non-exposed and conform to the approved technical specifications.
2. The electrical loads shall be commensurate with the facilities, equipment and devices used in the establishment.
3. Lighting shall be good (natural-industrial) in all building facilities, preferably industrial lighting, provided it does not change the nature of colors and lamps be tight and protected by a plastic cover.
4. Provide good ventilation (natural-industrial) to prevent high temperature, accumulation of vapors and dust, and remove polluted air. Air direction shall be from clean to contaminated areas along with the installation of effective suction devices, and chimneys at top of cooking sites and furnaces provided with high efficiency smoke and oil filters, conforming to approved standard specifications according to type and size of activity.
5. A backup generator with a capacity suitable for operating loads for use in case of power failure, especially in food factories, warehouses and stores shall be made available.
6. The electricity points in the wet areas shall be waterproof.
7. The areas of receipt of raw materials, preparation and processing, cooking, packaging, stores and food stores shall consist of temperature measuring devices in prominent places.

##### **Third: Health requirements for water connections**

1. All water pipes, fixtures and sanitary fittings, such as water basins, shall be of anti-rust materials that do not react with water and conform to the approved technical specifications.

2. The water tanks used shall conform to the approved standards for potable water tanks tightly sealed and placed in places not exposed to direct sunlight or any other harmful radiation.
3. Installed shall be filters for water purification with high efficiency and quality and conform to the approved standard specifications.

#### Fourth: Health requirements for sanitary facilities and sewage Regulation

1. The establishment shall have adequate and suitable toilets, showers and washrooms, as follows:

No. of Individuals	Washrooms	Toilets	Hand Washers
1-10	1	1	1
11-20	2	2	2
21-40	4	4	4
41-60	6	6	
61-80	8	8	8
80-100	10	10	10
More than 100	One for every additional 10 individuals	One for every additional 10 individuals	One for every additional 10 individuals

2. The handwashing sites shall meet the following conditions:
  - A. Located in a convenient accessible location.
  - B. Have water faucets that open by foot or by any means other than direct touch by hand.
  - C. Equipped with liquid soap and one-time drying paper.
  - D. Provide sufficient quantities of water at an appropriate temperature.
  - E. Easy to clean and maintained constantly.
  - F. Equipped with an explanatory panel showing that the site is for handwashing only.
3. The washbasins shall have the necessary locks that prevent the return of wastewater while connected to manholes and reservoirs in a manner that prevents leakage of water and odors.
4. Sewage connection pipes shall be away from the potable water supply network of the establishment.
5. There shall be a separate system for drainage lines for toilets and water resulting from cleaning in the establishment.
6. Bathrooms and bathing areas shall be in accordance with the following requirements:
  - A. Their location shall be convenient and easily accessible by all employees.
  - B. They shall be fully enclosed with tight and self-closing doors.
  - C. They shall be easy to clean, well ventilated and well lit.
  - D. They shall be completely separate from areas where food or food-related items exist.
7. Well lit and ventilated changing rooms shall be provided if workers routinely change their clothes in the establishment, the locker rooms shall be equipped with lockers or other appropriate facilities to keep workers' belongings. The male staff facilities shall be separate from those of female staff.
8. Taps shall be placed in handwashing sites touch- or feet-operated.
9. Sewage extensions shall be in accordance with the approved technical specifications. The exposed internal drainage means they shall be lined with tiles or any other materials approved by the competent authority, and covered with a stainless net.

#### Fifth: Security and safety requirements

1. Comply fully with the requirements of the Public Authority for Civil Defense and Ambulance.
2. Provide the necessary electrical alarms in case of emergency.
3. Provide sufficient number of first aid boxes that contain all first aid requirements tightly sealed and accessible.
4. Provide fire extinguishers in accordance to the approved security and safety specifications and periodically maintain them.
5. Provide designated emergency exits with signs indicating them and a contingency plan approved by the competent authority.
6. Label the packages of pesticides, detergents, disinfectants and any other chemical, which constitute a danger to public health, to indicate the name of the product and method of use. Strictly prohibited shall be the storage of any of these materials in the different places of production.
7. The establishment employees shall wear the designated clothes during work, each according to their competence.

#### Sixth: Combating insects, pests and rodents

1. Carry out pest control inside and around the establishment documented through a program prepared for this purpose and contract specialized companies in cases determined by the Authority.

2. Use optimal ways to control insects and rodents, such as electric lighters and ultrasonic devices, placed away from the sites of preparation and processing.
3. Use appropriate and authorized insecticides in the case the previous methods of control prove ineffective and take precautions to protect food, machinery, and tools, and stop the circulation of food, in accordance with the instructions available on the label of approved insecticide.
4. Cover the windows with narrow wire (nets) to prevent entry of insects and pests.
5. Prevent the entry or presence of live birds and animals, such as dogs and cats, except for licensed activities, such as trading of living marine creatures.

#### **Seventh: Hygiene**

1. Place guiding posters on the rules of hygiene in the establishment, so that they are visible to all workers.
2. Adhere to the cleanliness of all facilities of the establishment, devices, tools and water tanks, along with cleaning floors, walls, surfaces, devices and tools daily with certified materials, taking into account they do not affect food and drinking water.
3. Use appropriate permitted detergents, disinfectants, and sterilizing materials in compliance with the specific usage guidelines.
4. It is strictly forbidden to use cloth towels to dry the surfaces of food handling equipment and replace them with high-absorbent paper towels or dry air.
5. Use multi-stage washing method: (rinse with running water - wash using detergents - rinse with running water to get rid of detergent - dry) in washing the equipment.
6. Provide fireproof containers with tight covers that open by foot or any means other than direct hand contact, and use plastic bags to collect waste and dispose of them regularly in the designated places and containers.
7. Provide an appropriate and safe mechanism for the disposal of waste in multiple forms inside and outside the building in a healthy and environmental manner, in accordance with the applicable regulations and laws.
8. Clean and disinfect waste containers as necessary using appropriate cleaning materials and disinfectants.
9. Clean and disinfect water tank at least twice a year, taking into account to close tightly, and on a continuous basis.
10. Prepare a documented cleaning program for the establishment.
11. Pay attention to the external cleanliness of the establishment.

#### **Eighth: Maintenance**

1. Conduct periodic maintenance of the building and its facilities from the inside and outside whenever necessary.
2. Conduct necessary maintenance of the network of water, sewage and electricity installations as the need arises.
3. Maintain the equipment periodically to maintain their safety and that of workers according to a program prepared for that.
4. Calibrate temperature measuring devices and scales used in the establishment periodically and by accredited companies.
5. Ensure that any maintenance conducted does not affect the safety of the food in circulation, as well as the employees and visitors.
6. Close the establishment during any major maintenance that may affect the circulation of food.

#### **Ninth: Health requirements for workers**

1. Obtain valid health cards from the Authority stating they are free from infectious diseases and abide by periodic medical examinations.
2. Provide a list of the employees of the establishment for review during inspection visits.
3. Do not allow any person suffering from any disease, injury, inflamed skin, skin infections, ulcers or diarrhea to do the following:
  - A. Engage in handling of food or engage in any act having direct or indirect contact with food.
  - B. Exercise any activity related to public health, such as shaving, washing, ironing, and other activities.
4. Those who handle food shall adhere to the following:
  - A. Maintain personal hygiene.
  - B. Repeat washing hands with soap and water before starting work and after touching any source of contamination.
  - C. Not to spit in the workplace.
  - D. Cut and clean nails.
  - E. Not to wear jewels, rings, watches, or pins during work.
  - F. Not to eat food and drink beverages within the establishment except in the places designated for this purpose.
  - G. Not to smoke in the establishment except in the places designated for this purpose.
  - H. Refrain from sleep in the establishment, especially in the places designated for food handling.
5. The workers of the establishment shall wear the appropriate clothing for the nature of their work and abide by the following:
  - A. Wear a clean uniform during work.
  - B. Wear protective clothing and clean head cover.

- C. Wear special shoes as needed during work.
- D. Wear one-time disposable health gloves, taking into consideration that wearing gloves does not mean not washing hands.
- E. Wear a mask to cover the nose and mouth where necessary.

## Section Two

### Health Requirements for Activities related to Public Health

#### **First: Health requirements for men barbershop**

1. The facilities of men barbershop shall comprise of the following:
  - A. Customers' waiting area
  - B. Hair cutting area.
 There may be a toilet.
2. Men barbers shall meet the following special health requirements:
  - A. Provide a first aid box with all necessary medical tools and supplies.
  - B. Equip the shop with shelves and drawers sufficient to keep towels, tools and cosmetics.
  - C. Maintain the cleanliness of the shop and tools and devices used on a continuous basis.
  - D. Fight insects and rodents in accordance with the provisions of Section One.
  - E. Provide the shop with fireproof waste containers opened by foot until disposal in containers or places prepared for this purpose.
  - F. Dispose of liquid waste in accordance with the environmental standards adopted by the competent authority and maintain the cleanliness of the environment surrounding the shop.
  - G. The workers in the shop shall comply with the health requirements in accordance with the provisions of Section One of Annex 1 of this Regulation.
3. In addition to the special health requirements stipulated in Second, the facilities of the barbershop for men must meet the following special health requirements:
  - A. Special health requirements at the customers' waiting area**
    1. Its size shall be appropriate with the volume of work provided that it is not be less than 9 m2.
    2. Chairs or sofas shall be of high quality.
    3. The shop shall have entertainment devices, such as television.
  - B. Health requirements of hair cutting area**
    1. Its size shall be commensurate with the volume of work provided not be less than 16 m2.
    2. It shall have a sufficient number of washbasins equipped with a source of hot water, detergents and disinfectants needed for washing hair and disinfection of razors after each use.
    3. The shop shall have a sufficient number of shaving tools and equipment of non-rusting materials, easy to clean and disinfect.
    4. The shop shall have sterilizers for shaving tools according to the approved standard specifications at one device for each hair-cutting chair.
    5. The shop shall have a sufficient number of shaving aprons and towers of non-absorbent cloth, kept them constantly clean.
    6. Workers shall have clean white coats for use at work.
    7. The shop shall have a sterilizer for towels.
    8. The shop shall have an appropriate number of hair-cutting chairs distributed in such a way as to allow a separation distance not less than (1.5) meters between each two chairs.
  - C. Health requirements for the water closet**
    1. In the case of adding a water closet, it shall comply with the requirements in accordance with the provisions of Section One of Annex 1 of this Regulation and shall not open directly to the hair-cutting room.
    2. The licensee shall not use chemical preparations unless authorized by the competent authorities.

#### **Second: Health requirements for the practice of women hair styling and beautification**

- A. The facilities of women hairdressing and beautification shops shall comprise:**
  1. Customers' reception and waiting area.
  2. Hairdressing and beautification area.
  3. Water closet.
- B. It is necessary for women to practice hairdressing and beautification activities for women to meet the following health requirements:**
  1. All workers shall be women.
  2. The shop facade shall be of a material that blocks visibility from the outside. In case of glass facades, there shall be curtains from the inside.
  3. It shall have a sufficient number of hairdressing tools.
  4. It shall have a sufficient number of clean aprons made of non-absorbable cloth maintained continuously.

5. All workers shall have a uniform kept clean constantly.
6. It shall have devices to sterilize the tools used in hairdressing and beautification at one device for each hairdressing chair and appropriate disinfectants and detergents.
7. It shall have a first aid box equipped with all necessary medical tools and supplies.
8. It shall have shelves and drawers sufficient to keep towels, tools and cosmetics.
9. Maintain the cleanliness of the shop and the tools and devices used on a continuous basis.
10. Control insects and rodents in accordance with the provisions of Section One.
11. The shop shall have fireproof waste containers opened by foot until disposal in containers or places prepared for this purpose.
12. Dispose of liquid waste in accordance with the environmental standards adopted by the competent authority and maintain the cleanliness of the environment surrounding the shop.
13. Place a sign at the entrance to the shop in Arabic and English that only women are allowed.
14. In the case of henna drawing, the shop shall have an independent area for that. It is prohibited to use or mix petroleum materials with henna.
15. In case of hair removal or facial cleaning, the shop shall have a separate site for that equipped with a suitable bed above ground level to facilitate the cleaning process with cleaning the bed after each use with appropriate tools and cleaning materials.
16. Clean and disinfect of floors, walls, surfaces, devices and tools daily using materials conforming to the approved standard specifications.

**C. The facilities of the hairdressing and beautification shop shall meet the following health requirements:**

1. Health requirements of customers' reception and waiting area:
  - A. Its area shall be commensurate with the volume of work provided not be less than 9 m<sup>2</sup>.
  - B. The location shall be in the front part of the shop.
  - C. It shall have seats for customers to wait in a number commensurate with the number of hairdressing chairs and at least three seats (3) seats for each hairdressing chair.
2. Health requirements of hair styling area:
  - A. Its area shall be commensurate with the volume of work provided not be less than 20 m<sup>2</sup>.
  - B. It shall have appropriate tables and mirrors.
  - C. It shall have hairdressing chairs with at least 1.5 meters between every two of them.
  - D. It shall have a washbasin connected to a source of hot water for workers' hands and tools used.
  - E. It shall have equipment and chemical materials to sterilize the tools used in hairstyling and other activities of the shop in accordance with the approved standard specifications.
  - F. It shall have one or more special washbasins for washing the hair.
3. Health requirements for the water closet:
  - A. It shall meet the requirements in accordance with the provisions of Section One of Annex 1 to this Regulation.
  - B. In case of using laser the shop, there shall be a permit from the competent authority.
  - C. The licensee to engage in hairdressing and beautification activities for women shall not:
    1. Use preparations and chemicals unless authorized by the competent authorities.
    2. Make Botox injections or use filling materials, such as Restylane and Perlane.
    3. Make medium and strong peeling.
    4. Sell and use prescriptions for therapeutic purposes.
    5. Perform liposuction.
    6. Conduct ear piercing.
    7. Make tattoos.

**Third: Health requirements for the practice of laundry activity:**

- A. The laundry facilities shall comprise of the following:
  1. Clothing receipt and sorting area.
  2. Washing and drying area.
  3. Store.
  4. Ironing area if the shop exercises this activity.
  5. Clothing delivery area.
- B. The laundry activity shall meet the following conditions:
  1. The location of the laundry shall be in one of the commercial or industrial zones in the Zone.
  2. The shop shall have a sufficient number of white clothes for the laundry workers who shall keep them clean all the time.
- C. Laundry facilities shall meet the following health requirements:
  1. Health requirements for clothing receipt and sorting area:
    - A. The area shall be independent or not connected to any other areas of the laundry.
    - B. The area shall have suitable stainless containers to keep the clothes until washing.
    - C. The area shall have appropriate tables for use in the sorting process.
  2. Health requirements for laundry and drying area:
    - A. Its size shall be commensurate with the volume of work and its machines distributed in an appropriate

- manner that allows large corridors between them to facilitate movement.
- B. The electrical connections and installations in the area shall comply with the requirements of Section One of Annex 1 to this Regulation.
  - C. The pipes of hot and cold water and steam shall be safe, at an appropriate height from the ground surface, and connected to the machines according to the approved technical specifications.
  - D. In case of using steam for cleaning, there shall be an appropriate place for steam generator and discharge of steam in a healthy manner.
  - E. The area shall have special equipment to dry washed clothes.
  - F. The walls of the laundry shall be covered with suitable tiles and the ceiling painted with light oil paint.
  - G. The laundry shall have semi-cylindrical ducts covered with a network of non-rusting metal while the drainage pipes used shall be of a substance not affected by detergents and chemicals.
  - H. The laundry floor shall be covered with suitable non-slip tiles designed with a sloping level to facilitate drainage.
  - I. The laundry shall have a source of hot water for use in the washing process.
  - J. The water used in the washing process shall conform to the approved standards for drinking water.
  - K. The water shall be changed at each stage of washing.
3. Health requirements for store:
    - A. Allocation of a place with 30-cm high shelves above the ground level and storage cabinets for cleaning, chemical and packaging materials.
    - B. Its walls shall be painted in a light color.
    - C. It shall have suitable ventilation equipment.
  4. Health requirements for ironing area:
 

It shall comply with the requirements stipulated in the Regulation of Health Requirements for activity of clothing ironing.
  5. Health requirements of the clothing delivery area:
    - A. It shall have shelves or cabinets of suitable material or non-rust metal to keep ready clothing.
    - B. It is prohibited to receive any clothes through this area for washing.
  6. Health requirements for laundry of hospital and clinic clothes:
    - A. The laundry shall have a separate area for cleaning the clothing and furnishings of hospitals and clinics.
    - B. The abovementioned clothing and furnishings mentioned in the previous item shall be brought to the laundry in closed vehicles that shall be disinfected after unloading.
    - C. There shall be an appropriate number of workers wearing one-piece uniform, rubber gloves, and nasal masks during work to wash clothes and furnishings of hospitals and clinics.
    - D. All clothing and furnishings of hospitals and clinics shall pass through a disinfection stage at an independent to ensure their isolation. The area and equipment used for washing and ironing shall be disinfected an ongoing basis.

#### **Fourth: Health requirements for the exercise of ironing**

- A. The area of the shop shall be commensurate with the volume of work provided not be less than 24 m<sup>2</sup>.
- B. Ironing facilities shall comprise of the following:
  1. Clothing receipt and delivery area.
  2. Clothing keeping and ironing area.
- C. Ironing activity shall meet the following health requirements:
  1. Health requirements of the receipt and delivery area:
    - A. The area shall be in the front of the shop.
    - B. In the case of allocation of an area for customers' waiting in the shop, the ironing area shall be separate from it.
    - C. It shall have shelves and cabinets, preferably with glass facades, to keep ironed clothes until delivery.
  2. Health requirements for clothing keeping and ironing area:
    - A. The area shall be separate from the receipt and delivery area.
    - B. The area shall have appropriate cabinets to store the received clothes.
    - C. The site shall have a sufficient number of electrical appliances necessary for ironing.
    - D. The site shall have a sufficient number of tables for ironing, covered with clean cloth replaced periodically.
    - E. The area shall have clean bags for packaging the ironed clothes. It is prohibited to use newspapers for this purpose.
    - F. The area shall have the necessary sprays to spray clothes with water during ironing.
- D. If the shop receives clothes for washing, it shall meet the following health conditions:
  1. The shop shall have additional cabinets to store clothes received for laundry.
  2. The shop shall contract with one of the licensed laundries located in Muscat Governorate.
  3. The licensee shall not receive the clothes of hospitals or clinics for washing or ironing them.

#### Fifth: Health requirements for hoteling activity

- A. The hotel shall obtain the necessary licenses for any activity related to public health, such as restaurants, cafes, bakeries, shops, hairdressing and beauty shops, washing and ironing, fitness centers, gymnasiums and other activities carried out within each activity.
- B. The licensee to practice hoteling business shall meet the health requirements of the following facilities if they are present in the hotel:
  1. The swimming pools shall meet the requirements approved by the competent authority.
  2. The workers' housing shall comply with the requirements in Section One of Annex 1 to this Regulation.
  3. The water closets shall comply with the requirements in Section One of Annex 1 to this Regulation.
  4. The guest rooms shall meet the requirements issued by the competent authority.
- C. The licensee shall comply with the following:
  1. The requirements for the control of insects, pests and rodents in accordance with the provisions of Section One of Annex 1 to this Regulation.
  2. Maintain the cleanliness of all internal and external parts of the building and its yards and parking lots.
  3. Provide a sufficient number of fire-resistant waste containers until disposal thereof in the designated places regularly.

### Annex (2)

#### Economic Activities whose practitioners should obtain a Health Card

Sr.	Activity
1	Sell, display, store and handle food.
2	Meal preparation and processing.
3	Food Factories.
4	Slaughterhouses.
5	Transport and marketing of foodstuffs, transportation of drinking water and transportation of non-drinking water.
6	Activities related to public health include: <ul style="list-style-type: none"><li>• Hair cutting, hairdressing and beautification.</li><li>• Laundry and ironing.</li><li>• Health clubs.</li></ul>

### Annex (3)

#### Violations and Penalties

##### First: Violations and penalties related to licenses:

Sr.	Type of Violation	Penalties (Omani Rials)
1	Exercise of industrial and tourist activities without a health license	100
2	Exercise of other economic activities without a health license	50
3	Exercise activity other than the licensed activity	100
4	Workers' exercise of activity without a health card	50
5	Not keeping licenses in a prominent place in the shop	50
6	Use of vehicles for transporting water, food or fish without a license, or using them for a non-authorized purpose	100
7	Not allowing authorized personnel to perform their duties	100

**Second: Violations and penalties related to establishment:**

Sr.	Type of Violation	Penalties (Omani Rials)
1	Non-maintenance of facilities for industrial and tourist activities their related accessories	100
2	Non-maintenance of facilities for other economic activities and their related accessories	50
3	Not providing proper ventilation or lighting	50
4	Not providing a source of hot water	50
5	Invalidity of drinking water tanks or use of water pipe connections and filters of inappropriate material or the presence of leaks in the pipes	100
6	Not providing first aid kit tools	50
7	Not providing fire extinguishers	50
8	Not cleaning the shop and tools and devices used continuously	50
9	Not providing washing machines for washing clothes	100
10	Not providing sterilizers in hairdressing and beautification shops	100
11	Not operating sterilizers by barbershops or hairdressing shops	50
12	Not disinfecting shaving tools after each use	100
13	Lack of closed containers for waste disposal inside the establishment	50
14	Non-maintenance of water, sewage and electricity installations whenever necessary	200
15	Alteration to the establishment in contravention with health requirements of activities related to public health without Authority approval	100

**Third: Violations and penalties related to public health, preventive health and sanitation:**

Sr.	Type of Violation	Penalties (Omani Rials)
1	To commit any of the acts stipulated in Article (13) of this Regulation	100
2	Lack of interest in pest and rodent control	100
3	Low level of hygiene outside the establishment	50
4	The low level of hygiene in the establishment, equipment, tools and devices used	100
5	Lack of use of appropriate detergents and disinfectants	50
6	Not providing adequate towels and cosmetics	50
7	Use of expired or non-standard cleaning, sterilizing, cosmetic or chemical substances	200
8	Use of unclean or non-sterile towels or tools in hairdressing, beautification and health club activities	100
9	Not separating clothes prepared for washing and those washed	50
10	Not using appropriate bags to keep clothes ready for delivery	50
11	Not covering the ironing boards with a clean and proper cover	50
12	Not providing suitable shelves and cabinets for keeping clothes	50
13	Not providing fireproof waste containers with tight covers	100
14	Not using plastic bags to collect waste until disposal of in the designated containers and places	50
15	Discharge of vehicles for transporting sewage in other than designated areas	200
16	Leakage of vehicles for the transport of water while driving, or discharge of water in other than designated areas	50

**Fourth: Violations and penalties related to workers and activities related to public health:**

Sr.	Type of Violation	Penalties (Omani Rials)
1	Presence of workers showing pathological symptoms or wounds	50
2	Low level of personal hygiene of workers	50
3	Non-compliance with work uniform	50
4	Exercising unhealthy habits during work (such as smoking)	100



**Mohammed bin  
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Editor-in-chief



*When we visit the projects under construction in Duqm, the companies that work there and the different work sites we find great examples of Omani youth who aspire to be part of the success story taking place in SEZD*

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# Youth is the Bet of the Future

## (1)

No long time has passed since in the autumn of 2017 when I met Omani students studying in China as part of a program to qualify young people to work on the projects to be built in the Sino-Omani Industrial Park in Duqm. At that meeting, I felt the great desire of the students to excel, succeed and make use of, as much as they could, training and practical life in China, and great determination to meet the challenges. Today, these students graduated and completed their training program at Ningxia Polytechnic College and could now join the market in Duqm. Another group of Omani young people from Wilayat Duqm will join a similar training program in September and return to Duqm after two years, bringing with them more experience in the companies they will join.

## (2)

When we visit the projects under construction in Duqm, the companies that work there and the different work sites, we find great examples of Omani youth who aspire to be part of the success story taking place in SEZD built by Omanis. We bet on this ambition, which will achieve the aspirations of the Sultanate to make Duqm a model economic pioneer in construction and development.

## (3)

During my interview with the CEO of Oman Dry Dock Company, the first Omani CEO to manage this major facility, he narrated a number of success stories of Omani cadres working in the company and appointed to leadership positions. He indicated that the company's ambition is not just to provide direct employment opportunities for the Omani youth in the dry dock, but also to extend beyond that to provide business opportunities for local SMEs to grow and prosper along with the growth and prosperity of Oman Dry Dock Company.

## (4)

Omani models that have achieved success are many and not limited to SEZD only. Their success has gone beyond the borders of the Sultanate. The common factor among all is the love of Oman and the quest to be always at the forefront.