

A Quarterly magazine issued by the Public Authority for Special Economic Zones and Free Zones **27**th **Issue-April 2022** 





# Port of Duqm inaugurates a new historical era





## من أجل مستقبل مستدام Towards Sustainable Future











## Port of Duqm

#### CREATING A SUSTAINABLE HUB FOR THE FUTURE

Port of Duqm is destined to become a 'green' port. It is promoting green and sustainable projects in Duqm in line with Oman Vision 2040 objectives as well as UN Sustainable Development Goals (SGDs).









#### As part of supporting the local talents,

Marafiq designed a Duqm Local Training program for employment which was based on a selection process with identified criteria. Hence, Marafiq was able to attract Duqm local candidates who joined this program.

The trainees will also be exposed to work-related day-to-day activities to enrich their knowledge and experience in Marafiq water and power operations.



## Port of Duqm supports economic diversification

The first quarter of this year witnessed the official opening of Duqm Port, being one of the most important infrastructure projects supporting investment environment in the Special Economic Zone at Duqm (SEZAD). The Port enjoys high potentials and contains berths that are capable of dealing with the various industrial, commercial and logistical activities in the Zone and the petrochemical industries activities in the future. The Port marks a new outstanding addition to the Omani ports, which are a major contributor to economic diversification and offering job opportunities for Omani youth.

As we observe the role played by the Port of Duqm over the past years, we find that it has been capable to create a good investment environment and support attracting many industrial and logistic projects. It, further, opened many horizons for Omani youth to work in the Port, logistics sector, import and export activities, customs clearance and others. The Port also contributed to the related economic revitalisation of Al Wusta Governorate for being a maritime gateway through which many goods are imported and exported, especially those related to oil and gas and fish sectors.

In this regard, I would like to emphasise the significance accorded to the Port of Duqm by the Public Authority for Special Economic Zones and Free Zones (OPAZ), which is currently working to expedite the installation and operation of containers cranes in the commercial berth. These cranes are equipped with (5G) technology, which will contribute to accelerating containers' handling and enabling the Port to keep pace with technical developments in the ports space. This will reflect positively on various investment sectors in SEZAD.

OPAZ also pays an attention to the free zones in Sohar, Salalah and Al Mazunah. The first quarter of this year witnessed a remarkable growth in its various activities and attracted new investments. Duqm Economist Magazine highlights in this issue the zones' developments to familiarise investors and those interested in following up its continuous growth. The Royal Decree No. (10/2022) establishing free zones at Muscat International Airport and Sohar and Salalah airports, issued on March 2, marks a major boost to the free zones sector. Likewise, it reflects the government's interest in this key sector and empowering it to thrive and contribute to economic diversification.



Eng. Ahmed bin Hassan
Al Dheeb

**General Supervisor** 



**OPAZ** is currently working to expedite the installation and operation of container cranes in the commercial berth. These cranes are equipped with (5G) technology, which will contribute to accelerating containers' handling and enabling the Port to keep pace with technical developments in the ports sector





Quarterly Magazine on Economic Affairs and Free Zones

Issued by:

The Public Authority for Special Economic Zones and Free Zones

**General Supervisor** 

Eng. Ahmed bin Hassan Al Dheeb

**Editor-in-Chief** 

Mohammed bin Ahmed Al Shezawi

**Editors:** 

Saleh bin Nabhan Al Ma'amari Abdulaziz bin Ahmed Al Jahdhami

Designer:

Maryam bint Khamis Al Ismaili

Correspondence and advertising to be sent to the Editor-in-Chief:

P.O. Box: 77
Postal Code: 100,
Muscat, Oman

Tel

0096824507572 0096824507540/

Fax:

0096824587474

Email

magazine@duqm.gov.om

Follow us on: www.duqm.gov.om www.opaz.gov.om



+ 968 71144433



The views expressed in the magazine are those of the authors and do not necessarily reflect the opinion of the magazine.

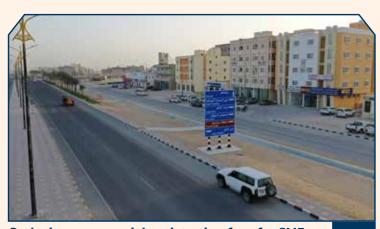
The magazine welcomes specialised researches and academic studies

## In this issue:



His Majesty the Sultan calls for the acceleration of regulating green hydrogen sector and drafting its growth policies

9



Reducing commercial registration fees for SMEs operating in Duqm

**15** 



An increase in volume of investments in Salalah Free Zone

33



Abdullah Al Hashimi: We are close to complete the integrated power and water plant



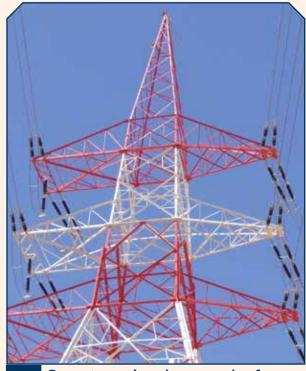
Ahmed Al Harthi: **Developing multiple** projects to expand electricity infrastructure

Dr. Ahmed Al Abri: **Asyad Ports commences** operations of general cargo terminal in Port of Duqm



Port of Duqm CEO: Seeking to mark Duqm an integrated and multimodal logistics hub

20



Duqm to receive a large supply of electricity



HH Sayyid Asa'ad inaugurates official opening of Duqm Port



Attracting new international companies to invest in economic and free zones 36



Organising beach and marine clean-up campaigns





ابدأ استثمارك في أرض الفرص BRING YOUR INVESTMENTS TO THE LAND OF OPPORTUNITIES



In keeping up with global developments towards diminishing carbon emissions

## His Majesty the Sultan calls for the acceleration of regulating green hydrogen sector and drafting its growth policies





His Majesty Sultan Haitham bin Tarik called for consistent follow-up of global developments in Green Hydrogen technologies, the acceleration of steps to regulate this sector, devising legal frameworks for it, drafting policies for its growth.

During His Majesty's meeting with the Council of Ministers, held in March 2022, His Majesty directed for the allocation of suitable sites for the production of green hydrogen with the aim of enhancing foreign investment and localising these technologies. He also gave directives to conduct necessary studies, create a new directorate general for clean energy and hydrogen power at the Ministry of Energy and Minerals and to establish a company for the development of this lucrative sector.

These Royal Directives came to keep up with the global developments towards diminishing carbon emissions and given the diverse uses of green hydrogen in producing electrical power and providing energy for local industries and fuel for the different means of public transport.

#### Promising potential in Duqm

Duqm marks one of the areas that can attract green hydrogen and ammonia projects due to the availability of solar and wind energy throughout the year. In view of that, having the port easily facilitates the import and export process in addition to allocating large areas of land for renewable energy projects in Duqm.

The Special Economic Zone at Duqm (SEZAD) is currently home for two large projects for green hydrogen production, using wind and solar energy, which are being developed over an area of more than 200 sqkm. The first projects is being developed by the Indian company "ACME", while the second is for the Hyport Duqm project, which comes as p partnership between the Omani OQ Group and the Belgian DEME.

#### Localising green hydrogen industry

A spokesperson from the Ministry of Energy and Minerals confirmed that the Ministry is currently working in cooperation with the concerned government bodies such as the Ministry of Housing and Urban Planning, Ministry of Defense and Environment Authority to identify suitable sites for the production of renewable energy through wind and solar energy, which are directed to produce green hydrogen. This will serve attracting local and foreign investments and localising this technique in the Sultanate of Oman.

According to Oman News Agency (ONA), the spokesperson remarked: "Post identifying the sites and dividing them into small marketable areas, they will be presented to investors for bidding and comparison between offers, similar to the mechanism in force when offering oil and gas concession areas.



His Majesty
directed for
the allocation
of suitable
sites for green
hydrogen
production,
localisation
of this
technology
and
establishment
of a company
for developing
this sector



Duqm is home for two large projects for green hydrogen production, covering over 200 sqkm

Ministry of **Energy and** Minerals: We started drafting laws and legislations regulating investment in hydrogen production and concession areas will be on offer behave end of 2022



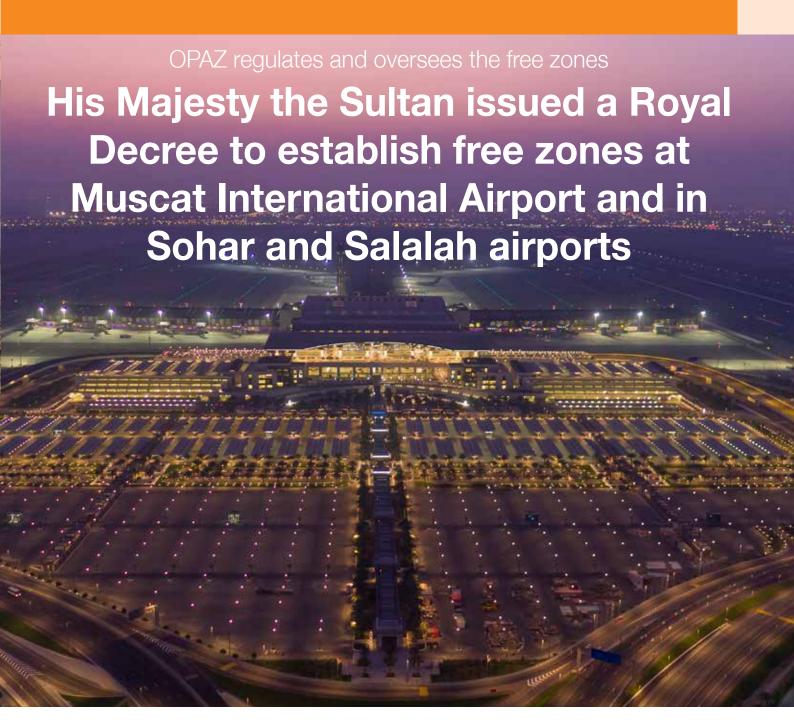
He added that the sites of the concession areas are likely to start from Duqm in the south to Al Shwaimiya in the Wilayat of Shaleem and Al Halaniyat Islands to the Wilayat of Thumrait.

Work is underway to draft the laws and legislations regulating investment in hydrogen production in parallel with finding concession areas, setting the appropriate mechanism for marketing and contracts that govern the relationship between the investor and the government and the principles and controls regulating the differentiation between offers.

In addition, the principles and legislations related to renewable energy in terms of the quantity allocated for the local market consumption and what will be directed to producing hydrogen are to be formed.

The spokesperson expected that the first site of concession or production areas would be offered before the end of this year. This will be announced in line with the hydrogen symposium, which will be held in November or December.







His Majesty Sultan Haitham bin Tarik issued, on March 2, 2022, the Royal Decree No (10/2022) to set up free zones at Muscat International Airport and in the airports of Sohar and Salalah. The first article stipulated the establishment of a free zone at Muscat International Airport and shall be called "Muscat International Airport Free Zone," Sohar Airport Free Zone shall be called "Sohar Airport Free Zone," and Salalah Airport Free Zone shall be called "Salalah Airport Free Zone". These zones shall be developed on the area of land specified for each zone in accordance with the attached and specified plans in the signed concession agreements.

The second article stipulated that the Council of

Ministers shall undertake specifying the operator of the free zones stipulated in Article I of this Decree from among the companies subordinate to Oman Investment Authority, which may seek the assistance of specialised entities and companies to build, market, develop, manage, or operate these zones.

The third article specified that the operator and the working company shall be granted the incentives, benefits, and facilities stipulated in the aforementioned Law of Free Zones promulgated in the Royal Degree No (56/2002).

#### **Exemptions**

The fourth and fifth articles stated the exemptions for the new free zones. The fourth article stipulated that the operator and the working companies shall



Council of
Ministers
specify the
free zones
operator from
the companies
subordinate
to Oman
Investment
Authority





The operator and the working companies shall be exempt from income tax for a period not exceeding 15 years, renewable for 5 additional years

be for a period not exceeding 15 years for each project separately, renewable for a period of 5 additional years.

In all cases, this exemption does not apply to banks, financial institutes, insurance and reinsurance companies, and enterprises working in providing telecommunication services and in the field of land transportation and construction.

The fifth article specified that the exemption stipulated in the fourth article of this decree shall be issued by a decision by the Chairman of the Tax Authority in accordance with the rules, categories, and procedures prescribed by the Board of Directors of the Public Authority for Special Economic Zones and Free Zones (OPAZ), after the approval of the Ministry of Finance.

Further, the sixth article stated that the working companies shall pay the operator a fee for the services it provides to them, and the operator shall determine the value of the service fee and the mechanism of collection, after the approval of the Board of Directors of OPAZ on this.

The seventh article obliged the operator to abide by the

rules of aviation easement rights and civil aviation safety and security requirements under the supervision of the Civil Aviation Authority. As well, the operator shall also coordinate with OPAZ to achieve the safety requirements for individuals, working companies, establishments, merchandise, and goods inside each zone, and shall fully cooperate with the authority to comply with the rules prescribed for environmental safety and the maintenance of security.

#### Promoting the key role of free zones

Highlighting the importance of the Royal Decree No. (10/2022) establishing free zones at Muscat International Airport and Sohar and Salalah airports, HE Eng. Ahmed bin Hassan Al Dheeb, Deputy Chairman the Public Authority for Special Economic Zones and Free Zones, said, "Establishing the new free zones reflects the Government's interest in developing the economic and free zones sector. Likewise, it seeks enhancing the developmental role of the zones as a key tool for economic diversification by maximising the Sultanate of Oman's share of "transit" trade and freight forwarding services, and enhancing



multimodal transport services.

Speaking to Oman News Agency (ONA), HE Eng. Ahmed Al Dheeb, pointed out, "There are many economic activities that can be localised in the free zones at the airports, such as importing various commodities to be stored and marketed in the right time and place at the lowest possible cost, establishing logistic warehouses for commodities and re-exporting them, and factories for light industries to take advantage of the facilities granted for the purpose of accessing to global markets. Moreover, the free zones at airports can also accommodate transportation activities, banking and insurance activities and other essential activities for the free zones. Other activities include those of the tourist facilities that serve travellers such as hotels, recreational amenities and commercial centres".

#### Incentives and benefits

Al Dheeb touched on the incentives and benefits, which will be granted to the operators of the free zones at the three airports and the companies working in them. The Royal Decree (10/2022) stipulated that the operator and the working company shall be granted the incentives, benefits, and facilities stipulated in the Law of Free Zones (56/2002), in addition to the exemptions stipulated in its establishment decree.

The most important incentives and benefits are 100 % foreign ownership, exemption from import and export duties, no minimum capital, exemption from taxes for a period not exceeding 15 years, renewable for a period of no more than 5 years, and the establishment of a one-stop shop for permits, licenses, approvals and visas. In addition, the free zones at Muscat, Sohar and Salalah airports are characterised by the possibility of establishing world-class facilities and services that include offices, warehouses and

commercial outlets near the airports. This ensures the flow of supply chains through integrated air transport networks.

#### Regulatory role of OPAZ

Commenting on the regulatory role of OPAZ, HE Eng. Ahmed bin Hassan Al Dheeb, stated that OPAZ will regulate and oversee these zones in accordance with the powers granted by the Free Zones Law and Royal Decree No. (105/2020) establishing OPAZ. He also stressed that the regulatory role of OPAZ mainly includes the tasks related to setting the rules and regulations related to the free zones, regulating their investment environment, controlling them and setting the comprehensive plan for its development and management in cooperation with the operator as well as promoting the investment opportunities available therein, including announcing the incentives, advantages and facilities granted to each operator and working company.

He remarked that the regulatory role of OPAZ also includes granting approval for concession agreements and signing them on behalf of the Government of the Sultanate of Oman, approving business and development plans for the free zone submitted by the operator, and following up and evaluating them, determining Omanisation percentages, implementing the one-stop system, issuing all types of licenses, approvals and certificates related to operating economic activities, providing and developing services and establishing the essential public facilities in coordination with the operating companies, setting rules regulating the supply of goods and movement of people from and to the free zones, separating them from the customs territory, approving the amounts paid by the working company to the operator, conducting an annual performance evaluation and reporting it to the Council of Ministers.

OPAZ grants
approval for
concession
agreements,
approves
business and
development
plans for the
free zones and
determines
Omanisation

percentages

## Incentives and benefits for free zones at airports:

%100 foreign ownership.

2 Exemption from import and export duties.

No minimum capital.

Тах ехеmption for a period not exceeding 15 years, renewable for a period of 5 years.

One-Stop Shop for permits, licenses, approvals and visas application.

World-class facilities and services that include offices, stores and commercial outlets near airports.

### Potential economic activities to be localised in the free zones at airports

Importing various commodities for the purpose of storing and marketing them.

Establishing logistic warehouses for re-exporting goods.

Establishing factories for light industries.

Transportation, banking and insurance activities and other essential activities for the free zones.

Tourist facilities that serve travellers such as hotels, recreational amenities and commercial centres.

April 2022

# The role of OPAZ as a regulator of Free Zones in Airports

related to operation rules, cate	ules and regulations the management & of free zones and the egories, and procedures g tax ехетрtions.	8	Promote investment opportunities including announcing incentives, benefits, and facilities granted to both the operator and the company.
Supervise & control environm	free zones, regulate the investment ent.	9	Determining Omanisation rates.
and conc	concession agreements lude them on behalf of rnment of the Sultanate	10	Implement a One-stop Shop system and issue all types of licenses, permits & certificates for conducting businesses.
for the d	a comprehensive plan evelopment of free d management of the	11	Provide and develop the services, and establish necessary public facilities, in coordination with the operating companies.
submittee	ree zone business plans d by the operator and pment, follow-up & n plans.	12	Develop the rules regulating the movement of goods and people to and from free zones separate & it from the customs territory.
authoritie	te with the concerned es to provide security gency services within one.	13	Approve the amounts paid by the company for the operator.
authoritie obligation	te with the concerned es to ensure that ns of concession nts are fulfilled.	14	Conduct an annual evaluation of the performance of the free zones and submit it to the Council of Ministers.



#### **OPAZ Board of Directors approves:**

### Reducing commercial registration fees for SMEs operating in Duqm





stresses the importance of social responsibility and reviews investments localisation plans



**Discussing** environmental efforts, afforestation and completing roads projects at the light and medium industries zones



The Board of Directors of the Public Authority for Special Economic Zones and Free Zones (OPAZ) approved reducing commercial registration fees for the Small and Medium-sized Enterprises (SMEs), operating in the Special Economic Zone at Dugm (SEZAD). The reduced fees are streamlined with the fees of "Invest Easy" system, which is managed by the Ministry of Commerce, Industry and Investment Promotion. This decision was approved in the Board meeting, held in March 2022, and chaired by HE Dr. Ali bin Masoud Al Sunaidy, Board Chairman.

The value of the opening or renewal of commercial registration fees allocated to SMEs has been amended to be between OMR 30 to 40 only, 2 instead of the previous fee of up to OMR 1,000.

Social responsibility and promoting lifestyle

During the meeting, the Board reviewed the efforts and contributions made by OPAZ towards social responsibility in all the zones and OPAZ plans to enhance the lifestyle in SEZAD in particular. The Board was also briefed on the efforts made to localise the investments in SEZAD, Sohar Free Zone, Salalah Free Zone, and Al Mazunah Free Zone.

#### **Environmental efforts**

Within the environmental efforts, the Board also discussed the afforestation and greening of the Special Economic Zone at Dugm within the beautification projects of the Zone, which includes several beautification initiatives, including the establishment of natural parks in some areas. Moreover, the Board highlighted OPAZ efforts in completing some road projects, construction of the main and secondary roads of Saay commercial neighbourhood, and the light and medium industries zones.



#### In the presence of the King and Queen of the Belgians

#### HH Sayyid Asa'ad inaugurates official opening of Duqm Port



Building an integrated logistics system that enhances the integration of Omani ports

#### الدِيْم :Dugm - الاقتار

On February 2022, 4, the Sultanate of Oman announced the official opening of Duqm Port, which is one of the largest ports in the Middle East. The opening ceremony was patronised over by His Highness Sayyid Asa'ad bin Tarik Al Said, Deputy Prime Minister for International Relations and Cooperation Affairs, Personal Representative of His Majesty the Sultan. The ceremony was attended by Phillippe Leopold Louis Marie, King of the Belgians and his spouse Mathilde Marie Christine Ghislaine d'Udekem d'Acoz, Queen of the Belgians.

Ahmed bin Hassan Al Dheeb, Deputy Chairman of the Public Authority for Special Economic Zones and Free Zones (OPAZ) stressed the importance of this remarkable milestone, reflecting the great importance of this project in contributing to the Omani economy, as a major driver for the projects in progress and others under development within Oman Vision 2040 and the renewed renaissance led by



Ahmed Al Dheeb: The port is an important asset to the national economy and a major driver of projects

His Majesty Sultan Haitham bin Tarik.

During his speech at the opening ceremony, Al Dheeb pointed out that through OPAZ management of the Special Economic Zone at Duqm, the Authority seeks to achieve the objectives of Oman Vision 2040 that include diversifying sources of income







Abdulrahman Al Hatmi: Asyad Group is intensifying its efforts to maximise the port's competitiveness by developing dry dock services

Chairperson of Antwerp Port

Chairperson of Antwerp Port Authority: Port of Duqm has all the potential to become a success story and we will continue our support

and achieving balanced development, attracting and localising foreign and local investments, generating job opportunities, and achieving the expected goals of the Zone by providing the infrastructure to meet the requirements of employing these investments.

He added that such infrastructure includes Duqm Airport, modern roads network, telecommunications, a multi-purpose fishing port, and the Port of Duqm, in addition to providing advantages and incentives that contribute to facilitating investors' works.

He explained that this strategic Port will represent an important tributary to the economic sector, as well as a qualitative shift in improving the competitiveness of the Sultanate of Oman and a vital addition to the integration with other ports of the country.

#### International partnership

Annick De Ridder, Chairperson of Antwerp Port Authority, said, "In 2010, the Antwerp Port Authority established the daughter company 'Port of Antwerp International', or as we call it PAI, to develop and roll out the international strategy of the Port of

Antwerp. The very first international project of PAI was the shareholding participation in the Port of Duqm Company together with our Belgian partner which is nowadays 'DEME Concessions".

While 'Port of Antwerp International' has strong ambitions for further internationalisation, the Port of Duqm is and will always remain an important part of our growing international network". She affirmed that Port of Duqm has all the potential to become a success story, which the Port of Antwerp will continue to support.

#### Logistic hub

Abdulrahman bin Salim Al Hatmi, CEO of Asyad Group, pointed out that the Port of Duqm is one of most significant infrastructure developments in the logistics sector, which translates Oman's vision towards economic diversification and the acceleration of the logistics sector's advancement, as underpinned by the National Logistics Strategy cementing the Sultanate of Oman's position as a competitive logistics hub.

He said that the inauguration represents a pivotal step in Asyad Group's continued efforts to achieve its strategy



The port
confirms the
competitiveness
of the
Sultanate of
Oman as a hub
for logistics



The port is a commercial gateway connecting international shipping lines, east and west





and plans of building an integrated logistics ecosystem under Asyad's umbrella, fortifying the complementary amongst Omani ports; a fundamental pillar of the supply chain and the core of the trade flows, connecting the Sultanate of Oman to the world.

"Through the joint efforts, the sustained support of various government authorities and the fruitful strategic partnership between Asyad Group and the Consortium Antwerp Port; the Port of Duqm is proceeding at a deliberate pace towards becoming a driving force for the national economy and a commercial gateway connecting international shipping routes from east to west. Over the past three years, the Port of Duqm attracted 2,242 vessels and saw an increase in general cargo handling traffic, heading towards profitability at early stages. It is the readiness of the Port of Duqm which will help attract foreign investors and lay the foundation of a promising space that provides the business community with opportunities and give them access to global markets", Al Hatmi commented.

"Asyad Group ramped up its efforts to develop Port of Duqm's capabilities and increase its competitiveness by developing Asyad Drydock services up to international standards, as an integral part of the port. Thanks to Asyad's container line service as well which was the first container shipping line calling Port of Duqm, and connecting it with other ports in the Sultanate of Oman," he said.

#### Good place to invest

Luc Vandenbulcke, CEO of DEME, affirmed that the inauguration of the Port is a fruit of the works done by partners with intensive and open-minded cooperation with OPAZ. He explained that these interactions make the Sultanate of Oman, and Duqm in particular, a very

، تطویر ی مدفح المالی المالی

CEO of Belgium's DEME Group: Duqm is an ideal place to do business for foreign investors

good place to do business for foreign investors, in partnership, with a strong Omani business network

He added that Duqm Port Company has almost doubled its business and achieved positive results and is ready to deal with more opportunities for development and sustainable growth, explaining that, in partnership with the Asyad Group and the Antwerp Port Consortium, many projects were established such as a dedicated marine services company with a tugboat in addition to an investment company Duqm Logistics Lands, which was established to develop logistics services in the Port.

He pointed out that the process of attracting a strong container terminal operator to the Port is progressing in full swing, following a global approach, while benefiting from the network of Duqm Port Company shareholders.

Duqm Port
attracted 2,242
ships over
the past three
years



The port's capabilities attract foreign investments and provide thriving ground for business sector





King Philip and the Queen on an aerial tour to view the landmarks of SEZAD

#### Official opening

After that, HH Sayyid Asa'ad, the chief guest of the opening ceremony, unveiled the commemorative plaque, marking the official opening of the Port of Duqm, in the presence of the King and the Queen of the Belgians.

The Port consists of 3 main berths, namely the commercial berth, the government berth, and the liquid materials berth. The total length of the breakwaters is about 8.7 km and the Port's basin depth is 18 metres, while the entry canal is 19 metres, which qualifies it to receive and handle the world's largest container ships and very large crude carriers (VLCC).

#### Aerial tour and presentations

On the sidelines of opening ceremony of Duqm Port, His Majesty King Philip Leopold Louis Marie of the Belgians and his spouse Her Majesty Queen Mathilde Marie Christine Gislain, Queen of the Belgians, had an aerial tour to see the Special Economic Zone at Duqm and the area designated for green electricity and hydrogen generation.

His Majesty King Philip Leopold Louis Marie and his spouse, Her Majesty Queen Mathilde Marie Christine Ghislaine, were briefed by HE Dr. Ali bin Masoud Al Sunaidy, Chairman of OPAZ, on the Port of Duqm and SEZAD. The chairman also touched on the coming projects in the Zone in the sectors of minerals, cement, food security, incentives and facilities offered to investors.

On the other side, Sophie Willems, Deputy Prime Minister and Minister of Foreign Affairs of Belgium, emphasised the depth of friendship and partnership between the Sultanate of Oman and the Kingdom of Belgium, indicating that both countries have a common understanding of global challenges and the importance of development in order to promote openness and dialogue.

Her Excellency highlighted the economic relations between the two countries, which translate into tangible cooperation in some key areas in industrial production and construction, and in the field of green energy, maritime transport and logistics services. She also stressed the importance of the Duqm Hyghport project, which will become an essential part of the development of the green hydrogen sector and contribute to the shift towards greener energy and industry in both Oman and Belgium.

#### Sea tour

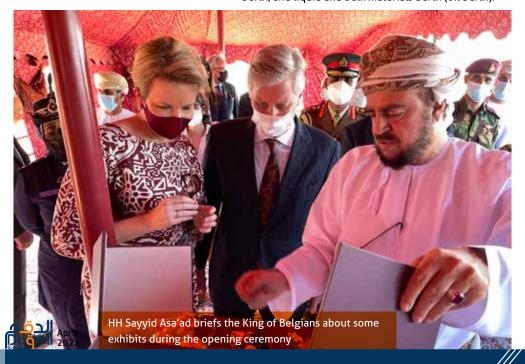
His Majesty King Philip Leopold Louis Marie of the Belgians and his spouse, Her Majesty Queen Mathilde Marie Christine Ghislaine, Queen of the Belgians, went on a sea tour around the facilities of Duqm Port, which included the commercial berth, dry dock, government berth, and liquid and bulk materials berth (oil berth).



Belgian Deputy
Prime Minister
and Minister of
Foreign Affairs
affirms the
deep friendship
and partnership
between the
two countries



King Philip and the Queen on a see tour at Port of Duqm





: Duqm - الرقاط

Reggy Vermeulen, CEO of the Port of Duqm Company, confirmed that the company seeks to make the Port of Duqm an integrated and multimodal logistics hub, taking advantage of the multiple modes of transport in the Special Economic Zone at Duqm (SEZAD).

Speaking to Duqm Economist, he noted that the Port of Duqm is one of the main pillars that support economic growth in SEZAD, pointing out that the Company is working to enhance the capabilities of the Port, in cooperation with the Public Authority for Special Economic Zones and Free Zones (OPAZ) and SEZAD.

#### Multiple commercial achievements

Commenting on the Port's performance, Reggy Vermeulen, Port of Duqm CEO, said, "Although the Port is still in an early operations stage, while the Port infrastructure was being completed, Port of Duqm has already made some first commercial achievements over a wide range of projects, most notably including the

Port successfully handled the import of project cargo for the construction of Duqm Refinery project (particularly over-dimensional cargo) as well as the construction of other prominent upcoming projects in SEZAD.

The Port also achieved a dominant position in the import of OCTG pipes, a critical component used in the drilling of oil and gas wells, sourced in large volumes by the major oil and gas producers in Oman. The vast majority of such cargo sourced from overseas countries is presently being imported via Port of Duqm".

#### Supporting fisheries sector

The CEO noted that the Port of Duqm gained remarkable prominence in supporting fisheries sector. In October 2020, the first ever exports of fishery products was shipped through Port of Duqm with the shipment of fish oil in 40) 25 feet) containers, marking the successful start of fisheries projects at Port of Duqm. Prior to the first export milestone, in August 2020 the Port of Duqm signed an MOU with Ministry of Agriculture, Fisheries

Making multiple commercial achievements over a wide range of projects



projects at Port of Duqm. Prior to the first export milestone, in August 2020 the Port of Duqm signed an MOU with Ministry of Agriculture, Fisheries and Water Resources, ensuring the availability of Health and Quality Control inspections facilities at Duqm for the issuance of necessary export and import certifications.

In January 2021, a major milestone was achieved with the commencement of the first ever exports of frozen fish in containers. State-owned company, Al Wusta Fisheries Industries, launched their pelagic fishing operation with three freezer trawlers and discharged the processed fish alongside the commercial berth for exports in reefer containers. These efforts were made by the Port of Duqm in support of this vital sector, before inaugurating the operations of the multi-purpose Fishing Port, which was completed last year.

"Coinciding with the launch of fisheries operations at the port, Maersk Line, which ranks among the largest shipping lines globally, began serving Port of Duqm from January 2021, as it started carrying the first lot of the reefer exports", the CEO added.

#### **Hyport Duqm**

Reggy Vermeulen, Port of Duqm CEO, pointed out that the Port's ambition is to achieve sustainable long-term growth, focusing on developing strategic projects, in line with Oman vision 2040 and in line with the UN Sustainable Development Goals (SGDs).

Foremost amongst the green initiatives is the Hyport Duqm Project, targeting large scale production of green hydrOgen (from renewable energy) as 'fuel of the future', its derivatives, and export of these products via Port of Duqm. The project is fully aligned with the strategy adopted by PODC to work on green initiatives from inception, ensuring its place in the fast-evolving hydrogen-economy, as the world gradually moves away from fossil fuels.

•The project is situated in the close vicinity of the Port (near liquid jetty for easy exports of bulk products) and will produce green hydrogen by 'electrolysis' process, from power generated from renewable sources (wind energy). The project is expected to transform Port of Duqm into a hub for green hydrogen trading and distribution, place Port of Duqm on the global hydrogen map in the emerging hydrogen economy and firmly establishing its position over time as new hydrogen shipping routes emerge.

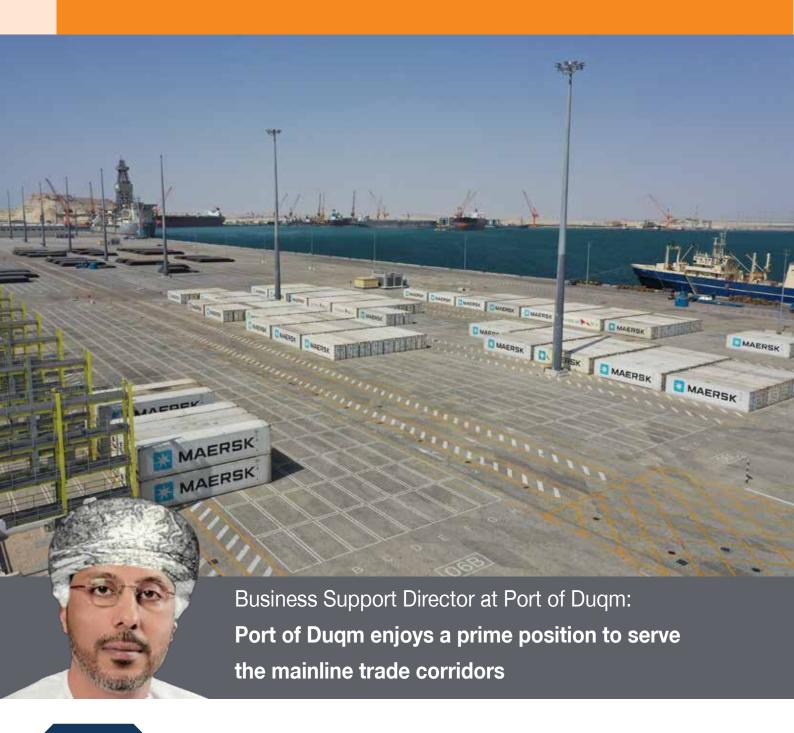
•It will also allow the port to capitalise on its existing port infrastructure and abundant land area available in the vicinity of the port to accommodate production, processing and storage of hydrogen as well as derivate products including ammonia and methanol, enabling it achieve leadership position in regional hydrogen trade.

The Port
achieved a
dominant
position in
the import of
OCTG pipes
used in the oil
and gas wells

Supporting exports of fishery products and successfully handled the import of cargo for Duqm Refinery project











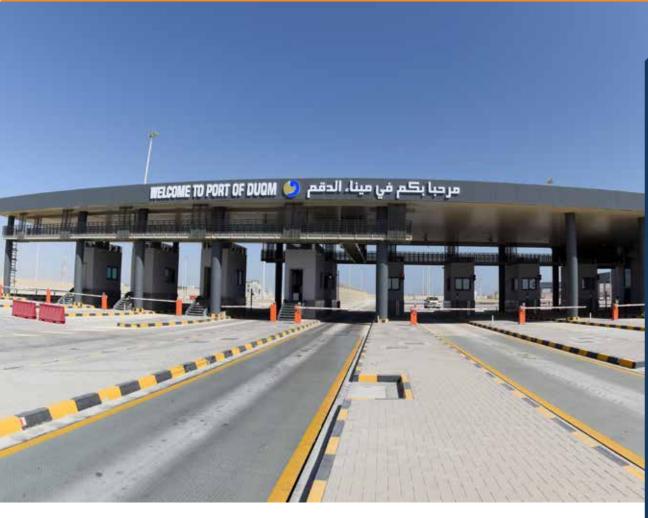
Eng. Hashim Taher Al Ibrahim, Business Support Director at Port of Duqm noted that the Port of Duqm is facing the Arabian Sea and located outside the Strait of Hormuz. Port of Duqm is perfectly positioned to serve the mainline Eastern and the Western trade corridors. Its location makes it very attractive to global shipping lines to connect services and service the large and developing markets of the Indian subcontinent, African markets, as well as GCC countries, that can be directly accessed from Duqm.

"A linear quay of 2.2km length, called the commercial berth, offers a deep draft of 18 metres and 19 metre along the approach channel and hosts various cargo terminals including break bulk, dry bulk, over-dimensional cargo and container terminals. The liquid jetty of Port

of Duqm enables export of bulk liquids and is integrated to the Duqm Refinery via pipelines for product exports, thus making Port of Duqm a multipurpose port with world class infrastructure, and intermodal facilities with excellent inland road connectivity.

#### Increasing trade movement

Eng. Hashim expected that the movement in the Port will increase significantly with the receipt of more cranes specialised in loading operations, which will raise the pace of work in the Port. He mentioned that the Port of Duqm was able to deal with major shipping projects and huge solid shipments, and facilitated the movement of containers entering and leaving the Port. It also outstandingly supported the operations of establishing different facilities and developing key projects in the Special Economic Zone at Duqm.



Expecting
an increase
in the trade
movement
with the
receipt of
more cranes



Providing
a variety of
services for
importers and
exporters via
the port

#### Various services

Moreover, the Port provides a variety of services, such as pollution prevention facilities (MARPOL), fresh water supply, bunkering, ship-to-ship transfers in any of its berthing areas, in addition to ship waste collection and treatment services.

#### **Encouraging work environment**

He said that the Port facilities provide an encouraging work environment that reflects the extent of the Sultanate's development in the port sector in terms of providing employees with modern communication tools and the characteristics of joint offices and improving interaction and communication between work teams and partners in the region, which results in an improvement in the response time for operations related to port business, and decision-making in faster turnaround time, and a higher level of customer excellence.





The port facilities provide an encouraging work environment and a higher level of customer excellence



#### Dr. Ayman Al Nahrawi

Economist and Advisor for Transport, International Trade and Logistics

## Advanced technology and competitive ports

In light of the strong competition in global markets, the applications of logistics and supply chains are linked to the integration of international multimodal transport operations, inventory management and shipments, as well as banking, insurance and documentary operations, which achieves a high degree of flexibility, speed and credibility in light of the multiple and successive changes in the demand of global markets.

Hence, the role of a sea port comes in the ability to record a high performance in handling goods and transportation, while providing logistics and value-added services, which are a large and intertwined group of services that are based on modern technological applications in their operation and performance.

One of the most important factors of seaport development strategies is based on taking advantage of technological applications in managing and operating these ports, especially as it provides high accuracy, productivity and performance in dealing with ships, goods and containers. Electronic applications, information and communication systems in management, operation, control and follow-up, and all of this will improve the services for ships and goods and increase the competitiveness of the port.

#### Modern technological applications

For this reason, the vast majority of ports in the world are adopting modern technological applications to enhance their capabilities and competitiveness. In addition, port's customers from major international companies have taken the same approach. Maersk and IBM announced the cooperation initiative to use blockchain technology (Block Chain) in global supply chains, and smart ports can interact with their customers through technological means such as GPS and Google Maps to track the movement of ships and shipments. As well, sensors and other technologies can automatically collect and share information on weather, ship movements and directions, and cargo flows, the integrated means of transport operating within the framework of sea port, and the following examples show the dimensions of that:

#### **Cyber security**

Cybersecurity, also called "information security" and "computer security", is a branch of technology concerned with protecting systems, property, networks, and programmes from digital attacks that typically aim to access, alter, or destroy sensitive information, extort users to obtain funds, or disrupt operations. It is defined as the sum of the means that would reduce the risk of attacking software, computers or networks. These means include the tools used to confront piracy, detect and stop digital viruses, and provide encrypted communications. This is of great importance in the field of seaports, as a lot of complex, overlapping and confidential data is issued by seaports.

#### Vessel tracking system

It is a technological system connected with satellites, and represents a marine tracking method that provides direct information on the locations of ships. This information includes ship's data such as latitude and longitude locations, origins and destinations, ship numbers and types of ships, addresses and speeds, when the device senses the movement of the ship through the accelerometer. It activates itself and adjusts the global positioning system and then sends its location via the wireless device or a group of satellites. The tracking system is one of the most important features through which the safety element is achieved for the ship and its crews and goods, especially after the increase in maritime piracy and ship accidents and sinking.

#### Container tracking system

The function of the container and cargo tracking system is based mainly on the Global Positioning System (GPS), the comprehensive system for mobile communications (GSM) or satellites, where electronic devices are installed between the structural joints in the container, and their location data is sent to the concerned authorities, and the use of tracking and security mechanisms electronic. The container tracking system from the country of origin until it reaches the customer or the contracting party aims to achieve the security and safety of the container and the goods and commodities it carries.



The theft of its contents in many international ports, and the container is tracked electronically from the point of origin until it is cleared from customs, after verifying all its details. All data is recorded in it since the shipment of the goods from the producing factory until it reaches the final recipient.

#### Big data

Big data are large-volume, high-speed, and/or highly diversified information assets that require new forms of processing to enhance decision-making, in-depth understanding, and process improvement. Compared to smaller discrete groups with the same total volume of data, allowing for correlations that reveal pivotal trends, determine research quality, combat crime and identify traffic conditions in real-time data flows, can lead to building predictive and qualitative systems that anticipate incidents and responses. This will benefit the management and operation of seaports and enhance cooperation among them.

#### **Block chain**

A distributed database that has the ability to manage an ever-growing list of records called "blocks." Each block contains a timestamp and a link to the previous block. A block chain allows for a decentralised consensus system. These features allow the block chain to be used to record events, addresses, logs, and managing records, activities and transactions. This system has profound implications for the global economic system; It allows eliminating intermediaries and completing commercial transactions without an intermediary. Block chains connected to geographic data systems can also be used for the secure monitoring of cargo and container shipments.

Supply chain and supply chain solutions gives authorised participants greater visibility through precise control of all supply chain activities, and given that a single unexpected emergency event can cause a cascade of supply chain disruptions. Supply chain solutions use smart contracts that are triggered automatically when pre-defined business conditions are met, and this gives a view of the actual time of operations, and allows the ability to take the necessary actions at an early date or time to

complete the process.

#### **Geographic Information System (GIS)**

They are electronic systems that collect, enter, process, analyze, display and output spatial and descriptive information for specific goals, and help planning and decision-making. This system enables accurate geographical information such as maps, aerial photographs, and space visuals, as well as descriptive information such as names, data and tables to be processed, stored, retrieved, analyzed spatially and statistically, and displayed on a computer screen or on paper in the form of maps, reports, graphs or through the website.

Moreover, in the field of ports, the development of geographical information systems, based on geographical locations, can help to speed up operations and change the dynamics of work in the port by detailed monitoring of the location of the shipment and the movement of vehicles, for control and guidance within the framework of multimodal transport operations in order to avoid congestion and traffic crises in seaports and the roads leading to them.

#### Port technology

A number of international reports on global ports during the year 2021 indicate that out of 4900 seaports around the world, %80 of those ports still depend on traditional methods of managing marine services, despite that the number of global seaports is increasing every year. It tends to use technological applications, for example, the port of (Esbjerg) benefits from a data visualisation platform (Digital Twin) to identify, monitor and analyze the output of gaseous and carbon emissions for all parties that use the port facility, and the port of Rotterdam and IBM have started work on establishing a digital data platform that will speed up docking traffic and reduce cargo handling and handling times.

At the same time, many ports have tended to improve the level of performance, productivity, operating accuracy and efficiency by using smart sensors, and smart sensors can be deployed in seaports to help monitor the state of infrastructure of berths and yards. It also helps station operators to schedule predictive



#### Empowering the port to handle the largest container ships worldwide

#### Port of Duqm receives STS and TRG cranes





Supplying 4
automatic cranes
for transporting
containers from
ships to the
commercial berth
and 12 gantry
cranes



Equipping
cranes with 5G
technology, smart
driving systems,
yard monitoring
and automatic
landing

#### Duqm - موسوم

The Port of Duqm has started receiving container cranes and bridge cranes for the commercial berth in the Port. During the coming months, the cranes, which were manufactured by the Irish company Liebherr (LIEBHERR), will be installed at the Port. In 2021, the Public Authority for Special Economic Zones and Free Zones (OPAZ) awarded this project, which aims to empower the Port of Duqm to handle the largest container ships in the world.

The project includes installing 4 Ship-To-Shore (STS) cranes for transporting containers from ships to the commercial berth with a lifting capacity of 65 tonnes. There are also another 12 Rubber-Tyred Gantry (TRG) cranes with a lifting capacity of 41 tonnes.

#### High technical capabilities

The selection of these cranes came for their high, smart and fast capabilities in container handling, as they were equipped with (5G) technologies in addition to a fiber-optic system to transport data to the crane operator for remote control. In addition to providing them with automatic driving systems, yard monitoring system and automatic landing system, with a reach capacity of 71 metres and a rear reach of 18 metres, enabling it to handle the world's largest container ships.

The project to supply containers cranes includes allocating %10 of the business value to Small and Medium-sized Enterprises (SMEs), which will be implemented during the preparation and installation period. The tender also includes training programmes for 4 young Omanis in several fields related to the operation of cranes.



To accommodate the expected growth of ship traffic and freight operations

# Asyad Ports commences operations of general cargo terminal in Port of Duqm







Duqm - الدِقْرِهِ

Asyad Ports Company - Duqm started in February 2022 its operations to manage and operate the general cargo terminal on the commercial berth in the Port of Duqm.

The Company, which was established in partnership between Asyad Ports and the Port of Duqm Company, will manage and operate the three berths in the Port of Duqm, which are designed to receive the largest ships and international carriers, and to serve customers and trading partners.

These berths are represented in the multi-use general cargo berth with a capacity of about one million metric tonnes per year, the bulk cargo berth with a capacity of about 5 million metric tonnes per year, and the ro-ro berth with a capacity of 100,000 vehicles per year.

Assigning the management and operation of the general cargo terminal to Asyad Terminals Company - Duqm, is aimed to accommodate the expected growth in ships traffic and shipping operations, increase commercial traffic through the Port of Duqm with international ports, provide quick solutions to exporters and suppliers to the local and international trading community, and to meet the requirements of economic projects in the Special Economic Zone at Duqm.

#### **Developing ports sector**

Dr. Ahmed bin Mohammed Al Abri, CEO of Asyad Ports, said, "Asyad is moving forward in developing the ports sector in the Sultanate of Oman, bringing more achievements, and implementing a series of initiatives to make the Omani ports an investment attraction. As well, the ports are being developed in a way that supports trade and economic development in the country in cooperation with various government bodies".

"Assigning the management and operation of the general cargo terminal in the Port of Duqm to Asyad Terminals

Dr. Ahmed Al Abri: We aim to make the port a multi-purpose global commercial gateway

Company - Duqm marks a step towards moving to compete for operating global docks and ports. The Company will work on developing the superstructure of Duqm Port and manage all works of handling general, bulk and rolled goods. In addition, the Company will provide a number of competitive incentives to facilitate commercial businesses, increase the competitiveness of the Port, make it a multi-purpose global trade gateway to reach markets with over three billion consumers around the world", the CEO explained.

He stressed that Asyad Ports enjoys outstanding practical experience, administrative capabilities and national competency, and this has been evident during the past years in managing the ports of Sultan Qaboos, Suwaiq, Shinas, Khasab and Khazaen Land Port, which served to enhance the key role of Duqm Port for it is a leading and a major hub in the global supply chain.

"Assigning the management and operation of the commercial berths in the Port of Duqm to Asyad Terminals Company - Duqm will create a common space with the private sector in many fields. Further it will open business opportunities for SMEs for various services and supporting logistical activities such as customs clearance, transport, storage and maintenance activities, as a result of the recovery of commercial traffic through the Port and connect local markets with international markets through direct shipping lines", the CEO remarked.



Providing fast solutions for exporters and suppliers to the local and global trading community



We are working to strengthen the critical role of Duqm Port and make it a major hub in the global supply chain



## Duqm Port empowers Omani youth to lead it's success march





#### By Mohammed bin Ahmed Al Shezawi

The day, February 2022, 4 will be a historical day for the Port of Duqm, though, prior to this date, great efforts were made to empower Omani youth to professionally manage the Port, hone their expertise and equip them with the latest business developments in the ports.

A number of Omani youth confirmed to that the Port of Duqm enabled them to improve their skills and experiences. They have been enrolled in many training programmes, whether in Omani ports such as Sohar Port and Salalah Port, or international ports such as the Belgian Port of Antwerp, which serves as a training centre for Omani youth working in the Port of Duqm Company.

#### Omani maintenance team

Eng. Saif bin Ali Al Maamari (Maintenance Engineer) commended the role of Port of Duqm Company in developing Omani expertise in the field of maintenance. "We used to rely on specialised maintenance companies, but we started investing on our own efforts and experiences that were obtained over the past years, so we are qualified to maintain the equipment and devices in the Port. Al Maamari works with the Omani maintenance team who also provides supply services to the ships that dock at the commercial berth in the Port.



#### **New HSE policy**

Hassan bin Ahmed Al Ajmi (First HSE Officer) highlighted the change that he experienced in the Port since he joined in 2015. "We witnessed many stages of the port's construction, whether in the commercial berth or the liquid materials berth and installing security gates. In all these stages, we provided the necessary support in cooperation with the Public Authority for Special Economic Zones and Free Zones and Tatweer Company".

He pointed out that the Company is currently working







on developing a new comprehensive HSE policy for all companies operating in the Port, including the drydock and companies operating in the Industrial Land Company. This policy will facilitate the work in the Port and achieve the various security and HSE elements in such a huge project.

operations planning

#### Identifying ship's park on commercial berth

Nashat bint Ali Al Kindi (Operations Planning Supervisor) touched on what she does. "We identify the place where the ship parks on the commercial berth, according to the goods carried by the ship, the services required from the Port and related movement of loading and unloading. All these are taken into consideration when developing a plan for the ship, which will be shared with the team to execute the plan to ensure smooth traffic of ships entering and leaving the Port. This plan is developed a week or two ahead of the ship's arrival", she explained.

Nashat Al Kindi expressed her pride in working in the Port, commending the confidence that the Duqm Port Company had given her to be the first Omani girl working in operations planning. "Post completing my studies at Oman Maritime College, I joined a company for 5 years in Sohar. Afterward, I joined Port of Duqm to develop my skills and gain new experience, and today I feel proud to be part of this successful project", she stated.

#### Responding to engineering emergencies

Eng. Mohammed bin Suleiman Al Kindi highlighted his 7 years of experience of working in Duqm Port. He remarked, "I am currently working as Facility Maintenance Specialist, but during 2015 and 2020, I worked as an Architect, reviewing the designs of buildings in the industrial and logistical lands affiliated to the Port. At the same time, I was developing the Building Information Modeling (BIM), concerned with converting building designs into (3D) images equipped with various necessary engineering information, and when any malfunction occurs, we can identify the reasons for that by referring to these images".

Al Kindi responds to engineering emergency cases, which are called corrective maintenance. He also works on planning for any required changes in the Port, in terms of engineering aspects, improving and monitoring power and water performance, finding solutions that help us switch to alternative energy systems. In addition, he handles periodic maintenance for facilities to ensure the readiness of operating systems in various locations in the Port, such as fire extinguishing systems and ships supplying system and other systems related to the infrastructure.

Qualifying
Omani
expertise in
maintenance
to provide
necessary
services
for ships
anchored at
the commercial
berth







Implementing
the
International
Ship and Port
Facility Security
and
emphasising
the importance
of security and
safety in
various
locations in the
Port of Duqm



Adel Al Balushi: Supervising the traffic of ships to ensure smooth flow inside and outside the port



Kahlan Al Siyabi: Our responsibility includes raising the efficiency of security awareness for port's workers

#### **Traffic management**

Adel bin Said Al Balushi, (Port Control Officer) joined the Port in 2020 with 7 years of experience in ports' maritime control. He said, "I am currently supervising the traffic of ships to ensure the smooth flow of movement inside and outside the Port. I also manage the daily movement of ships to ensure the safety of the port and ships from any potential accident".

Al Balushi valued the confidence that was accorded to him by the Company and the training courses provided including training in the ports of Antwerp and



Mohammed Al Kindi: Improving the performance of power and water and finding solutions for the alternative energy systems

Zeebrugge in Belgium. Such training familiraised him with many work-related updates in both ports.

#### **Port Security**

Kahlan bin Hilal Al Siyabi leads a team of 16 people working in the Port's security. He commented, "We implement the International Ship and Port Security (ISPS) Code, which is issued by the International Maritime Organization in 2002. This Code is being implemented in cooperation with the Ministry of Transport, Communications and Information Technology due to the importance of the principles and procedures contained in the code that determine the optimal handling of any actions that may threaten maritime security, in coordination with the concerned authorities. Our responsibility also includes raising the efficiency of security awareness for workers in the port in order to maintain security and safety in various locations in the Port".



# 3000 hectares are available for investment in the logistics and industrial lands of Duqm Port



The Port of Duqm contributes to supporting the investment environment in the Special Economic Zone at Duqm (SEZAD) by providing plots of land for warehouses and light industrial activities. The Port of Duqm, through the Duqm Industrial Land Company, also encourages investment in industrial activities by providing lands to investors who are interested in establishing their factories in Duqm. These logistics and industrial lands are distinguished by its close proximity to the commercial berth, which contributes to achieving speed and efficiency in transporting goods, whether imported or exported through the Port.

#### 1000 hectares for logistics investment

The total area of the Logistics Zone is 1,000 hectares, and it is located near the port where the export and import activities of logistics and light industrial projects are managed. The area includes temporary storage areas, transportation activities, general warehouses, stock-keeping activities, container shipping stations, repacking units, and assembly facilities.

#### **Attracting investors**

The Logistics Zone has succeeded in attracting a large number of investors such as small and medium enterprises and start up Omani companies

working in the logistics activities and third-party logistics. Further, renowned local companies have consolidated their presence by establishing sites in the Port's logistics zone, including Al Madina Logistics Company, Bahwan Excel Company and Jan Shipping Company.

The Port's most prominent partners in the logistics sector from the GCC were keen to lease lands and build warehouses to keep pace with the expected future businesses with the start of Duqm Refinery operations in 2023, such as Rezayat Logistics Company and Tristar Gulf Company, as well as some international brands in the heavy transport sector such as Mammut / ILE are intending to rent a space in the Logistics Zone to be used for storage of heavy transport equipment.

At the same time, the Logistics Zone in the Port of Duqm is witnessing a number of light industrial activities. TIG Company, which specialises in vehicles for defense industries, has established a large facility in the Zone. Through this facility, armored vehicles are exported to various countries worldwide through the Port of Duqm. Al Ghalbi Engineering Company - a prominent name in the chemical industries sector in the oil field - is building a storage facility to store industrial salts and other chemical derivatives for the oil and gas industry.

#### **Duqm Industrial Lands**

Duqm Industrial Land Company - a subsidiary of Port of Duqm Company - has been commissioned to develop industrial lands in Duqm. The Company was granted usufruct plots with a total area of 2,000 hectares,

Providing areas
for temporary
storage,
transportation
activities,
general
warehouses
and container
shipping



Local companies
enhance their
presence by
establishing
sites in the
port's logistics
zone



**Developing 250** hectares of land for heavy and medium industries projects



Industrial lands attract the most famous construction corporates



including 500 hectares for heavy industries, 500 hectares for medium and heavy industries, and 1,000 hectares for petrochemical industries.

Duqm Industrial Land Company is currently working on developing the first designated area of 250 hectares for leasing plots of land for heavy and medium industries projects. The area is 15 km away from Duqm Port, and is located nearby Dugm Refinery project. The land leveling has been completed and is ready to be leased directly for the establishment of various industrial projects.

#### **Industrial community interest**

Recently, "Duqm Industrial Land" has received a great attention from the industrial community in the Sultanate of Oman. Its partners working in the construction sector and specialised in the supply of concrete, infrastructure and cement molds have been able to expand and spread in the zone. The

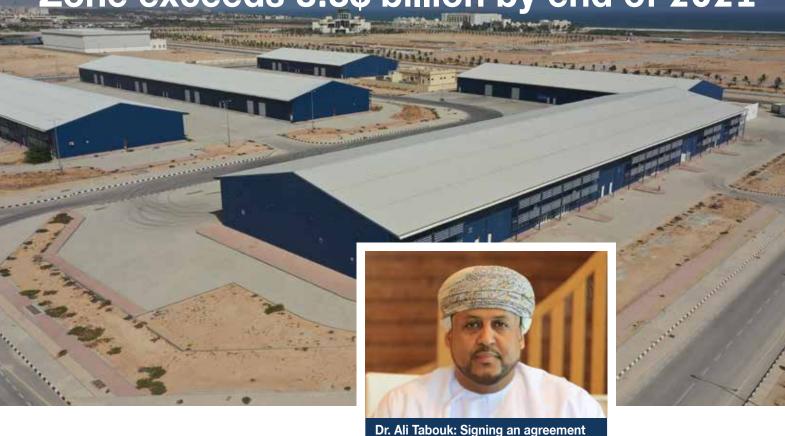
most famous industrial companies that provide services to the construction sector have been able to establish its factories in the zone managed by Duqm Industrial Lands Company, such as Al Sarain Company, Al-Tasnim Company and Lafarge Company. Raysut Cement Company is currently working on establishing a cement grinding plant in the zone with expected start of its operations

Duqm Industrial Land Company continues to attract investors, and during the last period it received many inquiries that indicate a promising future, which would transform the industrial and manufacturing sector in Duqm in the coming years. It also witnessed frequent visits to a number of well-known industrial companies in India, Saudi Arabia and other countries to explore potential business opportunities and establishment of their companies in the zone.





# Volume of investments in Salalah Free Zone exceeds 8.8\$ billion by end of 2021





The volume of investments in Salalah Free Zone increased by end of last year to 8\$ billion and 837 million, according to the usufruct agreements signed until last December.

Dr. Ali bin Mohammed Tabouk, CEO of Salalah Free Zone, said that the Zone was able over the past years to localise many projects with high economic returns, such as the Liquefied Petroleum Gas (LPG) project, ammonia project, International Company for Gypsum Boards, and the Felix Pharmaceuticals project.

In an interview with Duqm Economist, he commended the Zone's infrastructure that supports investments and the facilities and incentives it offers to investors. He stressed that the Zone enjoys rich resources of solar and wind energy backed by a world-class infrastructure for shipping through the Port of Salalah, which Qualifies it to become a global centre for the production and export of hydrogen and green ammonia.

"Last year witnessed the signing of a joint development agreement to develop the green hydrogen and green ammonia project by an international coalition consisting of the alternative energy sector of "OQ" Group, "Marubeni" Company and "Landy" Company and Dubai Transportation Company "DOTCO". The project, called "SalalaH2" aims to produce up to 1,000 tonnes per day of

green ammonia using the existing ammonia plant of "OQ" Group", he explained.

to develop a green hydrogen project reflects the growing interest to invest in

He noted that choosing Salalah Free Zone to develop a project in the green hydrogen sector reflects the Zone's ability to meet the needs of investors in various economic sectors.

#### Improving investors' services

the zone

The CEO stressed the Zone's interest in improving the services provided to investors, referring in this regard to the initiative launched in 2020 to facilitate doing business by addressing various operations as quickly as possible. Among these services are issuing commercial registration and licenses and signing investment agreements in just 30 minutes. He remarked that this initiative contributed to increase the number of projects established in the Zone. The total number of licenses that were issued until the end of last year reached 104 licenses, including 55 licenses for industrial activities, 36 licenses for commercial activities, and 13 licenses for logistic activities. The number of environmental licenses and permits granted by the Zone to different projects and companies reached 51 licenses.

He confirmed the high contribution of the Zone to the national economy, noting that the total manufactured goods in the Zone that were exported Issuing 104
licenses for
economic
activities
and 51
environmental
permits



**\*\*\*** 

Exporting
3.3 million
tonnes of
manufactured
goods in the
zone in 2021



Localising projects for liquefied natural gas, ammonia, gypsum boards



Making several improvements to the customs inspection yard and connecting the zone with a 929-km road network





Ahmed Tabouk: Establishing a corridor for goods between the zone and Port of Salalah

outside the country last year amounted to 3.3 million tonnes, while the volume of goods imported to the Zone amounted to about 12.1 million tonnes.

#### Infrastructure supporting investments

Eng. Ahmed bin Said Tabouk, Commercial Director at Salalah Free Zone, said that the Zone developed during the past year several infrastructure projects that support attracting investments to the Zone. Last year, the Zone completed the second phase of "Mazaya" logistics warehouses, covering an area

of 25,000 sqm. He noted that the stores of the first phase of "Mazaya" was %100 leased and %62.6 of the second phase was leased until the end of Q1 of 2022. Thus, the total leased area in the both projects is %83.

"The projects that were completed in Salalah Free Zone last year also included making several improvements to the customs inspection yard in cooperation with the Directorate General of Customs. This project contributed to increasing the volume of traffic in the Zone", he added.

#### Meeting investors' aspirations of

Eng. Hamid bin Mohammad Al Kathiri, Technical Director at Salalah Free Zone, confirmed that the Zone's infrastructure is distinguished by its superior ability to meet the aspirations of investors. The transport system in the Zone aims to provide good mobility, convenient access and obstacles-free transportation for goods and workers. He explained, "29km long internal roads were established in Raysut and Adhan and equipped with lights and traffic lights in order to maintain the safety of road users and provide smooth transportation to various investment sites in the Zone. As well, a -5740metre-long corridor was built for the liquid bulk goods to be transported between the Zone and Port of Salalah, serving the







Eng. Hamed Al Kathiri: Establishing water networks in various investment areas

methanol and LPG and ammonia projects. Building the corridor marks one of the Zone's objectives aimed at developing a supply chain service and handling liquid bulk goods for investors".

#### Power and water services

Commenting on the power and water services in Salalah Free Zone, Eng. Al Kathiri said that the Zone is cooperating with the concerned authorities to provide the investors' needs of electricity and water in accordance with the submitted requests. The Zone's Management receives requests for power and water services by investors during the registration stage for evaluation, understand the project's needs and possibility of providing them by the concerned authorities. In addition, the networks

shall be supplied to the project's site according to the timeline provided by the investor. He confirmed that all the power requests submitted by the investors until the end of last year were delivered.

He pointed out that during the past years, water networks were established in the investment areas of Salalah Free Zone, whether in Raysut or Adhan. The irrigation network for afforestation purposes was also established in Adhan, and in Raysut, a main -6km pipeline of the water network was established and operated. (1000 mm diameter).

Regarding the gas pipeline, Eng. Al Kathiri said that Salalah Free Zone has established a -3800metrelong gas pipeline with a capacity of one million cubic metres per day to meet the gas needs of existing and future factories. This pipeline serves more than 3.7 sqkm of land allocated for investment.

#### Digital infrastructure

He touched on the digital infrastructure in the Zone, which marks an important component for attracting investments and establishing advanced economic and industrial activities. "The Zone was keen, in its technical masterplan, to develop the digital infrastructure to keep pace with the latest technologies for wired and wireless communications, including fiber optics, providing (4G) coverage for all sites in Raysut and Adhan Phase 1A. in Addition, the Zone provides at its headquarters all communications and high-speed Internet services.



Establishing
a gas pipeline
with a capacity
of one million
cubic metres
per day to meet
the needs of
existing and
future factories



Leased spaces
in logistics
warehouses
"Mazaya"
increase to
83% by end of
Q1 of this year



#### Part of the participation in Expo 2020 Dubai

## OPAZ attracts international companies to explore economic and free zones





businesspersons,

**CEOs and** 

chairpersons

of different

key international

companies

الدقو Dubai - الدقام.

As part of the Sultanate of Oman's participation in Expo 2020 Dubai, the Public Authority for Special Economic Zones and Free Zones (OPAZ), organised a two-day promotional event aimed at meeting with a number of CEOs and chairpersons of different international companies.

The participating delegation, headed by HE Dr. Ali bin Masoud Al Sunaidy, Chairman of the Public Authority for Special Economic Zones and Free Zones, included Sheikh Salim bin Musallam Al Kathiri, Head of the Sultanate's Commercial Office in Dubai and the CEOs of Sohar Free Zone, Special Economic Zone at Duqm, Salalah Free Zone and Al Mazunah Free Zone, who held different meetings.

The promotional event, held in March 2022, reflects OPAZ endeavor to attract new international companies to invest in the special economic zones and free zones. Organising the event came in cooperation with, HE Mohsen bin Khamis Al Balushi, Commissioner General of the Sultanate of Oman Pavilion at the Dubai Expo and the Sultanate of Oman Commercial Office in Dubai.

#### **Direct meetings**

The event included organising direct meetings with a group of businesspersons, CEOs and chairpersons of different key international companies. This marked an opportunity to update them with the latest development of investments in the economic and free zones. The event served to create direct communication between investors and decision-makers with focus on different sectors such as tourism and real estate development, logistics, food processing and transformative industries.



Yahya Al Zadjali: Highlighting the strategic plans for developing tourism in SEZAD

#### Real estate development

Eng. Yahya bin Khamis Al Zadjali, In-Charge of Managing Operations of the Special Economic Zone at Duqm (SEZAD), remarked, "We were able to familiarise the businesspersons with the available opportunities in tourism and real estate development and the attractive advantages offered by SEZAD in this aspect. Among these advantages are quality infrastructure, sound urban planning and the relative natural and tourism advantages".

"There was a highlight to the strategic plans for developing tourism in the Zone as awe as the attractive package of incentives and facilities granted by the Zone to encourage businesses, support tourism projects and ensure the development of sustainable tourism and real estate investment", he added.

#### Focus on logistics sector

Omar bin Mahmoud Al Mahrizi, CEO of Sohar Free Zone, confirmed, "Sohar Free Zone is home for diverse





Said Al Balushi: Meeting with businesspersons interested to invest in Al Mazunah Free Zone



Omar Al Mahrizi: Sohar Free Zone attracts new investments

e projects in logistics and food processing, while the Zone is rich in having investors from GCC countries, Europe, India and Southeast Asia. Through these promotional activities, we seek to reach a selected list of countries that were directly focused on through arranging bilateral meetings, while some expressed their interest in Sohar Free Zone during the meetings held".

Al Mahrizi stated, "The Zone enjoys a number of facilities, services and capabilities that qualify the Zone to be connected with global markets and supply chains. This strength is derived from its strategic location in the centre of international trade routes between Asia and Europe, in addition to the competitive fees of the Zone's services that enhance the operational efficiency of various projects. All these factors will attract local and foreign investments alike".

#### **Transformative Industries**

Dr. Ali bin Mohammed Tabuk, CEO of Salalah Free Zone, said: "We focused on several sectors that we attract to the Zone, especially those related to manufacturing industries, which have added value. The Zone is equipped to attract such sectors and has many capabilities supported by a prime location

and an ideal port. As well, it offers advantages for establishing companies with %100 foreign ownership, tax exemption and unrestricted capital transfer, no minimum capital, and not specifying the capital's currency, I naddition to other advantages. Hence, we need businesses and manufacturing industries that are in line with the directions of the Sultanate of Oman, while considering they are environmentally friendly".

#### Increasing investments in Al Mazunah

Said bin Abdullah Al Balushi, Director General of Al Mazunah Free Zone, noted that the participation in this important promotional event was important to introduce Al Mazunah Free Zone through meeting with businesspersons who are interested to expand their investments.

"Through these meetings, we discovered the interest of companies in the Zone's advantages, located close to the Republic of Yemen, being the Gulf gateway for transit trade to the Republic of Yemen and from there to East African countries. The different incentives and facilities offered by the Zone were presented and focus was highlighted on several key sectors, most notably logistics and transit trade", Al Balushi commented.



The event aimed at creating direct communication between investors and decisionmakers in the economic and free zones



Focusing on tourism and real estate development, logistics, food processing and transformative industries



Dr. Ali Tabuk: Salalah Free Zone promotes transformative industries



# Military attaches of friendly and brotherly countries visit Duqm





A number of military attaches in the embassies of brotherly and friendly countries in the Sultanate of Oman visited the Special Economic Zone at Duqm (SEZAD) during February 2022 ,16 – 15. The visitors were accompanied by a number of senior officers and retires from the Sultan Armed Forces.

Upon their arrival at SEZAD Headquarters, the delegation met with Dr. Ali bin Masoud Al Sunaidy, Chairman of the Public Authority for Special Economic Zones and Free Zones, a number of SEZAD officials and representatives of companies operating in the Zone.

The delegation was toured around the different developed and under construction projects in the Zone, namely the Port of Duqm, drydock, Duqm Airport,

Imdad Logistics Company, Duqm Refinery Project and tourism projects. The delegation was also briefed on the potentials of SEZAD, advantages, incentives and facilities on offer for businesspersons and investors. As well. They were familiarised with the key characteristics that characterise the Zone, including its prime location, the strategic projects that have been developed and the under construction projects. This visit came in line with the joint efforts to introduce the Special Economic Zone at Duqm and its various developed projects as well as the investment opportunities in the Zone.



## Delegation of 9th National Defense batch visits Special Economic Zone at Dugm

Duqm מקבים

The Special Economic Zone at Duqm (SEZAD) welcomed the delegation of the 9th National Defense batch, as part of their agenda to get familiarised with a number of projects being developed in the Sultanate of Oman. The National Defense College (NDC) was established and its statute was issued according to the Royal Decree No. (2013/2). The College is specialised in strategic studies in the fields of security and defense. The delegation was headed by Air Vice Marshal Eng. Saleh bin Yahya Al Maskari, Commandant of the National Defense College (NDC) and a number of faculty members. Upon their arrival to Duqm, the delegation met with HE Dr. Ali bin Masoud Al Sunaidy, Chairman of the Public Authority for Special Economic Zones and Free Zones, and briefed them on the different projects that OPAZ is seeking to localise in Duqm. Showcasing SEZAD's capabilities

The delegation was briefed on the different capabilities of SEZAD in a number of sectors, most notably the renewable energy sector (green energy), logistics and others. Further, the delegation was toured around the different projects and facilities in the Zone, including the port and dry dock and energy projects such as Duqm Refinery and central facilities.



# Duqm to receive a large supply of electricity

#### By: Mohammed bin Ahmed Al Shezawi

The Special Economic Zone at Duqm (SEZAD) is currently witnessing the development of many power projects to keep pace with the increasing number of investment projects. Statistics indicate that the number of subscribers to electricity service in the Zone increased last year by about %72. The number of subscribers reached 6000 by end of last December, compared to 3490 subscribers at the end of 2020.

The project to connect SEZAD to the main electricity network marks one of the most prominent projects being developed in Duqm, which are aimed to keep pace with the increasing number of projects in the Zone while other industrial projects started commercial operations.

In this issue, spotlights the electricity sector in the Special Economic Zone at Duqm (SEZAD) and the relevant current key projects.

# Learn more about the project to connect SEZAD to the main electricity network

Total cost is OMR 183 million

It starts from Naheda Station in Al

The five stations will be located in: Naheda, Barik, Sweihat (within PDO concession areas), Duqm, and Mahout.

It consists of 5 stations with 400 kV of voltage

Duqm station, with a voltage of 33/132/400 kV, is connected to a 191km overhead line

667 km is the total length of overhead lines

Establishing a 152km antenna line connecting Duqm and Duqm station contains two transformers with a capacity of 500 MVA, and 4 transformers with a capacity of 125 MVA.

The project is expected to be completed in Q1 of 2023.







400 kV voltage

and 667 km

long overhead

lines



Eng. Saleh bin Nasser Al Rumhi, CEO of Oman Electricity Transmission Company, confirmed that the project to connect the main transmission network, Petroleum Development Oman network and the Special Economic Zone at Duqm (SEZAD) with a voltage of 400 kV is among the most prominent electricity projects that are currently being developed in the Zone.

In an interview with Duqm Economist Magazine, he pointed out, "The total cost of the project's first phase, which is called "Rabt" project, is about RO 183 million and includes the construction of stations and electrical lines connecting them. The project starts from Naheda station in Al Dakhiliyah Governorate, passing through the Barik and Sweihat station within the concession areas of Petroleum Development Oman and from there to Duqm station and Mahout station in Al Wusta Governorate. The project is expected to be completed during Q1 of 2023. The total length of the overhead lines that will be built within the project is 667 km".

#### 5 stations

He added that the project includes constructing 5 stations with 400 kV voltage; Naheda station in Al Dakhiliya Governorate, two stations in Barik and Sweihat within Petroleum Development Oman network, a station in Duqm to supply the Special Economic Zone at Duqm due to its strategic and economic importance, and another station in the Wilayat of Mahout, which will contribute to backing up the local loads and reducing Electricity production costs that currently depends on diesel.

#### Multiple benefits

Eng. Saleh bin Nasser Al Rumhi touched on the economic and social importance of the project to connect Duqm to the main transmission network. "The project achieves many benefits, most notably creating a network for electricity transmission at a high level of sustainability, reliability and safety as well as providing sustainable energy to feed the two networks of Petroleum Development Oman and SEZAD and some rural areas. Other advantages include reducing the spare capacity investments in each network, minimising capital investments needed to meet energy demand at peak hours, activating energy exchange between networks, and stopping the dependence on diesel-fueled stations



The project's total cost is RO183 million and completion is in Q1 of 2023



due to their high cost and carbon emissions", he explained.

"The other benefits of the project are providing connection points for renewable energy projects and feeding points for rural areas through which overhead lines pass, reducing the risk of electricity network failures and loss of energy produced from renewable or non-renewable energy plants, in addition to reducing environmental pollution", Al Rumhi added.

#### **Promoting investment**

The CEO of Oman Electricity Transmission Company expected that "Rabt" project will contribute to promoting and encouraging investments in the Special Economic Zone at Duqm, attracting investors and factories due to the availability of sustainable energy in the Zone, and urging national investments in renewable energy in the governorates of Al Wusta and Dhofar. He also stressed that the project provides support and infrastructure to make the best use of green hydrogen projects. Likewise, it will boost creating more job opportunities in the Zone directly or indirectly, supporting SMEs, in addition to thriving the local market by purchasing a large percentage of equipment and services needed to complete the project.

#### **Future projects**

On the future projects of Oman Electricity Transmission Company, Eng. Saleh bin Nasser Al Rumhi commented, "The Company's five-year plan for 2022 to 2026 includes the establishment of an additional station in the Special Economic Zone at Duqm, called "Duqm Industrial Station", which will include two transformers with a capacity of 500 MVA. With a voltage of 132/400 kV, the new station is expected to feed the Heavy Industries Zone in Duqm due to its promising opportunities to establish giant projects and factories.

Providing connection points for renewable energy projects and feeding points for rural areas through which overhead lines run



Promoting
investments
in Duqm and
attracting
investors and
factories are
key objectives



Duqm - Puga

In 2019, the Public Authority for Special Economic Zones and Free Zones (OPAZ) was granted the competence to regulate the electricity and related water sector in the Special Economic Zone at Duqm (SEZAD) with the aim of supervising the sector and taking ways to ensure the provision of electricity service to various projects in the Zone, which is witnessing a great investment demand.

Post obtaining this competence, a department specialised in this sector was established, Electricity and Water Regulatory Department, which has been renamed as the "Public Services Department". This department has been able, during the past three years, to overcome many challenges facing the sector, in cooperation with other concerned authorities such as the Rural Areas Electricity Company "Tanweer", Oman Electricity Transmission Company and the Central Utilities Company "Marafiq". This harmony led to the launch of many projects in this sector, which resulted in supplying electricity to all investment projects in the Special Economic Zone at Duqm, according to Eng. Said bin Ahmed Bani Oraba, who is in charge of managing the operations of the Public Services Department.

He stressed that the current investments in the electricity sector in SEZAD through its partners aim to keep pace with the steady growth in electricity in the Zone and provide projects' needs for electricity. Among these major projects that are being developed currently are connecting SEZAD electricity network to the main network,

Said Bani Oraba: All investment projects in SEZAD will get their electricity needs

and establishing subsidiary stations in various investment areas.

#### Connecting SEZAD to the main network

Eng. Said Bani Oraba noted that the project to connect SEZAD to the main network of 400 kV, which is currently being implemented by Oman Electricity Transmission Company, opens up new horizons to attract investments to the Zone, especially investments that consume high electricity like heavy industries such as smelters and factories. It also opens the way for the possibility of exploiting renewable resources in Al Wusta Governorate, including wind and solar energy, to establish electricity production plants with renewable energy and pump their

The project to connect Duqm to the main network opens up new horizons to attract heavy industries

production into the national main network.

"This project consists of a -1,700megawatts electricity transmitting line, comprising two electricity circuits to increase the system's reliability, and establishing a network switching station with 33/132/400 kV near Heavy Industries Zone to be nearby electricity load centre and electricity distribution network in SEZAD with a capacity in of 500 megavolt-amperes in first phase. It is projected that the actual operation of connecting SEZAD to the main network will begin during Q2 of 2023", he explained.

#### Big development

Eng. Said remarked that this project is a major development in the electricity sector in SEZAD. The electricity system in the Zone was consisting of one diesel-powered electricity production plant established in 2009 by Tanweer Company, with a capacity of 71 megawatts. However, the maximum load of the plant during 2021 reached about 58.2 megawatts, and it supplies SEZAD and other areas such as Ras Madrakah and Al Ajaez.

#### **Reducing production costs**

He pointed out that due to the high cost of using diesel in producing electricity, Tanweer Company was directed to study and negotiate with the Central Utilities Company to purchase less expensive electricity produced by gas and provide additional production capacities as a temporary solution that reduces the costs of producing electricity through diesel with a combined production capacity of 118 megawatts. The project started operations early this year, noting that this project aims to reduce

gas emissions from the diesel power plant, and minimise government subsidies for the sector, expecting that the new project will save about RO 6 million annually.

#### **Expediting electricity delivery to investors**

Eng. Said pointed out that OPAZ pays a great attention to expediting the delivery of electricity to investors. "Post obtaining the competences, we amended the regulation for electricity service delivery to speed up the pace of service delivery to investors, and this positively affected the increase in demand for electricity and the increase in the number of subscribers in SEZAD. For example, the number of subscribers to electricity service increased to about 6000 by the end of 2021, compared to 3,490 subscribers in 2020", he commented.

#### High demand for electricity

He pointed out that the demand for electricity is constantly increasing as a result of the steady growth in investments and commencing operation phase, such as Duqm Port, Karwa Motors Factory, Duqm Hongtong Piping Factory and other projects in the Zone. This led to an increase in demand on the one hand and an increase in electricity consumption on the other.



Taking a number of mechanisms to speed up the delivery of electricity to investors



Approving installation of smart metres and development of electricity control and monitoring system (SCADA)







Developing a project to receive and process applications electronically to expedite delivering

Eng. Said touched on a number of development projects in the sector, pointing out that installing smart metres for investors was approved within the price control mechanism provided by Tanweer Company. This project would inform the investor and the company about the real consumption of electricity and thus smart metres allow investor to know and regulate their consumption of electricity. OPAZ agreed during this year to develop a control and monitoring system for the electricity system (SCADA) in SEZAD, which will save network data, show electrical errors and identify fault locations in the network.

The first phase of the project aimed to submit and process applications for electricity service electronically has also been completed. This project will reduce time and effort and contribute to monitoring the connection process to avoid any delay by the investor or the service provider and OPAZ. Completing this project is anticipated by end of this year or early next year.

#### Supplying electricity to Duqm Refinery

Hamad bin Abdullah Al Zeidi, Senior Licensing Specialist, commented on a group of other projects supervised by OPAZ in SEZAD, "OPAZ had granted a permit to Duqm Power Company to produce electricity with gas to supply electricity to Duqm Refinery and Ras Markaz with a production capacity of 326 megawatts with a double electric line of 132 kV. We have also received requests to produce electricity through renewable energy from green hydrogen production projects, with a production capacity ranging from 350 to 1300 MW during 2023



Hamad Al Zeidi: We have received requests to produce electricity through renewable energy from green hydrogen production projects
to 2026. Inese requests will be treated in accordance

to 2026. These requests will be treated in accordance with the procedures in force in the Electricity Regulation and Allocation Law. OPAZ supports the establishment of renewable energy projects to meet the electricity needs of investors".

#### **Electricity consumption review**

Eng. Mazin bin Mansour Al Balushi, Senior Regulation Engineer, pointing out that the department reviews the electricity consumption annually to make the electricity system ready to accommodate any new electricity load and deliver electricity to new investors. This procedure allows OPAZ to ensure that the demand is in line with the available production capacity in SEZAD and to ensure the continuity of electricity supply.



Abdulaziz Al Hasani: Amending electricity connection policies to be more attractive to investment projects

the electricity system ready to accommodate any new electricity load and deliver electricity to new investors. This procedure allows OPAZ to ensure that the demand is in line with the available production capacity in SEZAD and to ensure the continuity of electricity supply.

He said that meeting the electricity needs of investments in SEZAD is done through the existing network or through expansions in production or connecting to the main network, which will provide high electrical capacities in the Zone. As well, OPAZ is coordinating with companies operating in the electricity sector to provide the electricity required for new projects by building bridges the gaps between investors and the service provider, and approving the plans and mechanisms necessary for developing electricity expansion projects.

Modify electricity delivery policies

Abdulaziz bin Rashid Al Hasani, Senior Customer Affairs Specialist, confirmed, "The department has sought, since its establishment in 2019, to facilitate, speed up and follow up the delivery of service to investors by amending policies to be more attractive to investment



Mazin Al Balushi: Annual review of electricity consumption to prepare the electrical system to accommodate new projects

projects, considering diversity in investments and urban planning in SEZAD. Hence, the distance clause, which stipulated that the distance between the project and electricity network should not exceed 1.5 km, was eliminated from the conditions for providing electricity service".

"Further, the ceiling required for the project's power was raised from 2500 kilowatts to 6000 kilowatts, so the service provider would deliver electricity to the investment project with no additional charges. This led to an increase in the number of subscribers. The distribution network is currently being delivered to the investment land, regardless of the distance, provided that the loads do not exceed 6000 kilowatts. This serves attracting and empowering investments in SEZAD", Al Hasani added.

The production capacity of electricity keeps pace with major projects starting commissioning phase







Floating tenders
for constructing
power network
with 11 kV and
connect it to
sub-stations in the
investment areass

Completed the construction of sub-stations in the light and fisheries industries and exhibitions zones



The Rural Areas Electricity Company "Tanweer" is developing and expanding the electricity infrastructure in the Special Economic Zone at Duqm (SEZAD) through a series of projects. All these projects are aimed at establishing and increasing the capacity of various transformer stations and power networks in heavy industries, fisheries and food industries, light industries and exhibitions zones as well as the north and south of Duqm. These projects come within an approved plan developed by the Company after consulting all concerned parties to develop the electricity system and enhance its reliability. This serves attracting more investment projects backing the efforts and plan of SEZAD.

Ahmed bin Said Al Harthi, Acting CEO of Tanweer, pointed out that the Company is currently working on projects to connect the -33kV electricity distribution network in the Wilayat of Duqm with the -400kV electricity transmission network (Rabt project). This project marks one of the interconnection projects that the Company is working on in cooperation with Oman Electricity Transmission Company.

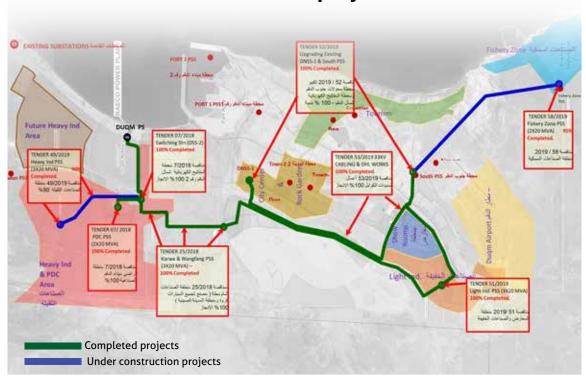
At the same time, Tanweer is working on a project to

develop the -11kV distribution network and extending the power to investors in the industrial lands area in Duqm, affiliated to the Port of Duqm. Al Harthi also stressed that Tanweer is currently making improvements to the existing power network to increase and secure the reliability of the electricity system in the Special Economic Zone at Duqm (SEZAD)

#### Keeping pace with demand for electricity

In an interview with Duqm Economist, the Acting CEO confirmed the Company's interest to keep pace with the demand for electricity from investors in the Special Economic Zone at Duqm. He stressed the availability of power capacity for current and future projects, and said that the works of electrical installations and connections to investors' facilities in SEZAD are progressing well. This is expected to increase the number of subscribers in the Zone from 6,538 subscribers in 2021 to about 8,484 subscribers by next year. "The Company has started implementing the 2022 projects by floating tenders for the construction of the -11kv power network, which will be connected to the sub-stations in the light, heavy and fisheries industries and exhibitions area, as well as extending the current power network to the Fishing Port in Duqm", he pointed out.

#### **Tanweer projects in SEZAD**



#### Strengthening electricity system

The Acting CEO highlighted the most prominent new projects that "Tanweer" is developing in SEZAD. He said, "The Company announced in October 2020 the launch of a project to connect the -33kv distribution network in the Wilayat of Duqm with the main -400Kv electricity transmission network. This project is considered one of the interconnection programmes developed by "Tanweer" in addition to other interconnection projects. The project will contribute to strengthening the electricity system in SEZAD and will raise the efficiency and reliability of electricity networks and secure power for the Zone in the medium and long-term. Accordingly, this will contribute to boosting the development march and serve attracting more investments to the Zone".

#### Heavy industries station

Al Harthi stated that among other projects that "Tanweer" is currently working on is the construction of a substation (3 x 20 MVA) to supply the Heavy Industries Zone with electricity. He explained that this project will contribute to the continuous development of SEZAD and meet the investors' demands for power in the Heavy Industries Zone. The project records %90 completion and it is anticipated to start operations by the end of Q2 of 2022.

#### Providing electricity to new areas

Commenting on the completed projects, the Acting CEO of Tanweer said that the latest of these projects is the construction of a sub-station with a capacity of (2  $\times$  20 MVA) to supply the Fisheries

and Food Industries Zone with electricity. The project was completed in Q1 of 2022. "The project contributes to enhancing the performance of the electricity network in SEZAD and contributes to meeting the demands for electricity in the Fisheries and Food Industries Zone and the new projects to come in the Zone. Moreover, the Company completed the construction of a sub-station (3  $\times$  20 MFA) to supply the Light Industries Zone and the exhibition area with electricity. Delivering this project will support the investment in these two important sectors" he explained.

#### Reducing dependence on fossil fuels (diesel)

Ahmed bin Said Al Harthi, Acting CEO of Tanweer, emphasised the Company's plan to reduce dependence on fossil fuels "diesel fuel" and reduce the cost of producing electricity. "The Company had signed power purchase and supply agreement in the Special Economic Zone at Duqm using gas with the Centralized Utilities Company "Marafiq", a member of "OQ" Group, with a total capacity of 80 megawatts during 2023-2022 until completing the connection project to the main network. As well, the Company plans to establish a set of solar energy initiatives during 2023 - 2022 by installing solar panels in distribution stations in order to reduce the cost of the power consumed", he stressed.



Working to
keep pace with
the investors'
demands and
provide the
required power
capacity for
current and future
projects



Improving the
existing network
and ensure the
reliability of power
in the zone



Expecting an increase in the number of subscribers in SEZAD to over 8,400 by 2023





Connecting both north and south Duqm stations contributed to expanding total electricity system in SEZAD



Using concrete
columns
and special
specifications
for coastal
areas in
inter-stations
projects

### Duqm - الحقرة:

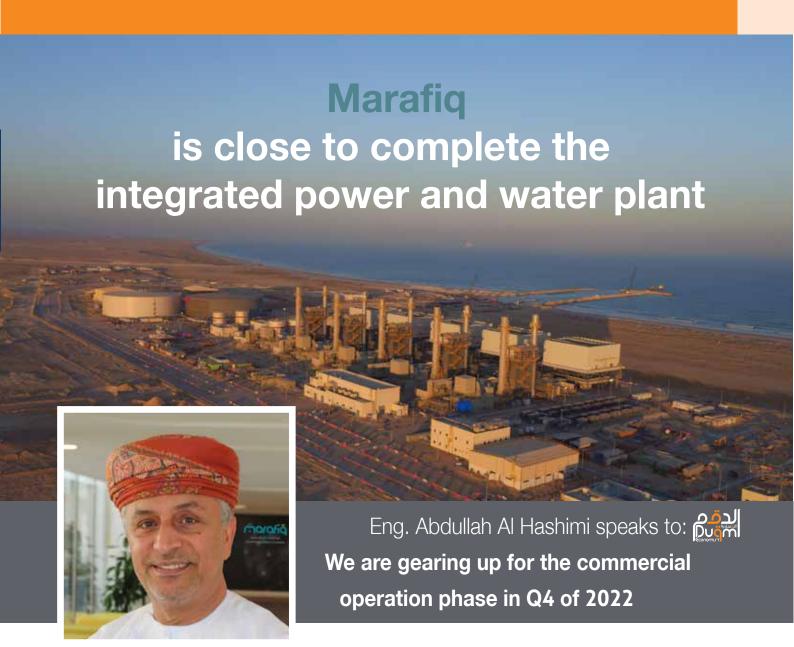
Eng. Abdullah bin Salim Al Maamari, Regional Director of The Rural Areas Electricity Company "Tanweer" in the Special Economic Zone at Duqm, confirmed that the works currently implemented by the Company will raise the total lengths of power lines in Duqm (overhead and ground) to over 750 km, with the currently being added lines are 67 km.

"The last period witnessed the completion of works related to the project of establishing electricity distribution lines with a voltage of (33 kV) ground and overhead, connecting Duqm north station to the south station. This will contribute to the expansion of the total electricity system in the Special Economic Zone at Duqm and meet the increasing demand for electricity in various sectors, industrial, commercial, tourist and residential", Al Maamari pointed out.

He explained that the project aims to connect the sub-stations in the north and south of Duqm through Karwa station and light industries and exhibitions station. "The length of the overhead and ground lines that have been added is 131 km. Special specifications have been used in this project for coastal areas such as concrete columns and special stainless-steel parts", he noted.

Increasing capacity of switchgear station

He added that the Company, developed a project to increase the capacity of the switchgear station No. (1) in the north of Duqm and the transformer substation in the south of Duqm. The project that was completed in Q1 of 2022 contributes to the expansion and strengthening of the total electricity system in SEZAD. As well it meets the increasing demand for electricity in various industrial, commercial, tourist and residential sectors in the Zone.



Duqm- الدِقْرِ السوساء

Marafiq Company has announced that the integrated power and water plant project in the Special Economic Zone at Duqm (SEZAD) is progressing well and close to completion. All tests and commissioning trials are expected to be completed while gearing up for the commercial operation phase in Q4 of this year. This is proceeded post supplying Duqm Refinery (OQ8) in January 2022 with the power and water required for the initial tests.

Eng. Abdullah bin Mohammed Al Hashimi, Project Director of Marafiq Company, said that the Company is working to meet the increasing demand for electricity and water in the Special Economic Zone at Duqm. In this regard, he referred to two major projects developed by the Company in the Zone, namely the integrated power and water plant, and the gas turbine power plant.

#### Integrated power and water plant

In an interview with Duqm Economist, Al Hashimi added that the integrated power and water plant is part of an integrated complex developed by Marafiq Company in SEZAD, which includes a -326 megawatts power plant, a water desalination plant with a production capacity of 36,000 cubic metres per day, and sea water withdrawal facilities with a supply capacity of up to 1.5 million cubic metres per day, in addition to the -132

kV high-voltage electricity transmission line, stretching from the plant to Ras Markaz Oil Park project, about 80 km away. He also noted that the project aims to supply Duqm Refinery (OQ8) as well as supplying Oman Tank Terminal Company with power and water.

Marafiq Company, owned by OQ Company affiliated to Oman Investment Authority (OIA), and the Thai company Gulf Energy Development, is working on developing the utilities sector in Duqm under the Centralized Utility Services Agreement with the Special Economic Zone at Duqm. Marafiq has established a subsidiary company, Duqm Power Company to develop Duqm integrated power and water project and a 132 kV-high voltage line project for transmitting electricity.

#### Gas turbine power plant

Regarding other projects developed by Marafiq in SEZAD, Eng. Abdullah bin Mohammed Al Hashimi pointed out, "The Company has completed the power production plant in the Zone to meet the power needs of "Tanweer" Company, which meets the increasing demand for electricity in the Special Economic Zone at Duqm. The plant consists of gas turbines with a capacity of up to 80 megawatts", he commented.

We were able to supply
Duqm Refinery with power and water last January, according to initial needs



**\***\*\*

Gas turbine power plant meets the increasing demand for electricity and contributes to reducing environmental pollution



The company succeeded to increase water production capacity and expanding distribution networks



We focus on attracting national talents and creating an attractive work environment.



He explained that this plant aims to reduce the cost of electricity production, which helps reducing the cost of government support. As well, the plant assists securing a more reliable and efficient source of electricity to serve the Special Economic Zone at Duqm, and reduce annual emissions of carbon dioxide by about 90,000 tonnes, equivalent to emissions of about 20,000 cars. He also stressed that using natural gas instead of the previously used diesel fuel in producing electricity will contribute to reducing carbon dioxide emissions and minimising environmental pollution.

#### Water sector

Marafiq supplies drinking water to the Special Economic Zone at Duqm, and is responsible for all operations, starting with water production, transporting it to tanks, distributing it to all subscribers in the Zone, and allocating an office concerned with subscriber services, ending with billing and collection. In this context, Eng. Abdullah Al Hashimi affirmed the Company's success to increase the water production capacity to meet the growing demand in the Zone. He remarked that the Company has successfully completed the expansion of drinking water distribution networks in Sayy neighbourhood and the new commercial district.

#### **Human Resources**

Commenting on building the Omani expertise, Al Hashimi said that Marafiq Company accords high attention to attracting and developing national talents and creating an attractive work environment, where Omanisation rate has reached %63.

"Such an achievement would not have been possible without the collective efforts and cooperation of the concerned authorities, appreciating their effective role in supporting various initiatives, such as Marafiq Initiative "Training for Employment". A group of candidates was selected to start the -6month continuous training programme, through which the trainees will be able to work directly with the experienced technical and administrative teams in the Company who will provide an enriching training experience. The trainees, whether in the technical or non-technical departments, will be subjected to a performance evaluation process after the first six months to test their readiness for the job. Accordingly, the employment contract will be submitted to the trainees who have successfully passed the training" Al Hashimi stated.



## **Evaluating the experience of using** green hydrogen in producing environmentally friendly steel in Sohar





Hydrogen Rise and Jindal Shadeed Iron and Steel Company, and Sohar Port and Free Zone have signed an agreement to evaluate the development of the first green hydrogen plant in Sohar, which is aimed to produce steel at Jindal Shadeed plant in an environmentally friendly manner and without releasing any carbon emissions.

All partners will cooperate in evaluating steel production opportunities using a fully sustainable process that will reduce emissions and carbon footprint, as well as preserving natural gas reserves for other industries across the Sultanate of Oman.

Post completing the technical and economic feasibility studies, the first phase of the plant will include operating an electrolyzer with a capacity of 35 megawatts by mid2024-, which will be connected to a renewable solar power plant. After the first phase, the production's expansion capacity to 350 megawatts will be evaluated and reviewed.

#### Multiple opportunities

Producing green steel offers multiple opportunities that will promote various industries and the national economy in the Sultanate of Oman alike, especially with the expected increase in the global demand for environmentally friendly steel products in the coming years. Hydrogen Rise, which is based in Oman and Germany, has built and operated a green hydrogen plant in Sohar to supply green hydrogen to Jindal Shadeed Steel Plant.

With its extensive experience, Jindal Shadeed is expected to become a pioneer in using innovative technologies with zero carbon emissions and replacing natural gas with green hydrogen in the iron manufacturing process. This will make it one of the largest producers in the growing global market for green steel.

preserve natural gas reserves for other industries



The high global demand for environmentally friendly steel products brings multiple growth opportunities for the industrial sector



# OPAZ signs a cooperation programme with Omani Association for Intellectual Property



Dr. Ali Al Alawi:
Sharing the
investment
opportunities
in the special
economic
zones and free
zones with
the investors
interested in
intellectual
property sector

The programme serves spreading awareness on the importance of innovation and intellectual property rights, promoting

scientific research



The Public Authority for Special Economic Zones and Free Zones (OPAZ) signed, on March 2022 ,7, a cooperation programme with the Omani Association for Intellectual Property (OAIP) to strengthen cooperation in different fields, mainly training and spreading awareness on the importance of intellectual property rights. Other aspects include supporting and encouraging talents, promoting scientific research, and exchanging knowledge and experiences that contribute enhancing investment opportunities and addressing the challenges faced by projects, operating in the special economic zones and free zones.

The programme's agreement was signed by HE Eng. Ahmed bin Hassan Al Dheeb, Deputy Chairman of the Public Authority for Special Economic Zones and Free Zones and Dr. Ali bin Khamis Al Alawi, Chairman of Omani Association for Intellectual Property.

The programme constitutes the cooperation in finding projects and initiatives in intellectual property. Urging projects operating in the special economic zones and free zones to participate in the events and activities organised by the Association, sch as innovation acceleration programmes and World Intellectual Property Day.

HE Eng. Ahmed bin Hassan Al Dheeb stressed that the programme comes within the framework of cooperation

between OPAZ and local institutions, which supports innovators and the use of modern technologies in all productive sectors in the special economic zones and free zones.

"The programme signed with the Association aims to spread awareness of the significance of innovation and intellectual property rights among projects operating in the special economic zones and free zones and their role in addressing the challenges facing companies operating in these zones", HE Ahmed Al Dheeb remarked.

#### Introducing investment opportunities

Dr. Ali bin Khamis Al Alawi, pointed out, "The Association accords high attention to the projects operating in the special economic zones and free zones. Hence, we will present the investment opportunities available in these zones on the Innovation Oasis Platform, managed by the Association, to share it with investors interested in intellectual property sector. This will enable them to be familiarised with these opportunities and choose the appropriate projects to invest in.

He also stressed that the Omani Association for Intellectual Property signed over the past years a number of cooperation programmes with different government and private bodies with the aim of supporting innovators from different segments of society, including school and university students, to find technical solutions, projects and initiatives that contribute to promoting innovation culture.





Al Mazunah Free Zone received 14 investment applications in the industrial, commercial and real estate fields during Q1 of this year, reflecting an added value to the business environment in the Zone.

Said bin Abdullah Al Balushi, Director General of Al Mazunah Free Zone, said that 7 out of 14 applications have already been approved, and work is underway to study and analyze the remaining contracts to be signed afterward.

#### Movement of goods and vehicles

With regard to the movement of exported goods and vehicles, Al Balushi explained that the number of trucks issued from Al Mazunah Free Zone from January 2022 until April 2022,18 reached 5,178 trucks while 2,424 vehicles were exported via the Zone with a total value of RO 3.3 million. On the other hand, the volume of goods during the same period is 80,000 tonnes with a total value of RO 13 million.

#### **Key projects**

Said bin Abdullah Al Balushi confirmed that the Public Establishment for Industrial Estates "Madayn" continues to develop several key projects in Al Mazunah Free Zone. Among these projects is the mixeduse service building project, which records %85 completion and built

One of the productive projects in the zone

over 11,000 sqm with a cost of over RO 3 million.

"The project aims to provide all services and facilities related to investment operations in Al Mazunah Free Zone, and present them to investors, business owners and customers in one location", he added.

Al Balushi touched on the most important infrastructure projects in the Zone, including the security system project, which is currently being developed and has reached a completion rate of %75. The system consists of an -11kilometre-long security fence that surrounds the entire zone. As well, it is equipped with the latest types of advanced surveillance cameras to monitor the zone as it is located outside the customs territory, as well as to cover the new area of the Zone, covering around 8 million square metres. Further, the project includes paving a dirt road along the fence to facilitate periodic monitoring works and a control room equipped with monitors, and entry and exit gates to and from the Zone.

He pointed out that the Zone witnessed the completion of the second package of the second phase of the security system project, which is covering 1,600,000 sqm with a total cost of RO 6 million. In addition, the design of the fourth phase is close to completion to cover an area of 3 million sqm.

It is noteworthy that Al Mazunah Free Zone, which is managed and operated by the Public Establishment for Industrial Estates "Madayn", marks the Gulf gateway for transit trade to the Republic of Yemen and from there to East African countries. It is characterised by a wide range of facilities and services such as tax exemption for up to 30 years, customs exemption, and %100 foreign ownership of projects, and exemption from the minimum capital stipulated in the Omani Companies Law.

2,424 vehicles
were exported
across the zone,
with a value of
RO 3.3 million
The multipurpose
building project
records 85%
completion

# Members of Shura Council commends development of integrated projects in Duqm





## Muscat - Duqm - الحقادة:

During their visit to the Special Economic Zone at Duqm (SEZAD), members of the Shura Council commended the development of integrated projects, outstanding infrastructure and facilities provided to investors in SEZAD. This was observed during the -2day visit organised for the Economic and Financial Committee of the Shura Council to SEZAD.

The delegation, chaired by HE Abdullah bin Salim bin Mohammed Al Junaibi, Committee's Vice-President, met upon their arrival with HE Eng. Ahmed bin Hassan Al Dheeb, Deputy Chairman of OPAZ, and a number of officials from SEZAD management. Al Dheeb briefed the delegation on the role of OPAZ in developing SEZAD and other free zones in Sohar, Salalah and Al Mazunah.

#### Presentations and site visits

During the visit, a number of presentations were delivered that highlighted the capabilities of SEZAD and the incentives, advantages, and facilities offered to businesspersons and investors, in addition to the key facilities that characterise the Zone, its location, ongoing strategic projects and the projects under construction, as well as the services and the lifestyle in the Zone.

The delegation was also toured around several projects in SEZAD, including Asyad Dry Dock Company, Port of Duqm, Karwa Motors Company, Duqm Refinery, and Ras Markaz project.



54

Conducting surveys by drones at the commercial berth of Duqm Port



sessions to
introduce
individuals
and
companies to
the Artificial
Intelligence
Zone

**Discussion** 



The Special Economic Zone at Duqm (SEZAD) witnessed, in March 2022, conducting a number of experiments for the unmanned aircrafts (Drones). Such experiments came in line with the plan of the Public Authority for Special Economic Zones and Free Zones (OPAZ) to make the most of the artificial intelligence techniques and drone experiments in enhancing the performance of projects operating in SEZAD.

In this regard, an experiment was conducted by the GreenBird 3D Company for underwater surveying and inspection. The commercial berth at Port of Duqm was inspecting by a special drone by which underwater photographs were captured to determine the levels of dust complies on the berth and dry dock. In addition to that, the places of rust and leakage could be surveyed by using this drone and modern technologies instead of employing divers to do this mission.

Another experiment was also carried out on the cranes of the Duqm Port, in which the drone was used to carry out an examining survey of the cranes to detect the possibility of cracks or rust in the crane arms. The drone was also used to inspect high places

that are difficult for maintenance workers to reach.

#### **Discussion sessions**

These experiments came in coincidence with the discussion sessions, which was organised by the Public Authority for Special Economic Zones and Free Zones (OPAZ) targeting amateur individuals and companies specialised in the use of unmanned aircrafts (Drones). These sessions were aimed to introduce the participants to the Artificial Intelligence Zone in the Special Economic Zone at Duqm (SEZAD), covering 18 square kilometres. The sessions were streamlined with OPAZ objectives to benefit from the artificial intelligence techniques in the work of the drones.

Providing an opportunity for Omani youth to develop their skills and abilities in using drones

Special Economic Zone at Duqm. And searching for local companies working in this field, as well as providing an opportunity for Omani youth to develop their skills and abilities in the use of Organising these sessions came to identify the key interests and experiences of the participants in the various uses of drones, in addition to presenting their proposed initiatives that could be implemented in the Artificial Intelligence Zone. Likewise, the participants touched on the most important challenges and issues they face, mainly when obtaining permits and following up the relevant procedures to use these aircraft in different fields. Therefore, the major difficulties and the possible ways of overcoming them, in cooperation with other concerned authorities, were discussed during the sessions too





Extracting
one tonne of
fishing wastes
near Hamar
Rock with the
support of 12
divers

#### الدِقْم : Dugm - الكوام

The Public Authority for Special Economic Zones and Free Zones (OPAZ), organised during first quarter of the year a number of clean-up campaigns to clean the beaches and marine habitat. The "Together for a Sustainable Environment in Duqm" campaigns, which were organised by the environmental Awareness Team in the Special Economic Zone at Duqm (SEZAD), aimed at protecting the environment and promoting the environment preservation culture.

Commenting on this campaign, Marwa bint Hamdoon Al Hashmi, Environmental Inspector and Head of the Environmental Awareness Team at SEZAD, said: "The continuous clean-up campaigns adopted by OPAZ are intended to raise environmental awareness among the community and show the environmental impacts of wastes dumped in the sea and land".



Marwa Al Hashmi: Intending to raise environmental awareness and show the environmental impacts of wastes





"The campaign, organised on February 2022,23, was aimed to clean the seabed near the Hamar Rock, opposite Nufoon Village in the Wilayat of Duqm. With the support of 12 divers, one tonne of different types of wastes was extracted from the sea, including fishing nets", she added.

#### Cleaning Nufoon beach

On March 14, over 300 volunteers participated at Nufoon Beach clean-up campaign. The campaign managed to clean around 4 km of the beach using a specialised machine.

 $Mohammed\ bin\ Hamad\ Al\ Mahrouqi, Acting\ Manager$ 

of Environmental Regulatory Department in OPAZ, pointed out, "The different types of waste have become a growing threat to the environment, causing the deterioration of land and marine ecosystems, and this has a negative impact on various aspects of life, including effects on economic sectors such as tourism, fishing and others. Therefore, we urge all, through these campaigns, to contribute to reducing the threat posed by single-use plastic waste on nature".

#### Collecting plastic waste

The campaign focused on collecting the plastic wastes and stressed its impacts, in which a number of companies operating in SEZAD, government bodies and members of the local community took part to show their care for the environment.

In abid to activate the partnership and cooperation between the public and private sectors, several entities participated in this initiative, namely, the Environment Authority, Royal Navy of Oman, Ministry of Agriculture, Fisheries and Water Resources, Royal Oman Police, Port of Duqm, Asyad Dry Dock and Renaissance Services Company.





Focusing on collecting plastic wastes and stressing its impacts





### Port of Duqm .. The port of the future

#### First Scene 1954

We recall the year 1954 when Sultan Said bin Taimur visited Duqm, marking a historical visit that signifies Duqm as an important maritime gateway to the nearby oil fields. However, Duqm was, at that time, just a desert overlooking the sea and was inhabited by only a few people.

#### **Second Scene 2006**

Moving ahead towards the year 2006 when His Majesty Sultan Qaboos bin Said - May his soul rest in peace - issued the Royal Decree No. (2006/85) declaring public benefit status to the project for "Development of Duqm City in Al Wusta Region". This Decree, which reflects the interest that Duqm enjoys in the Omani memory, marks the beginning of establishing the new city of Duqm.

This was indicated by the memorandum of issuing the Decree, which states that the project includes "establishing a regional centre for heavy industries in the City of Duqm that includes a commercial port, a dry dock, an international airport and a free zone". Simultaneously, the memorandum referred to the efforts of a number of government bodies to prepare a comprehensive plan for the City, and technical studies and designs for the commercial port project, the dry dock and the international airport project.

#### Third Scene 2011

This scene takes us to the year 2011 when the Special Economic Zone Authority at Duqm was established in accordance with the Royal Decree No. (2011 / 119), which established a new phase in the history of Duqm, emphasising the City's economic identity through establishing the Special Economic Zone at Duqm. This marked a significant era in which the Zone's Management and supervision of the projects developed was assigned to one entity only. Today, this entity is formed in the Public Authority for Special Economic Zones and Free Zones, which was established in accordance with Royal Decree No. (2020 / 105) to succeed the Special Economic Zone at Duqm Authority, which was cancelled according to the same Decree.

#### Fourth Scene 2022

On February 2022 ,4, the Port of Duqm celebrated its the official opening ceremony, marking the completion of most phases and the projects planned for this Port, which looks forward to the future with its great capabilities to handle the latest and largest giant container ships.

#### **Final Scene**

If Duqm has changed a lot since the visit of Sultan Said bin Taimur in 1954, it is promised with a prosperous future. The Port of Duqm, which was established to be the starting point for developing this city-which attracts businessmen and investment delegations from different countries worldwide - has the potential to achieve the future objectives of Oman Vision 2040. The Port's capabilities, its spacious area of 170 sqkm, the incentives and facilities offered by the Port and the Public Authority for Special Economic Zones and Free Zones to investors in Duqm make it ready to achieve many economic goals and keep pace with the aspirations and ambitions of the current and future generations.



Mohammed bin Ahmed Al Shezawi Editor-in-Chief



If Duqm has changed a lot since the visit of Sultan Said bin Taimur in 1954, it is promised with a prosperous future.

\*mohammed.alshezawi@duqm.gov.om

