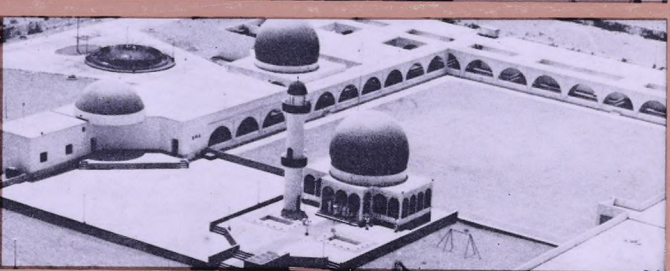
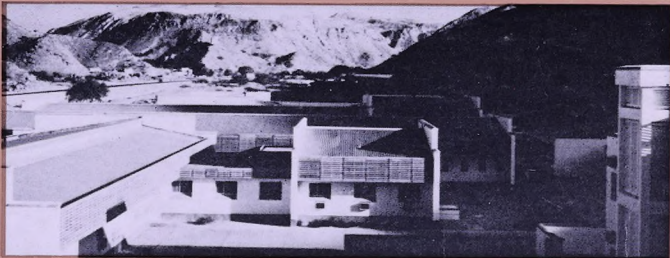


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Sultanate of Oman

# ECONOMIC DEVELOPMENT



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Sultanate of Oman



# ECONOMIC DEVELOPMENT

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Sultanate of Oman  
ECONOMIC  
DEVELOPMENT

*His Majesty Sultan Qaboos bin Sa'id,  
Sultan of Oman*





## Foreword

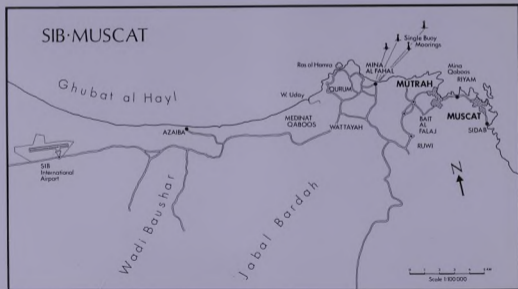
The Sultanate of Oman is the second largest country of the Arabian peninsula but despite this and Oman's long and distinguished history the world knew little of Oman before 1970. At that time political conditions within the country prevented Oman from pursuing progress at home and an open policy towards the rest of the world.

This period of Oman's history came to an end on 23rd July 1970 when His Majesty Sultan Qaboos took over the reins of power and declared a radical political and social policy aimed at improving the lot of his people and based on co-operation and mutual understanding with all countries of the world.

There is however one point to be stressed. It is that Oman is not entirely a barren and desert land as might be thought in view of its situation within the Arabian peninsula. It is rather a land with great agricultural and human resources.

This booklet aims at presenting an accurate picture of what Oman is and would be through the energy of its people and the astute leadership of H.M. The Sultan.

*H. E. Sayyid Fahad al Sa'ud*  
Minister of Information and Tourism,  
Sultanate of Oman



## Introduction

The economy of the Sultanate of Oman was in a state of stagnation during the hundred years before crude petroleum exports began in August 1967. Between 1967 and 1970 development proceeded slowly; Oman realised budget surpluses and added substantially to its foreign assets. Following the accession of His Majesty Sultan Qaboos bin Sa'id in July 1970 positive steps were taken to utilise oil revenues for the benefit of the population of Oman. By 1971 development expenditure had accelerated to Rials Omani 20 million and in 1972 and 1973 stood at about R.O. 30 million. Increased oil revenues will allow development expenditure to reach R.O. 107 m<sup>(1)</sup> in 1974.

Despite world-wide inflation and the necessity to direct funds for the defence of the Southern region the country is moving forward rapidly. Gross Domestic Product at market prices is estimated<sup>(2)</sup> to have risen from R.O. 42.1 m in 1967 to R.O. 115.4 m in 1970 and to R.O. 175.1 m in 1973 (provisional).

<sup>1</sup> 1974 budget estimate.

<sup>2</sup> Estimated by the International Bank for Reconstruction and Development.

## Petroleum and Minerals

### Petroleum

Exports of crude petroleum began on August 1st 1967. Fields at Fahud, Natih and Yibal were developed and production reached 121.3 million barrels in 1970. In 1971 production began at Al Huwaisah and despite slight reductions in production during 1971 and 1972 revenues were increased due to increases in posted prices. In 1973 production was restored to the 1971 level. Intensive exploration and drilling work has been carried out and in July 1973 it was decided to bring 3 new fields at Ghaba North, Qarn Alam and Saih Nihayda into production by January 1975.

The crude petroleum passes to Mina al Fahal, the tanker port, where it is transferred to tankers by means of submarine pipes. Since 1970 measures have been taken to improve the loading procedures. These include the installation of a 900,000 barrel capacity storage tank in addition to the existing 6 tanks of 320,000 barrel capacity each, and the introduction in 1974 of a fourth, larger, Single Buoy Mooring which can handle 500,000 ton tankers.

Posted prices were increased during 1973 and with new fields being developed Oman enjoys the prospect of much increased revenues to promote its development effort.

### Minerals

The geological structure of Oman's mountains presents a favourable environment for minerals, particularly base metals. Reconnaissance studies initiated in March 1973 have revealed copper deposits in commercial quantities and the possibility of finding other commercially viable mineral deposits, including chromite and manganese.



*Oil Rig*

*Crude oil storage tanks at Mina al Fahal*



*Modern meets traditional at Mina al Fahal.*

## Agriculture and Livestock

More than 80% of Oman's population is engaged in agriculture. A wide variety of crops can be grown, due to the diversity of favourable climatic and geographical conditions. The total area under cultivation is estimated at about 36,000 hectares, irrigated by wells and falaj systems.

The strategy for the development of agriculture relates to (a) the increase of production in existing areas of cultivation, (b) the increase in size of the cultivated areas for existing crops and (c) the introduction of new crops. Programmes of research,



*A falaj, still the major form of irrigation.*

extension and marketing have been initiated to increase productivity.

In 1971 two new experimental farms were established at Wadi Quriyat in the interior and at Rumais on the Batinah Coast. These and the two existing farms have conducted trials with regard to the following aspects:

- a the introduction of improved seeds and plants;
- b improved cultural practices;
- c types and level of fertilizer applications;
- d frequency and quality of irrigation; and
- e plant protection trials.

To pass on the results of the experimental farms to the farmers 19 extension centres have been established throughout the country. The extension services include:

- a a farm mechanisation programme, under which tractors and agricultural machines are hired to farmers at a nominal rate;
- b distribution of fertilizers at cost price;
- c distribution of improved seeds and plants; and
- d plant protection measures including surveys, aerial and manual spraying of insecticides, free of charge.

In 1973 the experimental farms at Nizwa and Sohar were converted into production farms and a new production farm was established at Rumais in order to meet an acute shortage of locally produced

vegetables and animal fodder. Two new experimental farms will be established during 1974 at Rumais and Suwaiq; a new production farm is being set up at Rumais.

A water investigation programme has been completed and as a result a water drilling programme, regional water investigations and soil studies are in progress.

Date demonstration farms are being established at Nizwa and Tanuf. Existing gardens at Nizwa and Rostaq are being improved and two date



*A Government farm*

processing plants are being set up. Demonstration farms are being established on the Batinah coast for citrus and vegetable industry programmes and a compact multi-purpose cannery is being established. Studies are being conducted into the feasibility of a sugar factory on the Batinah coast and a Central Research Institute is being established at Rumais.



*Dates, a major export.*

A livestock veterinary service has been established to treat against disease and to improve breeding and animal feed. A dairy, beef and poultry project is underway at Sohar. Attention is being paid to the feasibility of a commercial animal foodstuff enterprise, using mechanised techniques.

Significant achievements in Dhofar include the establishment of a research station at Rabat, a fodder production farm at Baleed, a livestock, poultry and veterinary centre and an abattoir, all at Salalah. The cultivation of coconuts, on a large scale, and of suitable varieties of soya bean has been recommended following feasibility studies. A vegetable demonstration programme and a compact cannery are planned for Salalah in addition to a livestock demonstration farm.

A project has been implemented to develop land and water resources and experiments are being conducted north of the Dhofari mountains into the feasibility of producing dates, lucerne and sweet potato.

The Food and Agricultural Organisation of the United Nations is assisting the Government with four projects in the following spheres : National Farm Economic Survey, Water Resources, Soil and Water Management, and Crop and Livestock Trials and Extension.

The development of agriculture and livestock in Oman has been assisted by land reforms enacted in 1972 relating to the distribution of Government land for agricultural purposes, and by a rural credit scheme to advance interest free loans to poor farmers.

*Vet at work in Dhofar*



## Fisheries

Oman has a very old tradition of fishing and its waters are rich with fish. Programmes designed to develop fishing in Oman, with particular emphasis on improving traditional methods and exploring for commercially viable species, have been implemented.

The following have been accomplished :

- a an extensive survey has been made of traditional fishing methods on the northern coast, and of the economics of marketing ;
- b a modern fishing vessel was purchased by the Government, brought to Oman in June 1973 and immediately began exploratory fishery operations ;
- c plans are being prepared to develop the fishing fleet ;
- d facilities for handling and processing fish under modern conditions including an ice factory and a cold store have been constructed at Sohar and Omanis are being trained in the use of these facilities ;
- e Omani fishermen are receiving training in the use of modern fishing gear and vessels.

A modern fish market, with an ice factory and cold-storage facilities, is being established at Salalah. Dhofari fishermen are being assisted in purchasing boats and engines, and a marine workshop has been set up. A small exploratory fisheries boat will be obtained for use off the Dhofar coast.

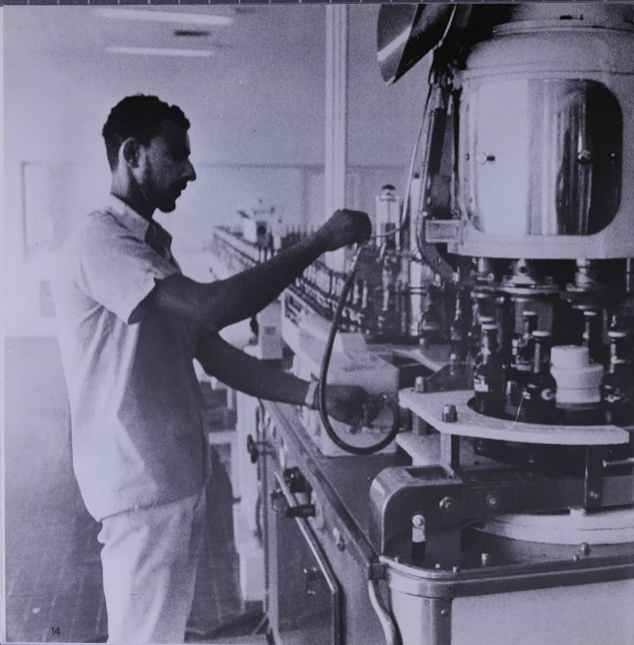
*The M.V. Darbat*



*Fishery research operations on board the M.V. Darbat*







## Industry

The only industries that existed in Oman before 1970 were of a traditional, small-scale nature. Attention is being paid to the development of large-scale, small-scale and traditional industries.

### Large-scale industry

The construction of a cement factory is due to commence in 1974 to cater for internal and export markets, with an initial capacity of 250 thousand tonnes per annum rising to 400 thousand tonnes in the event of an export agreement being signed with the Government of Bahrain.

The feasibility of establishing a petroleum refinery is being considered and the use of natural gas, also under consideration, would facilitate the setting up of factories for the production of fertilisers, rubber and petro-chemicals. Natural gas would also be used as fuel by a desalination plant and as an alternative fuel for the generation of electricity.

### Small-scale industry

Projects are in progress to set up factories making furniture, floor tiles, soft drinks and canned foodstuffs. A study is being conducted into the feasibility of a flour mill.

### Traditional industries and handicrafts

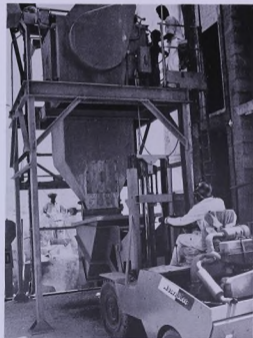
The Government is endeavouring to preserve and revive Oman's traditional industries and handicrafts, including the manufacture of cloth, pottery, silver products and fishing boats.

◀ *A modern soft-drinks plant.*

### Government laboratory

A Government laboratory was opened in November 1973, well equipped with modern scientific apparatus. The laboratory is conducting analyses of drinking water, examining rocks having mineral potential and testing building materials. Skilled Omani staff are employed in the laboratory.

*Cement blocks being manufactured on site.*



## Trade and Commerce

Development in Oman has been reflected by a large increase in trade, both internal and external. The value of imports \* has increased from R.O. 12 m in 1970 to R.O. 86 m in 1973, whilst the value of exports has increased from R.O. 45 m in 1970 to R.O. 62 m. Non-oil exports have not affected substantially the increasing value of exports, caused mainly by increases in posted prices for crude oil. Of recorded imports, significant increases have been in foodstuffs, machinery and transport equipment and manufactured goods.

New ports at Mutrah and Raysut will facilitate trade and will reduce the cost of imports.

The Department of Commerce, within the Ministry of Development, is responsible for monitoring commercial activities. A Chamber of Commerce and Industry is being established to foster and promote commercial and industrial development in Oman.

*\*Estimates, as prior to 1st July, 1973, only dutiable imports were recorded.*



The National and Grindlays Bank in the old town of Muscat



Port Qaboos showing Mutrah and the Ruwi valley in the background ►

## Development of Ports

The largest single project yet undertaken in Oman is the construction of a deep-water port at Mutrah, which will be completed in the middle of 1974. When fully operational it will handle up to 1½ million tonnes of cargo per annum, with deep water berthing capacity for up to 10 ocean-going ships and a full range of modern cargo-handling and storage facilities.

The construction of a new harbour at Raysut began in July 1971, and the basic construction work was completed in June 1973. It is connected to Salalah by

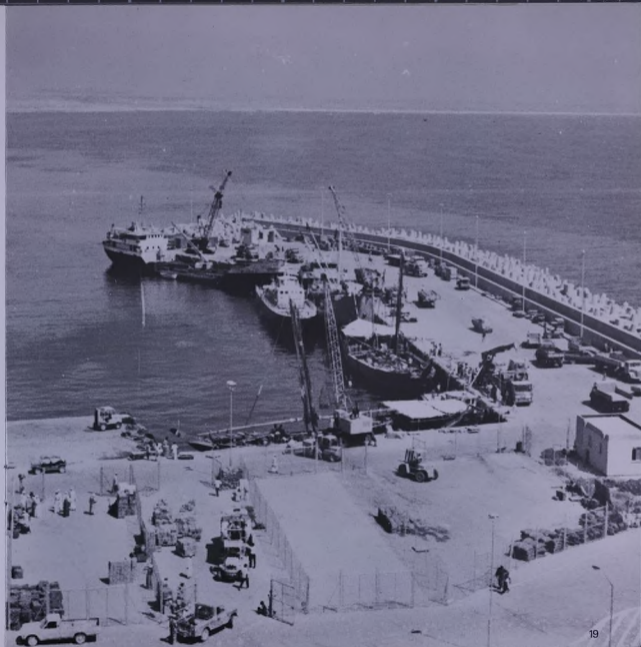
*Port Qaboos with the Mutrah seafront road in foreground*



*New harbour at Raysut ▶*

an asphalt-surfaced road and greatly facilitates the import of equipment and building materials required for the development programme in Dhofar, and will in the future provide an outlet for the export of agricultural produce.

Harbours are planned for small coastal vessels at Sur, Sohar and Quriyat. A small breakwater and dhow berth is planned for Khasab in Musandam. In 1972 a small breakwater was constructed at Bukha, also in Musandam, to provide anchorage for local fishing craft.





## Civil Aviation

Late in 1972 a new international airport was opened near Sib, 30 kilometres north west of Muscat, replacing the former small airport at Bait al Falaj which had been totally unsuitable for modern commercial jet aircraft.

Sib International Airport is capable of accepting the largest and most modern aircraft now in commercial use. By May 1974 the average number of passengers using the airport was over 10,000 per month, with scheduled calls by nine major airlines.

In addition to international flights, a large proportion of Oman's domestic air traffic is handled at Sib. There are regular flights to Salalah where a new runway has been completed, capable of accepting modern jet aircraft, as a first stage in the construction of Oman's second international airport.

Plans are underway to develop other existing airfields at Sur, Sohar, Nizwa and Buraimi.



*The departure lounge, Sib.*



*Gulf Air BAC 1-11 at Salalah Airport.*

◀ *The new Sib International Airport*

## Roads and Road Transport

### Roads

The provision of a modern and efficient network of roads has been recognised by the Government as an essential requirement for the development of Oman. A programme of feasibility studies, design and construction has been embarked upon to improve road communications within the country and, in some cases, to provide the first-ever road access to towns and villages. At the end of 1970 there existed only 10 kilometres of asphalt-surfaced roads and 1,800km of graded roads with maintained natural surface. By the middle of 1974 an additional 390 km of asphalt roads had been constructed and the total length of graded roads had risen to nearly 4,000 km.

During 1973 an asphalt road was completed from Mutrah to Sohar, a distance of 230km along the Batinah coast, and a Mutrah by-pass was finished, linking the Batinah road with the re-surfaced Muscat to Mutrah road. By the middle of 1974 the Mutrah to Sohar road had been extended to the borders with the United Arab Emirates at Khatmat al Malahah and they provide links from Muscat and the Batinah coast to the new port at Mutrah, from the capital area to the UAE and from the airport at Sib to Muscat and Mutrah; and they provide the first stage for roads into the Interior from Sib and at other points along their length. Another major project in progress is the construction of an asphalt road from Sib to Nizwa. Projects at the planning stage include asphalt roads between Sur and Sib, Buraimi and Ibr, and Khabura and Ibr.

A 50km network of asphalt roads was completed by the middle of 1973 in Salalah and its environs, including links with the airport and with the port at Raysut. In addition, an asphalt road to Taqah was completed in 1974; other asphalt roads are under construction including one to Thamarit and another by-passing Salalah town centre. A number of graded

roads have been constructed to connect the most important towns and villages within Dhofar.

### Road transport

At the end of 1970 there were only 840 registered motor vehicles in Oman. By the middle of 1974 this figure had increased to nearly 14,500, including over 1,400 taxis and public service vehicles. Between 1971 and 1973 over 19,500 driving licences were issued.



Part of dual-carriageway section through the Ruwi valley of the Mutrah to United Arab Emirates road.



Constructing the new Salalah-Taqah road

## Electric Power

The Muscat Power Company was taken over by the Government because it had insufficient capital to meet the rapid rise in demand for electricity after June 1970. Additional generating plant increased the capacity of the power house at Riyam from 3 Megawatts to 23 MW by the middle of 1974. During 1974, it is planned to increase capacity further to 37 MW. Supply has been extended from Muscat and Mutrah to Greater Mutrah and beyond. The number of consumers now supplied is about 5,000, rising at a rate of about 150 per month.

The larger generators now installed can be operated on locally-produced crude oil and a pipeline from Mina al Fahal, storage tanks and a treatment plant were constructed in the spring of 1974. Present planning foresees an expansion of diesel generation at Riyam during the design and construction stages of

a new power station complex, which will be capable of dual-operation, using either crude petroleum or natural gas.

Several small generators operate outside the capital area, mainly at hospitals, clinics and farms. It is planned to provide municipal electricity supplies at Nizwa, Sur, Sumail, Sohar, Buraimi, Ibr and Rostaq and to supply all coastal towns.

The Dhofar Electricity Board was supplying electricity to about 2,200 subscribers in Salalah and nearby towns by the middle of 1974, with an installed capacity of 3 MW, rising to 8.5 MW during 1974.

*Riyam power station*



## Water Supply

The capital area relied upon water drawn from local wells prior to May 1970, when a project was completed which brought water from Al Khod over 50 kilometres to Muscat and Mutrah. 14 million gallons of water were supplied from May-December 1970. By the middle of 1974, 7 more wells had been commissioned bringing the total to 10, 2 additional storage tanks had been installed to increase the total reservoir capacity from 330 thousand gallons to 1,230 thousand gallons, a second power station and two extra pumping stations had been built, and the distribution system had been enlarged to include part of the Greater Mutrah area. 219 million gallons were produced during 1973, and by the middle of 1974 about 1.1 million gallons were being produced daily.

By July 1974 six wells in the Al Mawlih area, near Sib were commissioned and linked to the existing pipeline from Al Khod. Future plans include the construction of a desalination plant with a capacity of 4 million gallons per day. Three international firms of consultants are investigating the water resources of Northern Oman with the emphasis upon supplies to the capital area. The Ministry of Development is co-ordinating these surveys through the Water Resources Centre.

A system of water supply was established at Salalah in July 1972 and by the middle of 1974 there were 52 public distribution points supplying about 700,000 gallons per day. A firm of international consultants is evaluating the water resources of Dhofar.

*Drilling for water*



## Posts and Telecommunication

### Posts

The volume of post, both foreign and local, has increased substantially since 1970. At the end of 1970 there were two post offices and 650 post office boxes. By the middle of 1974, 15 post offices, 1370 post office boxes and 55 letter boxes had been added.

### Telecommunication

Telecommunication services are available to the public in the capital area and at Salalah. Between the end of 1970 and the middle of 1974 numbers of telephone lines installed increased from nearly 560 to about 2,500. International services are provided through telephone, telegraph and telex facilities.

By November 1975 a telephone network will be established to cover the whole country, initially with over 12,000 lines.



Radio Station at Wattayah



Main post office building, Muscat

## Education



Girls school in Muscat



Religious Instruction



Technical school in Mutrah

The educational system in Oman is undergoing rapid changes in magnitude and in the diversity of its scope and content. Before July 1970, there were only three Government schools employing 30 male teachers and catering for only 900 boys at the primary level. No formal education was available for girls and there were no courses beyond the primary level. By the 1973/74 academic year numbers of schools had increased to 110, including six preparatory schools and one secondary school; there were 1,225 teachers, including 225 females; and numbers of pupils had reached 34,830 of whom 7,658 were girls.

Inevitably with such a rapid expansion, construction of suitable premises failed to keep pace, and many schools have had to operate in temporary and rented accommodation. The shortage of trained teachers has been another problem, but this has been resolved by recruiting expatriate teachers and by introducing in-service teacher training programmes and refresher courses for Omani teachers. During 1974/75 two teacher training colleges will be opened.

The subjects taught include Arabic language, Religious education, English language, Mathematics,

Science and Social studies. The Ministry of Education is developing its own syllabi and text books. The Ministry of Education is paying special attention to adult education and the abolition of illiteracy.

70 new schools are to be opened for the coming academic year, including schools for agricultural, commercial and technical education. One technical school already exists in Mutrah under the auspices of the Ministry of Social Affairs and Labour; formerly a trade school for the oil company, the school was taken over by the Government in 1971.

*Boys school at Safalah*



## Health



*The Al Nahdha Hospital in Ruwi*



Before 1970 modern methods of medical treatment were unknown to the majority of the population. Many Omanis suffered from malnutrition, vitamin deficiencies and a high incidence of disease caused mainly by primitive living conditions, non-existent sanitation and insufficient knowledge of personal hygiene. The following priorities have been kept in view by the Ministry of Health : to improve existing medical services and to open new units where construction work was not necessary ; to revise and complete the capital projects initiated by the previous regime ; to develop a network of new hospitals, health centres, clinics and dispensaries ; to introduce programmes of preventive medicine ; and to build up the necessary administrative machinery and a supplies and maintenance service to cope with the rapid expansion.



*Radiographer using modern equipment in a new hospital*

### Medical Services

Between 1970 and the end of 1973 the number of hospitals in Oman increased from 5 to 15, the number of clinics increased from 13 to 29, and the number of dispensaries increased from 26 to 46. The number of beds provided in these public, private and military establishments increased from 276 to 825, the number of doctors increased from 33 to 122 and the number of nurses increased from 86 to 291.

Four new dispensaries and five rural health centres – "mini-hospitals" – were completed during 1974 ; a further four health centres will have been completed and six more started by the end of 1974. Other major projects in hand include :

- a conversion of the oil company's hospital into a Government hospital and rebuilding to take an additional 90 maternity and casualty patients, the partly completed Khoula Maternity Hospital was opened in May 1974 ;
- b building of a general hospital with a separate maternity wing in Salalah with a total of 250 beds ;
- c building of a referral hospital in the capital area with facilities for highly specialized medical investigation and treatment ;
- d construction of a further ten dispensaries, commencing during 1974.



*A doctor tending a small child at Salalah Hospital*



*Rural health centre at Ibra*

The clinics and dispensaries are designed to meet the immediate needs of patients residing in areas where hospital or health centre facilities are not yet available.

One problem with the rapid growth of Oman's medical services has been a serious shortage of doctors and other trained personnel. The problem is being solved by the return of skilled Omanis from abroad, by use of seconded and volunteer staff from other countries, and by means of training programmes including the sending of students abroad to receive further studies in medicine and affiliated subjects.

### Public Health Services

The Public Health Department of the Ministry of Health is actively fighting communicable diseases, and attempting to eliminate malnutrition and vitamin deficiencies. A significant achievement in 1971 was the control of a cholera outbreak which had spread throughout the country in epidemic proportions, and a mass vaccination programme has been carried out against smallpox.

Public health compounds are being established with responsibilities including inoculations and vaccinations, control of diseases, health education, sanitation, maternal and child health, and health in schools. Two compounds have already been opened and a further six are planned. A large centralized compound is planned near the Capital. A Public health laboratory has been set up in the capital area to analyse drinking water and food samples.

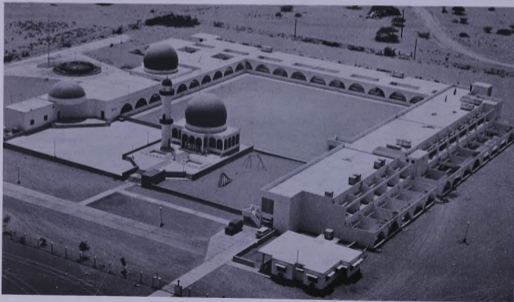
## Awqaf and Islamic Affairs

Information has been collected by the Ministry of Awqaf and Islamic Affairs about religious lands and property and plans have been made to improve the utilisation of these possessions. Several mosques have been renovated or rebuilt throughout the country. A number of new mosques have been built and others are planned.

Eminent religious scholars have been invited to lecture in Oman and religious teaching has been stimulated.

A Haj mission has been set up to look after Oman's pilgrims and the Ministry is planning to participate in Islamic activities, including conferences and committees.

*The Institute of Islamic Studies, Wattayah.*



## Information and Tourism

Before 1970 there were no Information services in Oman.

Within a week of the accession of H.M. Sultan Qaboos a temporary radio station using a 1 kw transmitter had been set up at Bait al Falaj. In August 1972 a new radio station with a 10kw transmitter went on the air from separate premises erected nearby. This station is still in use, broadcasting for 14 hours a day and 18 on Fridays.

*The new 'Information village' at Qurum.*



Later this year new radio studios are due to be opened at Qurum 12km from Muscat, in a large 'information village' which is currently under construction. These will be connected to a new transmitting station at Sib, using a 100kw medium wave transmitter and a 50kw short wave transmitter. An additional 10kw short wave transmitter will act as a link with the radio station at Salalah.

At Salalah, a 1kw station commenced broadcasting in December, 1970, and the power was increased to 10kw last year. A new radio station is also being

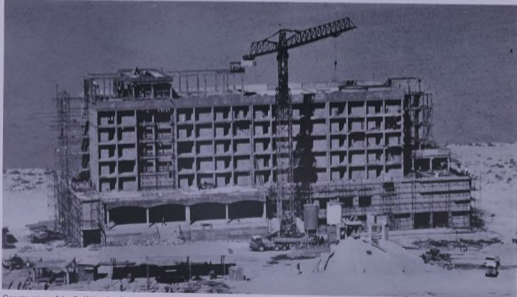
constructed there with a 100kw transmitter, medium wave. It is due to come into operation in 1975.

In both areas provision is being made for Oman's first television service, which will be in colour and is due to be introduced to the capital area by mid-November 1974 and to Salalah by the same time in 1975.

A basic information service was also established in 1970, whose main task was to collect news for the radio station and to issue a daily news circular which

was distributed free of charge in the streets and market places. On National Day, November 18 1972, the newly installed printing press in the information complex near Bait al Falaj began rolling for the first time and the first issue of the weekly "Oman" made its appearance in Muscat. This newspaper is now available within and outside Oman.

In addition to publicising Oman's achievements as widely as possible the Ministry of Information and Tourism is also concerned with tourism and antiquities.



*Construction of the Gulf Hotel at Qurum*

## Construction

Housing is high on the Government's list of priorities: there has been a serious shortage of modern houses which will take several years to overcome. However, a large number of residential and official buildings have been constructed since 1970.

A new Government building was completed at Ruwi in May 1973 to house parts of seven Ministries, and over 1,100 residences were completed before the end of 1973 under the auspices of the Public Works Department. In the private sector a number of houses, shops and other buildings have been constructed.

A new complex will be completed at Qurum during 1974 to include offices, a new radio station, television studios and staff accommodation. Another large project in progress is the construction of a new town, Medinat Qaboos, near Qurum which will provide nearly 1,000 housing units and shopping and community facilities. The new town is due to be completed by 1978 and some houses are already occupied.

Two new hotels are also being constructed at Qurum; with an extension to one of the two existing



*The new Secretariat building at Ruwi*

hotels, the number of first class hotel rooms will be increased from less than 100 to about 600. In addition, a new 100-room hotel at Ruwi will be started in 1974.

About 200 low-cost houses have been completed in Northern Oman and a further 800 are to be completed during 1975 for low-income group families.

A contract was let in May 1974 for the development of the Greater Muttrah infrastructure. Projects at the planning stage include the further development of the Qurum area – including more housing, a “diplomatic village” to house embassies and diplomats, and an industrial area – and the development of Musandam and Masirah island, including water supply, education and health projects.



*Government housing in the Ruwi valley.*



*Staff accommodation, Ruwi Hospital*

*Development in the Ruwi valley*



A Government headquarters has been set up at Salalah in new offices, complemented by new Government housing and a modern hotel. Low-cost housing has been provided at Salalah and Taqah for the families of Dhofaris fighting for their country. Government centres – school, clinic and mosque complexes – have been set up at Thamarit, Mudhai and Shalim and a school and clinic centre has been established at Marbat.

As part of a five-year development plan for Dhofar, a new town centre is to be built at Salalah.



*A recent building project in Salalah*



*Government Headquarters at Salalah*

## Structure of Government

### National Government

The National Government is headed by His Majesty The Sultan, Head of State, who has appointed a Cabinet of Ministers responsible for the various functions of Government. A list of Ministries and autonomous Departments is appended together with their responsibilities. Both numbers and functions are expanding but the list attempts to catch this fluid situation as it was in the middle of 1974.

At the end of 1970 there were only 1,750 Government employees\* in Oman. By the end of 1973 there were nearly 9,100, of whom over 7,400 were Omani nationals.

*\*Figures exclude police and defence personnel.*

### Regional Government

Regional government follows Oman's traditional pattern.

The country is divided into Wilayats which are governed by Walis who represent the National Government and administer justice, with assistance from a Qadhi (judge). The largest area governed by a Wali is Dhofar; there are thirty-nine other Wilayats, excluding the capital area which is administered by the Governor of the Capital.

### Municipalities

Local Government is being developed in Oman by means of municipalities. Before 1970 the only municipality then established covered Muscat and Mutrah. In 1971 a municipality was set up at Salalah with responsibilities for the administration of lands – including the handling of a phenomenal demand for land and the counter-action of overcrowding – public health and refuse collection.

Between 1972 and 1974 rural municipalities were set up at Nizwa, Sohar, Sur, Buraimi, Ibra, Masirah, Rostaq, Sumail, Ibra and Khasab. The rural

municipalities are responsible for the disposal of rubbish, pest control, hygiene and controlled expansion of markets and improvement of thoroughfares. The municipalities have also become recognised as points of reference for local development, and in June 1973 rural municipalities became the responsibility of the Ministry of Development.

During 1974 it is planned to set up a rural municipalities unit, comprising cleansing and spraying teams supported by heavy equipment and trucks to service different areas of Oman where municipalities have not yet been established or where a new municipality could benefit from additional resources. Also, the functions of the rural municipalities will be expanded to include such duties as the licensing of shops and trading establishments and the issuing of building permits.



*Foreign Ministry, Muscat*

### **National Government: Ministries and responsibilities**

**Development** – Petroleum and minerals, Agriculture, Irrigation, Fisheries, Industry, Commerce, Planning and research, Town planning, Muscat and other municipalities, Water resources, Government printing press, Technical assistance, Israel boycott, Contract administration, Statistics.

**Communication and Public Services** – Roads, Transport, Electricity, Water, Posts, telegraphs and telephones, Civil aviation, Ports, Housing, Public works.

**Social Affairs and Labour.**

**Education.**

**Health** – Medical services, Public health.

**Awqaf and Islamic Affairs** – Religious endowments, Islamic affairs.

**Diwan Affairs** – Palace affairs, Audit, Civil service, Protocol.

**Interior and Justice** – Wilayats and internal affairs, Sharia court, Justice, Official gazette.

**Information and Tourism** – Information services, Photography, Publications, Broadcasting including television, Tourism, National arts, Antiquities.

**Foreign Affairs.**

**Land Affairs.**

### **Other Departments**

**Finance** – Treasury and accounts, Budget, Customs, Financial planning.

**Defence.**

## **The Future**

There are now nearly 400km of asphalt road in the Sultanate of Oman. About 100km are under construction, and a further 500km are being designed. A new international airport and a new harbour are in operation, and electricity and water supplies have been significantly improved in the capital area and in Dhofar.

An ambitious programme of school and hospital building was started in 1970 and this continues, so that by the end of the decade there should be primary school places for all children, and acceptable preventive and curative medical services throughout the country.

From being a major problem in 1970 the security situation in Dhofar is now considerably improved. The necessary military effort is costly, but it takes less and less each year as a proportion of the national budget.

The development of the Government structure has an increasingly high priority. The Government cannot maintain the pace of development without strong central and regional government bodies staffed with qualified and able people.

The Government wishes to reduce the long term dependence on oil revenue and is looking for projects which will secure future income. This is becoming perhaps the most important priority.

The next five years will see Oman with a modern communication system linked to the wider world in a way that it has never previously known. For the first time Omani children will have school places and families will have access to medical care. Agriculture will be modernized and the exceptional fishing

grounds around Oman will be exploited to increase the living standard of the people and to provide exports. New industries will be developed, particularly in the building material and food processing sectors. Oman's mineral wealth will be explored and utilised and petro-chemical industries will be established.

**INDICATORS OF DEVELOPMENT IN OMAN**

Main Indicators of Development	Unit	1970	1971	1972	1973
<b>Gross Domestic Product and Gross National Product</b>					
Gross Domestic Product at market prices	Million Rials Omani	115.4	144.5	158.5	175.1*
Gross National Product at market prices	"	87.0	110.9	127.3	136.7*
Gross National Product at factor costs	"	85.9	109.8	125.5	132.7*
<b>Government Finance</b>					
Government Revenue	"	45.4	50.1	53.0	68.5
– of which, from Oil	"	44.4	47.9	49.6	61.3
Government Expenditure	"	n.a.	46.0	71.6	92.9
– of which, on Development	"	n.a.	20.0	29.9	29.9
<b>Trade</b>					
Imports c.i.f.	"	12.0	40.2	61.6	85.8
Exports f.o.b.	"	44.8	48.1	50.0	61.9
– of which, Non-oil	"	0.4	0.4	0.4	0.6
<b>Agriculture and Animal Husbandry</b>					
Estimated Agricultural Production	"	n.a.	6.2	6.5	6.9
Government Production and Experimental Farms (1)	Number	2	4	4	5
– Extension Centres (1)	"	—	16	16	19
Fertilizers Distributed to Farmers	Nutrients in tonnes				
– Nitrogen (N)	"	—	27	73	187
– Phosphate (P <sub>2</sub> O <sub>5</sub> )	"	—	2	19	55
– Potash (K <sub>2</sub> O)	"	—	—	6	18

\*Preliminary estimates

(1) Cumulative total by the end of the year.

Main Indicators of Development	Unit	1970	1971	1972	1973
<b>Roads and Road Transport</b>					
Road lengths completed (1)					
– Asphalt-surfaced	Kilometres	10	26	210	300
– Graded with maintained natural surface	"	1817	2168	3060	3620
Vehicles Registered	Number	840	5540	4191	4803
Driving Licences Issued	"	—	5545	6034	7987
<b>Posts and Telecommunications (1)</b>					
Post Offices and Sub Post Offices	"	2	10	12	17
Letter Boxes	"	—	30	44	55
Post Office Boxes	"	650	1200	1672	1822
Telephone Lines	"	557	989	1208	2226
<b>Electric Power</b> (from Government power stations)					
Capital Area					
– Installed Capacity (1)	Megawatts	3.0	3.0	12.2	17.1
– Units Generated	Million kilowatt hours	8.0	12.0	22.2	38.9
Salalah					
– Installed Capacity (1)	Megawatts	—	—	2.3	4.3
<b>Water Supply</b> (by Water Departments)					
Capital Area					
	Million imperial gallons	14†	85	171	219
Salalah	"	—	—	15	110

†May-December 1970.

(1) Cumulative total by the end of the year.

Main Indicators of Development	Unit	1970	1971	1972	1973
<b>Health (Civil, Military and Private) (1)</b>					
Hospitals	Number	5	8	13	15
Clinics	"	13	17	20	29
Dispensaries	"	26	29	43	46
Beds	"	276	344	670	825
Doctors	"	33	62	86	122
Nurses	"	86	146	196	291
Health/Sanitary Assistants	"	46	46	68	84
		1970/71	1971/72	1972/73	1973/74
<b>Education (1)</b>					
Schools	"	16	41	68	110
Pupils	"	6941	15332	24481	34830
— of whom, Female	"	1136	1950	4072	7658
Teachers	"	196	445	735	1225
<b>Government Employment (1)</b>					
	"	1750	3112	5318	9073

(1) Cumulative total by the end of the year.



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