



Sultanate of Oman
Development Council

The Five-Year Development Plan
1976 - 1980

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SULTANATE OF OMAN
DEVELOPMENT COUNCIL

THE FIVE-YEAR DEVELOPMENT PLAN
1976 - 1980



**HIS MAJESTY SULTAN QABOOS BIN SA'ID
SULTAN OF OMAN**

Foreword

Modern development in Oman began with the accession to power of His Majesty Sultan Qaboos bin Sa'id on the 23rd of July, 1970. His Majesty's government was faced from the start with immense problems, which had accumulated over the previous years and consequently numerous, huge and difficult tasks have had to be undertaken. One of these tasks was the establishment of a modern government, starting with the creation of the basic structure, and of public utilities essential to the development of the national economy. Other tasks were to make available basic educational and health services; to raise the standard of living of the population; to facilitate the return home of Omani nationals who had been compelled to leave their country during the previous years; to maintain stability and to promote the spirit of fruitful co-operation between different population groups.

His Majesty the Sultan summarized these tasks in his first public statement following his accession to power, in the following words: "I promise you that the first task I am determined to undertake is to start as soon as possible to establish a modern government. I shall do my best to work to secure a happy life and better future prospects for all. It is the duty of every one of you to assist in the realization of this objective."

Since that date a lot of work has been done. Peace and security have prevailed, the national economy continues to flourish and grow, and the better future prospects promised by His Majesty became a reality on which we base our future progress.

Today we issue this Five-Year Economic Development Plan which took the Development Council several months to prepare under the direction of His Majesty The Sultan. His Majesty regards and has always regarded the welfare and prosperity of the people of Oman as the main objective of His policy.

This is the first Five-Year Development Plan to be prepared for the Sultanate. Its main objective is to ensure the continued healthy growth and modernisation of the economy, to diversify the sources of national income and to raise the standard of living of different population groups living in the various regions of the country.

The Development Council hopes that this Plan will be a successful contribution towards the achievement of the great expectations of a bright future and the healthy growth of the national economy. The Council shall spare no efforts in following up the implementation of the Plan, and of updating it to cope with year-to-year economic developments.

May God bless all and grant us the power to work for the good of the country under the wise leadership and guidance of His Majesty Sultan Qaboos bin Sa'id.

Qais Abdul Munim Al-Zawawi,
Deputy Chairman,
Development Council

Royal Decree No. 32/1976
concerning the sanctioning of the Five-Year Development Plan
1976-1980

We, Qaboos bin Sa'id, Sultan of Oman, on persual of the Economic Development Law, 1975, and the Five-Year Development Plan, 1976-1980 as prepared by the Development Council, and because of the importance we place on encouraging and supporting social and economic development activities, and for the achievement of economic prosperity, have decreed as follows :

- Article 1** — The sanction of the Five-Year Development Plan, 1976-1980, a summary of which is shown in the table attached to this decree.
- Article 2** — The Development Council shall publish the details of the the Five-Year Development Plan 1976-1980 in a report to be issued especially for this purpose.
- Article 3** — The Development Plan referred to shall be regarded as a reference guide for the planning and implementing of government financial and economic policies, without prejudice to the rules and procedures for approving and issuing government budgets and procedures followed in the approval of projects in accordance with the Economic Development Law, 1975.
- Article 4** — This decree and the attached table shall be published in the Official Gazette and persons concerned are required to implement it.

20/8/1976
17/8/1976

QABOOS BIN SA'ID
Sultan of Oman

This Decree was published in the Official Gazette No. 109 issued in September 1st 1976.

Estimates of Resources and Uses during the Development Plan
period, 1976-1980 (Government)

(valued at 1976 fixed prices)

Million Rials Omani

Item	1976	1977	1978	1979	1980	Total
1 — Resources						
1-Oil revenue	470	458	447	436	425	2236
2-Other revenues	25	27	30	35	40	157
3-Loans and grants*	155	136	66	28	19	404
4-Total resources	650	621	543	499	484	2797
2 — Uses						
5-Defence and national security**	275	219	179	154	144	971
6-Civil current expenditure	103	115	129	145	163	655
7-Government share of P.D.O.'s current expenditure	12	15	15	15	15	72
8-Civil capital projects	192	190	140	96	82	700
9-Joint investment projects with the private sector	6	5	4	4	4	21
10-Government share of P.D.O.'s capital investment	18	20	20	20	10	88
11-Repayment of loans and interest	44	53	46	51	47	241
12-General reserve***	—	4	10	14	19	47
13-Total Uses	650	621	543	499	484	2797

* non-repayable grants

** including construction programme of a civil nature, estimated at 40, 40, 20, 15 and 10 million Rials Omani in 1976, 1977,.....1980 respectively

*** The general reserve is to meet any unforeseen over-expenditure in any of the items of Uses

SULTNATE OF OMAN
DEVELOPMENT COUNCIL

His Majesty Sultan Qaboos bin Sa'id, Sultan of Oman Chairman
Development Council

H. E. QAIS ABDUL MUNIM AL-ZAWAWI	— Minister of State for foreign affairs- Deputy Chairman
H. E. FAHR BIN TAIMUR	— Minister of youth affairs and Deputy Minister of defence - member
H. E. ABDUL-HAFEDH SALEM RAJAB	— Minister of Communication - member
H. E. MOHAMED BIN AHMED	— Minister of interior - member
H. E. SHAIKH BIRAIK BIN HAMUD AL-GHAFERI	— Minister of state and Wali of Dhofar - member
H. E. DR. MUBARAK AL- KHADHURI	— Minister of Health - member
H. E. MOHAMED AL-ZUBAIR	— Minister of Commerce and Industry - member
H. E. SA'ID AHMED AL- SHANFARI	— Minister of Agriculture, Fisheries, Pet- roleum and Minerals - member
H. E. AHMED ABDULLAH AL-CHAZALI	— Minister of Education - member
H. E. MOHAMED MOUSA	— Under Secretary for financial affairs - member

TECHNICAL SECRETARIAT OF THE DEVELOPMENT COUNCIL

H. E. DR. SHERIF LOTFY	—Secretary General
H. E. SHAIKH SAIF SALEM AL-MA'MARI	—Under Secretary for Planning

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CHAPTER I

Economic Development in the Sultanate of Oman 1970 -1975

1 — Geographical Location

The Sultanate of Oman occupies most of the south-eastern corner of the Arabian Peninsular and has a coast line stretching almost 1700 qms. from the Straits of Hormuz in the north to the frontier with the Southern Republic of Yemen. The Musandam Peninsular, the northern-most point of Oman, is separated from the main body of the Sultanate by a strip of territory which is part of the United Arab Emirates.

Oman is located between latitudes 16° 40'N and 26° 20'N and longitudes 51° 50'E and 59° 40'E.

2 — Population

No population census has so far been carried out in Oman. A sample survey has been conducted in five towns only and hence precise population figures are not available. For planning purposes the population is assumed to be 1,500,000.

3 — Historical background of Oman

Oman was part of a wide-ranging civilization which extended from Persia to Afghanistan. The recorded history of Oman began with the appearance of the Arabs in the second century B.C. when Arab tribes from Yemen and from the north entered Oman. These tribes were the origins of the present Omani tribes.

By far the most important phase in the history of Oman has been the Islamic era. Under Islam the different tribes have been unified and a new political, legislative and social system based on the Islamic principles has emerged in Oman.

Oman began to acquire a position of importance in the area after the discovery of the Cape of Good Hope and its subsequent use as an international trade route. Oman witnessed an important phase of development during the 17th century. In 1649 the Omanis succeeded in liquidating the Portuguese presence in Oman and East Africa. The Portuguese were forced to pull

out of the territories they were occupying and suffered heavy losses in ships and equipment. This was the beginning of a new chapter in the history of Oman and of the presence of the Omanis in the African Continent. Oman was able to maintain a strong fleet and emerged as the most important naval power in the Indian Ocean. Omani sailing ships were a familiar sight in the ports of Africa, the Far East, the Gulf and the Indian Ocean. Oman witnessed a long era of booming trade, construction and development, and territorial extension. A vast empire was formed extending from Baluchistan to East Africa. The empire continued to develop its naval power and in 1749 Ahmed Bin Sa'id came to power and laid the foundation for the rule of Al Bu Sa'id family.

The boom period continued until the 19th century when the international situation had changed and the great powers began to re-inforce their presence in the area supported by strong naval power consisting of steam-driven ships. In addition the international trade route was diverted from the Cape to the Suez Canal. A long period of stagnation followed to be interrupted in 1970 when His Majesty Sultan Qaboos Bin Sa'id came to power in Oman.

The period of stagnation continued until after oil was discovered in 1964 and its export began in 1967. The quantities produced and exported were limited and in any event it was not until 1970 that oil revenues were used to develop the country. In fact the development of the modern Oman only started in that year. Before 1970 Oman completely lacked the basic requirements of a modern state. There were no government agencies or ministries in the modern sense. There were no asphalted roads to link the various parts of the vast country. Only one small port existed and this had a limited capacity with no modern equipment. Educational and health services and public utilities such as electricity and water scarcely existed. Oman was completely isolated and hardly affected by the developments that were taking place in other parts of the world. Since July 1970 the development of Oman has progressed at a very fast rate, so fast that in five years the country has acquired the basic requirements of a modern state.

4 — Oil in Oman

In 1962 Petroleum Development (Oman) Ltd. spudded the well 'YIBAL (1)' followed by 'YIBAL (2)' and 'NATH (1)'. In all cases oil was discovered. After a re-appraisal of seismic data in the FAHUD area, 'FAHUD (2)' was spudded and oil was discovered there in 1964.

Regular shipments of oil from Oman started in August 1967 and 20.9 million barrels of crude oil were exported before the end of that year. Exports increased in the years up to 1970 when 121.3 million barrels were exported. Thereafter exports declined to 107 million barrels in 1971 and 103.2 million barrels in 1972.

In 1972 oil was discovered in fields at QARN ALAM, GHABA NORTH, (Shuaiba and Haushi), SAIH NIHAYDA AND AL KABUR.

Consequently the exports of oil rose again to 107.0 million barrels, 105.8 million barrels and 124.6 million barrels in 1973, 1974 and 1975 respectively.

In 1975 several oil companies expressed a desire to explore for oil in Oman and new exploration concessions were given. The following companies now hold concessions for exploration in Oman :

- P.D.O.
- ELF Group
- ELF - Sumitomo Group
- Quintana International Group
- Oman Sun Oil Company.

5 — National Accounts Estimates

The first estimates of national accounts for Oman have been prepared by the missions of the International Bank for Reconstruction and Development. The latest estimates refer to 1974.

Table (I) below shows gross domestic product at current prices classified by industrial origin. The following basic economic features can be seen from the table :

- (a) Gross domestic product at factor cost increased from R.O. 103.6 million in 1970 to R.O. 566.2 million in 1974, showing an increase of 446.5 percent. It is worth mentioning in this respect that the largest part of this increase was effected in one year, i.e. in 1974, when the gross domestic product increased from R.O. 167.7 million in 1973 to R.O. 566.2 million in 1974. The greatest proportion of this increase was a result of the increase in oil prices in that year.

- (b) The relative importance of the oil sector has remained stable at 69.1% of GDP at factor cost in 1970 and 68.7% in 1974.
- (c) The sector of agriculture and fisheries and the manufacturing sector showed only a slight growth over the period. The sectors of electricity and water, banking, house ownership and other services showed moderate growth rates. The sectors of construction, transport and communication, trade, and public administration and defence have shown high rates of growth.

Table (1) : Gross Domestic Product Classified by Industrial Origin

Million Rials Omani at current prices

Sector	1970	1971	1972	1973	1974
Agriculture and Fisheries	16.6	16.8	17.0	16.7	17.4
Mining (oil)	71.6	73.9	76.4	94.5	389.0
Manufacturing	0.2	0.2	0.3	0.6	2.0
Construction	8.5	20.4	22.6	24.0	58.0
Transport and Communication	0.7	2.1	3.2	4.4	12.3
Electricity and water	0.1	0.3	0.7	0.9	1.2
Trade	1.6	2.8	3.8	8.3	27.2
Banking	0.6	0.7	0.8	0.9	3.5
Ownership of dwellings	1.5	2.1	2.5	2.9	4.8
Public administration and defence	2.3	4.1	11.0	13.1	46.4
Other services	1.0	1.7	2.5	3.1	6.7
G.D.P. at market prices	104.7	125.1	140.8	169.4	568.5
Minus indirect taxes	1.1	1.1	1.6	1.7	2.3
G.D.P. at factor cost	103.6	124.0	139.2	167.7	566.2

Table (2) below shows the resources and uses of gross domestic product at current prices. The most important economic features revealed by the table are as follows :—

- (a) The ratio of expenditure on consumption, both government and private, to gross domestic product at market prices rose to 43.3% in 1974 from 32.4% in 1970. This represents a considerable increase in the monetary value of consumption expenditure, which rose from R. O. 33.9 million in 1970 to R.O. 246.8 million in 1974; that is, it rose to more than seven times its 1970 level. The greatest portion of this increase was due to increasing government consumption which rose from R.O. 13.7 million in 1970 to R.O. 197.2 million in 1974, that is to more than 14 times its 1970 level. Private consumption rose from R. O. 20.2 million to R.O. 49.6 million over the same period. Government consumption comprises expenditure on wages and salaries of government employees, other current civil expenditure and expenditure on defence.
- (b) The ratio of government and private sector investment expenditure to gross domestic product at market prices increased to 30.6% in 1974 from 12.5% in 1970. This reflects the increasing activity in the field of economic development. The shares of government and private sector investment expenditure in 1974 were 82% and 18% respectively of the total.
- (c) The surplus from the net export of goods and services was R.O. 57.7 million in 1970, rising to R. O. 147.6 million in 1974. On the other hand net factor income remittances abroad increased from R.O. 18.2 million in 1970 to R.O. 86.6 million in 1974, forming 15.3% of gross domestic product. The remittances represent profits of the oil company and other foreign companies resident in Oman, as well as the savings of expatriates.

Finally, it is worth noting that about 93% of government investment expenditure in the period 1970 - 1974 was directed towards projects for the development of economic and social infrastructure which though important and necessary are, by their nature, not income yielding. Furthermore, they necessitate additional government recurrent expenditure for their operation and maintenance. Consequently, one may say that the period ending 1975 represents a stage of building up economic and social infrastructure without which no economic growth could be achieved.

Table (2) : Resources and Uses of Gross Domestic Product

Million Rials Omani at current prices

Item	1970	1971	1972	1973	1974
Total consumption	33.9	47.4	76.8	103.6	246.8
Private	(20.2)	(21.4)	(35.1)	(40.6)	(49.6)
Government	(13.7)	(26.0)	(41.7)	(63.0)	(197.2)
Gross domestic fixed capital formation	13.1	35.6	42.0	44.4	174.1
Private	(1.7)	(15.6)	(12.1)	(14.5)	(31.3)
Government	(11.4)	(20.0)	(29.9)	(29.9)	(142.8)
Exports of goods and services	78.7	82.3	83.6	102.3	393.2
Imports of goods and services	-21.0	-40.2	-61.6	-80.9	-245.6
Export surplus of goods and services	57.7	42.1	22.0	21.4	147.6
Gross domestic product at market prices	104.7	125.1	140.8	169.4	568.5
Minus net factor income remittances abroad	-18.2	-20.0	-29.0	-41.0	-86.6
Gross national product at market prices	86.5	105.1	111.8	128.4	481.9
Minus net indirect taxes	-1.1	-1.1	-1.6	-1.7	-2.3
Gross national product at factor cost	85.4	104.0	110.2	126.7	479.6

6 — Public Finance

Receipts from oil exports are the basic source of government revenue. Because of the relatively limited oil resources of Oman on the one hand and the emergence of the Omani economy from the state of long stagnation on the other, government recurrent and investment expenditure has, inevitably, increased at a high and rapid rate. In addition, increasing funds have had to be allocated for purposes of defence and national security. Consequently the government general budget has shown, since 1972, limited deficits which have been financed by aids and grants from friendly countries and by limited loans. It is clear from this that Oman is a capital importing rather than exporting country.

Table (3) below gives a summary of government finances : —

Table (3) — Public Finance

Million Rials Omani at current prices

Item	1970	1971	1972	1973	1974	1975
Revenue	45.4	50.1	53.0	68.5	311.5	459.3
Oil receipts	(44.4)	(47.9)	(49.6)	(61.3)	(291.5)	(373.1)
Other	(1.0)	(2.2)	(3.4)	(3.7)	(11.7)	(14.6)
Grants	—	—	—	(3.5)	(8.3)	(71.6)
Expenditure	20.6	46.0	71.6	91.7	365.3	495.1
Current expenditure (civil)	(6.1)	(9.9)	(13.8)	(20.2)	(59.9)	(65.0)
Defence and national security	(12.4)	(16.1)	(27.9)	(42.0)	(117.7)	(241.0)
Investment	(2.1)	(20.0)	(29.9)	(29.5)	(127.9)	(156.8)
Equity payment for P.D.O.	—	—	—	—	(35.9)	—
Government share in the capital expenditure of P.D.O.	—	—	—	—	(14.9)	(16.2)
Government share in current expenditure of P.D.O.	—	—	—	—	(5.7)	(10.2)
Repayment of loans	—	—	—	—	(3.3)	(5.9)
Deficit (—) or surplus (+)	+24.8	+4.1	-18.6	-23.2	-53.8	-35.8

7 — Organizational Structure of Government

Before 1970 there were no ministries in the modern sense and only a limited number of government units. Top priority was therefore given to the establishment of an efficient administration to carry out the different administrative and executive functions of government in general, and to plan and execute the economic development schemes in particular. This organizational and administrative reform was effected gradually and in phases, keeping in mind the development of the country's resources. The outcome of this reform was the emergence of an organized administration which assumed the responsibilities and functions of a modern government.

In 1976 there are seventeen ministries, namely :

1. Ministry of Diwan Affairs
2. Ministry of the Interior
3. Ministry of Land and Municipalities
4. Ministry of Awqaf and Islamic Affairs
5. Ministry of Social Affairs and Labour
6. Ministry of Justice
7. Ministry of Commerce and Industry
8. Ministry of Communication
9. Ministry of Health
10. Ministry of Education
11. Ministry of Information and Culture
12. Ministry of Agriculture, Fisheries, Petroleum and Minerals
13. Ministry of Public Works
14. Ministry of Foreign Affairs
15. Ministry of National Heritage
16. Ministry of Youth Affairs
17. Ministry of Defence.

In addition, there are other administrative bodies such as the regions wilayats and municipalities. On 28th June, 1975 the Law of Administrative Organisation of the Government was issued in the Sultan's Decree No. 26/1975

(1st text is given in the appendix E). The law defined means of organizing the government administration and the functions of the different government units, and laid down the basic rules and procedures to be followed in cases of creation, reshuffle, and dissolution of administrative units. The law also defined the powers and functions invested in the heads of the administrative units.

The present organizational structure of the government comprises the Council of Ministers presided over by H.M. the Sultan, four national councils: Development Council, Financial Affairs Council, Natural Gas Council and Defence Council, ministries and other executive units.

8 — Economic Planning and Development Units

The economic planning and development units have undergone several organizational phases since 1970. Following the accession to power of H. M. Sultan Qaboos Bin Sa'id the Development Board was dissolved to be replaced by the Department of Planning and Development and an independent Tender Board was formed. Thereafter a temporary Planning Council was created which was renamed as the Supreme Council for Economic Planning and Development in accordance with the Sultan's Decree No. 15/1972 issued on September 27th 1972. The Centre for Economic Planning and Development was attached to this Supreme Council.

All the above-mentioned planning and development organizations exercised both planning and executive functions. This was necessary in the absence of fully operational government executive units at that time.

On April 25th 1973 a Sultan's Decree was issued regarding the establishment of the General Development Organization, the functions of which included those of the Centre for Economic Planning and Development.

On 17th November, 1973, in accordance with a Sultan's Decree, the General Development Organization became the Ministry of Development. In common with previous planning and development units this ministry continued to exercise both planning and executive functions. Under its executive jurisdiction it continued to carry out the activities relating to the economic sectors for which no separate ministries existed. These were the sectors of agriculture, irrigation and fisheries, mining and petroleum, commerce and manufacturing.

On November 17th 1974 the Council of Ministers was reshuffled and executive functions were separated from planning functions as a result of

which the Ministry of Development was dissolved and its executive functions were distributed amongst other ministries, including two new ministries, the Ministry of Agriculture, Fisheries, Petroleum and Minerals and the Ministry of Commerce and Industry.

The Development Council was created to exercise planning functions in accordance with the Sultan's Decree No. 41/1974 issued on November 17th 1974. H. M. the Sultan is the Chairman of the Council. The Minister of State for Foreign Affairs was appointed as Deputy Chairman. The members are as follows : —

Their excellencies, Minister of Communication, Minister of Youth Affairs and Deputy Minister of Defence, Minister of the Interior, Minister of State the Wali of Dhofar, Minister of Health, Minister of Agriculture, Fisheries, Petroleum and Minerals, Minister of Commerce and Industry and Under Secretary for Financial Affairs. The Minister of Education became a member of the Council by a Sultani Decree issued in June 1976. A Technical Secretariat was formed to assist the Council and to follow up the implementation of its resolutions.

One of the first tasks which the Development Council performed was the preparation of the Economic Development Law 1975 which was issued in the Sultan's Decree No. 9/1975 on February 1st 1975 (The text of the law is in the appendix B).

The functions of the Development Council as defined in the law are as follows : —

- First : To set objectives and a strategy for economic development, to propose policies and measures to carry out these objectives and to lay down development plans in harmony with it. Such development plans will be subject to approval by His Majesty, the Sultan.
- Second : To discuss and establish an annual development budget and to refer this budget to the Council For Financial Affairs.
- Third : To set and approve priorities for development projects submitted by ministries and government departments before they are implemented, with a view to ensuring conformity with the approved priorities, and to achieving complementarity and consistency of projects in terms of time and substance.

- Fourth : To set priorities to requests for consultant studies submitted by government ministries and departments and to authorize them before any commitment is made.
- Fifth : To lay down general rules and terms for extending Government "loans" and "participation" which are to be approved by the council for inclusion in the annual development budget.
- Sixth : To approve privileges proposed by the minister concerned, in accordance with the law for the Protection of Developing Industry 4/74, if the proposed privileges include any monopolistic rights or concessions.
- Seventh : To coordinate the activities of ministries and government departments, in so far as the implementation of the development plan is concerned.
- Eights : To receive from ministries and government departments follow-up progress reports on the implementation of projects and consultant studies.
- Ninth : To issue an annual follow-up report on the implementation of the development plan.
- Tenth : Any other business assigned to the Council by His Majesty the Sultan.

It is clear from the above that the Development Council does not possess executive functions as its competence is confined to planning and directing economic development. In accordance with this objective Article 4 of the Economic Development Law states that Ministries and government departments shall remain responsible, within their respective jurisdictions, for follow-up action and effective implementation of projects and consultancy studies after they have been approved by the Development Council and included in the annual development budget. In addition, Article 7 states that ministries and government departments shall be responsible, within their respective jurisdictions, for carrying out economic and technical feasibility studies in respect of requested projects and consultancy study commitments, and also for estimating their costs before their submission to the Development Council.

On the 9th of February 1975 the Development Council passed a resolution regarding the aims and objectives of economic development in Oman. (The

text is included in the appendix C). The resolution was circulated to the various ministries and government units which were requested to commence the preparation of development plans for their respective sectors.

An authorized officer was designated in each ministry and government unit to be charged with following up the implementation of decisions of the Council and with assisting the Council in carrying out its tasks.

The Council started thereafter, to prepare the five-year economic development plan, 1976-1980. This is the first economic development plan for the Sultanate. Previously economic development was effected in the form of projects incorporated in the annual general budget.

In addition to the above mentioned tasks the Development Council has carried out the following :—

- (a) A full and detailed re-appraisal of all ongoing development projects as approved in the 1975 general budget was undertaken by a sub-committee of the Council.
- (b) The Council recommended the formation of a committee to study the government administrative structure and the civil service system. A committee was formed in accordance with the Sultan's Decree No. 3/1975 issued on January 19th 1975. The Decree set a limit of six months for the committee to complete its task. The committee submitted to the Council a report which included a draft law concerning the organization of the government administrative structure and a draft civil service law. Both laws have been sanctioned and issued.
- (c) The Council has discussed and approved a number of important economic development projects to be executed in various parts of the Sultanate.
- (d) The Council has formed a number of specialist committees to study topics of importance to economic development. The committees are : a committee for following up the implementation of Al Khaboura Region Projects, a committee for studying fuel problems in the Sultanate, a committee for following up the implementation of irrigation projects and the maintenance of falajs, and a committee for town planning and industrial zoning.
- (e) A Council for water resources was created on the recommendation of the Development Council to be affiliated with it.

CHAPTER II

Targets of the Five-Year Development Plan

On 9th February, 1975 the Development Council passed a resolution which defined the general aims and objectives of development policy in the Sultanate of Oman. The text of the resolution is shown in appendix (C). The aims and objectives stated in the resolution may be summarized as follows :

- (a) to develop new sources of income to supplement and eventually to replace oil revenues;
- (b) to increase the proportion of capital investment expended on income-generating projects, particularly in the sectors of manufacturing, mining, agriculture and fisheries;
- (c) to effect a wider geographical distribution of investment in order that the benefits may be shared by different regions of the country, and to narrow the gap in the standards of living in different regions with special emphasis on the least developed regions;
- (d) to maintain and develop the existing areas of population and to protect them against the dangers of mass immigration to these already densely populated areas and to protect the environment;
- (e) to pay more attention to the development of water resources, which are of vital importance to economic progress;
- (f) to develop the local human resources in order that they may be able to play a more active role in the national economy;
- (g) to continue the development of basic infrastructure;
- (h) to encourage trading activities by removing the obstacles which hinder their progress; these obstacles include problems of transportation, storage and limitations on competition with a view to encouraging competitive practices and keeping prices at reasonable levels;

- (i) to work to achieve the basic requirements of a free economy in which the private sector plays a leading role on the basis of free competition in a market clear of monopolistic practices. To this end the introduction of incentives including reasonable tax exemptions, loans with easy repayment terms to finance productive projects and government participation in the capital of important projects are suggested.
- (j) to improve the efficiency of the government administration.

Projected estimates anticipate a gradual decline in oil production with effect from 1977. Since oil is the main source of Oman's national income, the decline of oil revenues will inevitably be reflected in reductions in the gross national product unless measures are taken in the Development Plan to increase the value added in other sectors of the economy.

The value added in the oil sector is expected to decrease from R. O. 50 million in 1976 to R.O. 461.9 million in 1980 valued at fixed (1976) prices—i.e. by 8.5%. In anticipation of the decline in oil revenues, the aim set in the Five-Year Development Plan, 1976-1980, is to realize compensatory growth rates in other sectors in order to achieve a 12.6% net growth in the gross national product valued at factor cost by the end of 1980—i.e. a simple average annual net growth rate of 3.1%.

In defining this target the following points have been taken into consideration :—

- (a) The high level of government civil investment expenditure, estimated at R. O. 192 million and R.O. 190 million in 1976 and 1977 respectively, cannot be permanently maintained at this level due to the following :—

- (i) the anticipated decline in oil revenues;
- (ii) the government's policy to keep its borrowing within narrow limits, and hence the Development Plan assumes that the government will begin to reduce its net indebtedness with effect from 1979;
- (iii) the inflow of considerable amounts of aid in the form of grants from friendly countries during the past years particularly in 1975, and thus it is difficult to forecast a definite figure for

grants during the coming years as this depends on variable considerations;

- (b) investment during the past five years have been directed towards a large number of basic infra-structure projects and important as these are to economic development, they involve a progressive increase in civil recurrent expenditure to meet their running and maintenance costs;
- (c) the time lag between the implementation of income-generating projects and the receipt of income from these projects;
- (d) the anticipated decline in oil revenues and consequently in the size of annual investment will automatically result in a decline in the value added in the construction sector and in the transportation sector. To compensate for the decline of value added in those sectors is in itself an objective of the Development Plan.

In the light of the above assumptions it is estimated that the value added will decline in the following three main sectors :—

	1976	1980	Rate of decrease
	Million R. O.	Million R. O.	
Crude oil	505	461	8.7%
Construction	76	49	35.5%
Transport and communication	25	19	24.0%

The Development Plan aims to increase the value added in the other major sectors as follows :

	1976	1980	Rate of growth
	Million R. O.	Million R. O.	
Agriculture and fisheries	18	30	+ 66.7%
Mining of copper	—	6	—
Natural gas	—	5	—
Manufacturing	3	25	+ 733%
Electricity and water	5	10	+ 100%
Internal trade	28	44	+ 57.1%
Ownership of dwellings	12	34	+183.3%

The following picture will then emerge :

	1976	1980	% change
	Million R. O.	Million R. O.	
Gross domestic product at market prices	758	806	+ 6.3 %
The three sectors which are expected to witness a decline in production	606	529	- 12.7 %
Their ratio to total gross domestic product	80 %	65.6 %	
The sectors which are expected to grow	152	277	+ 82.2 %
Their ratio to gross domestic product	20 %	34.4 %	

The Plan also aims to decrease net factor income remittances abroad from R. O. 135 million in 1976 to R. O. 102 million in 1980 by increasing the participation in the national economy of Omani companies and of the Omani labour force. This will result in an improvement of 12.6% in the gross national product valued at factor cost by the end of the five years compared with a 6.3% growth in gross domestic product valued at market prices over the same period.

CHAPTER III

Government Resources and Uses

Revenue from oil is the principal source of government current revenue. Total government current revenue in 1976 (excluding loans and grants) is estimated at 495 million Rials Omani, of which R. O. 470 million will come from oil, that is about 95% of total revenue. The balance of R.O. 25 million represents income from other sources, such as custom duties, corporate income tax, returns from financial investments, electricity and water charges by public utilities and fees charged for other services.

The following table (4) gives estimates of the resources and uses of government revenue during the period of the Plan. These estimates were based on the following principles:

(1) Oil revenue

All producing wells in the Sultanate of Oman lie within the concession area of Petroleum Development, Oman Ltd. (P.D.O.) Experts estimate production from existing wells as follows:

Year	1976	1977	1978	1979	1980
Million barrels	135.0	127.4	115.0	101.5	90.2

In respect of these estimates the following points should be taken into account:

- They are conservative estimates which show the minimum production forecast, not the maximum possible production.
- They do not include estimates for the Southern Region which is known to contain oil of good quality, though it is not possible at present to give accurate estimates of possible production. However, the present estimates vary between 10 thousand and 30 thousand barrels per day, based on the nature of the wells

already proved to be productive in that Region. Exploration is continuing in the surrounding areas and production in the Southern Region is expected to start in 1979.

- (c) Production from the existing producing wells can be maintained at a level higher than the aforementioned forecast: probably at the cost of some additional investment.
- (d) Several other companies are now exploring for oil in different areas of the Sultanate. There are some indications of oil though a definite result has not yet been reached.

Taking account of the above-mentioned points the Development Plan adopted a forecast for oil production some-what higher than the previously mentioned estimates and hence the expected revenue have been based on the following figures :

Year	1976	1977	1978	1979	1980
Million barrels	135	132	128	125	122

Table (4)
Estimates of Resources and Uses during the Development Plan period,
1976-1980 (Government)
(valued at 1976 fixed prices)

Million Rials Omani

Item	1976	1977	1978	1979	1980	Total
1 — Resources						
1-Oil revenue	470	458	447	436	425	2236
2-Other revenue	25	27	30	35	40	157
3-Loans and grants*	155	136	66	28	19	404
4-Total resources	650	621	543	499	484	2797
2 — Uses						
5-Defence and national security**	275	219	179	154	144	971
6-Civil current expenditure	103	115	129	145	163	655
7-Government share of P.D.O.'s current expenditure	12	15	15	15	15	72
8-Civil capital projects	192	190	140	96	82	700
9-Joint investment projects with the private sector	6	5	4	4	4	23
10-Government share of P.D.O.'s capital investment	18	20	20	20	10	88
11-Repayment of loans and interest	44	53	46	51	47	241
12-General reserve***	—	4	10	14	19	47
13-Total Uses	650	621	543	499	484	2797

* non-repayable grants

** including construction programme of a civil nature, estimated at 40, 40, 20, 15, and 10 million Rials Omani in 1976, 1977..... 1980 respectively

*** The general reserve is to meet any unforeseen over-expenditure in any of the items of Uses.

Despite the fact that these estimates are higher than those given by technicians in respect of production from the existing wells, they still show a progressive decline in total annual production and consequently in government oil revenue. These estimates have taken into account reasonable expectations of oil production from already known discoveries which would compensate for the expected decline in production from the existing wells. If the hopes referred to in paragraph (d) above regarding oil indications in new concession areas are realized, then the whole picture would change, and production might well exceed the present level. However, in preparing the estimates for the five-year plan, these hopes were not taken into account, since they have not been proven as yet.

(2) Other Revenues

The estimated increase in revenue from other sources was based on the following considerations :

- (a) The increasing efficiency in the system of tax and fees collection.
- (b) The review of the regulations concerning exemption from customs duties. Until 1975 contractors were exempt from customs duties on all imports. The result was that the greater proportion of total imports were duty free. This procedure was discontinued in 1975.
- (c) The rate of customs duty applicable at present is 2% of the c.i.f. value of imports in respect of most items. A large number of items, however, are exempt from customs duties—for instance, cement, machinery and tools, various food items and many other items. Government contractors are allowed to import duty-free their requirements for the execution of government projects. It is logical to expect that as industrialization takes place higher customs duties may be decreed on imports for which locally produced substitutes are available.
- (d) The increasing sales of electricity, water and other services.

(3) Defence and national security

Funds allocated to defence and national security have progressively increased up to 1976. This was necessary because of the war in the Southern

Region and the necessity to create an army with modern equipment which was lacking before 1970. In addition, a number of construction schemes of a civil nature have been executed in that Region during the past years—for instance, roads and drinking water wells.

Following the victory achieved by the army, resulting in the restoration of peace and security in the Southern Region, capital expenditure on defence is expected to decrease gradually as the task of building up a modern army approaches completion. The Development Plan has accordingly forecasted a gradual decline in the funds allocated to defence and national security. It must be noted that these funds still include expenditure on projects of a civil nature such as on housing, drinking water wells and roads. Estimates for such projects have been calculated and incorporated under government investment.

(4) Civil Current Expenditure

Civil recurrent expenditure has risen at a high rate in 1974, 1975 and 1976. This was due to the progressively increasing rate of government expenditure on public administration and to the creation of new ministries and the costs of operating and maintaining public utilities and services built up during the past few years. Now that a modern administrative system is nearly complete the need to create new ministries and government units is not expected to continue at the rate which has prevailed during the past few years.

On account of these facts the Development Plan has assumed the annual rate of increase in civil current expenditure to be 12.5%.

(5) Government share in P.D.O.'s Capital Expenditure

The Plan estimates the level of expenditure in this sector on the basis of the available data on planned production. It includes expected investments in petroleum development in the Southern Region. The government's share of expenditure on capital investment in the petroleum sector is 60%, i.e. proportional to its share-holding in the capital of the company.

(6) Civil Capital Expenditure

Estimates shown for 1976 reflect the already ratified government general budget figures for that year. Estimates for the following years take into account the following two points :—

- (a) the cost of running projects, the execution of which was started in or before 1975. These are fairly accurate estimates.
- (b) the cost of new projects in accordance with the aims and objectives of the Development Plan as stated in the previous chapter. A detailed explanation of these investments is shown in chapter 4 of this report.

(7) Debt Services

Table 5 below shows details of secured loans which will be used wholly or partly during the period of the Plan. It also shows loans being negotiated at the time when this Plan was being prepared. The total amount of loans was estimated at 278.5 million Rials Omani, details of which are as follows:—

- 39.7 million Rials Omani: Secured loans to be used for development purposes. Nearly half of this amount is interest-free and the other half carries an average interest rate of 4%. Repayment periods of these loans vary between 10 and 20 years.
- 90.0 million Rials Omani: Loans for development purposes being negotiated at present.
- 132.8 million Rials Omani: Export credit type of loans.
- 16.0 million Rials Omani: Bank loans.

As estimated expenditure in the 5 years of the Development Plan exceeds the expected revenue which the government can raise from its own local sources by about 404 million Rials Omani, the balance of 125.5 million has yet to be secured from grants or additional loans.

The general trends which the estimates of government resources and uses show can be summarized as follows:—

- (a) loans and grants form 23.8% of total available government resources in 1976 compared to 3.9% in 1980. This is an indication of the government's intention to limit its borrowing especially with respect to loans which could only be secured under commercial terms.

- (b) The government's net indebtedness will start to decline with effect from 1979.
- (c) Expenditure on defence and national security forms 42.3% of total expenditure in 1976 compared to 29.8% in 1980.
- (d) Expenditure on civil capital projects form 29.5% of total expenditure in 1976 compared to 16.9% in 1980.

Table 5

Detailed Estimates of available Loans
(millions Rials Omani)

Item	1976	1977	1978	1979	1980	Total
Development Loans						
1. From Saudi Arabia	15.7	4.0	—	—	—	19.7
2. From I.B.R.D. for education	0.8	0.6	0.1	—	—	1.5
3. From I.B.R.D. for technical assistance	1.5	—	—	—	—	1.5
4. Loan for the gas pipe line	5.0	8.0	4.0	—	—	17.0
5. Loans for the development of the Southern Region	—	30.0	30.0	—	—	60.0
6. Oil refinery project	—	—	8.0	7.0	—	15.0
7. Copper project	—	6.0	9.0	—	—	15.0
Export Credit						
8. Bid-Bid-Sur road	20.8	9.7	—	—	—	30.5
9. Electricity supply for 19 villages	6.8	—	—	—	—	6.8
10. Safalah hotel	1.1	—	—	—	—	1.1
11. Defence Loan	37.5	21.6	6.3	—	—	65.4
12. Raysut port	6.0	10.0	10.0	3.0	—	29.0
Other Loans						
13. Buraimi - Ibr road	2.2	—	—	—	—	2.2
14. Renewal of bank loans	13.8	—	—	—	—	13.8
Total available loans	111.2	89.9	67.4	10.0	—	278.5

CHAPTER IV

INVESTMENTS

1—Total Government and Private Investment

The value of investment in the five years of the Plan period is estimated at 1356 million Rials Omani, of which R.O. 936 million is carried out by the Government and R.O. 420 million by the Private Sector. Table 6 below shows the investment estimates.

The table reveals an anticipated decline in total Government and private sector investment from 314 million Rials Omani in 1976 to R.O. 201 million in 1980. An explanation of the reasons for the decline was given in chapter 2 of this report. The most important reasons are the anticipated decline in oil receipts and the rapid rise in the rate of recurrent expenditure. In addition, investments in 1976 and 1977 are expected to reach an unusually high level, which is difficult to maintain continuously. In spite of this anticipated decline in the value of investment it will still continue to form a high proportion of the gross national product until 1980.

Table (6)

Estimated Total Government and Private Sector Investment at fixed
1976 prices

Item	Million Rials Omani					Total
	1976	1977	1978	1979	1980	
A — Government						
1. Civil capital projects	192	190	140	96	82	700
2. Joint investment projects with the private sector	6	5	4	4	4	23
3. Projects of a civil nature incorporated in defence budgets	40	40	20	15	10	125
4. Share of Government in P.D.O. investment projects	18	20	20	20	10	88
5. Total Government investment	256	255	184	135	106	936
B — Private Sector						
6. Share of private partners in P.D.O. investment projects	12	13	13	13	7	58
7. Investment by other oil companies	10	14	16	20	25	85
8. Housing and construction	25	27	29	31	33	145
9. Oman Portland Cement Co.	2	10	7	3	1	23
10. Copper Project	—	10	8	4	1	23
11. Other investment in the following sectors						
(a) Manufacturing	3	5	7	15	20	50
(b) Commerce and trade	3	3	3	3	3	15
(c) Agriculture and Fisheries	2	3	3	4	4	16
(d) Other sectors	1	1	1	1	1	5
12. Total Private sector	58	86	87	94	95	420
13. Total Government & Private Sector	314	341	271	229	201	1356

The following table shows the proportion of investment to gross national product.

Table (7)

Proportion of total Government and Private Sector investment to
Gross national product

Item	1974	1976	1977	1978	1979	1980
1. Total Government and private sector investment	174	314	341	271	229	201
2. Gross national product	480	618	630	639	667	696
3. Percentage of (1) to (2)	36.2	50.8	54.1	42.4	34.3	28.9

Notes:

— 1974 figures are valued at current prices of that year — Sources: International Bank for Reconstruction and Development.

— Estimates for the five years 1976 — 80 of the Plan are valued at fixed 1976 prices.

— Total Government and private sector investment is valued in million Rials Omani.

— Gross national product, given in million Rials Omani, is valued at factor cost.

Table 6 above shows that, according to the Plan, the private sector's share of total investments will increase. The following table shows the progressive rate of this increase.

Table (8)
Percentages of Government and Private Investments

Item	1974	1976	1977	1978	1979	1980
Government Investments	82.2	81.5	74.8	67.9	59.0	52.7
Private Sector Investments	17.8	18.5	25.2	32.1	41.0	47.3
Total Investments	100.0	100.0	100.0	100.0	100.0	100.0

The increase in the private sector's contribution to the planned investment is compatible with the natural development at this phase of growth of Oman's economy and reflects the Government's development strategy of giving all possible support and incentives to encourage the private sector to increase its investments.

2. Sectoral distribution of total investment.

The Development Council's resolution on the aims and objectives of economic development policy in the Sultanate states that one of the aims and objectives of the development plan is to tap new sources of national income to supplement and eventually to replace oil revenues. This can be achieved by increasing investment in income-generating projects, particularly in the sectors of manufacturing, mining, agriculture and fisheries. The realization of this aim was kept in mind when the sectoral distribution of investments was planned. As mentioned in Chapter 1 Government investment during the years 1970-75 were mostly directed to the development of basic infrastructure projects required for economic development. A number of infrastructure projects which were started in 1974 and 1975 are still under construction. Moreover, there is still a need for further infrastructure projects particularly in the Southern Region. Accordingly, the Five-Year Plan, 1976-80 incorporates an appreciable proportion of investment in infrastructure projects although it portrays a shift towards income-generating projects.

Table 9 shows the sectoral distribution of Government investments valued in million Rials Omani. Table 10 shows the percentage share of Government investment in each sector. Table 11 shows the sectoral distribution of private

investments by sector. Table 12 shows the percentage share of private investment in each sector. Table 13 shows the sectoral distribution of total government and private sector investment valued in million Rials Omani and table 14 shows the percentage distribution of total investment by sector. These tables reveal the following :

- Economic and social infrastructure projects account for 84.3% of total government investment in 1976, declining to 58% in 1980. The decline will be effected in the economic infra-structure sector in which the proportion of total government investment will decrease from 68.6% in 1976 to 42.1% in 1980. Investment in social, infra-structure will remain at an almost stable proportion. Considering both government and private sector investments it appears from Table 14 that economic infra-structure will absorb nearly half of the total investment over the five years of the plan, whilst social infra-structure will absorb about 10% of the total.
- The proportion of government investment in the sector of agriculture and fisheries will rise from 1% in 1976 to 11.8% in 1980.
- The proportion of government investment in the sector of manufacturing will rise from 1% in 1976 to 14.2% in 1980. It should be noted that a large part of investment in this sector which is recorded under the private sector is to a great extent government investment, since enterprises with independent legal entity are considered as private sector although the government holds a large proportion of their share-capital. Examples of such companies are the Oman Portland Cement Co. and the Oman Flour Milling Co. The proportion of total government and private sector investment in manufacturing will accordingly rise from 2.4% in 1976 to 17.9% in 1980.
- Investment in the oil and mining sector forms the greatest part of private sector investment. Next in importance comes investment in housing and construction (which is part of economic infra-structure). Investment in manufacturing occupies the third position in the scale of importance, in private sector investment. It is planned that the rate of growth of private sector investment in manufacturing will be higher than the rate of growth of investments in the other sectors so that manufacturing could be a major economic activity for the private sector after the year 1980.

Tabel (9)
Government Capital Expenditure by Sector valued at fixed
1976 prices

Sector	Million Rials Omani					Total
	1976	1977	1978	1979	1980	
A — Petroleum and Mining						
1. Government share of P.D.O.'s capital expenditure	18.0	20.0	20.0	20.0	10.0	88.0
2. Oil refinery project	—	2.0	13.0	8.0	2.0	25.0
3. Gas pipe-lines	5.0	8.0	4.0	—	—	17.0
4. Copper Project	0.3	10.0	14.0	—	—	24.3
Total petroleum and Mining	23.3	40.0	51.0	28.0	12.0	154.3
B — Agriculture and Fisheries						
1. Agriculture and irrigation	1.0	4.1	5.5	7.5	8.5	26.6
2. Fisheries	1.6	1.8	3.0	4.0	4.0	14.4
Total agriculture and Fisheries	2.6	5.9	8.5	11.5	12.5	41.0
C — Manufacturing						
1. Oman Portland Cement Co.	2.0	2.3	—	—	—	4.3
2. Oman Flour Milling Co.	0.5	—	—	—	—	0.5
3. Other industries	0.1	4.8	5.0	10.0	15.0	34.9
Total Manufacturing	2.6	7.1	5.0	10.0	15.0	39.7
D — Trade and Tourism						
1. Trade (oil tanks)	0.8	0.2	—	—	—	1.0
2. Tourism (hotels)	7.9	3.0	—	—	—	10.9
Total Trade and Tourism	8.7	3.2	—	—	—	11.9

Table (9)—continued
Government Capital Expenditure by Sector valued at fixed 1976 prices

Sector	Million Rials Omani					Total
	1976	1977	1978	1979	1980	
E — Economic Infra-structure						
1. Roads	51.9	51.2	27.5	16.0	16.0	162.6
2. Ports	9.8	13.3	15.5	3.5	—	42.1
3. Airports	6.3	8.3	3.0	1.0	—	18.6
4. Posts and telecommunication	4.0	1.7	2.5	2.7	1.5	12.4
5. Electricity and water	44.6	39.7	11.3	18.0	9.5	123.1
6. Housing	10.8	5.0	4.0	4.0	5.0	28.8
7. Civil works and construction	47.8	47.4	24.8	18.6	12.5	151.1
Total Economic Infra-structure	175.2	166.6	88.6	63.8	44.5	538.7
F — Social Infra-structure						
1. Education	3.7	5.9	5.5	5.5	5.5	26.1
2. Health	9.4	6.5	6.0	6.0	6.0	33.9
3. Cultural affairs	7.3	1.3	1.0	1.0	1.0	11.6
4. Social affairs	0.8	12.3	13.0	4.0	4.0	34.1
5. General administration	19.0	3.9	1.2	1.2	1.2	26.5
Total social Infra-structure	40.2	29.9	26.7	17.7	17.7	132.2
G — Financial Institutions						
1. Development Bank of Oman	3.0	2.0	4.0	4.0	4.0	17.0
Total Financial Institutions	3.0	2.0	4.0	4.0	4.0	17.0
All sectors	255.6	254.7	183.8	135.0	105.7	934.8

Table (10)

Percentage distribution of Government Investment
By Sector

Sector	1976	1977	1978	1979	1980	Total
1. Petroleum and Mining	9.1	15.7	27.8	20.7	11.4	16
2. Agriculture and Fisheries	1.0	2.3	4.6	8.5	11.8	4
3. Manufacturing	1.0	2.8	2.7	7.4	14.2	4
4. Trade and Tourism	3.4	1.3	—	—	—	1
5. Economic Infra-structure	68.6	65.4	48.2	47.3	42.1	57
6. Social Infra-structure	15.7	11.7	14.5	13.1	16.7	14
7. Financial Institutions	1.2	0.8	2.2	3.0	3.8	1
Total	100.0	100.0	100.0	100.0	100.0	100

Table (11)

Private Investment by Sector
(at fixed 1976 prices)

Million Rials Omani

Sector	1976	1977	1978	1979	1980	Total
1. Petroleum and Mining	22	37	37	37	33	11
2. Agriculture and Fisheries	2	3	3	4	4	3
3. Manufacturing	5	15	14	18	21	11
4. Housing and construction (Economic Infra-structure)	25	27	29	31	33	11
5. Trade and Tourism	4	4	4	4	4	4
Total	58	86	87	94	95	4

Table (12)

Percentage Distribution of Private Investments
By Sector

Sector	1976	1977	1978	1979	1980	Total
1. Petroleum and Mining	37.9	43.0	42.5	39.4	34.7	39.5
2. Agriculture and Fisheries	3.5	3.5	3.5	4.2	4.2	3.8
3. Manufacturing	8.6	17.5	16.1	19.1	22.2	17.4
4. Housing and construction	43.1	31.4	33.3	33.0	34.7	34.5
5. Trade and Tourism	6.9	4.6	4.6	4.3	4.2	4.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Table (13)

Total Government and Private Investments by Sector
(at fixed 1976 prices)

Million Rials Omani

Sector	1976	1977	1978	1979	1980	Total
1. Petroleum and Mining	45.3	77.0	88.0	65.0	45.0	320.3
2. Agriculture and Fisheries	4.6	8.9	11.5	15.5	16.5	57.0
3. Manufacturing	7.6	22.1	19.0	28.0	36.0	112.7
4. Trade and Tourism	12.7	7.2	4.0	4.0	4.0	31.9
5. Economic Infra-structure	200.2	193.6	117.6	94.8	77.5	683.7
6. Social Infra-structure	40.2	29.9	26.7	17.7	17.7	132.2
7. Financial Institutions	3.0	2.0	4.0	4.0	4.0	17.0
Total	313.6	340.7	270.8	229.0	200.7	1354.8

Table (14)

Percentage Distribution of Total Government and
Private Investments by Sector

Sector	1976	1977	1978	1979	1980	Total
1. Petroleum and Mining	14.4	22.6	32.5	28.4	22.4	231
2. Agriculture and Fisheries	1.5	2.6	4.3	6.8	8.2	41
3. Manufacturing	2.4	6.5	7.0	12.2	17.9	81
4. Trade and Tourism	4.1	2.1	1.5	1.7	2.0	21
5. Economic Infra-structure	63.8	56.8	43.4	41.4	38.6	501
6. Social Infra-structure	12.8	8.8	9.8	7.8	8.9	91
7. Financial Institutions	1.0	0.6	1.5	1.7	2.0	11
Total	100.0	100.0	100.0	100.0	100.0	1000

3. Geographical Distribution of Government Investments

The Development Council has emphasised the importance of spreading the development effort over different geographical areas of the Sultanate. In its resolution concerning the aims and objectives of development policy the Council stressed the need to effect a wider geographical distribution of investment in order that the benefits may be shared by different regions of the country, and to narrow the gap in the standards of living in different regions with special emphasis on the least developed regions. The Council has also stressed the need to maintain and develop the existing areas of population agglomerations and to protect them against the dangers of mass immigration to these already densely populated areas.

The Five-Year Plan, 1976-80 aims at a balanced geographical distribution in line with this policy. The geographical distribution of government investment is shown in the following table.

Table (15)

Government Capital Expenditure by Geographical Region
(at fixed 1976 prices)

Year	Capital Area		Interior		Southern		Total	
	Million R. O.	%	Million R. O.	%	Million R. O.	%	Million R. O.	%
1976	103.4	40.5	104.4	40.8	47.8	18.7	255.6	100
1977	78.1	30.7	96.4	37.8	80.2	31.5	254.7	100
1978	46.8	25.5	67.3	36.6	69.7	37.9	183.8	100
1979	43.5	32.2	56.3	41.7	35.2	26.1	135.0	100
1980	28.5	27.0	56.5	53.4	20.7	19.6	105.7	100
	300.3	32.1	380.9	40.8	253.6	27.1	934.8	100

From the table it can be seen that the Capital Area will receive 32.1% of total Government investment in the five years, the Southern Region will receive 27.1% and the remaining regions will receive 40.8%.

The detailed distribution of investment by ministries, projects, sectors and by geographical regions is shown in appendix (A).

CHAPTER—V

PROJECTS

In Chapter I reference was made to the fact that the Development Council is a planning and not an executive body, and that ministries shall remain responsible, within their respective jurisdictions, for undertaking consultative studies in respect to their proposed projects and submitting these to the Council for approval and inclusion in the development budget.

The Council's resolution concerning the aims and objectives of economic development policy in the Sultanate was circulated on 15th February 1975 to all ministries and government administrative units to serve as a guide in defining projects suitable for submission to the Council for approval. The Council also requested ministries and departments to commence the preparation of their sectoral plans for inclusion in the Five-Year Development Plan 1976-1980.

The Economic Development Law of 1975, issued on February 1st 1975, stated in article 10 that the first economic development plan should cover the period 1976-1980 and that ministries and government departments, within their respective jurisdictions, should submit to the Council secretariat details of the projects which they propose to execute during the period of the plan. These should include projects, consultancy studies, participation in joint ventures and loans, geographical distribution of the projects and preliminary estimates of the costs of each project together with an order of priorities, as well as the economic and technical feasibility studies on the basis of which these proposals were submitted.

Meetings have been held with representatives of all ministries to discuss various aspects of the economic development law of 1975 and the Development Council resolution concerning the aims and objectives of economic development policy in the Sultanate, and to expedite the formulation of their respective sectoral plans.

As a result of these efforts some ministries submitted statements on the proposed projects within their respective sectors although there was a noticeable variation in the degree of detail of these proposals. In the majority of

cases the proposals did not include detailed economic feasibility studies on the projects. This is to be expected in developing countries, especially in respect of a first development plan, as the planning units of ministries are not fully operational and because of the lack of sufficient background studies and detailed statistical data.

Accordingly, the Development Plan, 1976-1980 has included in its investment programmes projects at various levels of detail as follows:

- (a) Well defined projects. These are either projects already under construction, the execution of which started in or before 1975, or new projects based on adequate feasibility studies.
- (b) Financial allocations to the sectors which did not or were unable to submit sufficiently detailed proposals, on the understanding that they would submit later to the Development Council adequately defined and detailed projects for study and approval. The financial allocation have been determined in accordance with the aims and objectives of the development strategy as adopted by the Council and based on the economic and statistical information available for each sector, taking in consideration the amount of total resources available during the Plan period.

It must be mentioned in this respect that the Royal Decree which sanctioned the Development Plan states that the approval for the plan does not mean an automatic approval for expenditure from the allotted sums in the plan. Current laws and decrees regarding procedures for approval of the annual budgets should be strictly observed. Also the prior approval by the Development Council of proposed projects should have been obtained before any commitments were undertaken.

The following paragraphs present brief explanatory notes concerning the most important projects included under various sectors in the Development Plan:—

1. Petroleum Sector

- (a) In the field of oil exploration and drilling, exploitation of oil in the Southern Region is expected to start earlier than any other oil production project. Oil has been discovered in the fields of AMAL and NASSIR which lie within the P.D.O. concession area. Technical investigations are currently being undertaken.

In addition to the Southern Region further investments in oil exploration and production in other parts of the company's concession areas are envisaged in the Plan. Total investments in P.D.O.'s concession area are estimated at 146 million Rials Omani during the five years of the Development Plan, of which the government's share amounts to R.O. 88 million in accordance with its share holding in the company's capital.

The Development Plan also estimates that other oil companies exploring in other areas of the Sultanate will invest about 85 million Rials Omani during the five years of the Plan. The final amount of investment will, of-course, depend on the rate of progress of new discoveries made by these companies.

(b) Oil Refinery Project

No oil refinery exists in the Sultanate at present whereas the use of refined petroleum products is progressively increasing at fast rates. The oil refinery proposed in the Development Plan aims to meet local requirements. Detailed economic and technical feasibility studies are presently being undertaken for this project.

(c) Natural Gas Pipe-line

The pipe-line is proposed to comprise 20-inch diameter pipe to carry unassociated natural gas from the YIBAL region to the coast in the Capital Area. Natural gas has been discovered in commercially exploitable quantities. Detailed studies have been undertaken for the project. The construction costs are estimated at 17 million Rials Omani, not including the cost of the pipes which have already been purchased. Construction work will start in the second half of 1977 and will be completed by the end of 1977. Natural gas will substitute oil and its products in generating electric power and may also be used in the industrial sector, for instance by the cement factory. Completed studies have proved the economic feasibility of this project and its importance to the Omani economy.

2. Mining Sector

The plan includes a project for mining and concentration of copper for export. Detailed economic and technical feasibility studies have been under-

taken for the project. Copper ore in commercially exploitable quantities and of good quality was discovered in the mines of AL ASEEL, ARJAH and AL BAYDA. The cost of executing the project is estimated in the plan at 47 million Rials Omani to be financed jointly by the government and by the private sector. The presence of about 17 million metric tons of ore has been located. Prospection for and location of copper ore still continues. The copper content of the ore is estimated at 2.1%.

Circumstantial technical evidence exists of the probable presence of other minerals such as iron and gold. Prospection work for these minerals is still at an early stage. Accordingly the Development Plan, 1976-1980 did not include any projects for mining these ores.

3. Agriculture and Irrigation Sector

Government investment in agricultural and irrigation projects has been estimated in the plan at 26.6 million Rials Omani on the understanding that details of these projects shall be submitted later to the Development Council. This total comprises the following :—

(a) 0.9 million Rials Omani, on current small projects, the execution of which has already started.

(b) 14.4 million Rials Omani for investment in irrigation for the following purposes :—

—study of water resources and the ways and means of their preservation and development.

—Preservation and maintenance of the existing dams and falajs.

—Construction of additional small dams and sinking of water wells in accordance with the recommendations arising from the water resources studies.

(c) 7.0 million Rials Omani for investment in animal husbandry and poultry projects, taking into account that activities in this sector are left to the private sector and that government investment is aimed at assisting the private sector and providing guidance to it with special reference to the following fields :—

—technical studies relating to grazing, animals and animal products and making available the results of these studies to the private sector.

- training and extension centres
- experimental units for training and development.
- experimental units for the preparation of animal fodder.
- making available thoroughbreds and other requirements for cross breeding and the introduction of improved types of animals and poultry.

(d) 4.5 million Rials Omani for investment in agricultural projects, taking into account that activities in this sector are mainly left to the private sector and that government investment is meant to assist the private sector and provide guidance to it with special reference to the following fields :—

- technical studies relating to the soil, crops, fertilizers and insecticides, and making available the results of these studies to the private sector.
- training and extension centres.
- experimental units for training and development.
- agricultural machinery.

4. Fisheries Sector

The Development Plan has estimated government investment in fisheries projects at 14.4 million Rials Omani on the understanding that details of the proposed projects shall be submitted later to the Development Council. The projects cover the following fields :—

- studies and surveys.
- establishment of cold storage units and ice factories in the areas where the catches are landed and in the marketing areas.
- projects for the transportation of fishery products by carriers with cold storage facilities from landing areas to the markets.
- making available small boats, fishing nets and tools to the traditional fishermen.
- establishment of berthing facilities for the traditional fishermen.

- development of special types of fisheries such as lobster and oyster and the establishment of special units for transporting and marketing these products.
- participation in the establishment of modern fishing companies for deep sea fishing and for fish processing.

5. Manufacturing Sector

The Development Plan has estimated total government and private sector investment in this sector at 112.7 million Rials Omani, of which 39.7 million will be government investment and 73 million will be private sector investment. It should be noted that the figure for the private sector includes the investment of companies and projects with independent legal status but in which the government participates. The figure includes investment of both Omani and foreign capital. The projects included in the plan under this sector are as follows :—

(a) Oman Portland Cement Company Project :

The majority of the shares in this company are to be owned by the government and the remainder are to be owned by foreign investors. The plan estimates the cost of the project at 27.3 million Rials Omani. Detailed economic and technical feasibility studies have been completed for the project, which has been proved to be economically feasible. The productive capacity of the factory is planned at 350 thousand tonnes per year. Production is planned to start in 1978.

(b) Oman Flour Milling Company Project :

The execution of this project has already started and is nearing completion. This will be the first modern flour mill in Oman. Other manufacturing projects have not yet been defined but the proposals currently under study, and which are to be submitted later to the Development Council include the following projects in which the private sector is expected to participate :—

- Project for the construction of an industrial area.
- iron and steel project
- lime and sand blocks project.
- animal fodder project.
- liquifaction of gas for civil use

6. Trade and Tourism Sector

Total government and private sector investment in this sector has been estimated in the plan at 31.9 million Rials Omani, of which R.O. 11.9 million will be government investment and R.O. 20.0 million will be invested by the private sector. The government investments include the following projects:—

- (a) 1.0 million Rials Omani to cover the remaining part of the cost of erecting storage tanks for petroleum products.
- (b) 10.9 million Rials Omani to cover the remaining part of the cost of constructing two hotels, the Inter continental in the Capital Area and a hotel in Salalah.

7. Economic Infra-structure Sector

The plan estimated total government and private sector investment in this sector at 683.7 million Rials Omani, of which 538.7 million are carried out by the government and 145.0 million by the private sector.

Investments by the private sector comprise mainly construction of houses. Government investment includes eight sectoral branches: road works and construction and civil works of the Ministry of Defence. The distribution of government investments amongst these branches of infra-structure is shown in table 9 in chapter 4. Detailed tables in appendix (A) show the distribution of these investments by ministries, projects, sectors and regions.

Government investments comprise projects in progress, the execution of which was started before 1976, and new projects proposed for execution during the period of the plan. A brief summary of the projects in both categories is shown below:

(a) Projects in progress

- The new Muscat - Mutrah Road
- Bidbid - Sur Road
- Mutrah - Quriyat Road
- Mina Qaboos grain Silos
- Salalah airport

- The new telephone system
- Al Ghubra desalination plant
- Electricity supply for 19 villages
- Electricity supply for 7 villages
- Desalination plant on Masira Island
- The high voltage electric cables
- Greater Mutrah Project

(b) Selected new projects

- Mountain roads in the Southern Region
- Secondary roads in the Interior
- Raysut Port
- Improvement works to Sur and Sohar Ports
- Improvement works to Seeb International Airport
- Extension to telephone system
- New electricity generating stations
- Water supply to Musandam Villages
- Water supply projects in the Capital Area
- Water supply projects in the Interior and Southern Region
- Public utilities in Al Khuwair and Qurum areas

8. Social Infra-structure sector

The plan estimates government investment in social infra-structure projects at 132.2 million Rials Omani, part of which represents projects in progress, started before 1976, and the remainder represents new projects proposed for execution during the period of the plan. A brief summary of projects in both categories is shown below:

(a) Selected projects in progress

- Muscat and Salalah Radio and Television
- Schools

- Vocational and professional training centres
- Extension works to Al Nahda hospital
- Salalah hospital

(b) Selected new projects

- Schools
- Training centres
- Extension works to Al Khowla hospital
- Dispensaries and health centres outside the Capital Area
- Social and administrative centres in the Southern Region

9. Financial Institutions Sector

The plan has estimated government investment in this sector at 17 million Rials Omani. This represents the government's share in the capital of the Development Bank of Oman and its contribution through the Bank in providing financial support and incentives to the private sector.

CHAPTER—VI

Economic Development Policy and Procedures

It is recommended that certain policy and executive measures be taken to secure the realization of the aims and objectives of the Development plan. A summary of these measures is outlined in the following paragraphs.

1. Development Bank of Oman

The Development Council resolution on the aims and objectives of economic development in the Sultanate states that the economic development policy should be based on the realization of a free economy in which an efficient and able private sector plays a leading role.

One of the most important ways of encouraging and supporting the private sector is to assist it in the financing of its projects. This task is proposed to be undertaken by the Development Bank of Oman which will be established for this purpose.

The capital of the proposed development bank will be held by the government, Omani nationals, and foreign regional and international financial institutions, the objective being that all parties capable of assisting the Bank would be represented. The Government is the main supporter of the Bank; the Omani nationals represent the private sector for whose service the Bank will be established; and the foreign regional and international financial institutions are the liaison between the Bank and the international capital and money markets.

The Government shall underwrite the capital of the Bank and shall guarantee the values of shares and the distribution of minimum profits of 5%. The most important aims and objectives of the Bank are as follows:

- (a) to guarantee or grant medium or long term loans to Omani enterprises registered in the Sultanate, provided that these loans shall be utilized in financing capital investments in the sectors of manufacturing, agriculture, petroleum, mining or fishing.

(b) to participate in the equity capital of Omani limited liability companies which invest in projects of importance to the development of Oman.

(c) to offer technical assistance to Omani enterprises in the study of projects and in the preparatory work preceding implementation of projects.

To be enabled to pool the financial resources required to carry out its activities, the Bank will be utilized to hold deposits in the form of savings accounts or notice and time deposits. In this way the Bank can play a leading role in pooling domestic savings and directing it to economic development.

The Bank will also be authorized to borrow from the government or from other sources including regional and international financial institutions and organizations, whether in the form of direct loans or by the sale of bonds to the public. The government will guarantee the Bank's debts up to four times its paid-up capital and reserves.

Finally the government may allocate, in its annual general budget, an amount to be deposited in a special account with the Bank to be used in subsidizing the interest rate on loans granted by the Bank to projects of special importance.

The Bank and its distributed profits shall be exempt from all taxes and duties in the present and future with the exception of customs duties.

2. Agricultural Development

Agriculture is of basic importance to Oman's economy. It depends mainly on underground water and consequently agricultural lands are spread over scattered areas in the form of relatively small farm units. This makes agricultural development a difficult task.

Agricultural land can be expanded within relatively narrow limits, by reclamation of limited areas in the Eastern and Southern Regions, but that will depend on the availability of water and on the suitability of the land for cultivation.

On the other hand there is a wide scope for increasing the productivity of the currently cultivated areas. According to some estimates the productivity

of presently cultivated areas can be increased three fold. This can be achieved by the following measures :

(a) to continue research studies in the fields of soil, water resources, crops, insects, grazing and animal wealth and to make the results of the studies available to farmers,

(b) to offer agricultural extension and training services,

(c) to make available fertilizers and insecticides to farmers and to train them in their proper use, and to train them in health care for animals,

(d) to make available agricultural machinery and tools,

(e) to make available fodder for animals and poultry,

(f) to facilitate the marketing of agricultural and animal products.

It is appropriate that an agricultural development fund be established by the ministry concerned in which all funds usually allocated for these purposes could be pooled. A supervisory committee for this fund should be formed of competent persons to set priorities for the use of these funds for the above-mentioned purposes in accordance with an agreed technical programme, and to receive follow-up progress reports regarding the execution of the programme. The proposed fund could act as a centre to which information relating to the execution of agricultural development programmes should be directed in order that it may be in a position to take appropriate decisions without delay. In this capacity the fund would be a policy review board and not an executive unit as the execution would continue to remain the responsibility of the administrative units concerned.

3. Fisheries development

In 1975 a consultancy study was undertaken in Omani territorial waters. The study revealed that these waters contain various types of fishes and shells in much larger quantities than endeavored by present production. There is no doubt that there is a wide scope for increasing fish production and that this can be realized in a relatively short time.

In addition to the proposed investments in cold storage and transportation projects referred to in the previous chapters, it is desirable that the traditional fishermen should be assisted by making available to them various services such as the provision of simple fishing tools, nets and marketing facilities.

In this respect it is also recommended to establish a fund for developing fishery wealth. The proposed fund would act, like the proposed agricultural development fund, as a policy review board.

The development policy in respect of this sector should include among its principal aims the protection of traditional fishermen and the development of their production.

4. Industrial Area

The construction of an industrial area is of vital importance to the development of Omani industry. It has also the advantage of reducing the cost of the basic infra-structure projects which would otherwise be borne by private individuals having to spend large amounts of money in constructing utility services to serve their individual projects. The construction of an industrial area would also help to protect other areas from the dangers of industrial pollution.

5. Incentives for the promotion of Industry

All developing countries grant material incentives to encourage the private sector to invest in industrial projects. Most important of these incentives is to assist it in securing the necessary financing, to grant exemptions from income tax, to grant tariff protection against imported substitutes and to provide essential goods and services such as electric power at favourable terms. The government may also make it a condition that a specified proportion of government purchases should be of local produce.

Assistance in financing industrial projects would be provided by the proposed Development Bank of Oman. The present laws, decrees and resolutions provide a sufficiently flexible system for tax exemptions.

The current tariff system does not provide protection because there is not yet any sufficiently large domestic industrial production to justify such measures. Accordingly, the duty rate for most imported items is 2% of c.i.f. value with the exception of a limited number of items such as alcoholic drinks. In addition a large number of items are completely exempt from customs duties. Examples are: cement and food items. As local industry progresses customs duties are expected to be levied or increased by reasonable limits on imported substitute items

Oman does not presently apply a differential rating system for the sale of electricity to industrial enterprises as is the case with most countries. The introduction of such a system would be desirable.

Government contracts do not at present contain a clause regarding the purchase of a specified proportion of locally produced goods and services. It is desirable that this arrangement should gradually be introduced.

6. Training

Training is one of the basic requirements of economic development. Human resources are basic to any economic progress. There is presently a shortage of supply of trained Omani manpower. With the progress of economic activities and consequently the increase in demand for manpower, the shortage may even become more acute if training programmes have not been intensified to effect an increase in the supply of Omani manpower.

Priority in training programmes should be given to sectors that employ large numbers of people.

The following table shows estimates of private sector employment in 1975 (excluding agricultural labour)

Table (16)
Employment Estimates for the Private Sector (excluding agricultural Sector)

1975

	Omani	expatriate	Total
1. Petroleum and mining	2892	1787	4679
2. Manufacturing	825	1374	2199
3. Building and construction	18640	56596	75236
4. Trade	923	1841	2764
5. Hotels	1420	1194	2614
6. Transportation	2286	794	3080
7. Financial institutions	668	454	1122
8. Services	348	954	1302
Total	28002	64994	92996

The table shows that building and construction sector comprises the largest proportion of the labour force. Accordingly vocational training in occupations relating to the building and construction sector should be given high priority, especially as the proportion of Omani workers to total numbers of workers in this sector is the lowest of all sectors.

CHAPTER—VII

National Income

1. Gross domestic product by industrial origin

Table 17 shows estimates of gross domestic product by industrial origin valued at fixed 1976 prices. The estimates have been prepared on the following basis :—

(a) Agriculture and Fishing

The increase in value added in this sector over the five years of the Plan was estimated at 12.5 million Rials Omani. This estimate has been based on the total investment allocated for the sector amounting to 57 million Rials Omani, that is, at a capital output ratio of 4.5:1.

In this estimate account has been taken of the special nature of agriculture in Oman and the relatively long timelag between investment and output in agriculture as opposed to fishing which represents a much shorter gestation period.

(b) Petroleum and Mining

The estimated increase in value added in this sector was based on estimates of total oil production during the period of the Plan valued at the average price of a barrel in 1976 minus production costs.

The value added of natural gas and copper were based on the available detailed studies for both projects.

(c) Manufacture

The increase in value added in this sector over the period of the Plan was estimated at 23.5 million Rials Omani. This estimate has been based on the total investment allocated to the sector of 112.7 million Rials Omani, that is, at a capital output ratio of 4.8:1. In making this estimate account has been taken of the higher cost of construction in Oman. Detailed studies available for some projects such as the cement and flour mill projects were also of assistance in calculating the estimates for value added.

Table (17)
Estimates of Gross Domestic Product by industrial origin
(at 1976 prices)

Million Rial Omani

Sector	1974*	1976	1977	1978	1979	1980
Agriculture and Fisheries	17.4	18	20	22	25	30
Petroleum and Mining of which	389.0	505	487	478	471	461
—Natural gas	—	—	(1)	(3)	(4)	(5)
—Copper	—	—	—	—	(5)	(6)
Manufacturing	2.0	3	6	9	17	25
Building & Construction	58.0	76	82	64	55	49
Transportation and Communication	12.3	25	25	22	20	19
Electricity and Water	1.2	5	6	7	9	10
Internal trade	27.2	28	31	35	39	44
Banking	3.5	10	11	12	13	14
Ownership of dwellings	4.8	12	17	22	28	34
Public administration and defence	46.4	61	69	79	89	100
Services and other sectors	6.7	15	17	17	10	20
Gross Domestic Product at market prices	568.5	758	771	767	776	806
Minus net factor income remittances abroad	-86.6	-135	-136	-122	-110	-102
Gross National Product at market prices	481.9	623	635	645	666	704
Minus net indirect taxes	-2.3	5	5	6	7	8
Gross National Product at factor cost	479.6	618	630	639	659	696

* 1974 figures are the most recent estimates prepared by the International Bank for Reconstruction and Development. Estimates for 1975 have not yet been prepared.

(d) Building and Construction

Value added in this sector has been estimated at 40% of total expenditure on building and construction. The latter was estimated as shown in the following table :

Table (18)

Total estimates of Expenditure on Building and Construction

Million Rials Omani

Description	1976	1977	1978	1979	1980
1. Housing (Private sector)	25	27	29	31	33
2. Civil construction of the Ministry of Defence	40	40	20	15	10
3. 50% of the value of other investment	124	137	111	92	79
4. Total expenditure on building and construction	189	204	160	139	122
5. Value added (40% of item (4))	76	82	64	55	49

(e) Transportation and Communication

Value added in this sector has been estimated as 5% of the value of imports plus non-oil exports, plus the estimated value added of Oman Tel. Since a decline in the value of imports is anticipated it follows that the transportation of goods will also decrease; hence a decreasing value added in the transportation sector is expected.

(f) Electricity and Water

Value added in this sector was estimated on the basis of estimated production.

(g) **Internal trade**

Value added in this sector was estimated as 40% of the value of private sector consumption.

(h) **Banking**

Estimates of value added in this sector were based on studies of the volume of current activities and the probability of their growth compared to the volume of internal and external trade.

(i) **Ownership of Dwellings**

Estimates of value added in this sector were based on the volume of estimated investment in the sector amounting to 145 million Rials Omani plus the estimated value of existing houses. An increase in rents has been taken into account. Annual rents have been estimated at 20 to 25 percent of the value of dwellings.

Table (19)

Estimates of Rent of Dwellings (private sector)

million Rials Omani

Description	1974	1976	1977	1978	1979	1980
1. Rents of dwellings	4.8	12	17	22	28	34
2. Capital invested in dwellings	20	45	72	110	142	165
3. Ratio of (1) to (2)	24%	26.6%	23.6%	20%	20%	20%

Note: Estimates of rents for 1974 are taken from the national income estimates prepared by the I.B.R.D. Amounts of invested capital in that year were estimated on the basis of the level of rents. Estimates of capital to be invested during the following years represent the cumulative total of the amounts which the private sector is expected to invest during the five years of the Plan.

(j) **Public Administration and Defence**

Value added in this sector represents wages and salaries of government employees and workers.

(k) **Services and other sectors**

This sector includes tourism (hotels and restaurants) individual professions (accountants, lawyers, doctors and engineers) and other activities not included under the previous headings. Value added in this sector was taken as a residual.

(l) **Net factor income Remittances Abroad**

This item represents money transfers from Oman in the form of profits of enterprises or transfers of expatriate's savings. Estimated remitted profits of P.D.O. were based on the difference between the selling price per barrel and government receipts per barrel minus the company's share of the production costs per barrel.

Remittances of contracting firms' profits were estimated as equivalent to 15% of the value of their contracts, that is, of total government and private investment. For the remaining firms, remittances abroad were estimated at a fixed annual amount equivalent to 5 million Rials Omani.

Remittances of expatriates were calculated for 60 thousand expatriate workers in 1976 and 1977 decreasing thereafter at a rate of 5 thousand annually. Remittances per worker were estimated as an average of 600 Rials Omani per year.

The following table shows details of remittances abroad:

Table (20)

Net factor income Remittances Abroad

million Rials Omani

Description	1976	1977	1978	1979	1980
Profit of oil companies	47	44	43	41	40
Profits of contracting companies	47	51	41	34	30
Profits of other companies	5	5	5	5	5
Savings of expatriates	36	36	33	30	27
Total	135	136	122	110	102

Table 21 shows index numbers of the growth in each of the economic sectors included in the gross domestic product accounts.

Table 22 shows the relative weight for each of these sectors. The two tables reveal the following economic features :

1. Sectors which will realize the largest growth of value added (in million Rials Omani) are :

Description	1976	1980	increase
Public administration and defence	61	100	+39
Manufacturing	3	25	+22
Ownership of dwellings	12	34	+22
Internal trade	28	44	+16
Agriculture and Fisheries	18	30	+12

2. Sectors which will realize the highest rates of relative growth (percentages) are :

Description	1976	1980	increase
Manufacturing	100	833.3	+733.3%
Ownership of dwellings	100	283.3	+183.3%
Electricity and water	100	200.0	+100.0%
Agriculture and Fisheries	100	166.7	+66.7%
Public Administration and defence	100	163.9	+63.9%
Internal trade	100	157.4	+57.4%
Banking	100	140.0	+40.0%
Services and other sectors	100	133.3	+33.3%

3. Sectors which will realize the largest decreases in value added (million Rials Omani) are :

Description	1976	1980	decrease
Petroleum and Mining	505	461	-44
Building and Construction	76	49	-27
Transportation and Communication	25	19	-6

4. Sectors which will realize the largest relative decreases (percentages) are :

Description	1976	1980	decrease
Building and Construction	100	64.5	-35.5%
Transportation and Communication	100	76.0	-24.0%
Petroleum and Mining	100	91.3	-8.7%

5. Major sectors whose relative importance in the formation of gross domestic product will increase are : public administration and defence, manufacturing, agriculture and fisheries, internal trade, electricity and water and ownership of dwellings.

6. Major sectors whose relative importance in the formation of gross domestic product will decrease are : petroleum and mining, building and construction and transportation and communication.

Table (21)

Indices of Gross Domestic Product by industrial origin

Percentages

Description	1976	1977	1978	1979	1980
Agriculture and Fisheries	100	111.1	122.2	138.9	166.7
Petroleum and Mining	100	96.4	94.7	93.3	91.3
Manufacturing	100	200.0	300.0	566.7	833.3
Building and Construction	100	107.9	84.2	72.4	64.5
Transportation and communication	100	100.0	88.0	80.0	76.0
Electricity and water	100	120.0	140.0	180.0	200.0
Internal trade	100	110.7	125.0	129.3	157.4
Banking	100	110.0	120.0	130.0	140.0
Ownership of dwellings	100	141.7	183.3	233.3	283.3
Public administration and defence	100	113.1	129.5	145.9	163.9
Services and other sectors	100	113.3	113.3	66.7	133.3
Gross Domestic Product at market prices	100	101.7	101.3	102.4	106.3
Gross National Product at market prices	100	101.9	103.5	106.9	113.0
Gross National Product at factor cost	100	101.9	103.4	106.6	112.6

Table (22)

Percentage Distribution of Gross Domestic Product by Industrial origin

Description	Percentages				
	1976	1977	1978	1979	1980
Agriculture and Fisheries	2.4	2.6	2.9	3.2	3.7
Petroleum and Mining	66.6	63.2	62.3	60.7	57.2
Manufacturing	0.4	0.8	2.2	2.2	3.1
Building and Construction	10.0	10.6	1.2	7.1	6.1
Transportation and communication	3.3	3.2	8.3	2.6	2.4
Electricity and water	0.7	0.8	2.9	1.2	1.2
Internal trade	3.7	4.0	0.9	5.0	5.5
Banking	1.3	1.4	4.5	1.7	1.7
Ownership of dwellings	1.6	2.2	1.6	3.6	4.2
Public administration and defence	8.0	9.0	2.9	11.4	12.4
Services and other sectors	2.0	2.2	10.3	1.3	2.5
Gross Domestic Product at market prices	100.0	100.0	100.0	100.0	100.0

2. Estimates of the Resources and Uses of Gross Domestic Product

Estimates of the resources and uses of gross domestic product valued at fixed 1976 prices are presented in table 23. The estimates have been calculated on the following basis:

(a) Government consumption

Government consumption comprises total civil recurrent expenditure and total general reserves allocated to meet the probable increase in government consumption plus expenditure on defence and national security (minus the cost of construction of a civil nature).

	1976	1977	1978	1979	1980
Civil recurrent expenditure	103	115	129	145	163
General reserve	—	4	10	14	19
Expenditure on defence and national security	275	219	179	154	144
Minus construction of a civil nature	—40	—40	—20	—15	—10
Minus financial allotment of previous contracts	—23	—	—	—	—
Total government consumption	315	298	298	298	316

(b) Private sector Consumption

Owing to the lack of sufficient statistical data on private sector consumption the I.B.R.D. estimates for 1974 (49.6 million Rials Omani) were taken as a base for calculating the 1975 private sector consumption. It was estimated at 61.4 million Rials Omani calculated on the assumption of an annual rate of increase of 12.5% and a price increase of 10% over the 1974 level.

An annual rate of increase of 12.5% at fixed prices was assumed for successive years.

(c) Exports

Exports have been estimated on the basis of estimated oil production valued at the average export prices in 1976, plus estimates of non-oil

exports plus estimated copper exports with effect from 1979. Accordingly, export estimates (in million Rials Omani) are as follows:

	1976	1977	1978	1979	1980
Crude oil	525.2	511.5	499.5	487.0	475.0
Copper	—	—	—	6.0	8.0
Other exports	1.1	1.1	1.7	3.3	4.0
Total	526.3	512.6	501.2	496.3	487.0

(d) Imports

Estimates of imports of goods and services were calculated as a proportion of total investment and total consumption. This proportion was assumed to gradually decrease annually as shown in the following table:

	1976	1977	1978	1979	1980
1. Total investment	314	341	271	229	201
2. of which proportion of imports	80%	75%	70%	68%	60%
3. Value of imports of capital goods	251	256	190	155	121
4. Total consumption	384	376	386	396	426
5. of which proportion of imports	56%	54%	52%	48%	44%
6. Value of imports of consumer goods	215	203	201	190	187
7. Total imports (3+6)	466	459	391	345	308

In assuming a decreasing propensity to import capital goods account has been taken of the construction of the cement factory, the oil refinery and other industries which will satisfy local demand.

In assuming a decreasing rate of propensity to import consumer goods account has been taken of the expected increase in agricultural produce, industrial produce and fishing. Table 24 shows index numbers of the resources and uses of gross domestic product and table 25 shows the relative weights.

Table (23)

Estimates of the resources and uses of Gross Domestic Product (at fixed 1976 prices)

million Rials Omani

Description	1974*	1976	1977	1978	1979	1980
Total consumption , of which	246.8	384	376	386	396	426
private sector	(49.6)	(69)	(78)	(88)	(98)	(110)
government	(197.2)	(315)	(298)	(298)	(298)	(316)
Total investment , of which	174.1	314	341	271	229	201
private sector	(31.3)	(58)	(86)	(87)	(94)	(95)
government	(142.8)	(256)	(255)	(184)	(135)	(106)
Net exports of goods, and services of which	147.6	60	54	110	151	179
exports	(393.2)	(526)	(513)	(501)	(496)	(487)
imports	(245.6)	(466)	(459)	(391)	(345)	(308)
Gross Domestic Product at market prices	568.5	758	771	767	776	806
Minus factor income remittances abroad	-86.6	-135	-136	-122	-110	-102
Gross National Product at market prices	481.9	623	635	645	666	704
Minus net indirect taxes	-2.3	- 5	- 5	- 6	- 7	- 8
Gross National Product at factor cost	479.6	618	630	639	659	696

* 1974 figures are the latest estimates prepared by the International Bank for Reconstruction and Development. No estimates have been prepared as yet for 1975.

Table (24)
Index Numbers of the estimates of the resources and Uses of Gross Domestic Product

Description	Percentages				
	1976	1977	1978	1979	1980
Total consumption, of which	100	97.9	100.5	103.1	110.9
private sector	100	113.0	127.5	142.0	159.4
government	100	94.6	94.6	94.6	100.3
Total investment, of which	100	108.6	86.3	72.9	64.0
private sector	100	148.3	150.0	162.1	163.8
government	100	99.6	71.9	52.7	41.4
Net export of goods and services					
of which	100	90.0	183.3	251.7	298.3
exports	100	97.5	95.2	94.3	92.6
imports	100	98.5	83.9	74.0	66.1
Gross Domestic Product at market prices	100	101.7	101.3	102.3	106.3

Table (25)
Percentage Distribution of the estimates of the resources and Uses of Gross Domestic Product

Description	Percentages				
	1976	1977	1978	1979	1980
Total consumption, of which	50.7	48.8	50.4	51.0	52.9
private sector	(9.1)	(10.1)	(11.5)	(12.6)	(13.7)
government	(41.6)	(38.7)	(38.8)	(38.4)	(39.2)
Total investment, of which	41.4	44.2	35.3	29.5	24.9
private sector	(7.7)	(11.2)	(11.3)	(12.1)	(11.8)
government	(33.8)	(33.0)	(24.0)	(17.4)	(13.1)
Net exports of goods and services	7.9	7.0	14.3	19.5	22.2
Gross Domestic Product at market prices	100	100	100	100	100

The above table reveals the following economic features :

- (1) Total consumption will increase by about 11% only at the end of the 5-year period. Private sector consumption will increase by about 59.4% while government consumption will remain more or less stable.
- (2) Total investment will decrease by about 36% by the end of the period. The decrease in total investment is the net result of the increase in private sector investment of about 63.8% and the decrease in that of the government of about 58.6%.
- (3) Total consumption forms 50.7% of gross domestic product in 1976 compared to 52.9% in 1980.
- (4) Total investment forms 41.4% of gross domestic product in 1976 compared to 24.9% in 1980.

3. Balance of Payments

The following table shows balance of payments estimates calculated on the basis of the estimates explained in the previous two sections of this chapter.

Table (26)

Balance of Payments Estimates

Description	million Rials Omani				
	1976	1977	1978	1979	1980
A — Goods and Services					
exports	526	513	501	496	487
imports	-466	-459	-391	-345	-308
Surplus (+) or deficit (-)	+ 60	+ 54	+110	+151	+179
B — Net factor income remittances abroad	-135	-136	-132	-110	-102
C — Current surplus or deficit	- 75	- 82	- 12	+ 41	+ 77
D — Capital transactions					
grants and loans	+155	+136	+ 66	+ 28	+ 19
repayment of loans	- 44	- 53	- 47	- 51	- 47
Net capital transactions	+111	+ 83	19	- 23	- 28
E — Overall surplus or deficit	+ 36	+ 1	+ 7	+ 18	+ 49

Appendix (A)

Detailed tables of government investment projects, by ministries, sectors and geographical region — valued in million Rials Omani

Geographical distribution is as follows :

Capital : means all Capital area

Southern : means Southern Region

Interior : means remaining regions of the Sultanate

(Table 27)

Government capital expenditure distributed by Ministries

Description	1976	1977	1978	1979	1980	Total
Diwan of Protocol	5.9	1.3	—	—	—	7.2
Diwan Affairs	3.9	1.1	—	—	—	5.0
Directorate General of Finance	9.8	0.9	—	—	—	10.7
Foreign Affairs	0.2	1.0	0.5	0.5	0.5	2.7
Justice	0.2	0.3	0.3	0.3	0.3	1.4
Awqaf and Islamic Affairs	0.2	0.3	0.3	0.3	0.3	1.4
Communication	126.7	123.4	64.1	44.2	30.0	388.4
Health	9.4	6.5	6.0	6.0	6.0	33.9
Public Works	5.2	0.3	0.3	0.3	0.3	6.4
Youth Affairs	0.3	0.5	0.5	0.5	0.5	2.3
Dhofar Region	5.7	10.0	10.0	1.0	1.0	27.7
Land affairs and Municipalities	0.9	0.5	0.5	0.5	0.5	2.9
Ministry of Interior	0.9	0.5	0.5	0.5	0.5	2.9
Information and Culture	4.7	0.5	0.5	0.5	0.5	6.7
Education	5.5	7.5	7.0	7.0	7.0	34.0
Social affairs and Labour	4.1	4.5	4.5	4.5	4.5	22.1
Commerce and Industry	1.1	5.0	5.0	10.0	15.0	36.1
National Heritage	—	0.5	0.3	0.3	0.3	1.4
Agriculture, Fisheries Petroleum and Minerals	25.4	45.8	59.5	39.5	24.5	194.7
Defence *	40.0	40.0	20.0	15.0	10.0	125.0
Participation with private sector in development, projects	5.5	4.3	4.0	4.0	4.0	21.8
Total	255.6	254.7	183.8	134.9	105.7	934.7

*estimates of construction works of all civil nature undertaken by the Ministry of Defence

Table (28)

Development projects - Diwan of Protocol

Description	Region	1976	1977	1978	1979	1980	Total
General Administration Sector							
1. Buildings	Capital	5.80	1.20	—	—	—	7.00
Port Sector							
2. Al Khor Port quay	Capital	0.10	0.10	—	—	—	0.20
Total	Capital	5.90	1.30	—	—	—	7.20

Table (29)

Development projects - Ministry of Diwan Affairs

Description	Region	1976	1977	1978	1979	1980	Total
General Administration Sector							
1. General Buildings	Capital	0.20	0.42	—	—	—	0.62
2. Aeroplane	Capital	2.00	—	—	—	—	2.00
3. Public cementry	Capital	0.04	—	—	—	—	0.04
4. Communication Equipments	Capital	0.15	—	—	—	—	0.15
Housing Sector							
5. Houses for Ministers	Capital	0.06	0.04	—	—	—	0.10
Civil works and development sector							
6. Qaboos public park	Capital	0.03	—	—	—	—	0.03
7. Repairs to buildings	Capital	0.01	—	—	—	—	0.01
8. Guest house for Ministry of Foreign Affairs	Capital	1.21	0.60	—	—	—	1.81
9. Guest house for Ministry of Diwan Affairs	Capital	0.04	—	—	—	—	0.04
10. Construction of two markets	Interior	0.08	—	—	—	—	0.08
11. Repairs to Sohar Fort	Interior	0.06	—	—	—	—	0.06
12. Repairs to Bid bid Fort	Interior	0.02	—	—	—	—	0.02
Cultural affairs sector							
13. Construction of Sohar Mosque	Interior	0.01	—	—	—	—	0.01
Total		3.91	1.06	—	—	—	4.97
of which	Capital	3.74	1.06	—	—	—	4.80
	Interior	0.17	—	—	—	—	0.17
	Southern						

Table (30)

Development projects - Directorate General of Finance

Description	Region	1976	1977	1978	1979	1980	Total
Health Sector							
1. Al-Nahdha Hospital	Capital	0.07	—	—	—	—	0.07
Housing Sector							
2. Medinat Qaboos Houses	Capital	0.43	—	—	—	—	0.43
General Administration Sector							
3. Construction of Watayah complex	Capital	0.01	—	—	—	—	0.01
4. Government building in Muscat	Capital	3.90	0.30	—	—	—	4.20
5. Bait Al-Barakat	Capital	5.40	0.60	—	—	—	6.00
Total	Capital	9.81	0.9	—	—	—	10.71

Table (31)

Development projects - Ministry of Foreign Affairs

Description	Region	1976	1977	1978	1979	1980	Total
General Administration Sector							
1. Building of Oman Embassy in Jordan		0.10	—	—	—	—	0.10
2. Communication building	Capital	0.02	—	—	—	—	0.02
3. Residence of Consul General in Bombay		0.08	—	—	—	—	0.08
4. Other projects	Capital	—	1.00	0.50	0.50	0.50	2.50
Total	Capital	0.20	1.00	0.50	0.50	0.50	2.70

Table (32)

Development projects - Ministry of Justice

Description	Region	1976	1977	1978	1979	1980	Total
Housing Sector							
1. Houses for Judges	Interior	0.20	0.10	0.10	0.10	0.10	0.60
General Administration Sector							
2. Administration buildings	Interior	—	0.20	0.20	0.20	0.20	0.80
Total	Interior	0.20	0.30	0.30	0.30	0.30	1.40

Table (33)

Development Projects - Ministry of Awqaf and Islamic Affairs

Description	Region	1976	1977	1978	1979	1980	Total
Cultural Affairs Sector							
1. Construction of mosques	Capital	0.06	0.01	—	—	—	0.07
2. Constructnon of mosques	Interior	0.12	0.30	—	—	—	0.42
3. Other projects in capital area	Capital	—	—	0.10	0.10	0.10	0.30
4. Other projects in Interior	Interior	—	—	0.10	0.10	0.10	0.30
5. Projects in Southern region	Southern	—	—	0.10	0.10	0.10	0.30
Total		0.18	0.31	0.30	0.30	0.30	1.39
Of which	Capital	0.06	0.01	0.10	0.10	0.10	0.37
	Interior	0.12	0.30	0.10	0.10	0.10	0.72
	Southern	—	—	0.10	0.10	0.10	0.30

Table (34)
Development Projects - Ministry of Communication

Description	Region	1976	1977	1978	1979	1980	Total
Roads Sector							
1. The new Muscat Mutrah road	Capital	6.30	6.30	—	—	—	12.60
2. Ruwi-Seeb dual carriage way	Capital	1.30	1.40	—	—	—	2.70
3. Ruwi-Bustan Road	Capital	0.90	0.30	—	—	—	1.20
4. Qurm Road	Capital	0.80	0.10	—	—	—	0.90
5. Repair of old Muscat-Mutrah Road	Capital	0.20	—	—	—	—	0.20
6. Lighting of Muscat-Mutrah Road	Capital	0.30	0.01	—	—	—	0.31
7. Khowair area roads	Capital	—	1.40	—	—	—	1.40
8. Road surveys	Capital	0.01	0.02	—	—	—	0.03
9. Seeb-Nizwa road	Interior	1.80	—	—	—	—	1.80
10. Musnaa-Rostaq road	Interior	1.70	0.10	—	—	—	1.80
11. Bidbid-Sur road	Interior	28.30	13.40	—	—	—	41.70
12. Mutrah-Quriyat road	Interior	4.50	8.00	7.50	6.00	—	26.00
13. Internal roads studies	Interior	0.40	—	—	—	—	0.40
14. Compensation payments	Interior	2.10	—	—	—	—	2.10
15. New Roads	Interior	—	—	—	5.00	13.50	18.50
16. Salalah-Midway road	Southern	2.10	0.10	—	—	—	2.20
17. Salalah-Taqa road	Southern	0.60	—	—	—	—	0.60
18. Mountain roads	Southern	—	20.00	20.00	5.00	2.50	47.50
Total roads		51.31	51.13	27.50	16.00	16.00	161.94
of which	Capital	9.81	9.53	—	—	—	19.34
	Interior	38.80	21.50	7.50	11.00	13.50	92.30
	Southern	2.70	20.10	20.00	5.00	2.50	50.30

Table 34 - Continued
Development Projects - Ministry of Communication

Description	Region	1976	1977	1978	1979	1980	Total
Ports Sector							
1. Grain Silos	Capital	1.50	0.30	—	—	—	1.80
2. Port Qaboos	Capital	0.50	—	—	—	—	0.50
3. Consultancy fees, Port Qaboos	Capital	0.01	—	—	—	—	0.01
4. Extension works-Port Qaboos	Capital	—	1.00	2.00	—	—	3.00
5. Study of constructing a quay in Khasab	Interior	0.10	—	—	—	—	0.10
6. Extension Works, Sur Port	Interior	0.10	0.50	0.50	—	—	1.10
7. Extension works, Sohar Port	Interior	—	1.00	1.50	—	—	2.50
8. Extension works, Raysut Port	Southern	7.50	10.50	11.50	3.50	—	33.00
Total Ports of which	Capital	9.71	13.30	15.50	3.50	—	42.01
	Interior	2.01	1.30	2.00	—	—	5.31
	Southern	0.20	1.50	2.00	—	—	3.70
		7.50	10.50	11.50	3.50	—	33.00
Air Ports Sector							
1. Extension of runways at Seeb airport	Capital	0.02	—	—	—	—	0.02
2. Fire Extinguishers for Seeb airport	Capital	0.40	—	—	—	—	0.40
3. Extension works, Seeb airport	Capital	0.10	1.00	2.00	—	—	3.10
4. Works in loading yard, Seeb	Capital	0.20	0.10	—	—	—	0.30
5. Equipment for Seeb airport	Capital	0.10	—	—	—	—	0.10
6. Observation Equipment for Seeb airport	Capital	1.40	4.20	—	—	—	5.60

Table (34)- Continued
Development Projects - Ministry of Communications

Description	Region	1976	1977	1978	1979	1980	Total
7. Civil aviation Building	Capital	0.03	—	—	—	—	0.03
8. Salalah airport scheme	Southern	4.00	2.00	—	—	—	6.00
9. Salalah airport building	Southern	—	1.00	1.00	1.00	—	3.00
Total airport sector		6.25	8.30	3.00	1.00	—	18.55
Of which	Capital	2.25	5.30	2.00	—	—	9.55
	Interior	—	—	—	—	—	—
	Southern	4.00	3.00	1.00	1.00	—	9.00
Posts and telecommunication Sector							
1. The new telephone building	Capital	1.70	—	—	—	—	1.70
2. Telecommunication building	Capital	0.03	—	—	—	—	0.03
3. Consultancy fees for telephone	Capital	0.20	—	—	—	—	0.20
4. Telephone exchange equipment	Capital	0.10	—	—	—	—	0.10
5. Post office building at Ruwi	Capital	0.05	—	—	—	—	0.05
6. Cost of cable and wireless equipment	Capital	1.30	—	—	—	—	1.30
7. Connection of microwave to the telephone building	Capital	0.10	—	—	—	—	0.10
8. Mobile Satellite station	Capital	0.03	—	—	—	—	0.03
9. Extension of telephone lines	Capital	—	0.50	0.70	1.00	0.80	3.00

Table (34)- Continued
Development Projects - Ministry of Communication

Description	Region	1976	1977	1978	1979	1980	Total
10. Satellite station	Interior	0.50	—	—	—	—	0.50
11. Post office buildings	Interior	—	0.20	0.60	0.60	—	1.40
12. Mobile post Offices	Interior	—	0.10	0.30	0.10	—	0.50
13. Telephone lines to Musandam	Interior	—	0.30	0.10	—	—	0.40
14. Extension of telephone lines	Interior	—	0.50	0.80	1.00	0.70	3.00
15. Telephone exchange building in Taqa	Southern	0.02	—	—	—	—	0.02
16. Post office building at Salalah	Southern	—	0.10	—	—	—	0.10
Total posts and telecommunication		4.03	1.70	2.50	2.70	1.50	12.43
of which	Capital	3.51	0.50	0.70	1.00	0.80	6.51
	Interior	0.50	1.10	1.80	1.70	0.70	5.80
	Southern	0.02	0.10	—	—	—	0.12
Electricity and water Sector							
1. Ghubra Power Station	Capital	20.00	19.00	—	—	—	39.00
2. Consultancy fees of Ghubra Power Station	Capital	0.20	0.20	—	—	—	0.40
3. Water wells and reservoir for low-cost houses	Capital	0.60	—	—	—	—	0.60
4. B. P. Stocks	Capital	0.04	—	—	—	—	0.04
5. Buildings of Electricity Department in Riyam and Ruwi	Capital	0.02	—	—	—	—	0.02

Table (34) - Continued
Development Projects -Ministry of Communication

Description	Region	1976	1977	1978	1979	1980	Total
6. Workshop for generation Sector	Capital	0.04	—	—	—	—	0.04
7. Water pipe lines in Alkhowair	Capital	1.00	—	—	—	—	1.00
8. Electricity connection in Medinat Qaboos	Capital	0.50	—	—	—	—	0.50
9. New Electricity supply projects	Capital	3.00	3.50	4.00	10.50	7.00	28.00
10. Extension of water supply pipelines in the Capital	Capital	—	0.50	3.00	4.00	—	7.50
11. Electricity connections to 19 villages	Interior	10.10	4.70	0.30	—	—	15.10
12. Desalination Plant in Masirah	Interior	1.00	—	—	—	—	1.00
13. Consultancy fees of supplying electricity to 7 villages	Interior	0.10	—	—	—	—	0.10
14. Raising the capacity of high-voltage lines	Interior	1.70	—	—	—	—	1.70
15. Civil works for the 19 villages electricity connections	Interior	1.60	1.30	—	—	—	2.90
16. Water supply to Musandam villages	Interior	3.00	5.10	—	—	—	8.10
17. Water supply to Sohar	Interior	—	0.40	—	—	—	0.40
18. Water supply to Nizwa	Interior	—	0.50	—	—	—	0.50
19. Water supply extensions for towns and villages	Interior	—	1.00	1.00	1.00	0.50	3.50
20. Electricity supply for Salalah	Southern	0.40	—	—	—	—	0.40
21. Generator for Salalah	Southern	0.30	—	—	—	—	0.30

Table (34) - Continued
Development Projects -Ministry of Communication

Description	Region	1976	1977	1978	1979	1980	Total
22. New water supply projects	Southern	—	1.50	2.00	1.50	1.00	6.00
23. New electricity supply projects	Southern	—	2.00	1.00	1.00	1.00	5.00
Total electricity and water		43.60	39.70	11.30	18.00	9.50	122.10
Of which	Capital	25.40	23.20	7.00	14.50	7.00	77.10
	Interior	17.50	13.00	1.30	1.00	0.50	33.30
	Southern	0.70	3.50	3.00	2.50	2.00	11.70
Housing Sector							
1. Residential houses for Oman Tel.	Capital	1.80	—	—	—	—	1.80
2. Studies of low cost houses at Ineit		0.01	—	—	—	—	0.01
3. Apartments for Housing Department	Capital	0.30	—	—	—	1.00	1.30
4. Houses for soldiers in Riyam and complex for ministries	Capital	0.04	—	—	—	—	0.04
Total	Capital	2.15	—	—	—	1.00	3.15

Table (34) Continued

Development Projects - Ministry of Communication

Description	Region	1976	1977	1978	1979	1980	Total
Civil Works Sector							
1. Greater Mutrah Project	Capital	4.80	4.30	—	—	—	9.10
2. Offices for Greater Mutrah District	Capital	0.02	—	—	—	—	0.02
3. Works in Greater Mutrah	Capital	0.02	—	—	—	—	0.02
4. Sewage system	Capital	—	1.00	1.00	1.00	1.00	4.00
5. Services in Kowair Area	Capital	—	—	1.30	2.00	1.00	4.30
6. Services in Qurm area	Capital	—	1.00	2.00	—	—	3.00
Total	Capital	4.84	6.30	4.30	3.00	2.00	20.44
Tourism Sector							
1. Intercontinental Hotel	Capital	4.80	3.00	—	—	—	7.80
Total Ministry of communication		126.69	123.43	64.10	44.20	30.00	388.42
Of which	Capital	54.77	49.13	16.00	18.50	10.80	149.20
	Interior	57.00	37.10	12.60	13.70	14.70	135.10
	Southern	14.92	37.20	35.50	12.00	4.50	104.12

Table (35)

Development projects - Ministry of Health

Description	Region	1976	1977	1978	1979	1980	Total
Health Sector							
1. Surveying costs	Capital	0.04	—	—	—	—	0.04
2. Khoula Maternity Hospital	Capital	0.20	—	—	—	—	0.20
3. Building for the Ministry	Capital	0.70	0.10	—	—	—	0.80
4. Central Medical Stores	Capital	0.10	—	—	—	—	0.10
5. Extension Al-Nadha Hospital	Capital	1.50	0.10	—	—	—	1.60
6. Malaria control programme	Capital	0.10	—	—	—	—	0.10
7. Maintenance Dept.	Capital	0.10	—	—	—	—	0.10
8. Completion of various projects	Capital	0.50	—	—	—	—	0.50
9. New projects and extensions	Capital	—	1.60	2.40	2.40	2.40	8.80
10. Medical complex, Masirah	Interior	1.30	0.20	—	—	—	1.50
11. Rural clinics	Interior	0.02	—	—	—	—	0.02
12. New projects and extensions	Interior	—	1.40	2.10	2.10	2.10	7.70
13. Salalah hospital	Southern	4.80	2.10	—	—	—	6.90
14. New projects and extensions	Southern	—	1.00	1.50	1.50	1.50	5.50
Total Health Sector		9.36	6.50	6.00	6.00	6.00	33.86
of which	Capital	3.24	1.80	2.40	2.40	2.40	12.24
	Interior	1.32	1.60	2.10	2.10	2.10	9.22
	Southern	4.80	3.10	1.50	1.50	1.50	12.40

Table 35—Continued
Development projects - Ministry of Health

Description	Region	1976	1977	1978	1979	1980	Total
Housing Sector							
15. Houses in Watayah	Capital	0.01	—	—	—	—	0.01
16. Houses for Doctors	Interior	0.05	—	—	—	—	0.05
Total Housing Sector		0.06	—	—	—	—	0.06
of which	Capital	0.01	—	—	—	—	0.01
	Interior	0.05	—	—	—	—	0.05
Total Ministry of Health		9.42	6.50	6.00	6.00	6.00	33.92
of which	Capital	3.25	1.80	2.40	2.40	2.40	12.25
	Interior	1.37	1.60	2.10	2.10	2.10	9.27
	Southern	4.80	3.10	1.50	1.50	1.50	12.40

Table (36)
Development projects - Ministry of Public Works

Description	Region	1976	1977	1978	1979	1980	Total
General Administration Sector							
1. Water fountains	Capital	0.10	—	—	—	—	0.10
2. Ministry building	Capital	0.01	—	—	—	—	0.01
3. Other projects	Capital	—	0.05	0.30	0.30	0.30	0.95
Total General Administration	Capital	0.11	0.05	0.30	0.30	0.30	1.06
Agriculture and Irrigation sector							
4. construction of 3 bridges	Interior	0.45	0.05	—	—	—	0.50
5. Construction of a dam at Tiwi	Interior	0.10	—	—	—	—	0.10
Total agriculture and irrigation	Interior	0.55	0.05	—	—	—	0.60
Cultural affairs Sector							
6. Greater Mutrah Mosque	Capital	0.50	0.10	—	—	—	0.60
7. Fees for design of mosque and supervision	Capital	0.10	—	—	—	—	0.10
8. Mosque at Nizwa	Interior	0.90	0.10	—	—	—	1.00
Total cultural affairs of which	Capital	1.50	0.20	—	—	—	1.70
	Interior	0.60	0.10	—	—	—	0.70
	Interior	0.90	0.10	—	—	—	1.00
Tourism Sector							
9. Hotel in Salalah	Southern	3.00	—	—	—	—	3.00
Total Tourism Sector	Southern	3.00	—	—	—	—	3.00
Total Ministry of Public Works of which		5.16	0.30	0.30	0.30	0.30	6.36
	Capital	0.71	0.15	0.30	0.30	0.30	1.76
	Interior	1.45	0.15	—	—	—	1.60
	Southern	3.00	—	—	—	—	3.00

Table (37)

Development projects - Ministry of Youth Affairs

Description	Region	1976	1977	1978	1979	1980	Total
Social Affairs Sector							
1. Planning for a Stadium	Capital	0.09	—	—	—	—	0.09
2. Construction of Sports Clubs	Capital	0.08	0.02	—	—	—	0.10
3. Consultants charges	Capital	0.01	—	—	—	—	0.01
4. New projects and extensions	Capital	—	0.20	0.20	0.20	0.20	0.80
5. Construction of Sports Club	Interior	0.11	—	—	—	—	0.11
6. New projects and extensions	Interior	—	0.20	0.20	0.20	0.20	0.80
7. Construction of Sports Clubs Salalah	Southern	0.01	—	—	—	—	0.01
8. New projects and extensions	Southern	—	0.10	0.10	0.10	0.10	0.40
Total of Ministry of Youth Affairs of which		0.30	0.52	0.50	0.50	0.50	2.32
	Capital	0.18	0.22	0.20	0.20	0.20	1.00
	Interior	0.11	0.20	0.20	0.20	0.20	0.91
	Southern	0.01	0.10	0.10	0.10	0.10	0.41

Table (38)

Development Projects - Ministry of State, Dhofar Region

Description	Region	1976	1977	1978	1979	1980	Total
Housing Sector							
1. Houses for army troops	Southern	0.05	—	—	—	—	0.05
2. Houses for employees	Southern	0.50	—	—	—	—	0.50
3. Bachelor quarters and a house for the Wali	Southern	1.10	—	—	—	—	1.10
Total Housing	Southern	1.65	—	—	—	—	1.65
Electricity and Water Sector							
4. Water supply	Southern	0.04	—	—	—	—	0.04
5. Sinking of wells	Southern	1.00	—	—	—	—	1.00
Total electricity and water	Southern	1.04	—	—	—	—	1.04
Road Sector							
6. Extension of roads	Southern	0.50	—	—	—	—	0.50
Total roads	Southern	0.50	—	—	—	—	0.50
Civil Works and repair sector							
7. Survey Work	Southern	0.02	—	—	—	—	0.02
8. Payments to consultants	Southern	0.50	—	—	—	—	0.50
9. Garage and work-shop	Southern	0.04	—	—	—	—	0.04
10. Stores	Southern	0.01	—	—	—	—	0.01
11. Slaughter House	Southern	0.02	—	—	—	—	0.02
Total civil works	Southern	0.59	—	—	—	—	0.59
General administration Sector							
12. Administration buildings	Southern	0.35	—	—	—	—	0.35
Total general administration	Southern	0.35	—	—	—	—	0.35

Table (38) - Continued

Development Projects - Ministry of State, Dhofar Region

Description	Region	1976	1977	1978	1979	1980	Total
Tourism Sector							
13. Hotel annex	Southern	0.04	—	—	—	—	0.04
Total tourism Sector	Southern	0.04	—	—	—	—	0.04
Cultural affairs Sector							
14. Broadcasting studios	Southern	1.30	—	—	—	—	1.30
Total cultural affairs	Southern	1.30	—	—	—	—	1.30
Social affairs Sector							
15. Social and administrative centres	Southern	—	10.00	10.00	1.00	1.00	22.00
Total Social affairs	Southern	—	10.00	10.00	1.00	1.00	22.00
Agriculture and irrigation Sector							
16. Irrigation - first and second phase	Southern	0.14	—	—	—	—	0.14
17. Farm - first and second phase	Southern	0.13	—	—	—	—	0.13
Total agriculture and irrigation	Southern	0.27	—	—	—	—	0.27
Total-Ministry of State, Dhofar Region	Southern	5.74	10.00	10.00	1.00	1.00	27.74

Table (39)

Development Projects - Ministry of Land Affairs and Municipalities

Description	Region	1976	1977	1978	1979	1980	Total
Civil Work Sector							
1. Various advisory works and studies	Capital	0.04	—	—	—	—	0.04
2. Survey work of Qurum and Madinat Qaboos	Capital	0.20	0.10	0.10	0.10	0.10	0.60
3. Surveying of Wadi Khuwair up to Wadi Manoon	Capital	0.03	—	—	—	—	0.03
4. Municipal workshop	Capital	0.01	—	—	—	—	0.01
5. Other Projects	Capital	0.25	0.20	0.20	0.20	0.20	1.05
6. Consultants fees for Sohar town Planning	Interior	0.04	—	—	—	—	0.04
7. Town Planning of Sur Region	Interior	0.02	—	—	—	—	0.02
8. Other Projects	Interior	—	0.20	0.20	0.20	0.20	0.80
Total Civil Work Sector		0.59	0.50	0.50	0.50	0.50	2.59
Of which	Capital	0.53	0.30	0.30	0.30	0.30	1.73
	Interior	0.06	0.20	0.20	0.20	0.20	0.86
Housing Sector							
9. Housing Units	Capital	0.30	0.03	—	—	—	0.33
Total Housing Sector	Capital	0.30	0.03	—	—	—	0.33
Total Ministry of Land Affairs and Municipalities		0.89	0.53	0.50	0.50	0.50	2.92
Of which	Capital	0.83	0.33	0.30	0.30	0.30	2.06
	Interior	0.06	0.20	0.20	0.20	0.20	0.86

Table (40)

Development projects - Ministry of Interior

Description	Region	1976	1977	1978	1979	1980	Total
Housing Sector							
1. Houses for Walis and deputy Walis	Interior	0.28	0.03	—	—	—	0.31
2. New housing project	Interior	—	0.30	0.30	0.30	0.30	1.20
Total	Interior	0.28	0.33	0.30	0.30	0.30	1.51
Civil Work Sector							
3. Sohar Market place	Interior	0.10	—	—	—	—	0.10
4. Repairs to fort and sinking of wells	Interior	0.01	—	—	—	—	0.01
5. Other new projects	Interior	—	0.10	0.10	0.10	0.10	0.40
Total Civil Work	Interior	0.11	0.10	0.10	0.10	0.10	0.51
General administration Sector							
6. Construction of a tribal centre	Interior	0.50	—	—	—	—	0.50
7. Other new projects	Interior	—	0.10	0.10	0.10	0.10	0.40
Total General Administration	Interior	0.50	0.10	0.10	0.10	0.10	0.90
Total Ministry of Interior	Interior	0.89	0.53	0.50	0.50	0.50	2.92

Table (41)

Development projects - Ministry of Information and Culture

Description	Region	1976	1977	1978	1979	1980	Total
Cultural Affairs Sector							
1. Central airconditioning of Broad-casting station	Capital	0.01	—	—	—	—	0.01
2. Muscat T.V.	Capital	1.30	—	—	—	—	1.30
3. Consultancy fees	Capital	0.10	—	—	—	—	0.10
4. Store for the government printing press	Capital	0.01	—	—	—	—	0.01
5. Extensions and new projects	Capital	—	0.20	0.20	0.20	0.20	0.80
6. Salalah T.V.	Southern	2.80	—	—	—	—	2.80
7. Equipment for Salalah broadcasting station	Southern	0.10	—	—	—	—	0.10
8. Other projects	Southern	—	0.05	0.15	0.15	0.15	0.50
Total Cultural Affairs		4.32	0.25	0.35	0.35	0.35	5.62
Of which	Capital	1.42	0.20	0.20	0.20	0.20	2.22
	Southern	2.90	0.05	0.15	0.15	0.15	3.40
Housing Sector							
9. Qurum houses	Capital	0.01	—	—	—	—	0.01
10. T.V. experts quarters	Capital	0.30	0.10	—	—	—	0.40
11. Seeb appartments	Capital	0.03	—	—	—	—	0.03
12. Housing projects	Capital	—	0.10	0.10	0.10	0.10	0.40
13. Housing projects in Salalah	Southern	—	0.05	0.05	0.05	0.05	0.20
Total Housing		0.34	0.25	0.15	0.15	0.15	1.04
Of which	Capital	0.34	0.20	0.10	0.10	0.10	0.84
	Southern	—	0.05	0.05	0.05	0.05	0.20

Table 41—Continued

Development projects - Ministry of Information and Culture

Road Sector

14. Road to Radio Station	Capital	0.01	—	—	—	—	0.01
Total Road Sector	Capital	0.01	—	—	—	—	0.01
Total Ministry of Information and Culture		4.67	0.50	0.50	0.50	0.50	6.67
Of which	Capital	1.77	0.40	0.30	0.30	0.30	3.07
	Southern	2.90	0.10	0.20	0.20	0.20	3.60

Table (42)

Development Projects - Ministry of Education

Description	Region	1976	1977	1978	1979	1980	Total
Education Sector							
1. School buildings	Capital	0.35	0.05	—	—	—	0.40
2. School annexes	Capital	0.32	0.13	—	—	—	0.45
3. World Bank Project	Capital	0.15	0.05	—	—	—	0.20
4. UNESCO Project	Capital	0.10	0.20	—	—	—	0.30
5. Consultants fees	Capital	0.02	—	—	—	—	0.02
6. Building for Ministry	Capital	0.20	0.40	—	—	—	0.60
7. Public Utility building	Capital	0.30	0.10	—	—	—	0.40
8. New Schools Project	Capital	—	1.50	2.00	2.00	2.00	7.50
9. School buildings	Interior	1.70	0.30	—	—	—	2.00
10. School annexes	Interior	0.32	0.12	—	—	—	0.44
11. Construction of two boarding schools	Interior	0.10	0.15	—	—	—	0.25
12. Construction of two schools		0.11	0.09	—	—	—	0.20
13. New Schools Project	Interior	—	2.00	3.00	3.00	3.00	11.00
14. New Schools Project	Southern	—	0.80	0.50	0.50	0.50	2.30
Total Educational Sector		3.67	5.89	5.50	5.50	5.50	26.06
Of which	Capital	1.44	2.43	2.00	2.00	2.00	9.87
	Interior	2.23	2.66	3.00	3.00	3.00	13.89
	Southern	—	0.80	0.50	0.50	0.50	2.30
Housing Sector							
1. Housing units for teachers and staff (in progress)	Capital	0.45	0.21	—	—	—	0.66
2. New Housing Units	Capital	—	0.40	0.60	0.60	0.60	2.20
3. Housing Units	Interior	1.13	0.26	—	—	—	1.39

Table (42) - Continued

Development Projects - Ministry of Education

Description	Region	1976	1977	1978	1979	1980	Total
4. New Housing Units	Interior	—	0.50	0.60	0.60	0.60	2.30
5. Housing units (in progress)	Southern	0.25	0.05	—	—	—	0.30
6. New Housing Units	Southern	—	0.20	0.30	0.30	0.30	1.10
Total Housing Sector		1.83	1.62	1.50	1.50	1.50	7.95
Of which	Capital	0.45	0.61	0.60	0.60	0.60	2.86
	Interior	1.13	0.76	0.60	0.60	0.60	3.69
	Southern	0.25	0.25	0.30	0.30	0.30	1.40
Total Ministry of Education		5.50	7.51	7.00	7.00	7.00	34.01
Of which	Capital	1.89	3.04	2.60	2.60	2.60	12.73
	Interior	3.36	3.42	3.60	3.60	3.60	17.58
	Southern	0.25	1.05	0.80	0.80	0.80	3.70

Table (43)

Development Projects - Ministry of Social Affairs and Labour

Description	Region	1976	1977	1978	1979	1980	Total
Social Affairs Sector							
1. Vocational Training Centre	Capital	0.02	—	—	—	—	0.02
2. Occupational training Centre	Capital	0.05	0.04	—	—	—	0.09
3. Workshops for construction work, cars wireless and laboratories	Capital	0.11	0.04	—	—	—	0.15
4. Store for materials	Capital	0.01	0.02	—	—	—	0.03
5. Mess for students	Capital	0.10	0.02	—	—	—	0.12
6. Other training Projects	Capital	0.15	0.50	1.00	1.00	1.00	3.65
7. Other training Projects	Interior	0.10	0.50	0.50	1.00	1.00	3.10
8. Other training Projects	Southern	—	0.70	1.00	0.50	0.50	2.70
Total Social Affairs		0.54	1.82	2.50	2.50	2.50	9.86
Of which	Capital	0.44	0.62	1.00	1.00	1.00	4.06
	Interior	0.10	0.50	0.50	1.00	1.00	3.10
	Southern	—	0.70	1.00	0.50	0.50	2.70
Housing Sector							
9. Low-cost houses at Khuwair	Capital	2.00	0.30	—	—	—	2.30
10. Consultancy fees	Capital	0.10	—	—	—	—	0.10
11. Quarters for staff and teachers at training centre	Capital	0.10	0.50	0.10	0.10	0.10	0.90
12. New low-cost houses	Capital	—	0.50	0.60	0.60	0.60	2.30

Table 43—Continued
Development Projects - Ministry of Social Affairs and Labour

Description	Region	1976	1977	1978	1979	1980	Total
13. Low-cost houses in Al-Buraimi	Interior	0.10	0.10	—	—	—	0.20
14. Houses in Sohar	Interior	0.03	0.05	—	—	—	0.08
15. Houses in Nizwa	Interior	0.20	0.10	—	—	—	0.30
16. Houses in Khasab	Interior	0.10	—	—	—	—	0.10
17. Houses in Fanja	Interior	0.50	0.10	—	—	—	0.60
18. Consultancy fees	Interior	0.10	—	—	—	—	0.10
19. Quarters for staff and teachers at training centres	Interior	—	0.10	0.10	0.10	0.10	0.40
20. New low-cost houses	Interior	—	0.50	0.60	0.60	0.60	2.30
21. Quarters for staff and teachers at training centres	Southern	—	0.10	0.10	0.10	0.10	0.40
22. New low-cost houses	Southern	—	0.40	0.40	0.40	0.40	1.60
Total Housing Sector		3.23	2.75	1.90	1.90	1.90	11.68
of which	Capital	2.20	1.30	0.70	0.70	0.70	5.60
	Interior	1.03	0.95	0.70	0.70	0.70	4.08
	Southern	—	0.50	0.50	0.50	0.50	2.00

Table (43) Continued
Development Projects - Ministry of Social Affairs and Labour

Description	Region	1976	1977	1978	1979	1980	Total
General Administration Sector							
23. Construction of offices	Capital	0.27	0.03	0.10	0.10	0.10	0.60
Total General Administration	Capital	0.27	0.03	0.10	0.10	0.10	0.60
Total of Ministry of Social Affairs of which							
	Capital	4.04	4.60	4.50	4.50	4.50	22.14
	Interior	2.91	1.95	1.80	1.80	1.80	10.26
	Southern	1.13	1.45	1.20	1.70	1.70	7.18
		—	1.20	1.50	1.00	1.00	4.70

Table (44)

Development projects - Ministry of Commerce and Industry

Description	Region	1976	1977	1978	1979	1980	Total
Industrial Sector							
1. Establishment of a natural science laboratory at Al-Khuwair	Capital	0.03	—	—	—	—	0.03
2. Textile industry training centre Sumail	Interior	0.03	—	—	—	—	0.03
3. Bahla training centre for professional industries	Interior	0.03	—	—	—	—	0.03
4. New industrial projects	Interior	—	4.80	5.00	10.00	15.00	34.80
Total Industrial Sector of which	Capital	0.09	4.80	5.00	10.0	15.00	34.89
	Interior	0.03	—	—	—	—	0.03
		0.06	4.80	5.00	10.00	15.00	34.86
Commercial Sector							
5. Oil tanks at Raysut	Southern	0.80	0.20	—	—	—	1.00
Total Commercial	Southern	0.80	0.20	—	—	—	1.00
Roads							
6. Roads to cement factory	Capital	0.10	—	—	—	—	0.10
Total Roads	Capital	0.10	—	—	—	—	0.10
Housing Sector							
7. Houses for Ministry Staff	Capital	0.04	0.01	—	—	—	0.05
Total Housing	Capital	0.04	0.01	—	—	—	0.05

Table (44) Continued

Development projects - Ministry of Commerce and Industry

Description	Region	1976	1977	1978	1979	1980	Total
General Administration Sector							
8. Building for the Ministry	Capital	0.02	—	—	—	—	0.02
Total General Administration	Capital	0.02	—	—	—	—	0.02
Total of Ministry of Commerce and Industry of which		1.05	5.01	5.00	10.00	15.00	36.06
	Capital	0.19	0.01	—	—	—	0.20
	Interior	0.06	4.80	5.00	10.00	15.00	34.86
	Southern	0.80	0.20	—	—	—	1.00

Table (45)

Development Projects - Ministry of Agriculture, Fisheries, Petroleum and Minerals

Description	Region	1976	1977	1978	1979	1980	Total
Petroleum and Minerals Sector							
1. Oil refinery project	Capital	—	2.00	13.00	8.00	2.00	25.00
2. Government share in PDO's capital expenditure	Interior	18.00	10.00	10.00	10.00	5.00	53.00
3. Gas pipe line	Interior	5.00	8.00	4.00	—	—	17.00
4. Copper project	Interior	0.30	10.00	14.00	—	—	24.30
5. Government share in PDO's capital expenditure	Southern	—	10.00	10.00	10.00	5.00	35.00
Total petroleum and minerals	Capital	23.30	40.00	51.00	28.00	12.00	154.30
Of which	Interior	—	2.00	13.00	8.00	2.00	25.00
	Southern	23.30	28.00	28.00	10.00	5.00	94.30
		—	10.00	10.00	10.00	5.00	35.00
7. Irrigation and Falaj maintenance projects	Interior	0.20	1.50	2.50	3.50	4.50	12.20
8. Animal husbandry and poultry projects	Interior	—	0.50	0.50	1.00	1.00	3.00
9. Agricultural projects	Interior	—	0.50	0.50	1.00	1.00	3.00
10. Irrigation projects	Southern	—	0.50	0.50	0.50	0.50	2.00
11. Animal husbandry and poultry projects	Southern	—	1.00	1.00	1.00	1.00	4.00
12. Agricultural projects	Southern	—	—	0.50	0.50	0.50	1.50
Total agriculture and irrigation	Capital	0.20	4.00	5.50	7.50	8.50	25.70
Of which	Interior	0.20	2.50	3.50	5.50	6.50	18.20
	Southern	—	1.50	2.00	2.00	2.00	7.50

Table (45) - Continued

Development Projects - Ministry of Agriculture, Fisheries, Petroleum and Minerals

Description	Region	1976	1977	1978	1979	1980	Total
Fisheries Sector							
13. Mutrah Fisheries Projects	Capital	1.30	—	—	—	—	1.30
14. New Fisheries Projects	Interior	—	1.00	2.00	2.50	2.50	8.00
15. Cold Store Complex — Salalah	Southern	0.30	—	—	—	—	0.30
16. Other new Fisheries Projects	Southern	—	0.80	1.00	1.50	1.50	4.80
Total Fisheries	Capital	1.60	1.80	3.00	4.00	4.00	14.40
Of which	Interior	1.30	—	—	—	—	1.30
	Southern	—	1.00	2.00	2.50	2.50	8.00
		0.30	0.80	1.00	1.50	1.50	5.10
Housing Sector							
17. Houses for staff	Capital	0.25	—	—	—	—	0.25
Total Housing	Capital	0.25	—	—	—	—	0.25
Total Ministry of agriculture, Fisheries, Petroleum and Minerals	Capital	25.35	45.80	59.50	39.50	24.50	194.65
Of which	Interior	1.55	2.00	13.00	8.00	2.00	26.55
	Southern	23.50	31.50	33.50	18.00	14.00	120.50
		0.30	12.30	13.00	1.350	8.50	47.60

Table (46)

Development Projects - Ministry of National Heritage

Description	Region	1976	1977	1978	1979	1980	Total
Cultural affairs Sector 1. New Projects	Capital	—	0.50	0.30	0.30	0.30	1.40
Total Ministry of National Heritage	Capital	—	0.50	0.30	0.30	0.30	1.40

Appendix (B)

ECONOMIC DEVELOPMENT LAW, 1975

SULTANATE OF OMAN

Sultan's Decree 9/75

We, Qaboos bin Said, Sultan of Oman, in the public interest and in accordance with the proposals of the Vice Chairman of the Development Council, have decreed as follows :—

Article—1 Law No. 1/75 on Economic Development, the text of which is attached comes into force with effect from first of February 1975.

Article—2 All ministers within their respective jurisdiction are to implement this law, which shall be published in the Official Gazette.

Qaboos Bin Said
Sultanate of Oman.

Issued in the Official Gazette No. 75, dated 15th March 1975.

ECONOMIC DEVELOPMENT LAW/1975

Designation and Implementation of the Law

Article - 1. This law shall be called the "Economic Development Law/1975" and shall come into force from the first of February 1975.

Interpretation

Article - 2. In this law, unless the context requires otherwise the following words shall have the meaning expressed below :-

"Council" means the Development Council formed in accordance with Sultan's Decree 41/74.

"Council Secretariat" means the Development Council Secretariat.

"Projects" means any capital projects financed entirely or partly by the State and whether connected with the service sector, public amenities or production.

"Consultant Studies" means any commitments, financed by the State, which are made with companies related to capital projects or preparing for the creation of such projects.

"Participation" means State shareholding in the capital of Omani companies whatever their legal form.

"Loans" means loans advanced by the State on easy terms to Omani companies and firms as incentives for increased productive and trading activities and economic growth.

"Protection Privileges" means privileges stipulated in the Protection of Developing Industry Law 4/74.

"Development Budget" means annual financial credit determined by the State in connection with the costs of "Projects", "consultant studies", "participation", or "Loans" within the meanings expressed in this law.

Terms of reference of the Development Council

Article - 3. The Development Council shall be responsible for the following :-

- First - To set objectives and a strategy for economic development, to propose policies and measures to carry out these objectives and to lay down development plans in harmony with it. Such development plans will be subject to approval by His Majesty, the Sultan.
- Second - To discuss and establish an annual development budget and to refer this budget to the Council for Financial Affairs.
- Third - To set and approve priorities for development projects submitted by ministries and government departments before they are implemented, with a view to ensuring conformity with the approved priorities, and to achieving complementarity and consistency of projects in terms of time and substance.
- Fourth - To set priorities to requests for consultant studies submitted by government ministries and departments and to authorize them before any commitment is made.
- Fifth - To lay down general principles and terms to govern "loans" and "participation" to be approved by the council for inclusion in the annual development budget.
- Sixth - To approve privileges proposed by the Minister concerned, in accordance with the law for the Protection of Developing Industry 4/74, if the proposed privileges include monopolistic rights or concessions.
- Seventh - To coordinate the activities of ministries and government departments, in so far as the implementation of the development plan is concerned.

Eighth - To receive from ministries and government departments follow-up progress reports on the implementation of projects and consultant studies.

Ninth - To issue an annual follow-up report on the implementation of the development plan.

Tenth - Any other business assigned to the Council by His Majesty the Sultan.

Article 4. Ministries and government departments shall remain responsible, within their respective jurisdictions, for follow-up action and effective implementation of projects and consultancy studies after they have been approved by the Development Council and included in the annual development budget.

Article 5. Final financial commitment will be made on projects and consultancy studies proposed by ministries and government departments in accordance with the terms and conditions and by authorized parties as defined in the laws, decisions and current decrees of the Sultan; provided that prior approval of the Development Council has been given authorizing such projects and consultancy studies to be included in the annual development budget and in the development plans.

Article 6. The Council may request ministries and government departments to provide the Council Secretariat with all information, studies and statistical data which it may require for carrying out its functions.

Annual Development Budget and Development Planning

Article 7. Ministries and government departments shall be responsible, within their respective jurisdictions, for carrying out economic and technical feasibility studies for requested projects and consultant study commitments. Also for estimating the costs before their submission to the Development Council.

Article 8. Ministries and government departments shall submit to the council secretariat a statement of the projects, consultancy studies, participations and loans proposed for inclusion in the annual deve-

lopment budget six months before the beginning of the financial year, together with the economic and technical feasibility studies on which basis they are submitting these proposals. Each body shall arrange the projects submitted in order of priority within the sector for which they are responsible.

Article 9. The council shall discuss and decide on the proposals for the annual development budget, and refer these decisions to the Council for Financial Affairs for inclusion in the overall budget of the Government.

Article 10. The first development plan shall cover the period 1976-1980. Ministries and government departments shall submit to the Council Secretariat, within their respective jurisdictions, the projects, consultant studies, loans and participations proposed for implementation over this period together with their distribution geographically, estimate of costs, definition of priorities, and technical and economic feasibility studies backing each proposal.

Article 11. Ministries and government departments shall submit to the Council Secretariat monthly follow-up reports on the actual progress in implementing each approved project or consultant study, together with a statement explaining the reasons for differences between the dates and degree of actual implementation and what was aimed at in the original plan.

Article 12. Ministries and government departments shall submit to the Council Secretariat, within their respective jurisdictions, a detailed statement of the projects, consultant studies, loans and participations to which they have been committed before this law took effect and which are being presently carried out. They shall provide the development council with monthly follow-up reports on their implementation.

Article 13. Each ministry and government department shall designate an authorised officer to be charged with following up the implementation of decisions of the council and with assisting the council in carrying out its tasks.

Article 14. Implementation and follow-up on loans and participations approved by the Council shall be the responsibility of a development bank, to be established and regulated by a decree from the Sultan in accordance with proposals to be put forward by the Council.

Exceptions

Article 15. Exception from the provisions of this law may only be granted by a decree from the Sultan.

Issue of Regulations

Article 16. The Vice Chairman of the Development Council may issue statutes and by-laws necessary to implement this law and achieve its objectives.

Appendix (C)

Development Council Resolution on aims and objectives of economic
development policy in the Sultanate of Oman

DEVELOPMENT COUNCIL RESOLUTION ON AIMS AND
OBJECTIVES OF ECONOMIC DEVELOPMENT POLICY
IN THE SULTANATE

(Issued at its meeting of Sunday 9/2/1975)

1. Modern economic and social development in the Sultanate of Oman was initiated after the 1970 revolution and was pursued with great determination and confidence based on OMAN'S background of old civilization, Arab traditions and firm faith in God. The oil resources of the Country have developed over the past few years. But we should never lose sight of the fact that oil reserves are apt to be exhausted sooner or later. It should not therefore, be an exclusive privilege for our present generation but the wealth derived from it should be exploited in investments for the benefit and welfare of present as well as of future generations. We must also keep in mind that Oman's oil reserves are by far less in quantity than those available to most oil producing countries in this area. At the same time the area and population of Oman are relatively larger than in some neighbouring oil producing countries; hence greater economic and social resources are needed for development. It is of utmost importance, therefore, that ways and means be sought to make the best use of our limited resources by exploiting them in development projects which give strength to Oman economy and secure its future progress. The benefits have to be shared by different regions of the country so that all people can enjoy a peaceful and secure life.
2. Economic development policy during the past four years has achieved great success. Efforts have been concentrated during that period on meeting urgent requirements and on constructing infra-structure projects needed for increasing productivity and hence national income. Examples of this effort are the construction of a number of hospitals and health centres in different regions of the country, the large increase in the number of schools and educational institutes, extension of electricity and water utilities, construction of hundreds of miles of

road lengths, of harbour and airports and housing units. Alongside these efforts in the field of construction, the government has reorganized its administrative system with the aim of increasing its efficiency. Supporting laws and regulations have been issued to help the stabilization and the healthy growth of the national economy and to encourage Omanis of various professions and experience living abroad to return to their home country. The government has also encouraged national trading activities and assisted in the establishment of a number of industrial projects and extended agricultural services in the form of experimental and productive farms and extension centres.

3. Having laid down a suitable basis for the growth of a developing national economy, the country starts a new phase of economic development. There is obvious need for a comprehensive economic development plan ensuring the co-ordination between different investment projects and the carrying out of feasibility studies of projects before implementation. The plan should also give priority to income generating projects to supplement oil receipts. It should also effect a wider geographical distribution of investments in order that the benefits may be shared by different regions of the country. The plan should cover a reasonably long period of time, taking into account the economic conditions of the country and its future prospects. The more we succeed in formulating such a development plan and in rationalizing the use of our present oil revenues, the more secure our economic future and our progress will be. This is the duty and the most important task of the Development Council.
4. The basis of our development policy should be to achieve the basic requirements of a free economy in which an efficient and capable private sector plays a leading role. The chances to participate in the building of this economy should be open to all nationals of the country on the basis of free competition in a market clear of monopolistic practices. To achieve this aim the government has undertaken the execution of supporting infra-structure projects, decided on incentives in the form of exemptions from customs duties, granted loans with easy repayment terms to productive projects, and participated in the capital of some vital projects within available government resources.
5. It is necessary to effect a wider geographical distribution of investments in order that the benefits may be shared by different regions

to the greatest possible extent and to narrow the gap in the standards of living in different regions, with special emphasis on the least developed regions. Equally important is to maintain and develop existing areas of population agglomerations and to protect them against the dangers of mass immigration to those already densely populated areas.

6. Care should be taken to develop the local human resources in order that they may be able to play a more active role in the national economy. In this respect, it is necessary to extend and develop educational and training programmes, to improve nutritional and public health conditions. Such educational and training programmes should aim at vocational training for various productive sectors and not only training for government administration.
7. As water resources are of vital importance and are necessary for the continued growth of the economy, and as the available quantities of water are scarce, the development plan should give special attention to this problem by providing for scientific studies in relation to water resources and ways of preserving and increasing its supply. Funds should be allocated to implement the recommendations based on these studies.
8. We have to benefit from the experience of other countries in the field of economic development and industrialization, especially in relation to environment preservation and improvement, and should take this into account especially in selecting the sites and types of projects.
9. The main objective of economic development at this phase of economic growth in the Sultanate is to implement income-generating projects which add to the national income until additional resources of income have been tapped to supplement oil revenues and to secure suitable economic prospects for the future. The development plan aims at striking a reasonable balance between investment expenditure on income-generating projects on the one hand, and on the infra-structure projects on the other hand.
10. The plan must aim at maintaining and developing the prevailing economic activities by giving them support and encouragement particularly in the sector of agriculture and fisheries. In this respect

investments required for raising productivity in the sectors should be implemented. Storing and marketing facilities should be provided in order that producers may receive from the sale of their produce reasonable returns which encourage them to increase their production.

11. Surveying of the country's natural resources should be accelerated, particularly in the mining sector so as to broaden the base of industrialization. Studies of industrial projects should be undertaken with the aim of implementing those projects which use available local raw materials.
12. It is important to encourage domestic trade activities by finding suitable solutions to the problems of transportation and storage and other obstacles which block the way to reach the state of a perfect market. The solutions should aim at increasing competition and maintaining reasonable levels of prices, particularly with regard to food items and their availability in all regions. In this respect the plan must take into account that the economic boom resulting from increasing government current and investment expenditure tends to raise the level of prices. Accordingly, appropriate economic and fiscal policy measures have to be introduced to check the effect of such a rise in prices on lower income population groups.
13. The efficiency of government administrative units is a principal factor in the implementation of the development plan and in the creation of an environment conducive to its success. Raising the efficiency of government administration is, therefore, essential, particularly with regard to ensuring the ability to take the right decisions at the right time and to choose the most suitable body or agency which has to take the respective decisions. Raising the efficiency of administrative units is also essential with regard to enhancing their ability to undertake studies on projects and to follow up their implementation.

Appendix (D)

Royal Decree sanctioning the establishment of the Development

Bank of Oman

**Royal Decree No. 31/76 sanctioning the establishment of
the Development Bank of Oman**

We, Qaboos bin Sa'ïd, Sultan of Oman, having regard to giving our support and encouragement to the private sector to participate in economic development, and in accordance with proposals submitted to us by the Development Council,

have decreed as follows:

- Article 1.** The establishment of a development bank to be known as "The Development Bank of Oman", is hereby approved.
- Article 2.** The share capital of the Bank is to be ten million Rials Omani to be subscribed as follows:
- A minimum of 40% to be held by the Government of Oman, represented by The Directorate General of Finance.
- A maximum of 40% to be held by foreign, regional or international legal entities.
- The remaining shares to be held by Omani natural or legal persons.
- The Government under-writes the subscription to the Bank's equity-capital.
- Article 3.** The procedures to be followed in establishing and registering The Development Bank of Oman shall be in accordance with laws and Decrees in force in the Sultanate of Oman with special reference to the provisions of the Law of Commercial Registration 3/1974, the Commercial Companies Law No. 4/74, and Oman Banking Law No. 7/74, unless otherwise stated in this Decree.
- Article 4.** All the Bank shares are to be nominal shares. Share-holders should pay 50% of the shares nominal value and the remainder should be at call according to the terms of the Bank's articles of association.

Article 5. Representation of share-holders on the Board of Directors of the Bank will be in proportion to their share holding of capital, provided that the chairman of the Board of Directors should be one of the representatives of the Government of the Sultanate.

Article 6. The objectives of the Bank are as follows:

- (a) To guarantee or to grant medium and long term loans to Omani enterprises registered in the Sultanate under the provisions of the Commercial Companies Law, 4/75, provided that those loans are to be disbursed for financing capital expenditure projects in the sectors of manufacture, agriculture, petroleum, mining or fishing.
The maximum ceiling of Bank guarantees or loan extended to any enterprise should not exceed 50% of total reserve and paid-up capital of the enterprise concerned or 10% of total resources of the Bank whichever is less.
- (b) To participate in the share-capital of Omani enterprises of limited liabilities investing in projects of importance to the development of Oman or to under-write the public subscription to the shares of such enterprises. In all cases the Bank's participation in the share-capital or its underwriting should not exceed 51% of the capital of the enterprise concerned or 10% of the total resources of the Bank whichever is less.
- (c) To offer its technical assistance to Omani enterprises on request and within the limits of its available resources in the study of projects and in the preparatory work preceding their implementation.
- (d) To accept savings deposits including time and notice deposits.
- (e) To borrow from the government or other persons including regional and international financial institutions whether in the form of direct loans or issuing bonds offered for public subscription.
- (f) To engage in all bank activities necessary for the realization of its objectives.

Article 7. The government may allocate, in its annual budget, certain grants to be deposited in a special account with the Bank and to be used for the purpose of subsidizing interest rates on loans granted by the Bank to projects of special importance. Disbursements from this account shall be effected in accordance with objective rules to be decided upon by the Bank Board of Directors and according to decisions to be taken with regard to each individual case by simple majority of votes, provided they include the votes of government representatives. The Bank is to submit a detailed statement of account for this fund to the Directorate General of Finance at the end of each year.

Article 8. The government guarantees the nominal value of the shares of the Bank and the distribution of annual profits to its shareholders of not less than 5% of the paid-up capital.

Article 9. The government guarantees loans obtained by the Bank up to four times its paid-up capital and general reserves.

Article 10. The Bank and its distributed profits will be exempt from present and future taxes and duties with the exception of customs duties.

Article 11. The Bank will be exempt from the provisions of chapter 3 of section 4 of Oman Banking Law 1974 and of article 4-6 and 4 (a) of chapter 4 of the same law.

Article 12. This Decree is to be published in the Official Gazette and shall come into force with effect from the date of publication.

Issued on

10/8/1396

7/8/1976

Qaboo, bin Sa'id

Sultan of Oman

Appendix (E)

Text of the Law concerning Organization of Government Administration

Note :

The attached text includes amendments effected in accordance with Royal Decree 13/76 issued on 11th April, 1976. It does not include the text of appendix (A) and (B) attached to the above-mentioned Law. Appendix (A) outlines the functions and responsibilities of national councils and ministries and appendix (B) outlines the organizational set up of ministries. The text of both appendices can be referred to in the Official Gazette.

References :

1. Official Gazette No. (82) issued on 15th July, 1975, which includes Royal Decree No. 26/75 issuing the Law on the organization of government administration.
2. Official Gazette No. (86) issued on 20th August, 1975 which includes Royal Decree No. 35/75 amending the Law on the organization of government administration.
3. Official Gazette No. (100) issued on 15th April, 1976 which includes Royal Decree No. 13/76 amending some articles of the Law on the organization of government administration.

Royal Decree No. 26/75

Issuing the Law concerning the organization of Government Administration

We Qaboos bin Sa'id Eultan of Oman,
In pursuance of the Royal Decree No. 3/75 concerning the formation of a committee to review the government administrative set up, and in accordance with the proposals submitted to us by the Deputy Chairman of the Development Council.

We decreed as follows :

- Article 1.** The Law on the organization of government administration, 1975, the text of which follows, shall take effect from 1st July, 1975.
- Article 2.** This Decree supersedes the provisions of any other decree, law or regulation that contradict any of the articles and provisions of this Law.
- Article 3.** All ministries, within their respective jurisdictions, are required to implement this law which is to be published in the Official Gazette.

Issued on 18/6/1395
28/6/1975

Qaboos bin Sa'id
Sultan of Oman

The Law on the organization of Government Administration, 1975
(as amended by the Royal Decree No. 13/76)

CHAPTER I

General Rules

- Article 1.** The administrative set up of the government shall mean the Council of Ministers, Ministries and their administrative and technical units, specialized councils and their administrative and technical units and any other executive units.
- Article 2.** Laws and Decrees are issued by His Majesty The Sultan. Such laws and decrees form the law of the land. They shall be published in the Official Gazette and shall take effect from the date of publication or any other date specified by them.
- Article 3.** International treaties, agreements and pacts shall be signed by His Majesty The Sultan or by persons he specifically authorizes, provided that in the latter case they are submitted to His Majesty The Sultan for ratification. Such international treaties, agreements and pacts signed or ratified by His Majesty, The Sultan shall be considered part of the law of the land with effect from their date of publication in the Official Gazette, unless otherwise specified by His Majesty The Sultan.
- Article 4.** No government administrative unit or any responsible official therein is to sign any commitment which involves the government in financial commitments except within the limits authorized by the law of the land. Any action contrary to this provision shall be null and void.
- Article 5.** No government administrative unit or any responsible official therein, is to take decisions or issue instructions or regulations in contradiction with current laws and decrees. Such decisions, instructions or regulations shall be null and void. Ministerial decisions and regulations must be published in the Official Gazette.

Article 6. Without prejudice to the provision of article (5) of this Law, the Council of Ministers and other government administrative units are authorized to exercise their functions, to carry out their duties, and to take decisions or issue regulations which they consider necessary within the limits authorized by the law of the land.

Article 7. This Law and any other laws or decrees issued by His Majesty The Sultan shall be the only source of reference with respect to the functions of government administrative units and their vested executive authorities.

CHAPTER 2

Council of Ministers

Article 8. The Council of Ministers is the body designated for the implementation of the policies of His Majesty The Sultan, particularly as regards the following functions:

- (a) To give advice to His Majesty The Sultan on economic, political, executive and administrative matters concerning His Majesty's government.
- (b) To supervise the running of government administration.
- (c) To take care of the welfare of the people of the Country and to ensure their provision with essential services and to aim at raising their economic, social and cultural standards and improving their health conditions.
- (d) To draw up the necessary policies and procedures for the proper utilization of the financial and economic resources of the country and for the development of the national economy.
- (e) To suggest laws and Royal Decrees.
- (f) To follow up the implementation of the law of the land and to see that provisions of the laws are strictly adhered to.
- (g) To follow up the performance of ministries and government administrative units regarding their respective duties and functions and to coordinate between them.
- (h) To discuss proposals and policies of ministries concerning the execution of their respective functions.
- (i) To serve the country's interest in the economic, political and social fields and work to maintain national security and justice, political stability, independence and sovereignty.

Article 9. The Council derives its authority from His Majesty The Sultan to whom each minister will be individually responsible.

CHAPTER 3

Specialized Councils

- Article 10.** Specialized councils may be created by laws or Royal Decrees to assist in serving the Country's interests and in implementing policies decreed by His Majesty The Sultan.
- Article 11.** The terms of reference for such specialized Councils are to be defined by law or Royal Decree.
- Article 12.** Specialized councils shall be formed by law or Royal decrees and are to be under the chairmanship of His Majesty The Sultan. Each council is to be composed of a deputy chairman to be selected from amongst the members of the Council of Ministers and a number of members to be named by the Royal decree dealing with the formation of the council concerned. Each council may form its own secretariat.

CHAPTER 4

Ministries

- Article 13.** The setting up and dissolution of a ministry will be effected by Royal Decree, and the functions and powers of new ministries so set up or the designation of the bodies to which the functions and powers of the dissolved ministries will be passed shall be determined by Royal Decree.
- Article 14.** Appendix (A) of this law defines the functions and powers of specialized councils and of existing ministries. These functions and powers may be amended only by Royal decrees.
- Article 15.** The appointment and acceptance of resignation of a minister will be effected by a Royal Decree, and each minister is responsible for the execution of the functions and policies vested in his ministry.
A minister may delegate some of his powers and functions to the under secretary or any other responsible official in the ministry. He may also form committees to which he may delegate some of his powers and functions. He is not allowed, however, to delegate his powers in cases in which the laws or decrees specify that these powers are to be exercised by the minister himself.
- Article 16.** Each executive administrative unit of a ministry should take the form of a directorate general or a department. A directorate general shall be divided into departments and a department into sections. A ministry may give other titles to its administrative units, if the functions or type of work so require.
- Article 17.** The organizational set up of a ministry is composed of the minister and the minister's office, the under-secretary, and the departments attached to the head office of the Ministry. The latter come under the direct supervision of the under-secretary. The organizational set up of each ministry should include central administrative units dealing with financial and administrative

affairs, contracts and projects, planning, and legal affairs. The central units are to serve all units of the ministry. They may take the form of departments or sections depending in each case on the volume of work involved in accordance with the procedures set down by this law. The central units are also responsible for checking and supervising the work of other units with similar functions, which may be approved in the organizational structure of the directorate general of the ministry, in accordance with decisions and procedures set down by the minister.

Article 18. The organizational structure of a ministry may include independent directorates general in the cases and according to the procedure stated in this law.

The creation of a directorate general shall be confined to the cases which satisfy the following conditions:

- (a) If its functions are of an administrative or technical nature distinct from those of other units of which the ministry is composed.
- (b) If its responsibilities and volume of work justify the creation of several departments under one central body to coordinate the work of the units.
- (c) If its functions and responsibilities are of a type which requires an independent financial and administrative status. A directorate general may be directly responsible to the undersecretary of the ministry or to the minister, depending on the organizational structure of the ministry.

Article 19. The creation or dissolution of directorates general or equivalent bodies otherwise designated, will be effected by Royal decrees. The creation of departments and sections or equivalent bodies carrying other titles, shall be effected in accordance with a decision from the minister concerned after the approval of the financial authorities. The dissolution or cancellation of the same may be effected by a decision from the minister concerned.

Article 20. Appendix (B) of this law presents the organizational structure of existing ministries and their administrative units, i.e. directorates

general, departments or their equivalents of other units. This organizational structure should not be amended except in accordance with the rules and procedures stated in this law.

Article 21. Each ministry shall submit to the Council of Ministers, not later than the end of February every year, a written report regarding its performance during the previous year. The report should include as a minimum, information regarding the following matters:

- (a) Detailed information on its performance internally and externally in the context of the defined aim of the ministry concerned and the general aims and objectives of the government's economic, political and social policies.
- (b) Review of its working relations with other government units and organizations, international organizations, and other local, private, public international interests.
- (c) The text of all decisions and regulations issued by the ministry together with a summary of decisions or regulation the application of which was discontinued as a result of new decisions or regulations.
- (d) Summary form of contracts signed during the previous year which greatly affect the financial position of the ministry.
- (e) Detailed information on position of projects or work programmes currently undertaken by the Ministry.
- (f) Information on experts or consultants employed by the ministry from the Sultanate or from outside.
- (g) Proposals and recommendations of the ministry regarding its future policy.

CHAPTER 5

The 'DIWAN' of Legal Affairs

Article 22. In accordance with the provisions of this law, a directorate general, to be called 'Diwan of Legal Affairs shall be created in the Ministry of Diwan Affairs.

Article 23. The "Diwan of Legal Affairs" shall be vested with the following functions :

- (a) To prepare drafts of laws and Royal decrees at request.
- (b) To review drafts of laws and Royal decrees submitted by the ministries before being issued.
- (c) To review contracts which involve the government in financial commitments exceeding half million Rials Omani before being signed by any of the government administrative units.
- (d) To look after the government interest in any disputes which may arise in the course of execution of a contract entered into by the government.
- (e) To give legal advice on any other matters at the request of the ministries concerned.

Article 24. All ministries and government administrative units have to submit a copy of any proposed contract specified in paragraph (c) of article 23 of this law to the Diwan of Legal Affairs requesting its legal advice before being involved in any commitments. The Diwan has to give its legal advice on the contracts referred to above not later than ten days from the date of its receiving complete copies of contract documents.

The legal advice should cover at least, the following points :

- (a) That the terms of the contract do not contradict the current laws and decrees.

- (b) That the legal obligations involved by reason of the contract are in line with the public interest of the country.
- (c) Specification of procedures needed to be followed to reach final agreement and signature of the contract.
- (d) The issuing of any legal statement which may be required in the contract to ascertain the validity of the contract according to current laws and decrees.

Appendix (F)

**Royal Decrees concerning the establishment and composition of the
Development Council**

Royal Decree No. 41/74

We Qaboos bin Sa'id, Sultan of Oman,
In the public interest and in accordance with the vital importance of develop-
ment.

We decreed the formation of a development council to be presided over
by us and composed of the following members :

Minister of State for Foreign Affairs	Deputy Chairman
Minister of Interior	Member
Minister of Communication	Member
Minister of Health	Member
Minister of Commerce & Industry	Member
Minister of Agriculture, Fisheries, Petroleum and Minerals	Member
Representative of the Directorate General of Finance	Member

This Decree shall be published in the Official Gazette and shall take effect
from the date of publication.

issued on 3/11/1394

Qaboos bin Sa'id

17/11/1974

Sultan of Oman

This Decree was published in the Official Gazette No. (68) issued on
1/12/1974

Royal Decree No. 53/74

We Qaboos bin Sa'id, Sultan of Oman,

In pursuance of Royal Decree No. 41/74 concerning the formation of the Development Council, and in accordance with the proposals submitted to us by members of the Council,

We decreed as follows :

Article 1. The following ministers are to be added to the membership of the Development Council :—

Minister of Land Affairs

Minister of State and Wali of Dohfar

Article 2. Those concerned are to implement this decree which shall be effective from the date of its publication.

Article 3. This decree shall be published in the Official Gazette.

issued on 24/11/1394

9/12/1974

Qaboos bin Sa'id

Sultan of Oman

This decree has been published in the Official Gazette No. (69) issued on 15th December, 1974

Royal Decree No. 55/1974

We Qaboos bin Sa'id, Sultan of Oman,

In accordance with the proposals submitted to us by the Deputy Chairman of the Development Council,

We decreed as follows :

- Article 1.** Engineer Abdul Hafiz Salem Rajab Minister of Communication is to act as Deputy Chairman of the Development Council during the latter's absence from the country.
- Article 2.** Those concerned are to implement this decree which shall be effective from the date of its publication.
- Article 3.** This decree shall be published in the Official Gazette.

issued on 16/12/1394

29/12/1974

Qaboos bin Sa'id

Sultan of Oman

This decree has been published in the Official Gazette No. (71) issued on 15th January, 1975

Royal Decree No. 45/75

We Qaboos bin Sa'id, Sultan of Oman,

In the public interest, and in accordance with our keen desire to maintain and develop the water resources in the Sultanate with a view to employing them for development purposes,

We decree as follows :

Article 1. A council, to be called Water Resources Council, is to be formed as follows :

Minister of Agriculture, Fisheries, Petroleum & Minerals	Chairman
Minister of Communica- tion	Member
Minister of Interior	Member

Article 2. The Water Resources Council shall provide consultancy services to the Development Council in all matters relating to water resources in the Sultanate.

Article 3. Those concerned have to implement this decree which shall be published in the Official Gazette and shall take effect from the date of its publication.

issued on 11/9/1395

18/9/1975

Qaboos bin Sa'id

Sultan of Oman

This decree has been published in issue No. (88) of the Official Gazette issued on 1st October, 1975

Royal Decree No. 19/76

We Qaboos bin Sa'id, Sultan of Oman,

In pursuance of Royal Decrees No. 41/74 and No. 53/74 concerning the composition of the Development Council and in the public interest,

We decreed as follows :

- Article 1.** The Minister of Education is to be added to the membership of the Development Council.
- Article 2.** This decree shall be published in the Official Gazette and shall take effect from the date of its publication.

issued on 9/6/1396

7/6/1976

Qaboos bin Sa'id

Sultan of Oman

This decree has been published in issue No. (104) of the Official Gazette issued on 15th June, 1976

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

RESEARCH REPORT
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BY
J. H. GOLDSTEIN
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M. L. HUGGINS

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