



وزارة النقل والإتصالات
Ministry of Transport & Communications



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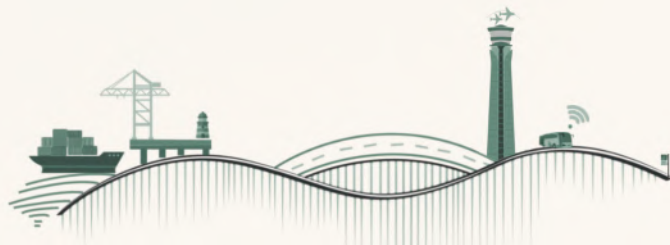


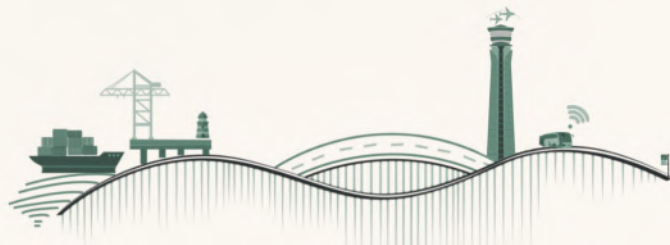
التقرير السنوي Annual Report

2018



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

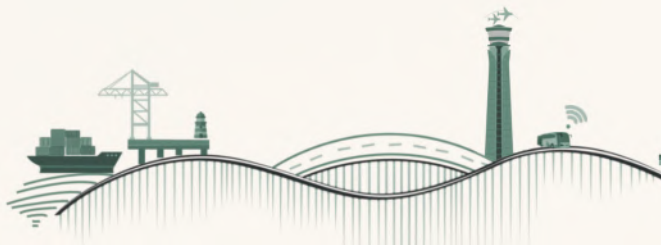













Address by his
Majesty Sultan Qaboos Bin Said
- May God Protect Him -
at the annual Council of Oman meeting in 2011

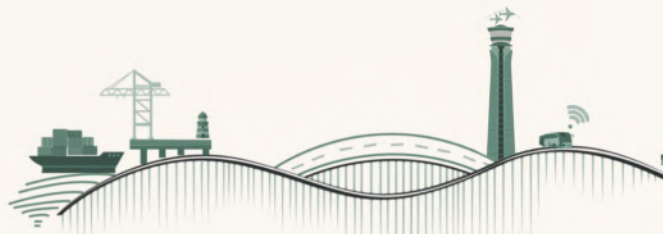
Establishment of the modern state, the pledge we vowed to honor from the dawn of our Blessed Renaissance, has required from us to exert considerable efforts in building the necessary and required infrastructure that is the very foundation of integration and comprehensive development. Providence of this infrastructure throughout the Sultanate's territories has made it possible - All Thanks to Almighty Allah - for constructional development in many cities and villages across the Omani lands, and has paved the way for the establishment of many economic, commercial, industrial projects, and many educational, cultural, health and social facilities



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Planning & Policies	Regulation & Legislations	Infrastructure Projects	Operation & Performance of Operators	Institutional Development
Policies Strategies	Subsidiaries Land Transport Maritime Transport Telecommunications Air Transport	Roads Airports	Operators Performance Investment Opportunities Operation Capacity	Human Resource Development Electronic Transformation



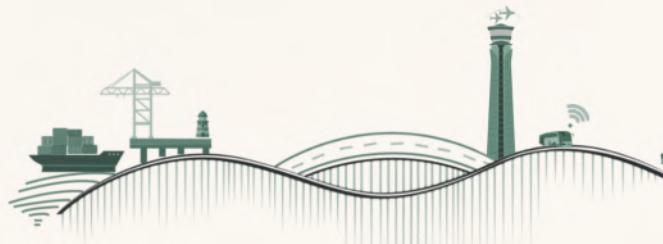
H.E. The Minister`s Speech



First and foremost, I would like to give all thanks and praises to Almighty God for all that he has bestowed upon us and, for all that has been achieved in the transport and communications sector. I would also like to give my thanks and deepest appreciations for the efforts of those involved in this sector, knowing that without their contributions and keen interests in the development of our precious land, none of these achievements would have ever been realized! Taking into account the vision of the Ministry of Transport; and that is for the transport, communications and logistics sectors in the Sultanate of Oman to become a global leader while contributing socially and economically on the national level.

We are looking forward to the coming year - God's Willing - to exert even more and further efforts to achieve the aspirations set forth by the Ministry's plan, praying and asking God to help us all to serve this dear country under the wise leadership of His Majesty Sultan Qaboos - May God Protect Him - And peace, mercy and blessing of Allah be upon you!

Dr. Ahmed Mohammed Salem Al-Futaisi
Minister of Transport & Communications





Vision

For the transport, telecommunications and Logistic sectors in the Sultanate to become iconic globally while contributing socially and economically.



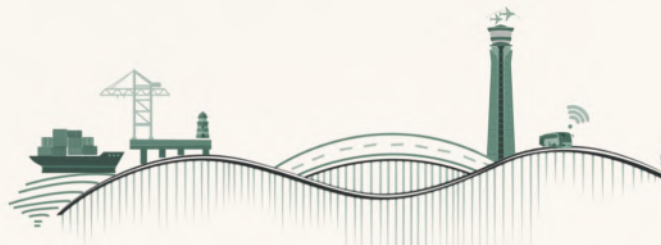
Mission

- A. To provide an efficient, effective, integrated and sustainable transport system that is equipped with the latest and most advanced technological developments, one that would contribute to the development of the logistics sector in order to promote economic and social development and enhance the competitiveness of the Sultanate of Oman on the regional and international levels
- B. To develop an integrated and sustainable logistics sector that would boost the national economy and would place the Sultanate among the top ten countries in the global logistics performance index by the year 2040.
- C. Ensure the provision of secure, reliable and world-class telecommunications services with affordable and reasonable prices in order to improve quality of life for citizens and residents and contribute to the overall economic and social development.
- D. Ensure the provision of integrated and innovative postal services and other related services.



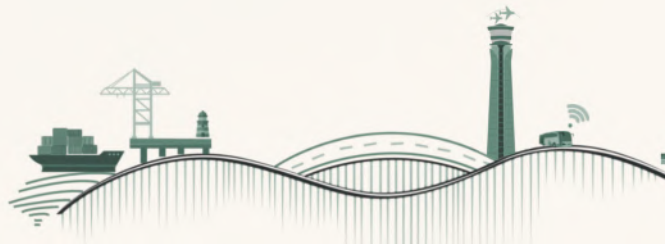
Objectives

- A. To achieve high competitiveness standards in the transport sector.
- B. To develop a sustainable and integrated logistics sector.
- C. To raise institutional performances levels to the highest standards of excellence.
- D. To develop an integrated and sustainable transport system, one that is both efficient and effective.
- E. To increase the contribution of the transport sector to social and economic development.
- F. To ensure the provision of an integrated and innovative postal services and other related services.
- G. To ensure the provision of secure, reliable and world-class telecommunications services at reasonable and affordable prices in order to improve the quality of life for citizens and residents while contributing to the overall economic and social development.



Chapter One:

PLANNING AND POLICIES

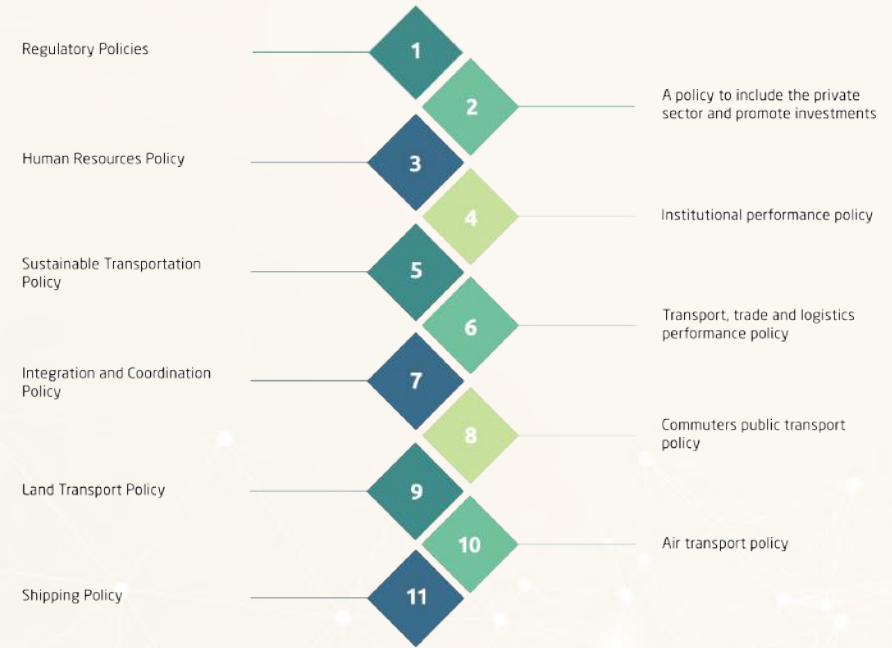


The Ministry’s vision is for the transport, communications and logistics sectors in the Sultanate to be a global leader and to boost the social and economy of the Sultanate. To achieve this, it is necessary to draw and formulate strategies that are consistent with this vision and its ambitious goals, alongside the need to develop, update and follow up the implementation of all strategies for successful management and effectiveness of all components of the system. This chapter summarizes the role of the Ministry in this regard.

First: Policies

General Transport Policy

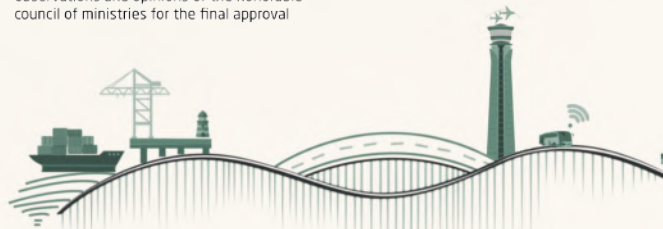
The Council of Ministers initially approved the general policy of transport along with the guidance of the Ministry in order to study a number of suggestions from the concerned authorities until this policy is finally adopted.



Second: Strategies

1-Approved Strategies

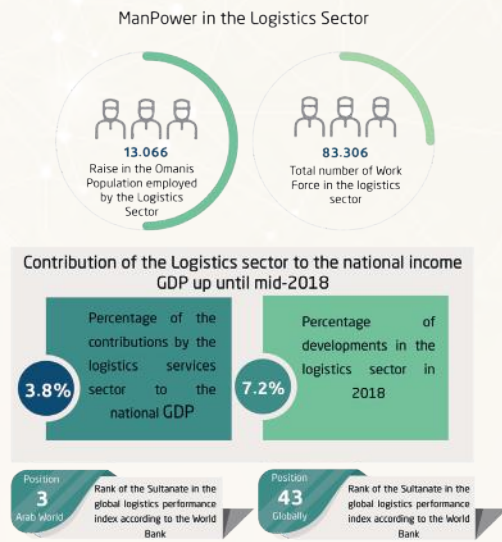
The Ministry represented by the Directorate General for Planning and studies, follows up on the adopted objectives achieved from the periodical reports prepared by those involved in the implementation and execution of these strategies. The follow-up process is focused on the strategy of the logistics sector which is being implemented by the Oman Logistics Center from the Oman Global logistics Group (ASYAD), transport strategy, and National broadband strategy ,and we will summarize herein the most important achievements of these strategies:



National Strategy for the Logistics Sector

The Sultanate has made remarkable progress in the global logistics performance index for 2018 when ranked 43rd, which is, according to the World Bank report, 5 points higher than 2016. This progress is a clear reflection of the efforts made to achieve and activate what the strategic initiatives has incorporated, and to continue exerting more efforts to encourage the logistic sector to achieve the Sultanate’s aspirations to be ranked among the top ranked 30 countries in the global logistics performance index by the year 2020. It is worth mentioning that the national e-commerce strategy has also been finalized and approved by the National e-commerce team, and in the final stages to be reviewed by the Council of Ministers for accreditation and approval.

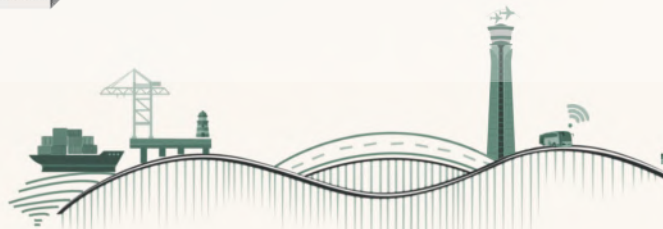
Implementing the National Logistic Strategy



We summarize here the most significant achievements of initiatives with our concerned partners to implement and activate the strategy’s initiatives.

- Establishing the one-stop-inspection station with a risk management system for inspections in collaboration with a database system at Muscat Airport, Sohar Port and Salalah Airport, thus has led enhancing the efficiency of good’s clearance through:
 - Customs inspection decreased from 80% to 12% in the first half of 2018 due to risk management systems and, has also contributed to the decrease in the rate of inspections of government bodies from 100% to 16% within one year due to risk management systems.
 - A performance index for the clearance of goods at seaports has been set to not exceed 10 hours. Sohar Port has achieved a 6-hour rate for clearance of goods, a period that is in line with international standards.
 - Pre-clearance of goods, the launch of this program contributed to the increase in the percentage of goods cleared prior to arrival, from 1% to 14% in only 8 months.
- Launched the authorized economic operator program: 11 companies in the Sultanate has been approved as authorized economic operators.
- Launched the national campaign to introduce the logistics sector (SAWAID).
- Hosted the IRU World Congress in November 2018.
- Signed the maritime Incubation Agreement: To embrace small and medium size enterprises.

The Maritime incubator was established through a network of collaboration with supporting SME and financial funds to adopt innovative ideas and solutions and to support emerging projects in the logistics sector by creating a platform to meet entrepreneurs and innovators to support the notion of transforming the innovative ideas into commercially successful products or services during



the incubation period. Besides supporting them through a series of guidelines and orientation programs, in addition to providing an inspiring and stimulating environment for the emerging institutions and encouraging development and growth, where in 2018 four projects that focused on the development of technological solutions have been incorporated into the program besides providing a business offices environment supported by technical guidance at ASYAD's offices, Oman Post and MWASALAT.

- ASYAD Leaders Program: The program aims at creating leading national cadres in the field of seaports and while providing them with an opportunity to gain international experiences by recruiting them to work with international logistics companies.
- HESBA Program: The program aims at spreading the culture of commercial thinking and positive change by motivating participants to build a business idea or finding suitable solutions to the challenges facing the sector by focusing on four developmental pillars, which are: Providing financial abundance, profitability and services, which had a significant impact on guiding participants towards business thinking, innovation and problem-solving skills. 143 employees from ten companies who participated in the program were divided into 29 work teams.

Public Transport Strategy (Phase 1):

The Ministry is following up the evaluation of the services provided by MWASALAT company in cooperation with MWASALAT or the national Center for Statistics and Information through public opinion polls and seeks to urge the company to adopt some user suggestions in order to improve services and to reach a higher level of quality and efficiency. The number of bus stations located less than 500 meters from public services has reached 250 bus stations and this includes bus stations at various types of learning centers, health centers, mosques, commercial complexes,

while operating a total of 3 air-conditioned bus stations and a number of (4) stations are still under construction. In addition, the average bus discipline at the specified trip times has reached 86% throughout the year. The following figure shows the commitment ratio during the months of the year.

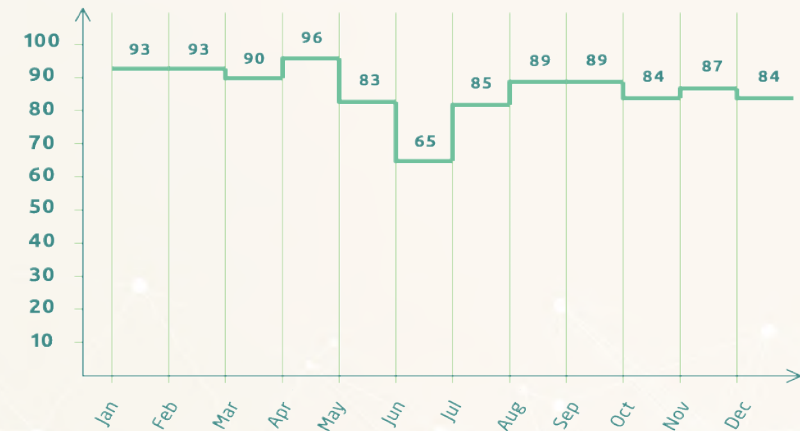
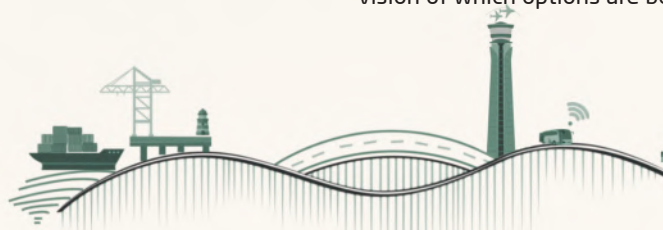


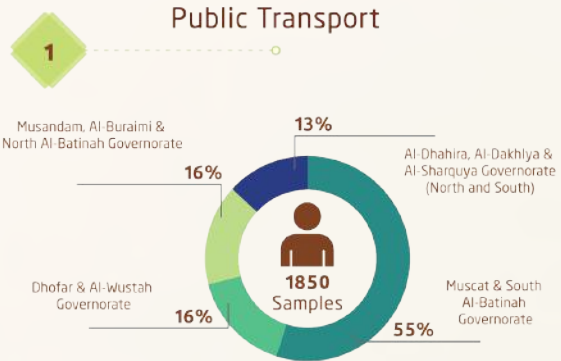
Figure (1): Commitment ratio during the months of the year

Public opinion poll on public transport services:

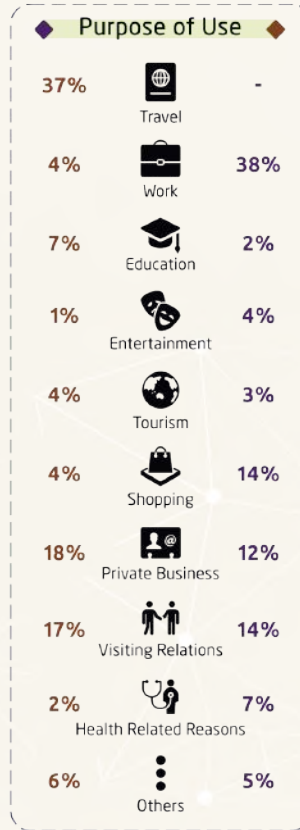
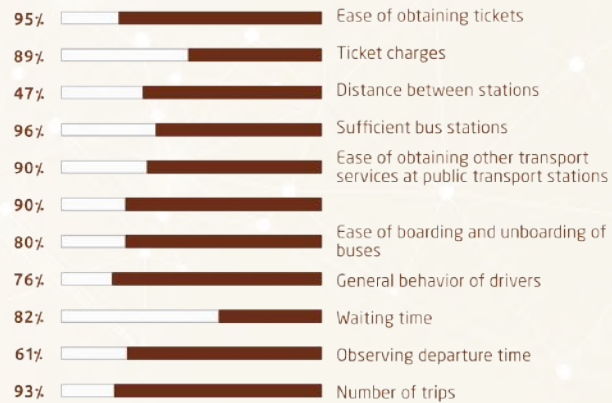
The Ministry through the national strategy of construction development project which is supervised by the Supreme Council of Planning has carried out a series of field surveys on various topics of transport in order to obtain accurate and comprehensive data on the general status of transport in the Sultanate. All this gathered data will be used to build the Sultanate's transport planning system, which will allow users to predict future transport paths and other future projections by studying several scenarios on different transport networks, which will ultimately produce a clear vision of which options are best suited to modernize and develop these networks in general.



Public Opinion Poll

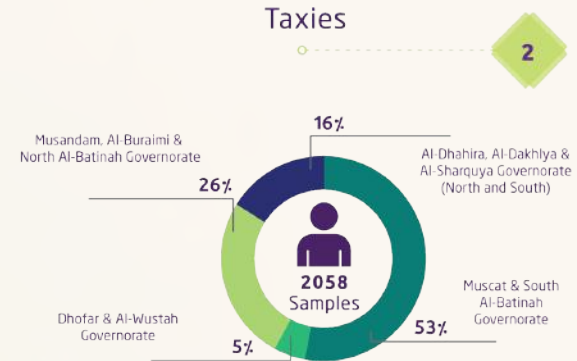


Criteria for Evaluation of Public Transport

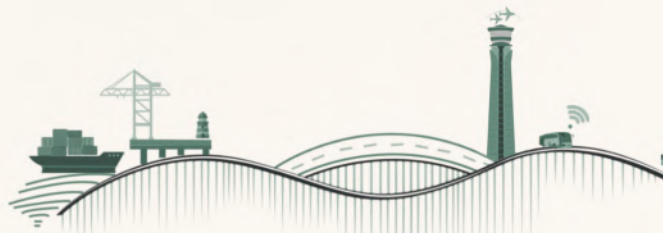
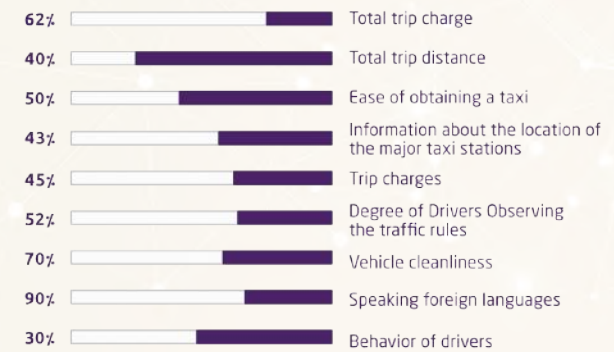


Number of Trips

184	277	222	343	429	395
121	81	234	395	720	507
Others	Annually	Monthly	Less than once a month	Weekly	Daily



Criteria for Evaluation of Taxes



National Broadband Strategy:

The Within the framework of regulating the telecommunications sector, a number of regulatory legislations have been issued that serve the strategy, including:

- Decision on the offer of access and interconnection of the Omani Qatari Telecommunications Company (OOREDOO).
- Decision on Oman Telecommunications Company's access and interconnection offer (OMANTEL).

For the development of broadband infrastructure, fiber optic broadband service has been provided in residential and commercial units as shown below:

Governorate	2017	2018
Muscat	199,071	247,270
North Al-Batinah	0	167
South Al-Batinah	0	3,064
Musandam	0	0
Al-Dhahira	0	0
Al-Dakhiliya	305	527
North Al-Sharqiya	0	0
South Al-Sharqiya	0	0
Al-Wusta	0	0
Dhofar	0	13,354
Al-Buraimi	0	0

Table (1): Development of broadband infrastructure, fiber optic broadband service

- Details of the cumulative statistics of fiber optic network according to governorates

Statistics of the Accumulation of the Network	2017	2018
Total accumulation in Muscat Governorate	199,071	347,270
Total accumulation in the other Governorates	305	17,112
Total accumulation in each year	199,376	364,382

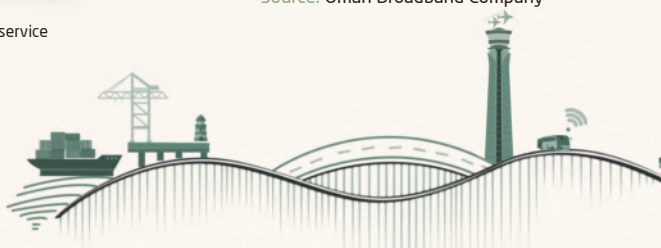
Table (2): Cumulative statistics of fiber optic network according to governorates

The number of active new broadband connections implemented by the Company in various governorates of the Sultanate during 2018 was as follows:

Area	Residential Connections	Commercial Connections	Total
Number of Connections	69,109	2,001	71,110
Muscat	68,174	1,997	70,171
Outside Muscat	935	4	939

Table (3): Number of active new broadband connections in various governorates of the Sultanate

Source: Oman Broadband Company



Human Resources Strategy

The strategy has been approved by the Ministry of Civil Service and is currently being put into effect. The vision of this strategy is based around optimization of existing human resources investments and raising the level of their efficiency through the development of integrated plans and new mechanisms that includes a study of the employment needs, trainings and qualifications, and a study and an analysis of the status of current human resources and their needs in order to obtain concrete results for the Ministry in the next coming ten years period.

2-Strategies Being Developed:

National Aviation Strategy 2030

The Ministry, in cooperation with the relevant authorities, prepared the national aviation strategy draft and presented it to the Council of Ministers for consideration and approval. This strategy aims to increase the direct contribution of the civil aviation sector in the GDP of the Sultanate from RO (172) millions to (890) millions by 2030. It also aims to achieve economic growth and attract sector related businesses into the Sultanate and enhance the potential of air cargo operations.

Maritime Administration Strategy

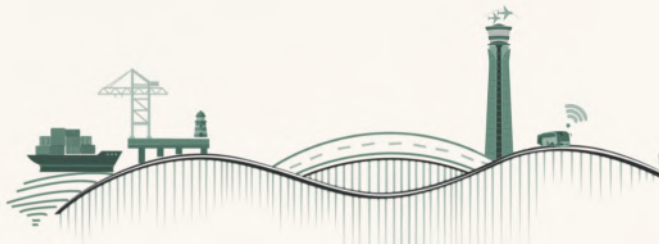
The Ministry, represented by the Directorate General of Maritime Affairs, is preparing the initial Maritime Administration Strategy, which coincides with the global maritime industry developments and with the increasing need of the technical, legal and management requirements set forth by the International Maritime Organization. The aims of all, is to protect the environment and maintain maritime security besides seeking to improve and develop the sector in the Sultanate to include the aspects of legislative development and improve the performance of marine services and the implementation and follow-up of the implementation of conventions, codes and international maritime protocols issued by the International Maritime organization.

The National Strategy for Information and Communications Technology

The preparation of the National Strategy for Information and Communication Technology is part of the efforts of the Ministry to showcase its role in proposing strategic policies and plans for the development of the sector. After realizing the objectives of the second phase plan (2012-2017), the Ministry has started preparing this plan for the next coming period.

The strategy under developed by the Ministry, is the first of its kind to integrate information and communications technology into a unified strategic plan, aimed at creating synergy and develop various aspects of the sector to coincide with the next economic and technical stage in order to provide for the sector sustainable economic stream, capable of contributing to the growth domestic product (GDP).

The three phases of the project have been completed. The consultation session will be coordinated in early 2019 to take the views of all stakeholders from the public and private sector. It is also planned to be submitted to the Council of Ministers at the beginning of the same year for approval.



National Strategy for E-Commerce

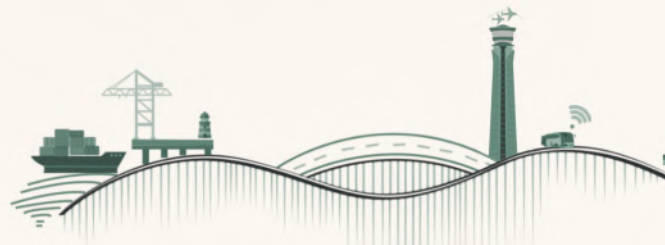
E-commerce has gained particular importance for achieving economic growth and competitiveness, and development of the e-commerce environment in the Sultanate is one of the initiatives of the national program that calls for economic diversification (TANFEEDH) in the logistic services sector, allowing Oman to become a major regional hub as the pioneer in the region. The strategy is based on transforming the Sultanate into a regional e-commerce hub and building a thriving e-commerce sector by 2025. It also aims to support and facilitate the development of e-commerce in the Sultanate by addressing the problems of supply and demand and raising awareness among businesses and consumers through:

- Implemented a plan for the national program for Enhancing economic diversification (TANFEEDH) and enabling the development of e-commerce in general.
- Strengthening Oman's ability to compete with other regional centers, providing logistics services, digital marketing services and information technology to e-commerce companies.
- Promote the adoption of e-commerce by companies in the Sultanate, enabling them to expand and reach more regional and international markets supported by a legal and

regulatory environment.

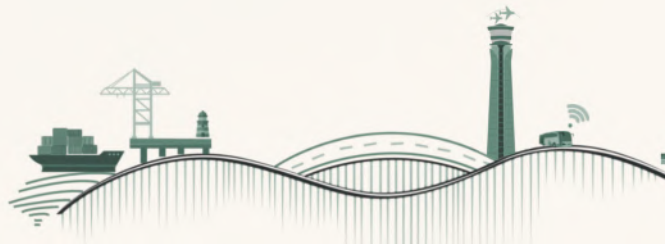
- Increase consumer dependence throughout the Sultanate on e-commerce.

It is worth mentioning that the draft strategy has been finalized to be presented to the Council of Ministers at the earliest session.



Chapter Two:

REGULATION AND LEGISLATIONS



First: Subsidiaries

Parallel to the establishment of the Oman Global Logistics Group (ASYAD), it has been announced earlier this year the establishment of the Oman Aviation Group to develop effectively manage government investments in infrastructure and services in the civil aviation sector, building key performance indicators and strategic financial and economic planning for the group's subsidiary companies. The ministry has also completed all procedures related to the announcement of the establishment of a new group devoted to Telecommunication, Information technology and related sector services.

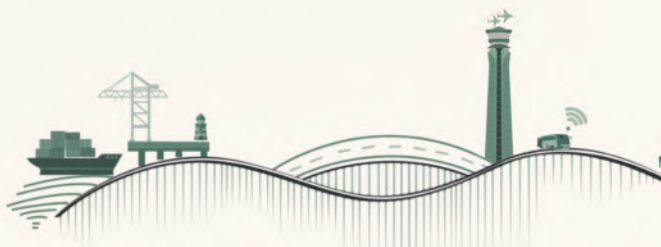
Oman Aviation Group

The Oman Aviation Group which is a holding government company under which umbrella all civil aviation companies operate in joint ownership with the government including; the Omanair the Omani company for airport management (currently Oman airports) and the Omani company for airport services, and other companies (under incorporation), including the Oman Navigation and Meteorology Company that aims to effectively develop and manage infrastructure investments and services in the civil aviation sector, build key performance indicators and strategic, financial and

economic planning of the Group's subsidiaries. To develop airport cities with the aim of enhancing the efficiency of airports and expanding related activities. The Group will develop these investments around airports by establishing partnerships with the private sector. The Group also seeks to establish free zones at the Sultanate's airports which will in turn contribute to enhancing foreign investments and increasing sources of revenues and the promotion of trade exchange and linking the Sultanate with the sources of production and make it a linking focal point to the world. It is worth mentioning that there is ongoing studies to separate navigation and metrology from the Public Authority of civil aviation and be assigned to the group. The necessary licenses are being prepared to enable it to operate in a commercial concept and bases, that besides licenses for development and investment of civil aviation assets are currently being issued in the Sultanate. The group is in collaboration with the authority in order to open new horizons through air transport agreements, with the aim of increasing the contribution of the aviation sector to the direct domestic product and the growth of indirect GDP with the tourism and logistics sectors.

Oman ICT Group

The Oman Telecommunications and Information Technology Group, which is affiliated to the State General Reserve Fund, under which umbrella is formed Oman Broadband Company, Oman Towers Company, Block Chain (coalition chain), and Space Communications Technologies, and any other new companies established by the Government in the field of communications and information technology in partnership with the private sector, in order to become an investment arm of the government in partnership with the private sector in the implementation of strategies of the ICT sector and the initiatives of the Fourth Industrial Revolution. The Group's work is divided into four areas: infrastructure, information security, digital economy building, a center of excellence specialized in developing and investing in small and medium sized enterprises and building national cadres to invest in the local and international markets in the fields of communications and information technology.



Second: Legislations

The Ministry seeks to raise the level of institutional performance at the supervisory and operational levels. Therefore, it is constantly updating and issuing various legislations and regulations for its various sectors, we will here review the most important issues issued in this regard during 2018.

1- Roads and Land Transportation:

Issued the Executive Regulations of the Land Transport Law:

In order to regulate the land transport sector in the Sultanate, the Ministry issued Ministerial Resolution No. (2/2018) on 8 January 2018 for the Executive Regulations of the Land Transport Law, which regulates the sector through the following:

- Setting the conditions and procedures for licenses of establishments and individuals to practice.
- Land transport activities and issuance of vehicles operating card for vehicles.
- Determining locations of land transport facilities (weighing stations, trucks parking areas, public transport stations, transport routes.).
- Determine special requirements for the safety of road transport (driver, means of land transport, goods and hazardous materials.).

- Obligations of the Licensee to engage in passenger and cargo transport (General, hazardous).
- Establishing a database that includes details of companies, individuals and means of road transport.
- Develop procedures and obligations for the use of smart applications.
- Determining and setting forth charges and rates for land transport services.
- Determining sanctions for violators.
- Determine the conditions of land transport.

It is worth mentioning that the regulations will be implemented through an electronic platform through which licenses and operational cards will be issued, and the installation of inspection centers to monitor the commitment of operators and private sector employees and establishing and implementing weighing and truck parking areas along with the management of taxis. The platform will be completed on (5) stages, the first beginning in January 2019, and the second in May 2019.

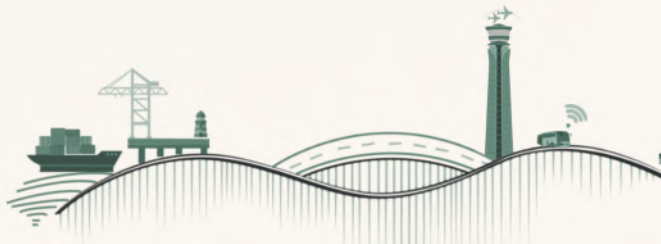
2- Shipping:

Executive Regulations:

The Ministry has prepared various regulations in accordance with the requirements of international agreements regarding the qualification, training and licensing of various categories of maritime farers. The national regulations have also been prepared for the qualification and licensing of the various categories of maritime farers working on the extension vessels and toing vessels in the Omani ports in addition to all that, the following organizational and regulatory list has been formulated:

- Ports safety regulation
- Regulation for licensing of the supply of ships with fuel
- Regulation of the work of licensing marine tourism units and yachts.
- Cruise boats and water sports boats.
- Regulations for the transport of hazardous materials on Omani vessels and at the Omani ports.

The Ministry also issued a regulation to organize and regulate the profession of inspection of maritime units not covered by international treaties, and the Ministry has obtained the consent and recognition of the European Union, represented by the International Maritime Safety Agency (EMSA), for the training and certification system for maritime farers in the Sultanate by order of the European Commission.



Memorandums of Understanding for Mutual recognition of maritime certifications:

The Ministry represented by the directorate general of Maritime Affairs signed a memorandum of understanding for mutual recognition of the certificates of maritime farers working onboard sea vessels with all; the Hashimyat Kingdom of Jordan, the Marshall Islands, the United Arab Emirates and the Kingdom of Bahrain. And the Sultanate's accreditation has been renewed with the white list of the international maritime organization which complies with international standards for the qualification, training and licensing of maritime farers.

Maritime Law:

The Ministry has completed the draft of the newly drafted law, which incorporated a number of articles of the law governing the regulation of navigating territorial waters of the Sultanate, it should be noted that the project is currently with the Ministry of Legal Affairs for review and referral to the competent legislative authorities.

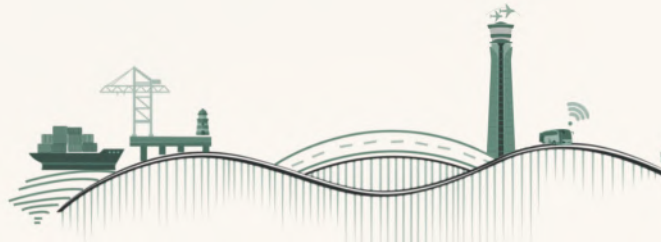
3- Telecommunication and Post

Under the guidance of the Council of Ministers, the Ministry reviewed the whole Telecommunications Regulatory Laws and proposed a new law (Telecommunications and Information Technology Law) in line with the latest developments in the sector. It is worth mentioning that the new proposed law has defined the level of authority of concerned bodies, and that it provided investors with guarantees and transparency to motivate investments and determine duties, rights and liabilities, and new articles have been incorporated in response to the continuous technological changes in the sector. The final draft of the new proposed law has been forwarded to the General Secretariat of the Council of Ministers and awaiting its final approval.

The Sultanate has hosted the 34th meeting of the Arab Permanent Committee for Post and various topics related to the postal sector have been discussed including; the general Arab postal strategy for the period (2018 - 2023), and the regulation of e-commerce, and follow-up the implementation of the regional development plan for post and other issues.

Matjar application service and E-box complexes have been launched to promote the growth of e-commerce, introducing a money transfer service, and providing a centralized sorting

machines to raise quality, support e-commerce and distribute packages within the Sultanate.



4- Air transport

In coordination with the relevant authorities, the Ministry oversaw the signing of several agreements to upgrade air cargo capabilities and the possibility of expanding its data base. The Oman Aviation Services Company has signed the following memoranda of understandings:

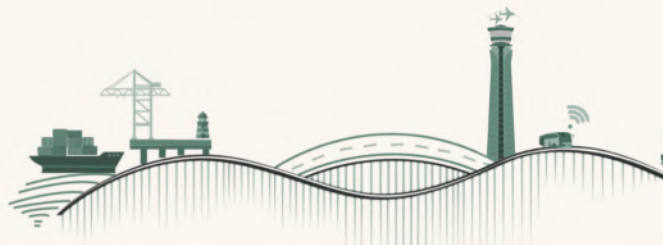
Memorandums of Understanding with the European Alliance for ground handling services (GroundNet):

Oman Aviation Services is scheduled to become the first non-European member of the European Ground Handling Services Alliance (GROUNDNET), by which local experts will be linked to a multi-site network to provide airlines with a full package of high-quality services for passengers as well as on the ground and cargo handling. Which will open an opportunity to enter new markets and to and benefit from specialized knowledge, best practices and training opportunities.

Memorandums of Understanding with the International Air Cargo Organization (TIACA):

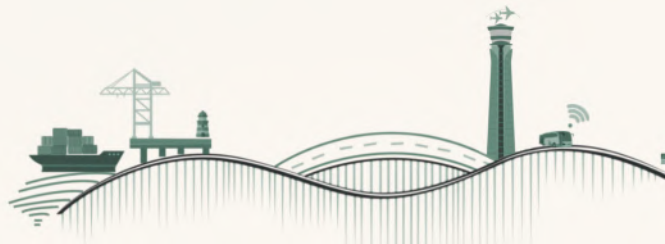
This partnership with this organization will provide the Oman Aviation Services Group the opportunity to reach the international market, because it is the only organization that represents and incorporate all sectors of the air freight supply

chain and the only one that supports and directs companies of various sizes in order to prepare a world class, efficient and advanced air cargo service.



Chapter Three:

INFRASTRUCTURE PROJECTS



Infrastructure in Oman according to the world competitive report for 2018



Road Connectivity

12



Quality of Roads

8



Sea Connectivity

18



Efficiency of Ports

18



Air Connectivity

47



Efficiency of Air Transport

28

First: Roads

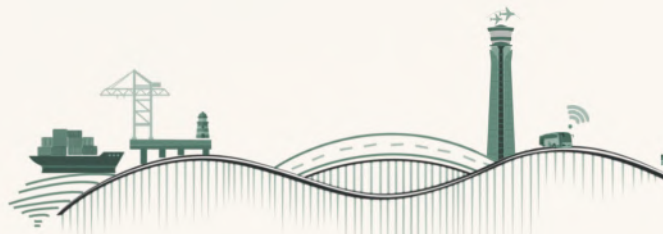
The Ministry is continually expanding its main and secondary road network and raising road efficiency and dualization while giving Traffic safety the highest of priorities during the design and implementation of roads. The ministry is also involved in linking rural areas to urban centers by expanding the dirt road network in the Sultanate.

The length of paved roads under the responsibility of this ministry until the end of December 2018 amounted to about (15,000) km, while the length of Track (gravel) roads (17.135) kilometers, allowing citizens and residents to move around the Sultanate easily.

1- Roads Projects:

The ministry opened sections of road projects in various governorates of the Sultanate of Oman over a length of 383 km. Al Batinah Expressway was also opened and the seventh package of the Al Batinah Highway Project was awarded.

The Ministry has also launched several projects, such as the Dibba-Lima-Khasab road project, as well as the project of adding two new lanes on Al-Rusail-Bidbid road. It is worth noting that road access has been provided on many roads most notably the inquartation of Al-Batinah Expressway.



Projects completed partially and fully during 2018

	Total Length (Km)	Completed Length (km) 2018
1 Al-Ugdah and Al-Byadh road link	22	22
2 Dualization of Al-Batinah Expressway - the second package	44.8	9.8
3 Dualization of Al-Batinah Expressway - package 3	46.2	46.2
4 Dualization of Al-Batinah Expressway - package 5	41	34
5 Dualization of Aqabat Al-Rustaq "escarpment"	14	1.2
6 Construction of Salan Flyover in Sohar	-	-
7 Construction of tunnels on the current Al-Batinah Road (phase 3 - stage 1)	4	4



Elevated crossroads

25



Vehicle Flyover

5



Wadi Crossing Bridges

21



Pedestrian Underground Crossings

15



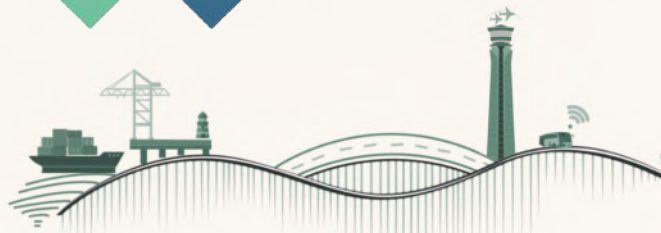
Pedestrians flyover crossing bridges

2



Vehicle Tunnel Crossings

32



	Total Length (Km)	Completed Length (km) 2018
1 Al-Sharqiya Express way (second phase) first stage	77	28
2 Completion of Sinao-Mahoot-Al-Duqum road - second phase (Until Mahoot Roundabout)	17	14
3 Construction of Al-Abailah Al-Fayadh road in Al-Buraimi Governorate	41.9	9
4 Safety barriers on Khasab Costal Road (Khasab-Tibyan)	21.5	15,5
5 Dualization of Ibri-Yanqoul road (second phase)	34	17
6 Dualization of Barka-Nakhel Road	38.5	14
7 Dualization of Adam-Thamreet road (first stage)	120	120*
8 Dualization of Adam-Thamreet road (second stage)	120	120**

Notes:

*The 120km long new road, in addition to 40km as part of a rehabilitation of the old road has been completed.

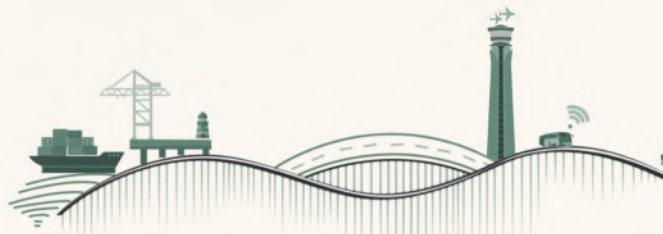
** The 120km long new road, in addition to 65km as part of a rehabilitation of the old road has been completed.

Projects underway during 2018:

The Ministry is currently implementing a number of roads and constructing new asphalt roads with a total length of more than 650km at an estimated cost of RO 900 million. These projects will include a number of intersections, bridges, tunnels and drains for valleys and wadies.

It is planned to open the traffic for motorists the first and second part of the Adam-Thumrait dual road dualization, in addition to the opening of the traffic on Al-Sharqiya Express way from Bidbid to Al-Kamil, including the part at Wadi Al-Uq in Walayat Samaiel.

It is also expected that the work of the third and fourth lane of the Al-Rusail-Bidbid road, as well as the works in the Dibba-Lima-Khasab Project will all be assigned to a contractor.

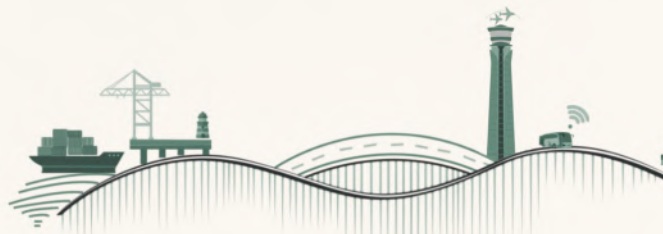


Notes:

* Remaining part of a rehabilitation of the old road

** Remaining part of a rehabilitation of the old road

		Total Length (Km)	Under construction Length (km)		Total Length (Km)	Under construction Length (km)	
1	Al-Sharqiya Express way (second phase) first stage	77	31	10	Al-Sharqiya Express way (second phase) second stage	56	56
2	Completion of Sinao-Mahoot-Al-Duqum road - second phase (Until Mahoot Roundabout)	17	3	11	Dualization of Saham-Al-Falag (Saham Linkage)	13	13
3	Construction of Al-Abailah Al-Fayadh road in Al-Buraimi Governorate	41.9	32.9	12	The Construction of Saih Qutnah - Al-Jabel Al-Akhdar road in Wilayat of Nizwa	8.6	8.6
4	Safety barriers on Khasab Costal Road (Khasab-Tibyan)	21.5	6	13	Dualization of a road from LNG roundabout until Bilad Sur roundabout	14.7	14.7
5	Dualization of Ibri-Yanqoul road (second phase)	34	12	14	Completion of remaining civil work on Sint-Wadi Al-Ala road (Al-Dakhlya Governorate)	4	4
6	Dualization of Barka-Nakhel Road	38.5	24.5	15	Design and execution of the industrial area road link at Suhar	2.83	2.83
7	Dualization of Adam-Thamreet road (first stage)	120	80*	16	Design and execution of the free zone linkage at Sohar Wilayat	3.8	3.8
8	Dualization of Adam-Thamreet road (second stage)	120	55**	17	Design and execution of Al-Wajajah (Shinas Wilayat) - Al-fi road (Wilayat Mahdha)	9	9
9	Al-Sharqiya Express way (first phase) first stag	40	24	18	Duality of Al-Siwaiq's linkage	13	13



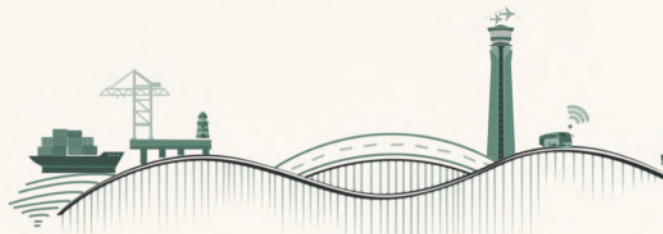


2- Projects Under Study and Design:

The Ministry will study and design (10) projects with a total length of more than 290 km, the most important of which are the dual carriageway of Wadi Saa'- Hafeet, Ibri bypass and the dual carriageway of Shinas-Mahdha.

3- Maintenance of Roads:

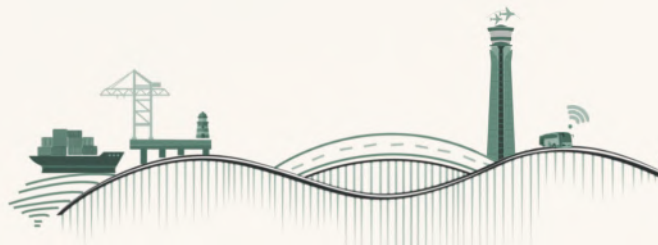
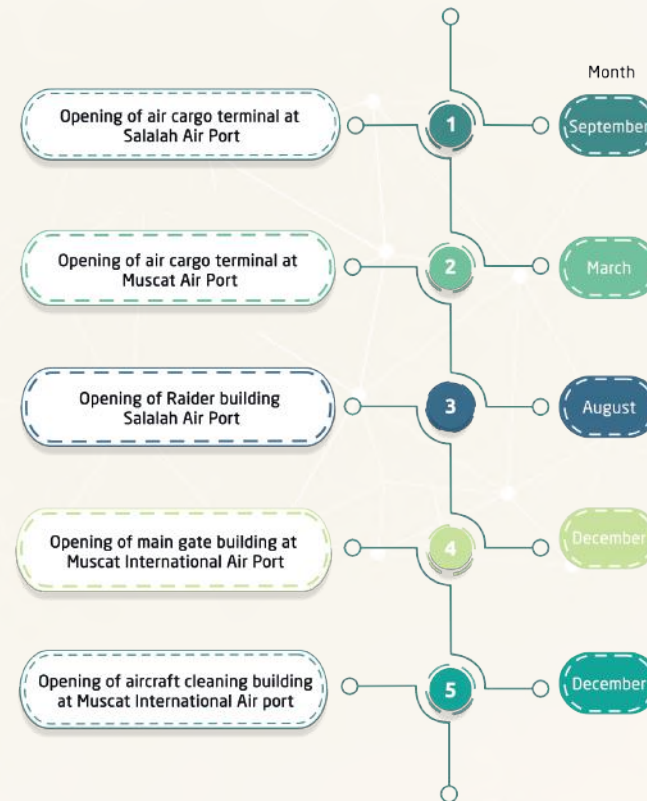
Maintenance of dirt roads in various governorates of the Sultanate is carried away through monthly surveys, in addition to carrying out rehabilitation work for some roads that do not work with the monthly survey process in order to raise the level of performance of these roads, the total lengths of dirt roads that were maintained during the year 2018 exceeds 155 thousand Km through the annual maintenance plan for each governorate of the Sultanate.



Second: Airports

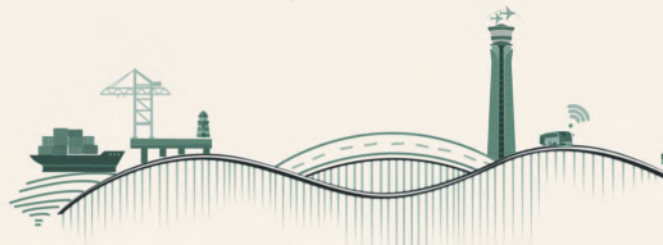
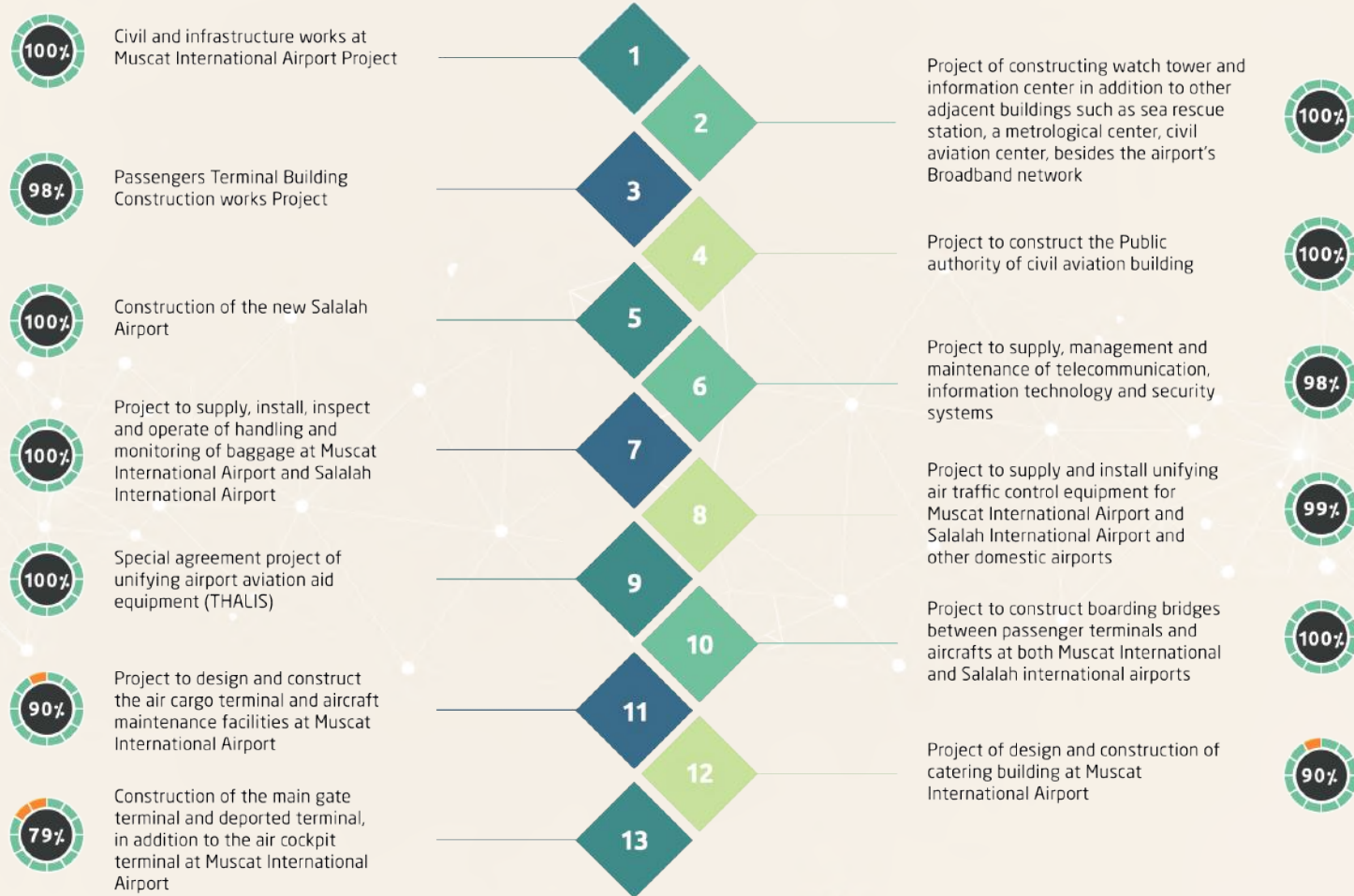
The Ministry is coordinating with the relevant authorities on a number of civil aviation infrastructure projects. The Ministry has made a great effort to complete these works, where the new Muscat International Airport has witnessed remarkable progress in the completion of the works this year. These efforts culminated in the commercial operation of Muscat International Airport on March 23, 2018 and coinciding with the celebrations of the Sultanate's 48th National Day, the airport

was officially inaugurated on 11 November 2018. The operation of this economic and tourist structure is a unique model in terms of its form and equipment and is an iconic and source of pride that added to the projects witnessed by the Sultanate, and thus contributing to stimulating the national economy and attracting more investments.



Besides that, the operation of the passengers' terminal at Duqm Airport began on September 17 this year and is scheduled to be officially inaugurated early next year. By doing so, it becomes the third airport in Oman to enter the service with all its operational facilities with a current capacity

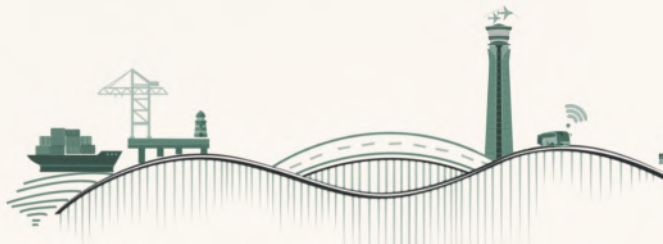
of half a million passengers annually, It should be mentioned that this airport is an addition to the economic zone of Dikum, which is about 550 kilometers from the capital Muscat, thus facilitating the movement from and to it.



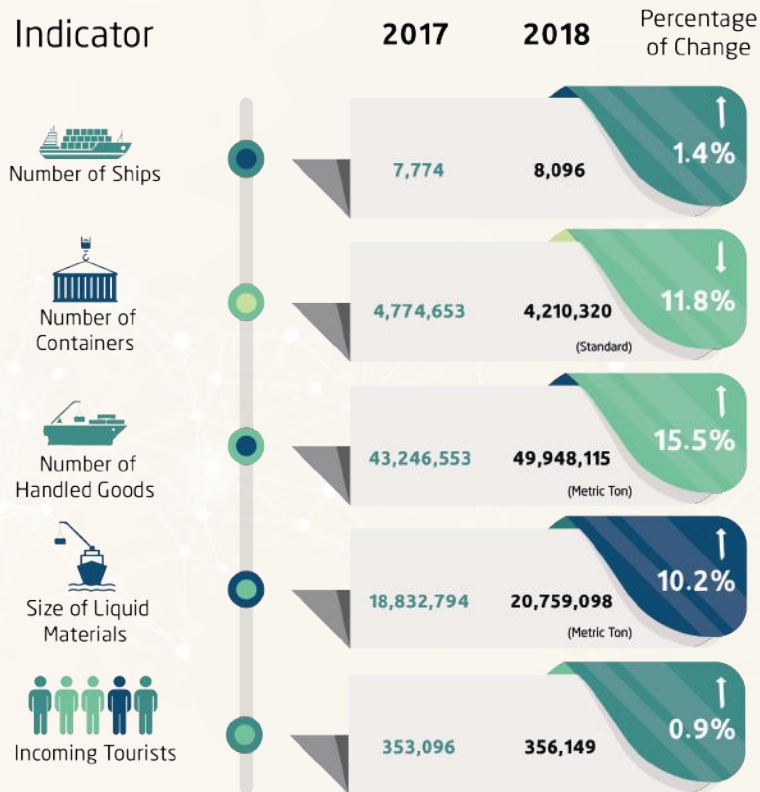


Chapter Four:

OPERATION AND PERFORMANCE OF OPERATORS



Performance Indicators of Omani Ports in 2018



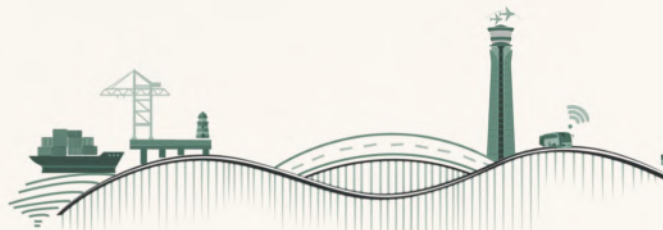
Chapter four reviews the most important achievements during 2018 on all of the financial and operational levels of the various ministry sectors.

First: Performance of Operators:

Oman Global Logistics Group (ASYAD):

The Group's companies have achieved growth in spite of the economic conditions experienced by the world, thanks to several steps that have contributed to improving the efficiency of the operations of the Group's companies and to the optimal utilization of resources and the integration of its subsidiaries where revenues have increased by 28% in 2018. Oman Dry Dock Company has also secured one of the largest maintenance contracts for the Indian ship (Desh Vaibhav) at a cost of more than RO 5 million.

This is due to:



Subsidiaries of the Group:

1- Ports and Free Zones:

Sohar Port:

Marafi company signed an agreement for the development of solid waste handling docks at a total cost of RO 18 million.

Duqm Port:

The port represents according to its unique location and its developed infrastructure a special investment attraction in the region as a turning point or a direct route for the regional and international markets. The port of Duqm is witnessing a number of development projects including the construction of a liquid material handling dock, the implementation of infrastructure works for the government dock which is considered the first Integrated government service dock established in the Sultanate.

Sultan Qaboos Port:

(The Ministry is progressing in transforming the port into a tourist port where:

The task of managing all marine operation and ship handling in the port was awarded to MARAFI company as of January 1, 2018, besides management and operation of shipping docks in the Sultanate of Oman and abroad to achieve wider horizons in maritime operations through partnerships and global business relationships.

The Ministry along with the Oman Royal Police, MARAFI company, and Oman Airports company signed an agreement with Marila Cruz International Company for the Sultanate to be an arrival and departure station for two equally numbered groups during the 2018/2019 tourists' season. The first voyage on the 29th and 30th of November of 2018 was successful because of the collective and collaborative effort of all.

2- Shipping:

Oman Shipping Company achieved financial revenues on brokerage fees, fleet steering fees and on fleet management in 2018 because of the local trip management and guidance office to optimize fleet utilization.

Oman Post has also developed a postal system on its operations by introducing smart applications such as the followings:

- A. Launch of (ERSAL) an application that allows the user to send or receive and track the location of any shipment from anywhere within the Sultanate of Oman (door to door).
- B. Launch of (MATJR) for e-shopping with the option of choosing the time of shipment for up to thirty days from the time of purchase without incurring any additional charges.
- C. Reduce the company's reliance on income on post from 80% to 50% during 2018 and thus reducing government aid.
- D. Oman Dry Dock Company achieved the best financial performance since its inception

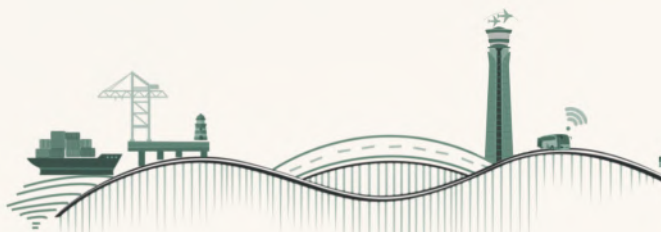
with a 50% improvement in 2018 compared to 2017.

- E. The ratio of repair works carried out by Oman Dry Dock Company increased by 30% during 2018 where the number of sea vessels repaired has reached 130 vessels compared to 2017.
- F. Oman Dry Dock Company won a 15-year contract with Oman Refineries and Petroleum Industries Company (ORPC), as a result of the actual implementation of the diversification of the company's resources.

3- General Services:

The formation of integrated services in cooperation with companies, for example:

- The cooperation between Oman Post company and MWASALAT company in the transport of parcels.
- The cooperation between the national company for Ferries and MWASALAT company in transport services to link the governorate of Musandam with Masirah



Island.

- The Unified Communications Center project for MUASALAT company, Oman Post and the National company for Ferries.

4- National Company of Ferries:

The company has undertaken a number of initiatives aimed at achieving financial abundance by optimizing use of fleet, re-planning some maritime trips and performing some internal maintenance, in addition to conducting most parts of the professional training and development programs locally.

5- Transportation Company MWASALAT:

Seven new lines of public transport have been launched within the Governorate of Muscat, bringing the total number to 15 lines and seven new lines between cities, bringing the number to 16 connecting the different governorates of the Sultanate, in addition to a new public transport line within the state of Salalah and two lines within the state of Sohar bringing the total number of running lines to 34 lines.

MWASALAT has also launched and introduced public transport services for the first time for both Walayat Dhofar and Sohar on 28 December 2018, where it had transported more than 46,000 passengers in the first seven days of the service, with an average of more than 3,000 passengers per day.

Many services were launched during the year 2018 such as:

- Aujrat MWASALAT service to provide taxi service upon request from commercial centers.
- Transportation services at later times for main roads and popular routes.
- Airport transport services.

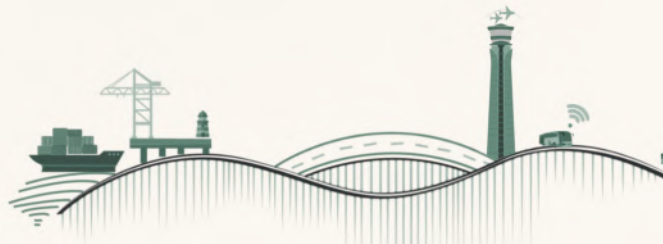
Adopted Investment opportunities during 2018:

Al-Suwaiq Port

Al-Suwaiq port is located in the center of North Al Batinah province, close to the capital Muscat and the economic KHAZAIN area, in addition to its proximity to the Iranian and Pakistani commercial markets, where the port witnessed remarkable developments during 2018 through the activation of the commercial part of the port according to the followings:

Marafi Corporation received responsibility for the development and management of the commercial part of the port to activate the commercial services of the port and to enhance trade exchange activities in the region.

Marafi provides a wide range of commercial facilities in phases sufficient to establish foundations for new commercial activities through direct import of from local markets, in addition to meeting the needs of the local market for construction materials, consumer goods, fruits, vegetables and fisheries, and would also be able to export fishing industry and support services of the economic KHAZAIN area.



Second: Operational Activity Data:

Operating Activities in the Omani Ports:

1- Sultan Qaboos Port:

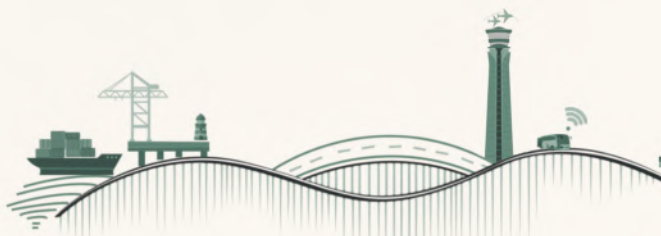
Details	2016	2017	2018
Ship Movement			
Tourist Ships	149	135	122
General Goods Ships	16	17	7
Bulk cargo Ships	32	31	46
Liquid cargo Ships	213	189	126
Transitory Ships	653	550	565
Others	254	232	191
Total	1317	1154	1057
Activity of Handled Goods - Metric Ton			
Food stuff	575,820	589,923	613,209
Construction Goods	423,869	375,726	357,578
Livestock	10,595	7662	3243
Chemical Oils	83,459	33,613	-
Total	1,093,743	1,006,924	974,030
Tourist Activities			
Number of Tourists	249,497	242,157	237,939

Table (4): Operational Capacity of Sultan Qaboos Port

2- Salalah Port:

Details	2016	2017	2018
Ship Movement			
Container Ships	1501	1485	1223
General Goods Ship	406	122	92
Bulk Cargo Ships	53	49	89
Liquid Cargo Ships	332	367	393
Tourist Ships	34	24	35
Transitory Ships	-	68	62
Others	498	281	249
Total	2824	2396	2143
Container Activities - Standard			
Export Containers	1,093,743	109,647	127,006
Import Containers	87,481	95,782	117,668
Re-Shipping Containers	3,132,613	3,740,995	3,140,008
Total	4,313,837	3,946,424	3,384,682
Activity of General Goods - Metric Ton			
General & Abandoned Goods	10,740,963	11,247,464	14,005,658
Liquid Goods	2,295,597	2,339,218	2,197,672

Table (5): Operational Capacity of Salalah Port



3-Sohar Port:

Details	2016	2017	2018
Ship Movement			
Container Ships	496	569	586
General Goods Ships	319	387	437
Bulk cargo Ships	813	821	919
Liquid Cargo Ships	363	319	297
Rolling Ships	331	979	1225
Total	2322	3075	3464
Container Activities - Standard			
Export Containers	286,018	320,338	372,541
Import Containers	290,012	335,726	363,224
Re-Shipping Containers	44,074	172,169	89,873
Total	620,104	828,233	825,638

Table (6): Operational Capacity of Sohar Port

4- Khasab Port:

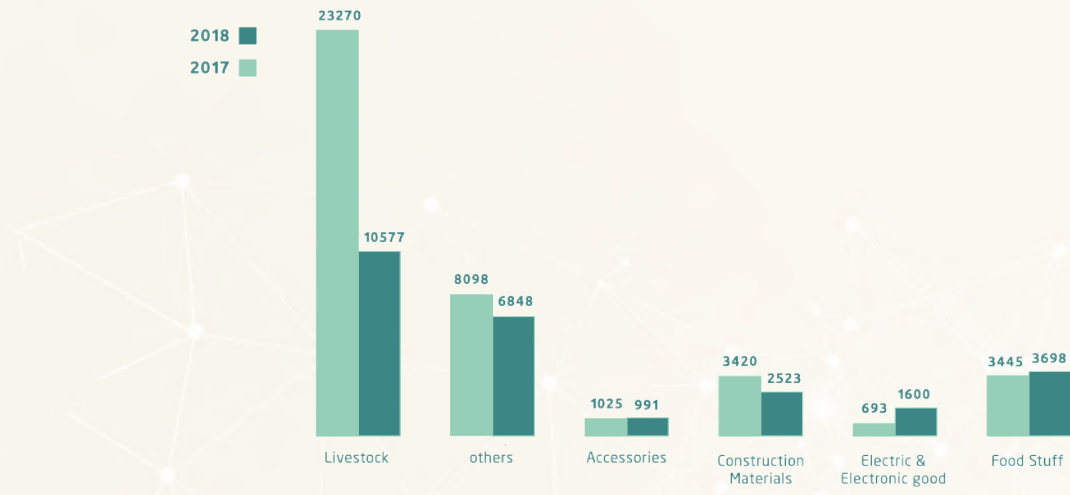
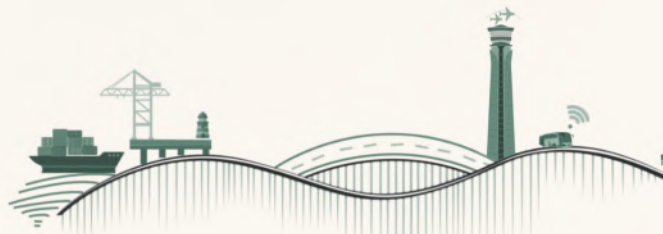


Figure (2): Operational Capacity of Khasab Port



5- Shinas Port:

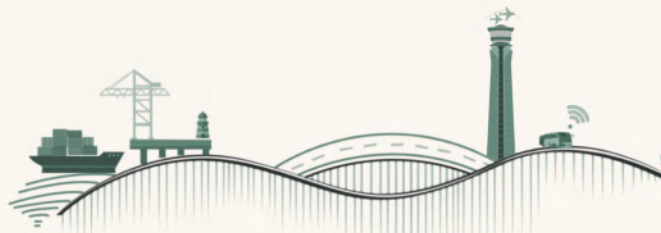
Details	2017	2018	نسبة التغيير %
Shipped Goods (Ton)			
Food Stuff	881	1657	88
Construction Materials	4156	6156	48
Livestock	609	612	0
Others (General and Fodder)	763	93	-88
Total	6409	8518	33
Emptied Goods (Ton)			
Food Stuff	396	779	97
Construction Materials	7943	13,246	67
Livestock	439	1633	272
Others (General and Fodder)	2794	97	-97
Total	11,572	15,755	36
Total of Handled Goods	17,981	24,273	35

Table (7): Operational Capacity of Shinas Port

Operational Capacity of ferries:

Details	2017	2018	نسبة التغيير %	
National Ferries				
Masira Port	Number of Trips	3563	3160	-11
	Number of Vessels	49,184	39,556	-19
Shannah Port	Number of Trips	2980	2655	-11
	Number of Vessels	43,041	33,730	-22
Oman Ferry Company				
Total	Number of Trips	2656	2358	-11
	Number of Passengers	194,214	187,004	-4
	Number of Vessels	57,485	54,883	-4

Table (8): Operational Capacity of Ferries



Tourist Traffic:

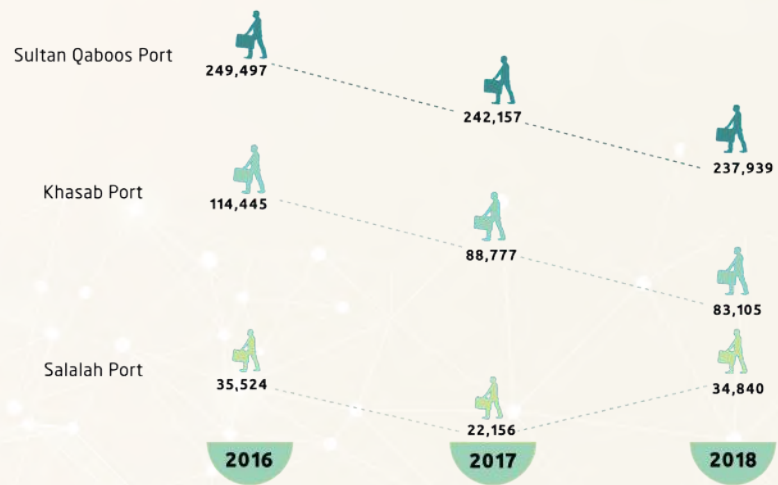
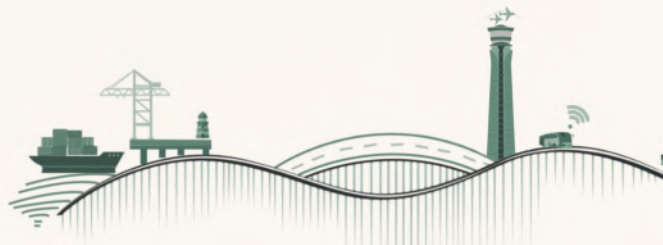
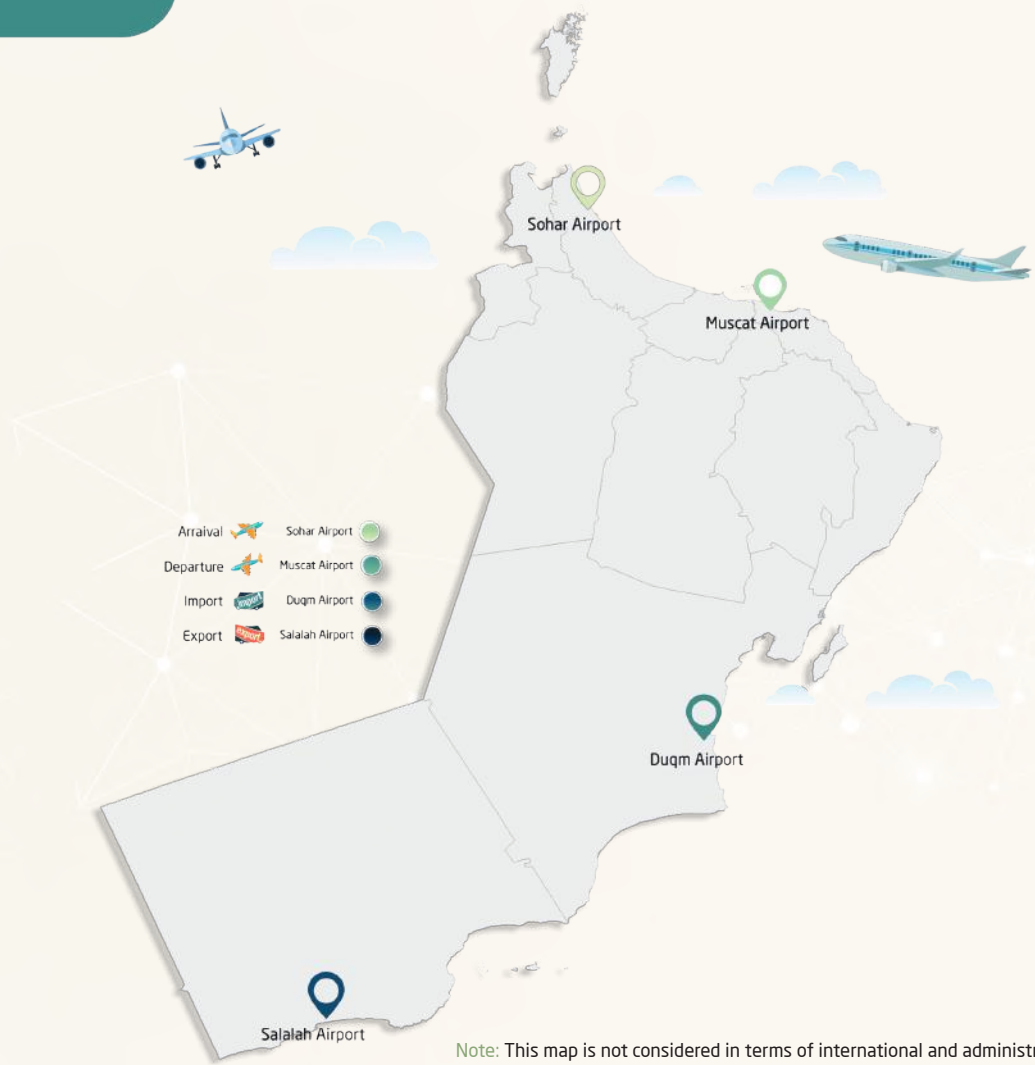


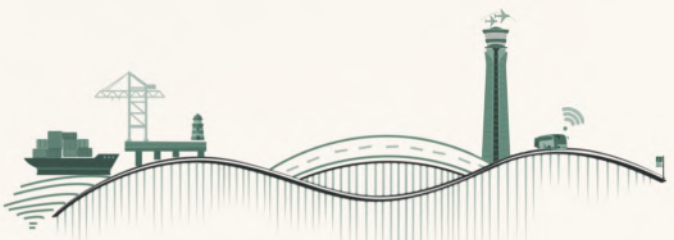
Figure (3): Growth Rate of passenger in the Sultanate Ports during the period (2016-2018)



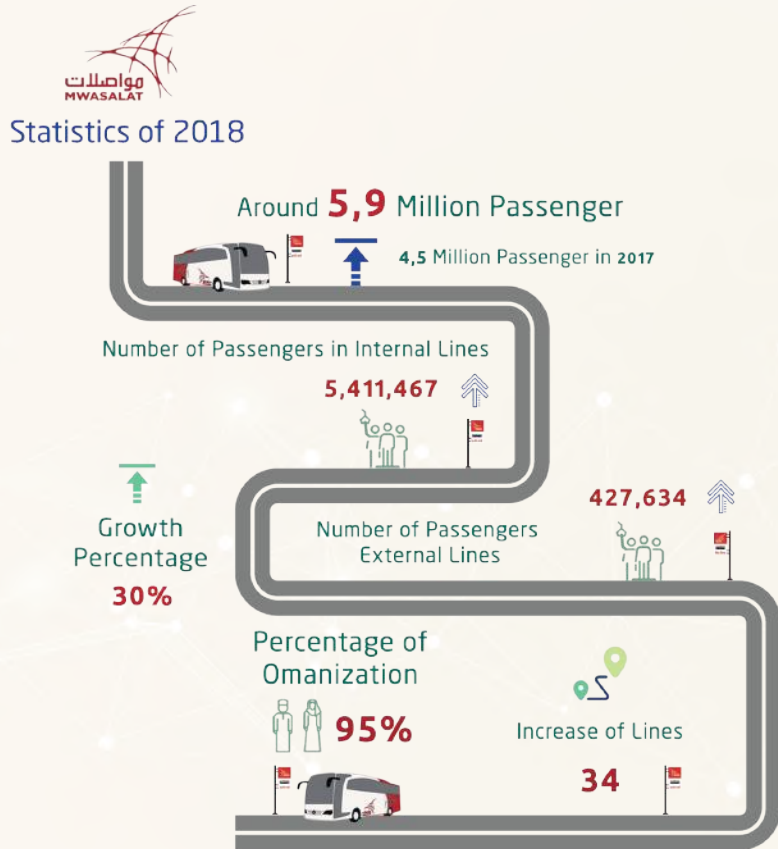
Operation Traffic in the Sultanate's Airports in 2018



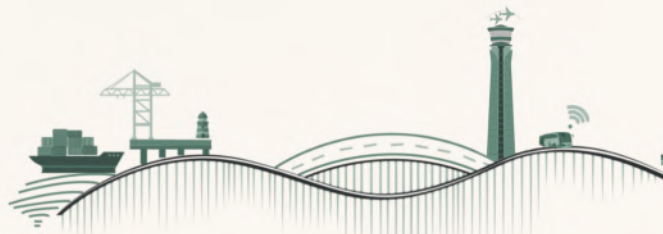
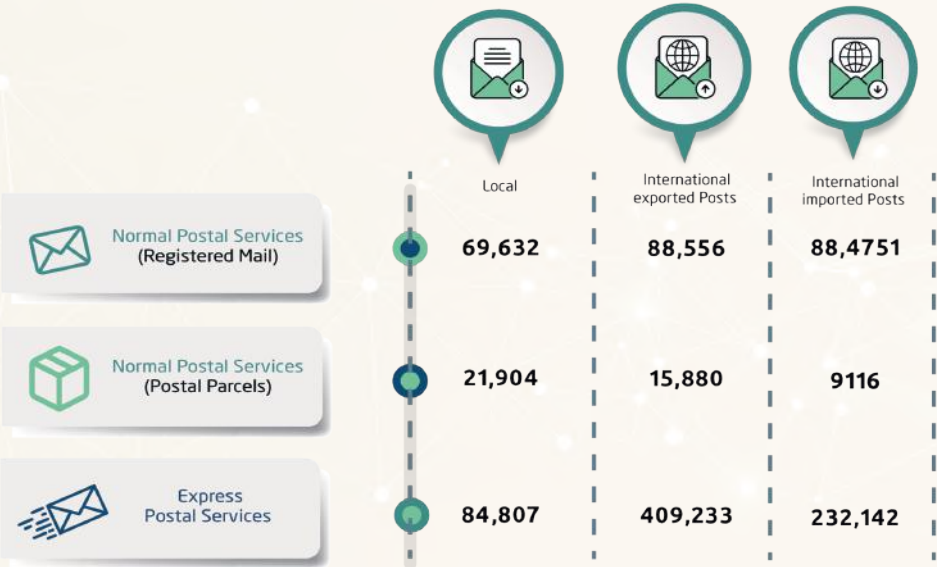
Note: This map is not considered in terms of international and administrative borders



Operational Movement of Public Transport:

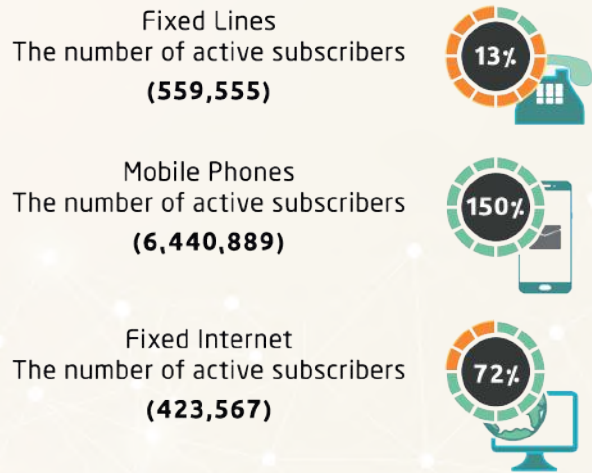


Operation Movement of Post



Telecommunications:

The general indicators of telecommunications where the percentage of spread in various services until the end of the fourth quarter of 2018 at the following levels:



Telephone Fixed Line services:

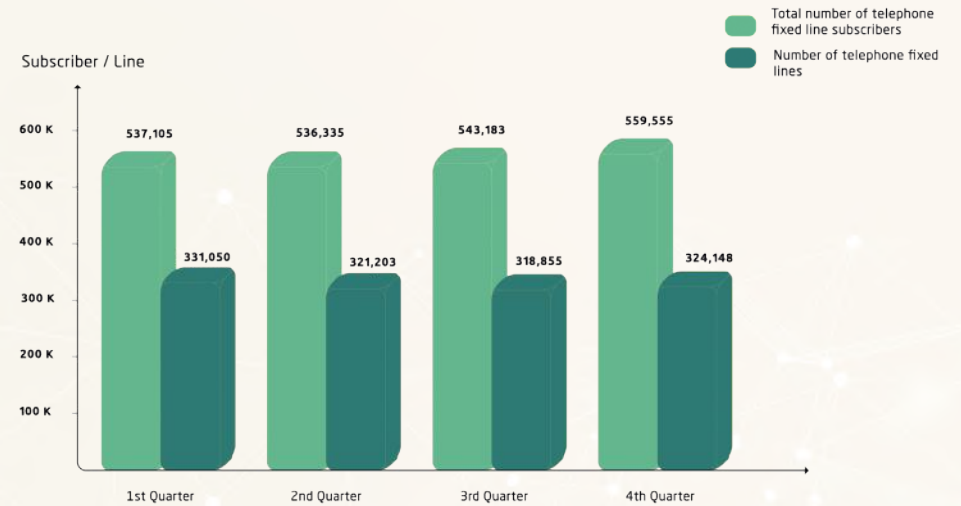
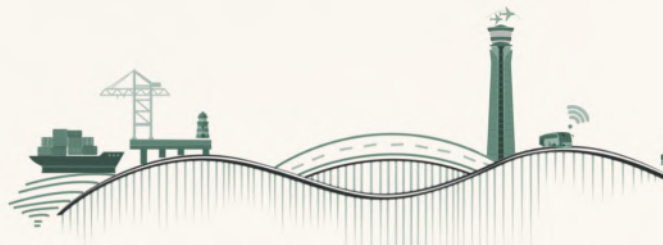


Figure (4): Total Subscribers and Number of Fixed Lines

The number of active subscribers of Broadband Internet of mobile phones (4,113,348) subscriber by the end of the fourth quarter of 2018 with a spread percentage among residence of (90.2%).



Mobile Services:

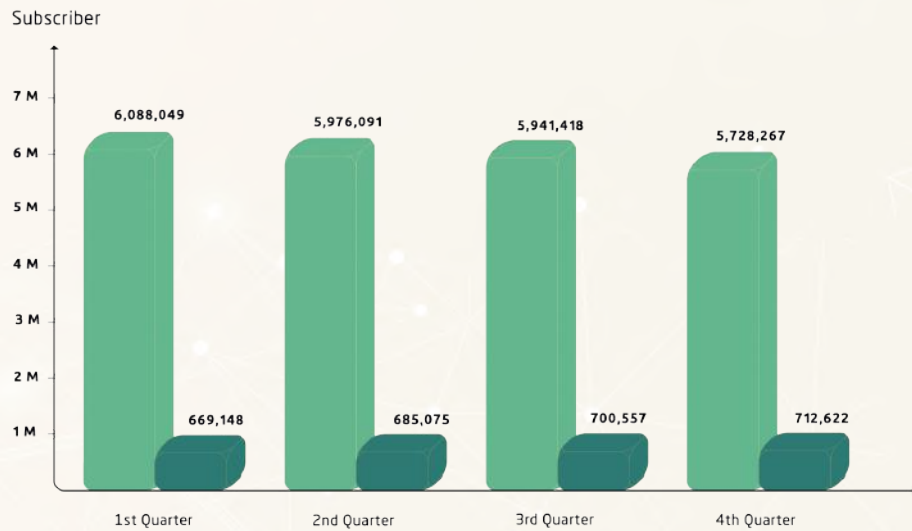
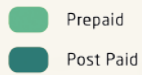


Figure (5): Total Number of Prepaid and Post Paid

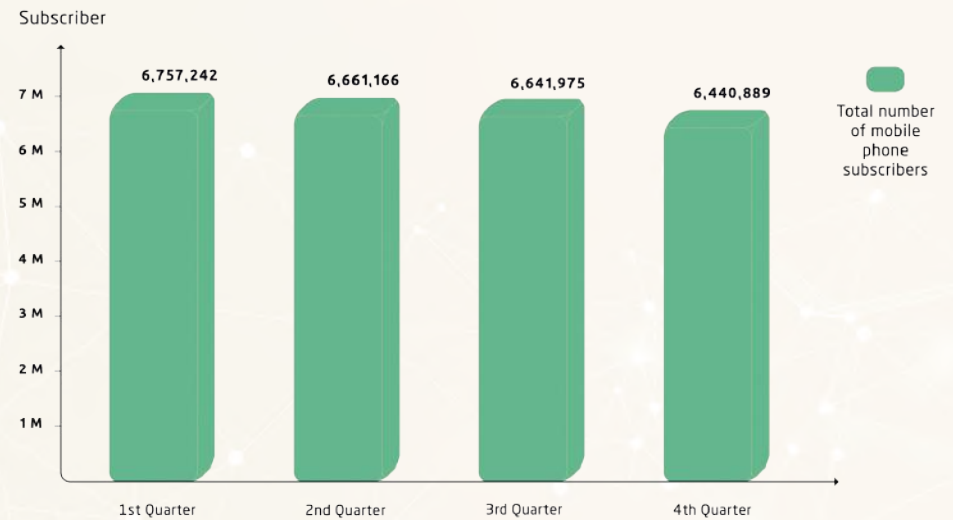
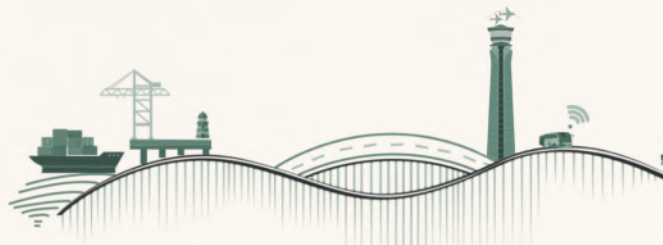
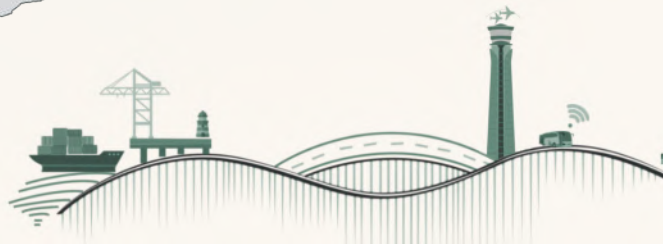
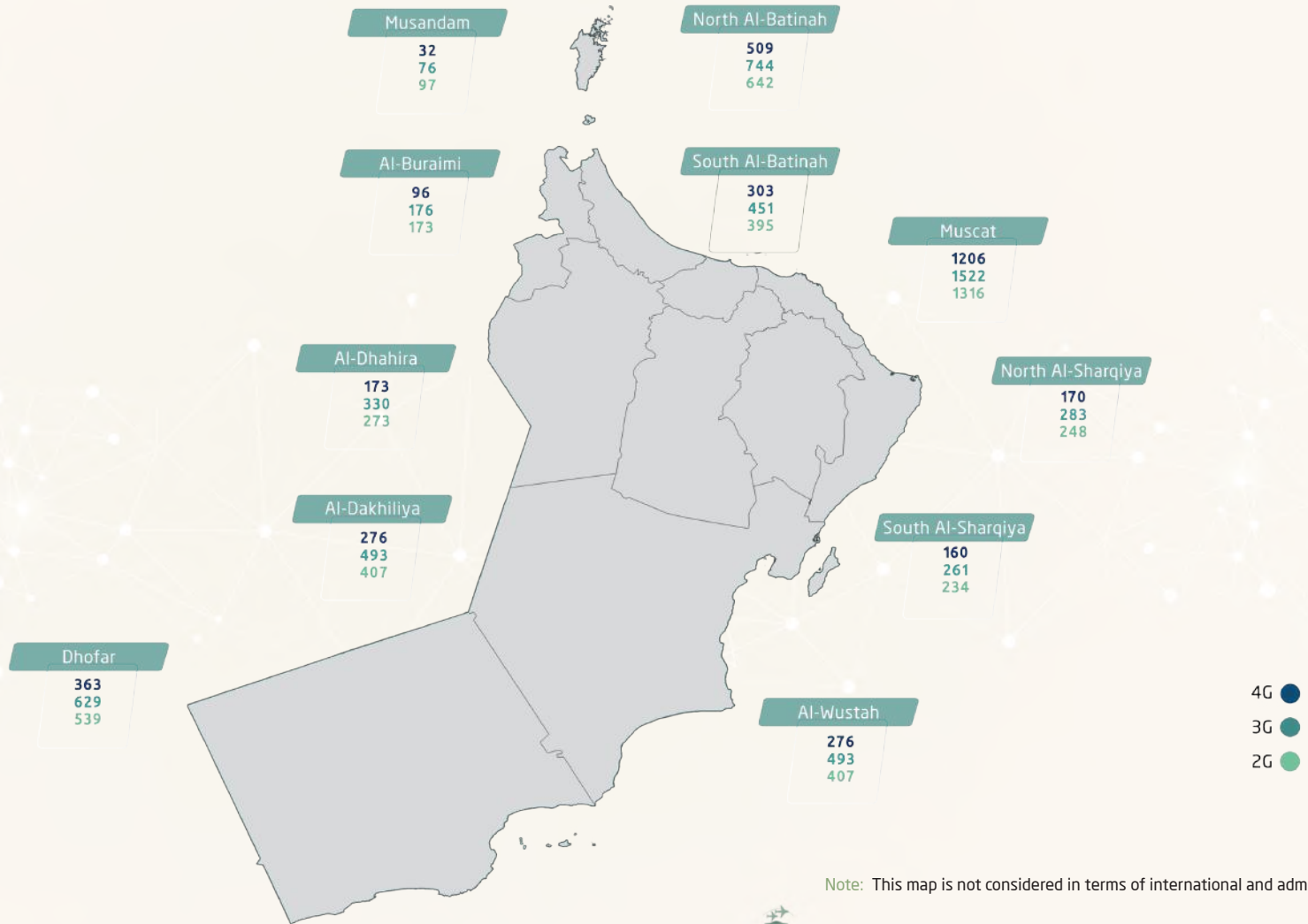


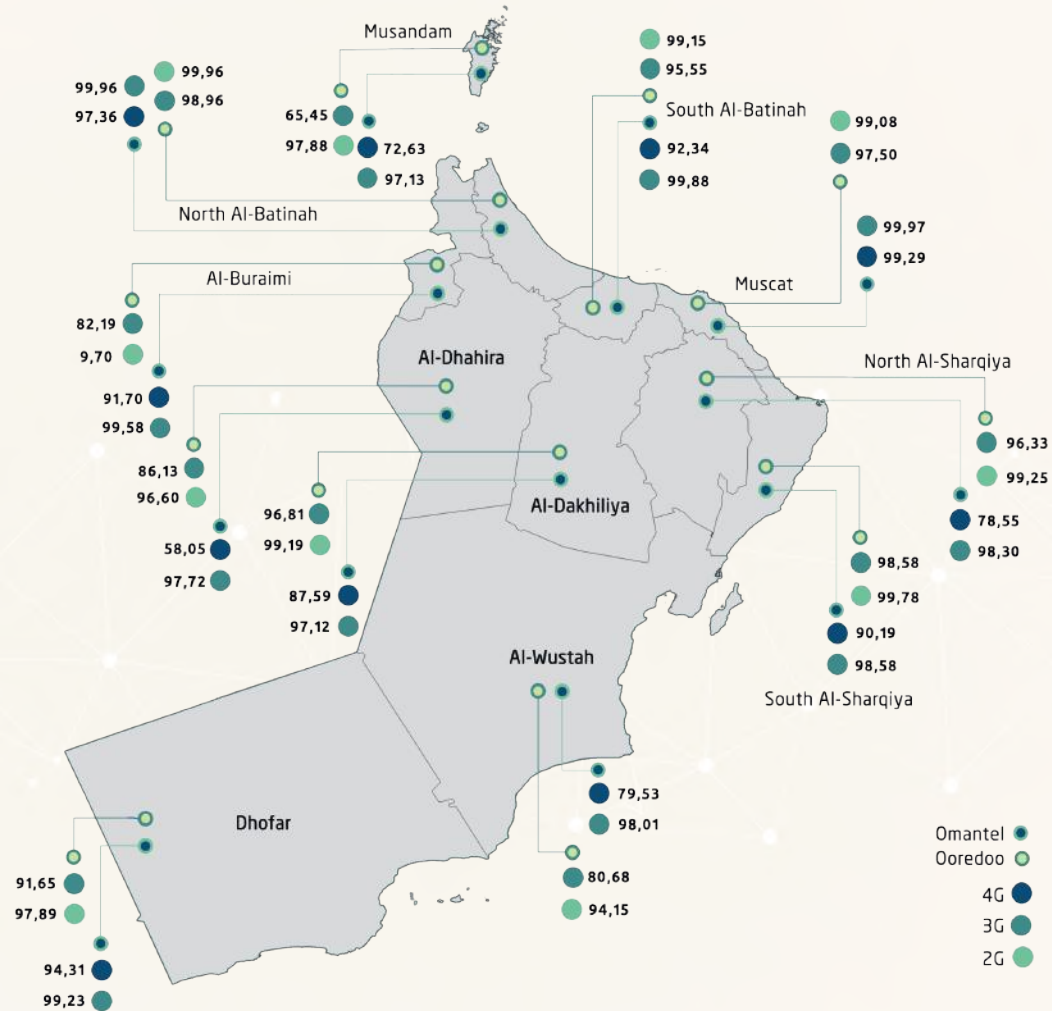
Figure (6): Total Number of mobile phone subscribers



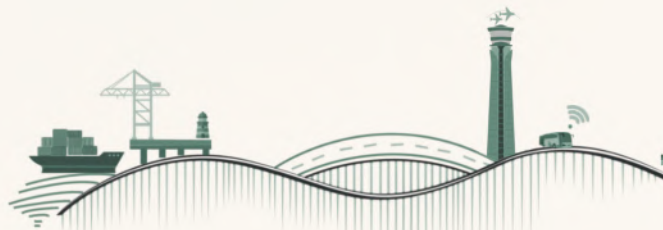
Distribution of stations (second, third and fourth generation):



Coverage of mobile networks:



Note: This map is not considered in terms of international and administrative borders



Internet services:

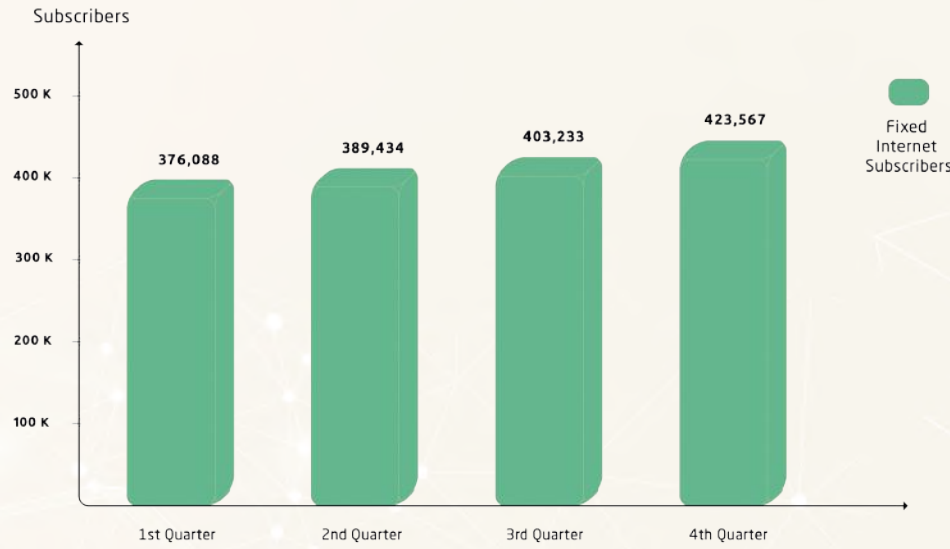


Figure (7): Total Number of fixed Internet Subscribers

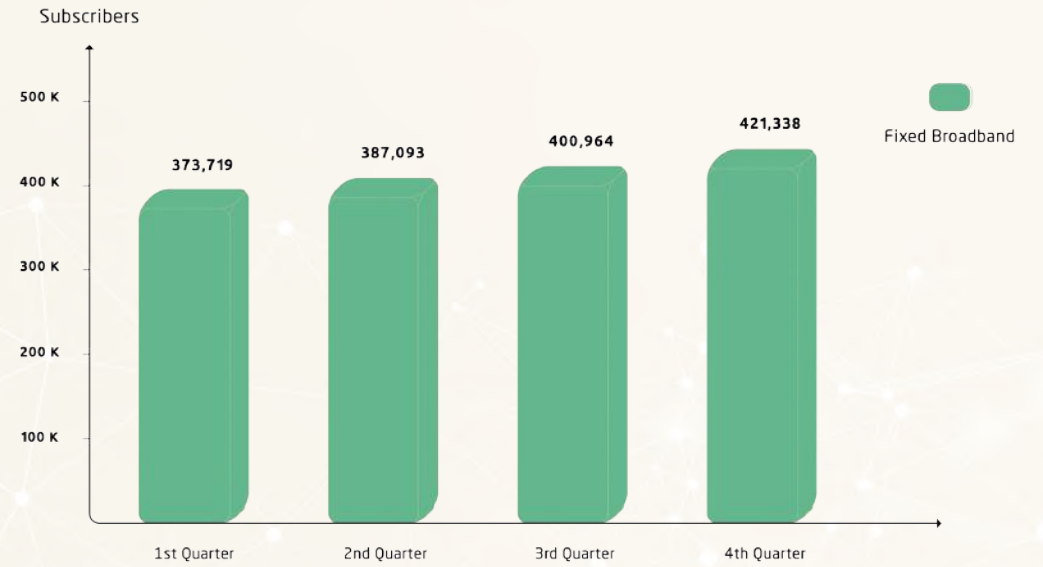
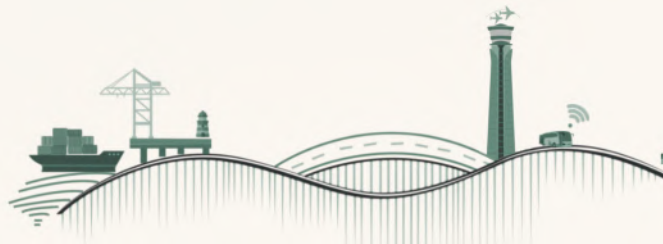


Figure (8): Total Number of fixed Broadband Subscribers



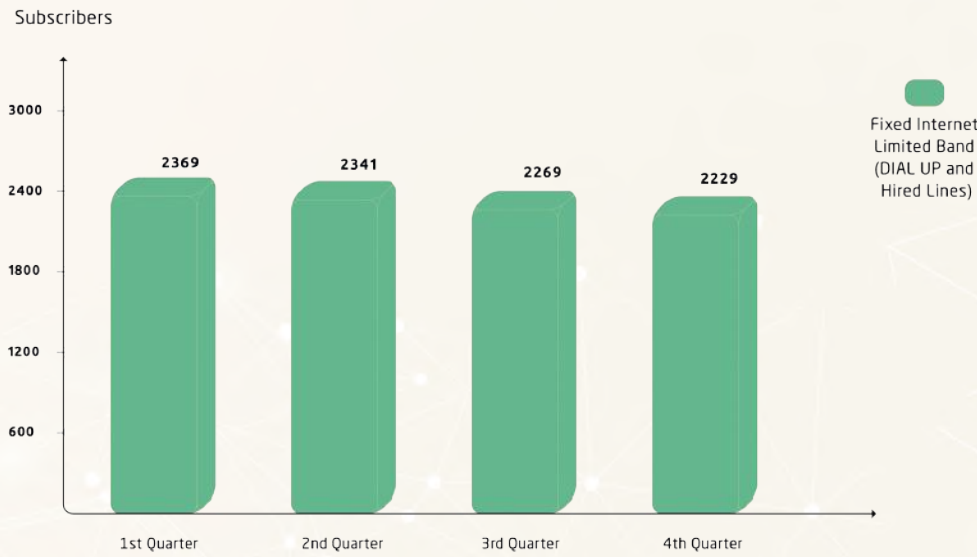


Figure (9): Total Number of fixed Internet Limited band (Dial up and hired Lines)

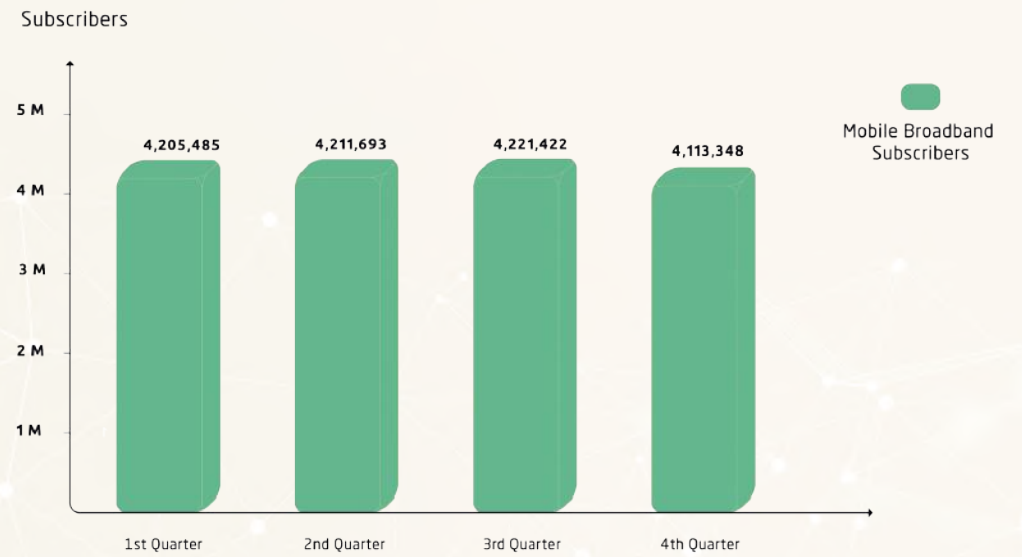
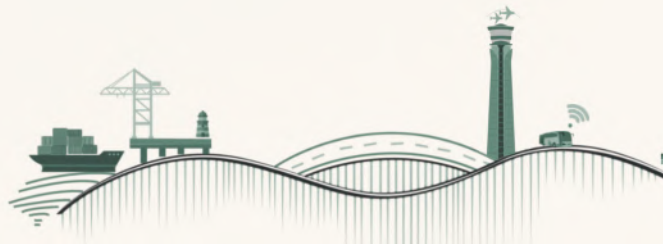
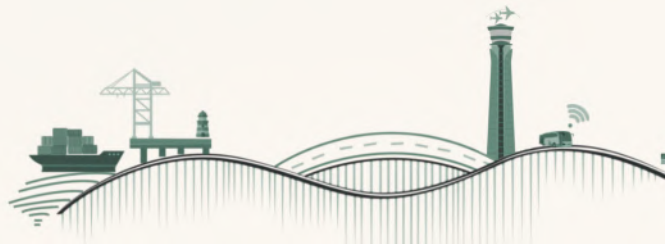


Figure (10): Total Number of Active Mobile Broadband Subscribers

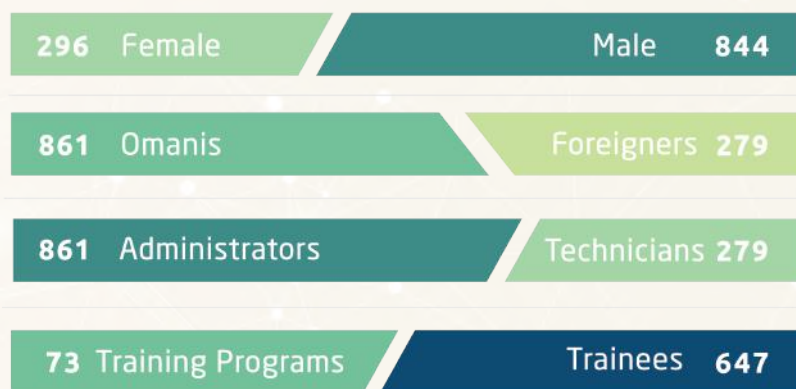


Chapter Five:

INSTITUTIONAL DEVELOPMENT



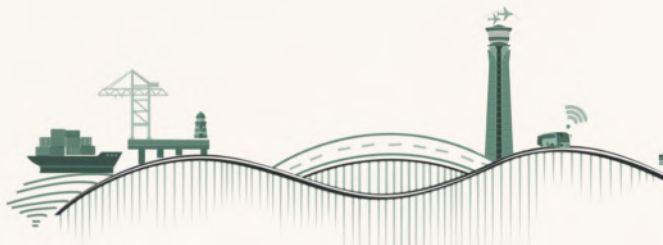
Statistic of Human Resources



IRTIQA Project:

IRTIQA project is considered a quantum leap in human resources filed, The Ministry in collaboration with the ministry of Labor and Social Affairs aims to create a balance between the job and the employee. The Ministry has initiated the implementation of the four basic human resource strategies (employment, training, maintenance, retainment , retirement and post-retirement) in addition to the other strategies for the rehabilitation and investment of human resources.

The project focuses mainly on empowering its members - promising national cadres - from the heads of departments in the ministry and developing their skills to become among the highly trained and most capable cadres of strengthening their position and gaining the confidence of their officials and ready to meet the challenges and develop the spirit of accomplishment and performance development throughout the groups participating companies on the project in order to achieve each the group's goals. This can only be achieved through solidarity, perseverance and diligence and to perform with the same team spirit in order to provide a conducive environment. It is worth noting that the higher management at the ministry is the main supporter if these teams and working diligently to adopt proposals and recommendations made by the teams to improve the overall performance of the ministry.



Program and Performance Budgeting:

This national project is under the direct responsibility of the Ministry of Finance in cooperation with the Supreme Planning Council, the Ministry of Civil Service and the World Bank experts, and defines the programs budget and performance as one of the types of budgets that collect all expenses in specific programs according to objectives set for each program and awareness of the costs of implementations.

The most important outputs of this application are:

- To be able to cost analysis and compare it to the set plans.
- Ensuring effective control to maximize the return of public spending.
- Follow-up to achieve the goals set through indicators of achievement and performance
- Transparency and clarity that government agencies deal with the community.

Business Planned for 2019:

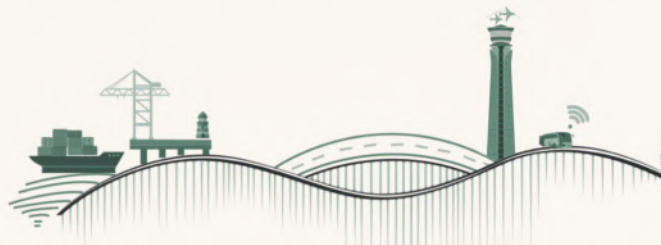
- Presenting the Ministry's budget for 2019 programs.
- Develop the ministry's general program achievement and performance indicators.
- Preparation of a memorandum of the report.
- Initiate the preparation of the five-year plan based on the budget of the performance programs.

Electronic Transformation Programs:

Electronic system for the management of road permits and violations:

In line with the e-readiness plan to facilitate the services provided to the beneficiary, the Ministry is establishing an electronic system for the management of permits and violations on the roads, where it is expected to start the pilot operations of the system in the first quarter of 2019, to be completed and activated fully by the end of this year. The program aims to:

- Accelerate of the issuance of permits
- Precision of work
- Create an integrated database
- Integrative procedures between all governorates and other ministerial divisions.



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