

# Continuous growth of special economic zones and free zones

The special economic zones and free zones play a significant role in the Sultanate's development plans. In the fifth five-year plan, Al Mazunah Free Zone was established and was officially inaugurated in 1999, followed by the launch of Salalah Free Zone in 2006. Then, the establishment of Sohar Free Zone came in 2010. At the onset of the eighth five-year plan, the Special Economic Zone at Duqm (SEZAD) was established. In view of that, the year 2020 witnessed a commendable facelift in this field through the establishment of the Public Authority for Special Economic Zones and Free Zones (OPAZ), which supervises these zones and works to achieve their integration.

At the operations front, several achievements were marked in 2020. The Special Economic Zone at Duqm (SEZAD), for instance, witnessed the completion of many packages at the Port of Duqm, which is ready for integrated commercial operations. Moreover, the buildings of Duqm Port and the customs station were handed over to the concerned parties, which will start operating these buildings this year. This will enable the Port to increase the volume of goods handled and make it easier for importers and exporters to manage customs clearance and release of goods as soon as possible through the Port.

Simultaneously, the Public Authority for Special Economic Zones and Free Zones (OPAZ) has worked on developing the Fishing Port. OPAZ is currently taking into consideration converting the Port into a multi-purpose port, which will not be limited to receiving fishing vessels, but going even beyond, so it can handle other related activities. This move is expected to have a positive impact on the Special Economic Zone at Duqm through the establishment of different factories in the fisheries and food industries zone, attached to the Port.

Likewise, we, at the Public Authority for Special Economic Zones and Free Zones, aspire to have the agreement signed by SEZAD and the Fisheries Development Oman (FDO) contribute to professionally develop and manage the Fishing Port. Accordingly, this would increase the value of the fisheries sector in Duqm.

The free zones in Al Mazunah, Salalah and Sohar are witnessing a remarkable growth with many achievements have been recorded over the past years, marking it an attractive destination for investors from within and outside Oman. OPAZ plan for this year includes increasing the gains to the national economy from these zones that are witnessing continuous growth.



**Eng. Ahmed bin Hassan  
Al Dheeb**  
General Supervisor



**The free zones in Al Mazunah, Salalah and Sohar are witnessing a remarkable growth with many achievements have been recorded over the past years, marking it an attractive destination for investors from within and outside Oman.**

# Implementing a unified system for one-stop shops in all special economic zones and free zones



Officials from OPAZ and Salah Free Zone discussing the services that can be provided through the one-stop shop

**Saleh Al Hasani:**  
*The unified system aims to turn the zones into leading investment destinations at the local and global levels*

*Activating labour and visa related permits and the competences of "Invest Easy"*

## Muscat - :

The Public Authority for Special Economic Zones and Free Zones (OPAZ) has completed the first phase of implementing the unified system of the One-stop shop (OSS) that includes the Special Economic Zone at Duqm and the free zones of Sohar, Salah and Al Mazunah.

This step reflects the efforts of OPAZ in accelerating the completion of commercial registration works and permits required by investment projects and companies operating in these zones, reflecting on the Royal Decree No (105/2020), which stipulated the implementation of the one stop shop system in special economic zones and free zones, and granted

OPAZ the competences of issuing all types of licenses, approvals and certificates involving activities of special economic zones and free zone.

### Enhancing the performance of the zones

In this regard, Saleh bin Humood Al Hasani said the establishment of the integrated one-stop shop (OSS) aimed at enhancing the performance of the special economic zones and free zones in localising national investments, attracting foreign investment and turning the zones into leading investment destinations at the local and global levels.

Al Hasani pointed out that OPAZ is building upon the experience of the Special Economic Zones at Duqm which offers integrated services through an electronic system that com-



Saleh Al Hasani presents Duqm experience at Al Mazunah Free Zone





During the training programme organised for the one-stop shop employees at Sohar Free Zone

prises all of the services required by investors starting from submitting land usufruct application, company registration and up to signing the usufruct agreement. He explained further that the services offered by SEZAD, which has currently been applied in the free zones, include a group of services provided during the implementation phase of the projects and other services provided after commencing the commercial operations of the project.

#### Applying the system in the Zones

The Free Zone of Salalah, Sohar and Al Mazunah started the implementation of the one-stop shop in the fourth quarter of 2020. Al Hasani pointed out that the first phases included providing employees with training, particularly the one-stop shop front-line employees, activating some competences of "Invest Easy" as well as labour and visas related permits for investors and companies which has yielded positive results for both investors and employees.

#### The Second phase

He pointed out that the second phase which

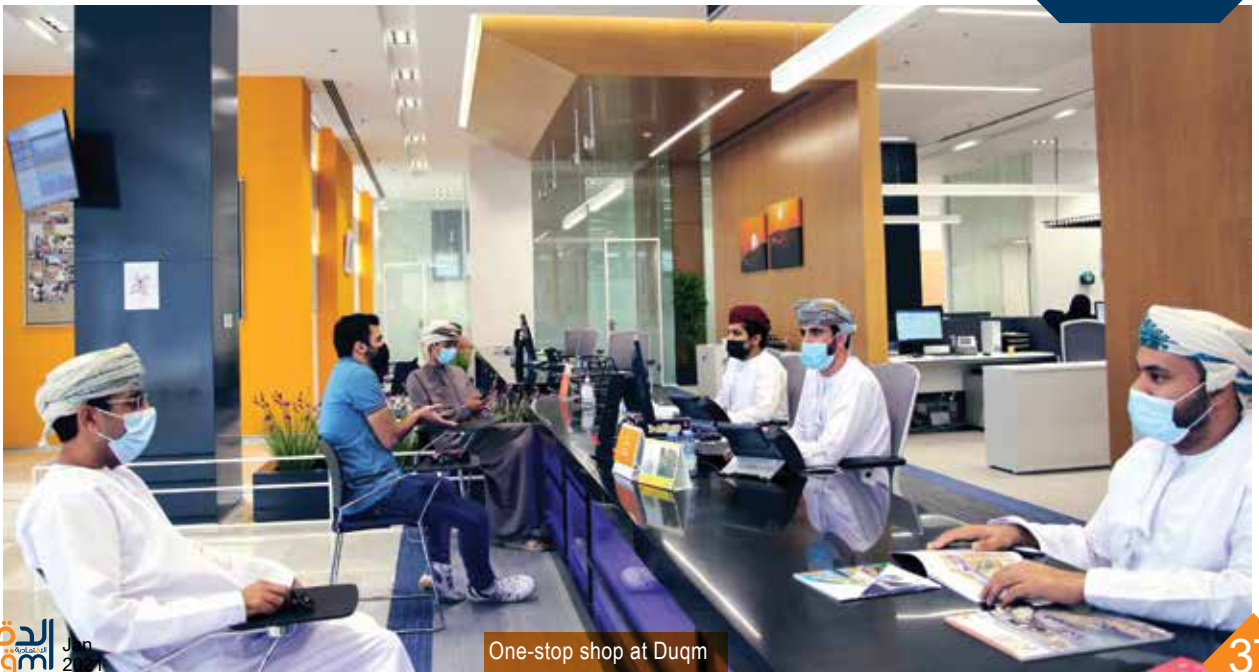
will be implemented in the coming period includes electronic connectivity, providing the services through the electronic platform, and activating payment and collection, in addition to monitoring the progress of services delivery in accordance with the regulations adapted by OPAZ, taking international standards into consideration.

#### Preliminary Visits

His Excellency Eng. Ahmed bin Hassan Al Deeb, Deputy Chairman of the Public Authority for Special Economic Zones and Free Zones had paid a visit to the free zones of Salalah, Al Mazunah and Sohar to discuss work integration procedures and the unification of the one-stop shops services in the zones. During this visit, His Excellency listened to some proposals from the officials in the Zones. In this regard, Saleh bin Hamood Al Hasani, presented Duqm One-stop shop experience and Ahmed bin Saleh Al Farsi demonstrated the electronic systems that will be applied in the services of one-stop shop and their role in accelerating work and completing the services offered to investors.

*The second phase includes electronic connectivity, providing services over the electronic platform and activating payment and collection*

*OPAZ follow up services delivery in the zones in accordance with the adapted regulations*



One-stop shop at Duqm

# Phase 2 of infrastructure development at Al Mazunah Free Zone records 90% completion



Commendable commercial activities are taking place in Al Mazunah Free Zone

**Launching services and facilities building and commencing new expansion in the Zone**

## Al Mazunah - :

Al Mazunah Free Zone has completed 90% of the infrastructure development project (phase 2), which will enable the zone to attract and accommodate more companies.

Al Mazunah Free Zone, being operated by the Public Establishment for Industrial Estates (Madayn), was established in November 24, 1999 as the first of its kind free zone in the Sultanate. Stretching over an area of 14.5 square kilometres, the Zone is located close to the Omani-Yemeni borders. The strategic location of the zone makes it the Gulf gateway for transit trading to the Republic of Yemen and the countries of East Africa.

### Launching facilities building project

During the year 2020, the Management of Al Mazunah Free Zone launched the services and facilities building project, which costs over OMR 3 million. The building includes offices, shops and showrooms, and it is expected to be completed by mid-2022.

### New expansion

The year also witnessed commencing the design phase of the expansion project (phase 4), stretching over an area of 3 million square metres. In addition, the tender

for the security system project in the Zone was awarded, including construction of a security fence with special specifications and standards, provision of advanced surveillance cameras and the establishment of control and monitoring rooms. As well, during 2020, an agreement was signed with the City Logistics Company to operate and manage the customs yard in the Zone, which includes activities for handling operations.

### Growth indicators

Al Mazunah Free Zone marked a remarkable growth during 2020. The total value of goods received in the Zone during first half of 2020 was about OMR 334.4 million, compared to OMR 143.4 million in the same period in 2019. Likewise, the volume of goods, which got into the Zone increased from 129,000 tonnes to more than 210,000 tonnes, while the number of vehicles entering has doubled to 19,384 vehicles, compared to 945 vehicles during the same period in 2019.

This growth is a reflection of the facilities and advantages provided by "Madayn" in Al Mazunah Free Zone. Another reason is attributed to the well-prepared infrastructure in the Zone. Moreover, the recently signed agreements contributed to encouraging business growth in the Zone and the increase in number of dealers with Al Mazunah Free Zone.

**Receiving goods with value of OMR 334.4 during the first half of 2020**



One of the factories in Al Mazunah Free Zone





A group of factories attracted to Sohar Free Zone

## Following its success in attracting 44 industrial projects SOHAR Freezone launches Phase 2 of expansion

**Sohar -  :**

SOHAR Freezone has attracted a total of 44 industrial projects, encompassing various sectors by the end of the last year. In line with the growing demand for investment, the zone launched Phase 2 of the expansion, which include an additional 5 million square metres of land ready for lease.

The first phase has been developed, with over 63% of the 5 million square metres leased out and home to warehouses, office spaces, industrial and logistics service providers, as well as cold-storage solutions to serve food exporters and importers.

SOHAR Freezone stated that for the upcoming years, the primary focus will be on onboarding companies within the plastic and food industries, as well as those involved in mining, iron and steel, vehicle spare parts and renewable energy projects and activities. Attracting these projects to the Freezone is of vital importance for the local business community. This is because their presence will offer several opportunities for various companies, including those related to the financing, construction and operation sectors, as well as many others conducting their activities within the Sul-

tanate. This, in turn, will enhance the local environment and create added value for the economy.

Through the implementation of the Secured Bonded Corridors facilities in 2020, clients in SOHAR Freezone can clear customs and transport containers to the Port (and vice versa) within a short timeframe. This enhances the operational efficiency of logistics companies in the Freezone, especially those that transport perishable goods.

### Enhancing integration between free zones

With the establishment of the Public Authority for Special Economic Zones and Free Zones and its tireless efforts to facilitate the procedures to serve new investors through the one-stop shop, integration is expected to strengthen between free zones in the Sultanate to achieve higher rates of growth in the upcoming years.

SOHAR Port and Freezone aims to position itself as an integrated logistics hub that offers the latest global technologies, while maintaining the highest standards of sustainability for all its activities. This makes it aligned with Oman's Vision 2040 and the Oman Logistics Strategy 2040 (SOLS 2040), which is supervised and implemented by ASYAD Group, Oman's integrated logistics provider.

*Focus will be on renewable energy projects, plastic, food and mining industries in the upcoming phase*

*The implementation of the Secured Bonded Corridors facilities enhances the operational efficiency of logistics companies in the Freezone*



## Salalah Free Zone:

# Attracting new investments in the flourmills and animal feed sectors

**Mazaya Logistics Station records 57% completion rate**

**Intensifying meetings with investors and first forum for Omani businesspersons promotes investment opportunities in the Zone**



Signing the agreement of flourmills project

### Salalah - **الدوم** : Economic

During the year 2020, Salalah Free Zone (SFZ) attracted a number of investments, the most prominent of which is a project in the flourmills sector and animal feed and fish factories. Last November, the Zone signed a usufruct agreement to establish the project on a land of 51,000 thousand sqm.

The investments of this project are projected at US\$48 million for the first phase. The production capacity of the project in advanced stages will reach 700 tonnes per day. It is ex-

pected that the project's construction works will start at the end of this year.

The flourmills project comes at a time when Salalah Free Zone has intensified its meetings with investors, aiming to encourage them to invest in the Zone and promoting the investment opportunities available.

The last quarter of last year witnessed the organisation of the first forum for Omani businesspersons. During the forum, a number of projects were promoted, including Mazaya Logistics Station, in which the completion rate reached 57% by the end of last year and is expected to be ready in Q1 of this year.



Headquarter of Salalah Free Zone





Mohammed bin Ahmed  
Al Shezawi  
Editor-in-chief



*Although any investor must have certain concerns and options before approaching any investment zone, we find that Duqm, Sohar, Salalah and Al Mazunah have the potential to attract different investments, whether from within or outside the Sultanate.*

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## A spotlight on economic and free zones

Since we first started issuing Duqm Economist Magazine in 2015, the objective was not just to focus on Duqm, but rather to be an open platform for all economic and free zones in the Sultanate. However, the drive of Duqm was the most prominent despite the success achieved by other zones. Thus, we had already started communicating with some of these zones, but we have been postponing the actual visit from a day to another.

Today, with the Royal Decree No. (105/2020) establishing the Public Authority for Special Economic Zones and Free Zones (OPAZ), we dedicate a bigger space in the Magazine to shed light on these zones. We strive to share the milestones of Sohar, Salalah and Al Mazunah with the readers. This reflects our intent to integrate Duqm with the free zones and any other upcoming economic or free zone. The integration between all these zones enhances the Sultanate's position and its role in attracting investments.

This issue highlights some of the projects and achievements made at the free zones in Al Mazunah, Salalah and Sohar. However, we look forward to feature full profiles for these zones based on our field visits, which will mirror the productiveness and development of these zones. This signifies that these zones are of high importance too like the Special Economic Zone at Duqm.

These observations lead us to a more important aspect, which is the resettlement of investments in the Sultanate. Investors are very often get confused where to invest. Shall they invest in Sohar, or Duqm, or Salalah, or Al Mazunah? What does each zone offer to investors? What are the infrastructure supporting their investments in this or that zone?

Although any investor must have certain concerns and options before approaching any investment zone, whether in the Sultanate or other countries, there are many incentives that attract investors to choose one zone over another. In view of that, we find that Duqm, Sohar, Salalah and Al Mazunah have the potential to attract different investments, whether from within or outside the Sultanate.

This is attributed to the set of competitive incentives and advantages that these zones provide to investors, as well as the legislations that are regularly updated to keep pace with the aspirations of investors.

From the standpoint of having integration between Duqm and the free zones in the Sultanate, Duqm Economist Magazine, in future issues, will update its readers from investors, businesspersons and researchers about the characteristics, investment environment, and the most prominent projects of these zones. This comes as an initiative from "Duqm Economist" to spread awareness about investment destinations that mark a key pillar for economic diversification in the Sultanate.