



معرض تعدين عُمان  
OMAN MINING EXPO

A white paper on

# Oman's Mining Scene



The purpose of this white paper is to provide a preliminary picture of the mining scene in Oman, its current development and future prospects. It will also examine if the proposed new mining law, which is ready for approval by the authorities, could help boost economy.



# Overview of the Economy

## Oman's economy: A vision of sustainable growth

The ninth five year plan (2016-2020) is the final component of Vision 2020, the government's long term development strategy outlining the country's economic and social goals. Vision 2020 focuses on sustainable development of the Oman economy with particular emphasis on social and regional development and economic diversification. A modest two per cent growth in the Gross Domestic Product (GDP) in 2017 was projected in Oman's State Budget for the year.

Apart from economic diversification through vertical expansion in activities dependent on oil, the sustained plunge in global oil prices has triggered several challenges to the Omani economy. With the oil sector still central to the Omani economy, the low oil prices have turned Oman's fiscal balances to deficit. This has enhanced the urgency for Oman to undertake fiscal adjustments and reform measures. The State General Budget 2016 has brought in meaningful fiscal reforms with relevant policies both on revenue and expenditure side. In addition, the Ninth Five Year Development Plan (2016-2020) has identified five main sectors, namely, manufacturing, logistics, fisheries, tourism and mining for accelerated growth potential and its contribution to the Sultanate's GDP.

## Mining backgrounder

### History

In the backdrop of such a scenario, the Government of Oman will have to work in a substantial fiscal fillip to help rekindle economic momentum. One of the core areas identified is mining. Mining is one of the five sectors identified for driving growth in the long-term and helping the government in its economic diversification strategy. Mining and quarrying have been age-old practices in Oman. Ancient Omanis understood their mineral resources and its usages and benefits in their daily lives. The Sultanate, considered one of the earliest countries which started mining, exported minerals, particularly copper to Mesopotamia for more than 2000 years BC. The country was then known as Majan or the land of copper. From the pages of archaeologists we learn that ancient Oman had a flourishing copper mining and processing industry. The copper obtained was traded, and even exported; in fact, it is almost certain that the mysterious country of "Makan" or "Magan", mentioned in Sumerian tablets, refers to Oman.

## The Fundamentals of Mining in Oman

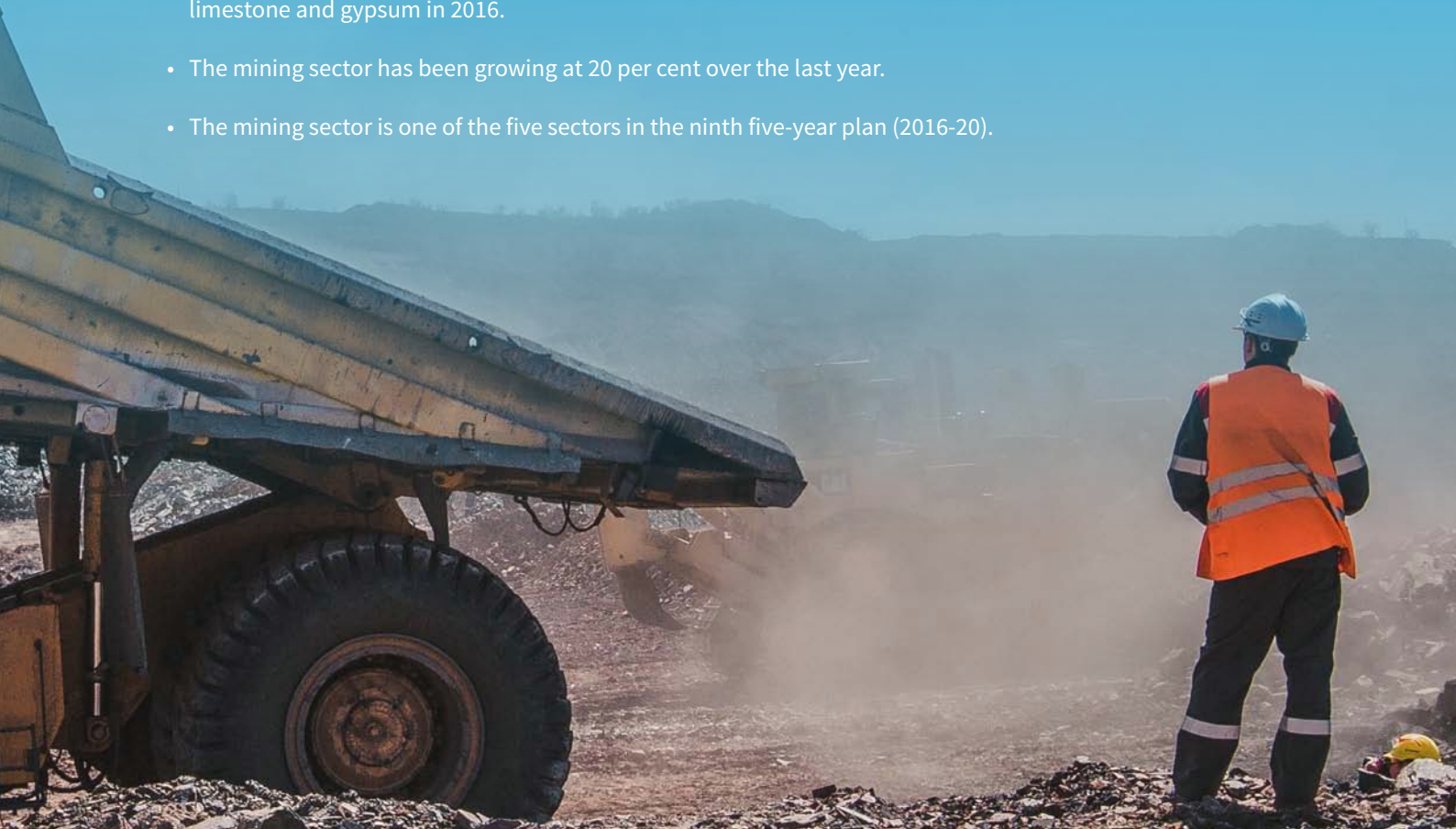
Oman is a nation well-endowed with natural mineral resources, concentrated mainly in its 700-km by 150-km mountain range, which offers an exposed ophiolite geological outcrop containing minerals such as copper, gold, silver, chromite, lead, nickel, manganese and zinc, while other regions in the sultanate are blessed with deposits of dolomite, limestone, gypsum, silica, cobalt, marble and iron.

Not only does mining contribute to GDP, it also acts as a catalyst for the growth for other core industries like power, steel, cement, etc., which, in turn, are critical for the overall development of the economy.



## Key Reckoners

- The new mining law, drafted by the Public Authority for Mining (PAM), is expected to be announced in the first half of this year, it will focus on making Oman's mining environment more attractive to investors and develop the industry in Oman.
- Mining Development Oman — a new entity with a capital of US\$ 260 million — is expected to give the fillip to the sector. The sixty per cent of the equity has come from four state-owned companies.
- The mining sector is going to be among the five key sectors that are expected to increase its contribution to the GDP of Oman.
- The possibility of a rail section linking Shuwaymiyah and Manji (where some of the mineral resources are located) with Duqm Port is being explored.
- Port of Salalah, a major gateway for the export of minerals and other natural deposits, transported 8,576,415 tonnes of limestone and gypsum in 2016.
- The mining sector has been growing at 20 per cent over the last year.
- The mining sector is one of the five sectors in the ninth five-year plan (2016-20).





## OMAN MINING: Current Status



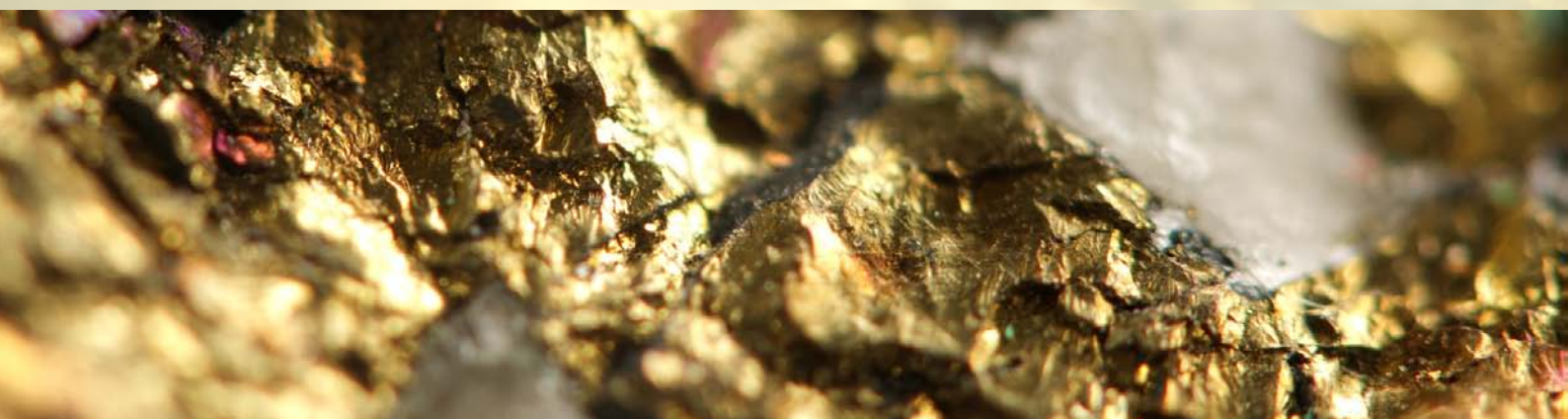
Currently, Oman's mining sector appears to be on a steady growth trajectory with production of minerals growing by nearly 20 per cent in the last fiscal year. As of Dec 31, 2016, more than 300 mining operations are active, out of which 53 are for chromite, 7 are for copper, 108 for aggregate, 31 for marble, 25 for building products, 7 for limestone, three each for sandstone and manganese, five each for gypsum, laterite and clay followed by one for salt and dune sand.

Oman produced 91,966,872.800 metric tons of minerals valued at OMR 136,437,019.042 in 2015. The first quarter of 2016 saw the production pegged at 17,665,556.200 metric tons valued at US\$ 59 million.

The biggest growth in output was seen in building material, chromite, limestone, gypsum in 2015 and the same trend seems to continue in 2016 except for copper. There are several major projects underway in Oman. Four concessions are planned to mine copper at Yanqul, Khaboura and Samad. The latest released data confirms that more than 40 Mt of copper ore has been proved available as reserves with 1% - 3% Cu. Feasibility studies for these four Copper Concessions are in the final stage. Oman is already the third-largest gypsum exporter in the world at 6.1mn tonnes a year. According to the authority, Oman has reserves of 170mn tonnes of gypsum. According to NCSI statistics, in 2014, the Sultanate produced minerals worth over US\$ 370 million.

**Chromite:** Chromite is an oxide of chromium and iron used mainly in metallurgical industry for manufacture of ferro-alloys, e.g. ferro-chrome, charge-chrome and silico-chrome, which are used as additives in making stainless steel and special alloy steel as well as mild steel. The demand for ferro-alloys is associated with the production of alloy steel and as such, chromite has got its critical importance in the steel industry. The world reserves of chromite, the base metal used for manufacturing stainless steel, is estimated at 1.52 billion metric tons. About 2% of these reserves or 30 million metric tons is located in the Sultanate of Oman.

The Sultanate of Oman started mining chromite ores and exporting these ores since early 1980s. Chromites are in high demand abroad especially in China and Japan, the two steel making hubs. Chromite ores from Oman are mainly located in the mountainous region of Sohar, Sumail and Sur. However, metallurgical grade chromite ores started to be exported in the last few years primarily in response to rising demand from China and general shortages of ferro chrome worldwide in the





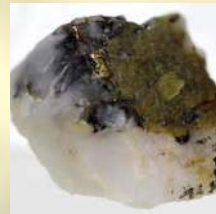
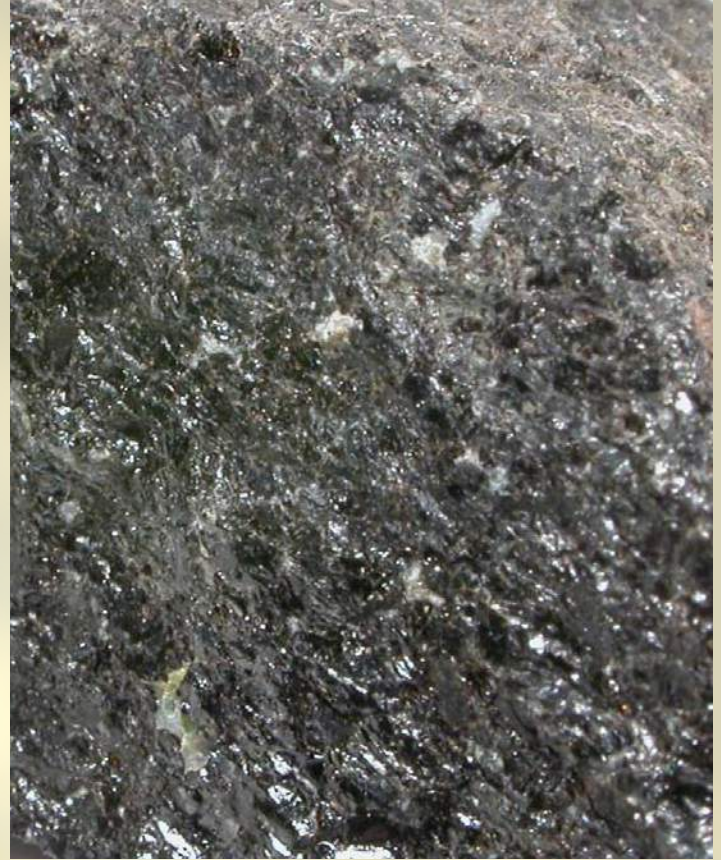
production of stainless steel. The quality of metallurgical grade chromite ores from Sumail is the highest in terms of Cr<sub>2</sub>O<sub>3</sub> content. With many as 79 locations believed to hold potentially rich chrome ore deposits having been identified by the Ministry's Directorate-General of Minerals along a coastal swathe spanning the wilayats (provinces) of Shinas and Sohar, chromite holds a lot of promise.

**Gypsum:** Gypsum products have been used for centuries in the construction space because of its excellent insulation properties, both thermal and acoustic, and can offer passive fire protection, moisture resistance, impact resistance and vapour control when used in combination with the right systems. Oman is expected to be the largest exporter of gypsum by 2018, experts believe. With gypsum resources estimated in excess of one billion metric tonnes, Oman is well-placed to meet the rising global demand for this commodity.

In 2015, Oman mined 6,049,413,000 MT of gypsum valued at US\$ 23 million. According to some news reports, the exports from Oman are projected to surpass 10 million tonnes per annum in 2018, up from 5.85 million tonnes at the end of 2015 which is a basic raw material for cement and gypsum board manufacturing. This is significant especially given the demand for gypsum in India which is estimated at over 300 million tonnes over the next 15 years. Similarly, an ambitious copper-gold mining project jointly promoted by Omani-Australian currently under development in Dakhiliyah Governorate has the potential to generate revenues in excess of \$430 million over the 10 years of its operations. Last December, a new regulation issued by the Public Authority for Mining (PAM) prescribing a minimum export price for gypsum was endorsed cheering the sector.

**Copper:** The metal is acclaimed for its conductivity and anti-bacterial quality as well as for production of important alloys such as brass and bronze. The electrical industry is by far the largest consumer of copper in the country.

Oman is getting aggressive to explore and exploit copper. The country has sizeable copper ore presence. Four concessions are planned to mine copper at Yanqul, Khaboura and Samad. The latest released data confirms that more than 40 Mt of copper ore has been proved available as reserves with 1% - 3% Cu. Feasibility studies for these four Copper Concessions are in the final stage. The exploration of a targeted 10,700,000 and 29,250,000 tons of 1.4 and 2.4 per cent copper in the Semil Ophiolite Belt in northern Oman and the development of gold and copper deposits from a central operating plant may herald good news. The market's newest copper entrant, Australia-based Alara Re-





sources, has invested in two mining operations at the Samail ophiolite belt: the Washihi-Mullaq-Al Ajal Copper-Gold Project and the Daris Copper-Gold Project.

**Marbles and other stones:** Marble deposits are distributed over several areas of the Sultanate, notably in the wilayats of Ibri, Bahla, Sohar, Dhank, Ibra and Salalah. Marble production stood at 1,629,342 MT valued at US\$ 52.3 million.460 in 2015. Oman produced 12,156,031 MT of limestone. Oman quarried 720,213 MT of laterite. Oman needs a stone Testing Lab with state-of-the-art facilities that will help buyers choose the right stone where the physical characteristics, chemical composition and mineral constituents are made known to the users for zeroing in on the 'best' according to the nature of a project.

**Silica:** Oman has all of the key ingredients necessary to attract international investment in the manufacture of silicon — a strategically important metal with extensive application in metallurgy, silicone-based products, and crucially, in the production of solar panels.

The discovery of a "very good" deposit of quartz in Saih Hatat makes for a promising starting point to explore the overall viability of setting up a silicon smelter in the Sultanate. Estimated to hold about 4.5 million tonnes of silica quartz (which differs from silica sand primarily used in the manufacture of glass), the deposits display chemical characteristics that make it suitable as a raw material for silicon production. Silica production in 2015 was 8,485.000 MT, manganese 7,390.000 MT. Iron Ore: Being the most important raw material for the steel industry, iron ore commands significant importance as a basic raw material used in the making of pig-iron, sponge iron, steel and alloy steel. The other important iron ore consuming industries are cement, coal washeries and ferro-alloy industries. A manganese ferroalloy smelter is being constructed adjacent to ferrochrome smelter owned by subsidiary Gulf Mining Ferro Alloy (GMFA) at Sohar free zone. The project will, for the first time, add value to Oman's manganese ore, production of which has hitherto been exported. In the first phase, it aims to start with 4,000 tonnes of manganese ferroalloy, Marble and Other Stones: Oman is a net exporter of stones with exports indicating an increasing trend since 2011. There has been significant explosion of the stone industry in Oman. Marble production stood at 1,629,342 MT valued at US\$ 52.3 million in 2015. Oman produced 12,156,031 MT of limestone.

Oman quarried 720,213 MT of laterite. Oman needs a stone testing lab with state-of-the-art facilities that will help buyers choose the right stone where the physical characteristics, chemical composition and mineral constituents are made known to the users for zeroing in on the 'best' according to the nature of a project. In Dhank and Sur, government-commissioned prospec-

tors have pinpointed sites believed to hold potentially hundreds of millions of tons of marble and tertiary limestone spread over several square kilometres.

**Reserves of basalt rock:** The Sultanate is planning to revive a cluster of reserves of basalt rock which has the potential to evolve into a global hub for the production of basalt fibre — billed by experts as the 'Green Industrial Material of the 21st Century'.

Basalt fibre has great potential application because of its excellent properties, inexpensive price, abundant raw materials, and non-polluting and non-toxic characteristics. Its performance is far superior to fibre glass, steel, aluminium ally and carbon fibre, with unique application prospects. The fibre is currently used in the production of basalt reinforcement rods (rebars), rebar meshes, basalt scales, basalt mats, basalt-based moving auto parts, sports equipment and windmill blades. The material is also the subject of ongoing R&D by countries that envision significant potential in its application in the following sectors: road and building construction, energy, transport, military industrial services, sports and leisure, marine and wind energy.

Prodigious volumes of the raw material can be found in the sheeted dyke outcrops of the Oman Ophiolite, the world's largest thrust sheet of ocean crust and upper mantle that was emplaced on to the Arabian continental margin during the Late Cretaceous period. Many of the samples of basalt and sheeted dyke exposures found in the proximity of Sohar were found to be suitable for basalt fibre production following tests conducted by a Ukrainian lab.







## Growth Prospects

With the discovery of mineable minerals, including gold, copper and rare earths the mining activities is geared for a push. A 2014 report by the Central Bank of Oman found that the mining sector had expanded on the back of integration with other industries, with the sector's total contribution to GDP reaching US\$269.3m in 2012, a 2.1% increase over 2011's US\$257.13m.

### Mining Opportunities: Realising Potential

Oman's petroleum reserves are depleting and the search to produce raw materials for the Sultanate's nascent industrial base is gaining momentum. Oman is a geological wonder. Its vibrant mining sector is being tapped to spur growth and add up billions of rials to the country's economy as well as generate lakhs of jobs. Recognizing the potential value of mining, the Oman government has taken some significant steps for removing stagnation in the sector.

A vibrant mining sector has the potential to propel economic growth not just through its contribution to GDP but also through its forward and backward linkages. Mineral resources development is a significant economic activity that converts natural mineral wealth into goods for industrial and domestic consumption. Improved ways and means have to be evolved through bold decisions, continuous research for making the process of such conversion efficient, effective, and economical. The formation of the Public Authority for Mining in 2014 established a dedicated organisation to guide Oman's mining operations and also bring the industry in line with international standards as it aims to become a significant contributor to the national economy.

Oman's Public Authority for Mining (PAM) has reportedly announced plans to create and offer 'investment-ready' packages as it seeks to boost investment in the mining sector. These packages will comprise a bundle of required government permits and clearances. The move is also aimed at reducing the impact of bureaucracy in the mining sector, reportedly considered "one of the principal impediments to investment in Oman's hugely promising mining sector". Ready to Invest Mining Blocks, as PAM's initiative has been titled, will therefore increase inflows towards the mining sector.

The recently held Oman Minerals & Mining Exhibition & Conference offered a plethora of opportunities for regional and international stakeholders in the mining sector. With a global profile, the expo showcased the latest services and technology used in mining



operations, leveraging the increasing demand for minerals. It aimed at supporting government initiatives to develop the sector in Oman and the Middle East as a whole. It is expected that the next edition of this expo should be held in a bigger, better way so that actual yield is achieved.

Oman Rail — part of the wholly government-owned logistics arm Oman Global Logistics Group (OGL) — says it has garnered significant international investment interest in the new Mineral Line network designed to harness the massive mineral potential of the Sultanate. Mohammed al Mahruqi, Project Manager — Oman Rail, said much headway has already been made in preparing the groundwork for the implementation of the landmark project. The latest edition of OGL's newsletter quotes Al Mahruqi as stating that a number of important project milestones related to the Mineral Line venture have been completed. It includes the concept design, corridor identification, and technical and operational parameters, while land acquisition has commenced as well.

Currently under development are the technical specifications of the terminals proposed along the route of the network — a task being undertaken in collaboration with a technical consultant, he said, noting that Oman Rail is eyeing a mid-2017 timeline for the completion of this important milestone.

The proposed Mineral Line venture is one of several logistics-related investment opportunities that the government, represented by Tanfeedh, says is key to accelerating non-oil economic diversification and thereby fuelling investment growth and job creation for Omanis.

At the core of the initiative is a proposal for a 625-km railway line connecting Shuwaymiyah and Manji — areas blessed with abundant mineral resources chiefly limestone and gypsum — with Duqm Port. This includes a connection to Thamrait, another mineral-rich area, envisaged in the second phase of the project. Thamrait will also be linked with Salalah Port as part of the National Rail Network.

Provisional studies conducted by Oman Rail have estimated the freight traffic potential of the proposed mineral line to include 5 million tonnes of gypsum, 5 million tonnes of limestone, and around 1 million tonne of oilfield equipment annually.





PAM has conducted a comprehensive survey of the Sultanate and identified potential mining investment sites.

Steel plants are high investment projects with long gestation periods. It is, therefore, necessary to streamline the supply of raw material such as iron ore at competitive prices to maintain the economic viability of existing projects and incentivise investment in expansions. It is estimated that 500,000 people are employed by the steel industry today, with a 3 MTPA (million tonne per annum) steel plant generating direct employment for nearly 3,000 workers and indirect employment for another 16-20 thousand people.

Mines supplying to these steel plants have also invested substantially towards developing sustainable mining practices along with the infrastructure, investing in skill development, education and medical interventions over the years.

Gypsum demand across Asia is projected to soar from 16 million tonnes per annum (MTPA) in 2015 to 23 MTPA by 2020 rising to over 36 MTPA by 2025. This amounts to a cumulative demand of over 80 million tonnes from 2017 to 2020 and over 230 million tonnes from 2017 to 2025, driven primarily by strong growth in the cement and gypsum board production segments in Asian countries.

After factoring in Omani gypsum supplies to the Asian market, there is still a supply deficit of over 12 million tonnes during 2017 – 2020 and over 45 million tonnes during 2017 – 2025 that needs to be filled, which opens further opportunity for enhanced Omani gypsum exports.





## Key Mining Firms

**Gulf Mining Group** is a leading player in Oman's mineral-based businesses which has Gulf Mining Group focused its capabilities in developing the vast mineral resources of the country and is working seriously to emerge as a leading player in Oman's mineral-based businesses. It has now emerged as one of the largest producers and exporters of chrome ore. It has plans to set up a major potash mining project with an investment ranging from US\$300-500 targeting prolific reserves in central Oman. One of the largest producers of gypsum in Oman, it plans to boost production of limestone and gypsum — commodities destined primarily for the burgeoning steel. The Group is in the process of setting up a processing plant for gypsum board manufacturing and other related products in Salalah. It has plans to boost production of limestone and gypsum to nearly double the monthly output.

**Zawawi Minerals**, part of the Qais Zawawi Group that is mainly focused on developing Oman's mining and related industries, is at the forefront of efforts to create In-Country Value (ICV) for the Sultanate's prodigious gypsum resources. Zawawi Gypsum LLC, which operates a major gypsum quarry in the Thamrait area of southern Oman, is 55 per cent owned by the USG-Boral JV, while Zawawi Minerals LLC holds the balance 45 per cent. Sister firm USG-Zawawi Drywall SFZ LLC, which has invested in the country's first international standard gypsum board manufacturing plant at the Salalah Free Zone, is 50 per cent owned by the multinational JV, with Zawawi Minerals LLC owning the rest.

**Alara Resources Ltd**, Australian mining firm Alara Resources Ltd is advancing towards construction of site infrastructure at the 70 per cent owned Al Hadeetha copper-gold project in Oman.

Construction of a 1 million tonnes per annum copper concentrator and other site infrastructure is planned to commence during Q1 2017.

**Mawarid Mining LLC**, the mining and exploration arm of the MB Group of Companies, is currently engaged in planning the development of a modern, technologically advanced underground mine targeting copper deposits within its concessions in Ghuzayn Underground Copper Mining Project, located in Batina North Governorate. Mawarid will also work in partnership with Oman Oil Company (OOC) to develop the Yanqul Copper Project in Al Dhahirah.

**Kunooz Oman Holding**, a major integrated player in Oman's mining and mineral processing sector, is pumping more investments in additional mining and crushing capacity at its quarries in Dhofar Governorate. It is projected to contribute to an increase in the Group's mineral exports targeted primarily into the growing and close proximity Indian market for limestone and global markets for gypsum.

State-owned **Oman Mining Company (OMCO)** is considering options to establish joint ventures with reputable global mining organisations for the joint operation of our assets. Another scenario is to look for global investors and together rebuild the capability of the company.







## **NEW MINING LAW : Advantage all stakeholders**

The Oman government is currently reviewing the Mining Law which was drafted by the Public Authority for Mining and is awaiting approval from the relevant ministries. The draft law is currently with the Ministry of Justice for review and approval.

This will facilitate the work of private investors to enable them to explore and utilize the country's mineral resources while at the same time securing new income sources and creating more jobs for Omanis. This new mining law will help attract investment and develop the sector to enhance its contribution in the country's gross domestic product (GDP). It is aimed at more control in terms of processing, bringing transparency in auctioning of mines, boost investor sentiment and foster industrial growth. The new law will bring more clarity to help mining firms to avoid project delays. The new law includes many new amendments and additions that come in parallel with the orientations of the Government to raise the sector's contributions to GDP. The new mining law is going to give ease of investment from an international perspective; thus, attracting huge investments from foreign firms willing to tap the mineral potential of Oman. Also, international companies can bring their expertise and gain access to the market. The perception is that the process will be streamlined and user friendly and will enhance competition and access to capital.

The new mining law is expected to be more transparent and clear to facilitate smooth transfer of these licences to companies who have technical and financial capabilities for developing mines.

So, it is expected to unlock millions worth of investments stuck in still-untapped mineral wealth and commodities sector. Therefore, the new law is another example of the government's intent to ensure ease of business and encourage economic growth via the mine sector. Ordinance is an important step to ensure that the nation's mineral reserves are used judiciously and safeguard investments. Through the implementation of the new mining law the mineral administration will be streamlined to feed the government's vision of manufacturing-led growth.

It further looks at boosting transparency in mining while streamlining the delivery development mechanism, which have been the biggest issues with the sector in the past. It paves the way for an effective and efficient framework with regard to the grant and renewal of mining leases.

Thus the objective of the new mining law is to facilitate opportunities for local as well as foreign investors utilizing the country's mineral resources, tap new sources of income and secure employment for as many Omani citizens as possible in the mining sector.



## Sustainability

Mining activity in any area impacts the environment as well as the socio-economic set-up. Therefore, ensuring that the adverse impacts are minimized and the benefits from mining to the impacted community are optimized becomes critical for mining to be being carried out in a sustainable manner

Oman's Ministry of Environment and Climate Affairs (MECA) has initiated steps to revamp its environmental licensing and permitting procedures with a view to making them more "facilitatory" to mining development and mineral processing investment in the Sultanate.

The move, according to a high-level official, is the centre-piece of a new policy framework that aims to address a broad gamut of environment-related issues associated with mining and extractive industrial activities in the Sultanate.

On the anvil is an all-encompassing regulatory framework underpinned by, among other things, amendments to existing environmental legislations, potentially new statutes, planning controls, a new liability regime, and greater clarity on the roles and responsibilities of stakeholder agencies.

## Unlocking the Value of Oman's Rich Mineral Resources

Mineral resources are an integral part of industrial development, economic progress, national security, and struggle for survival. The inadequacy of infrastructure is related to the absence of proper transportation and logistics facilities. Many of our mining areas in Oman are in remote and rugged locations and cannot be properly developed unless the supporting infrastructure is set up. At the core of the initiative is a proposal for a 625-km railway line connecting Shuwaymiyah and Manji — areas blessed with abundant mineral resources chiefly limestone and gypsum — with Duqm Port.

This includes a connection to Thumrait, another mineral-rich area, envisaged in the second phase of the project. Thumrait will also be linked with Salalah Port as part of the National Rail Network. It is imperative that, steps like this should be taken to address the anticipated logistics requirement of the mining and manufacturing industries, Oman's Public Authority for Mining (PAM) is formulating a new mining exploration and development strategy, underpinned by a Single Window System for the issuance of new licenses, to help unleash the potential of the country's prodigious mineral resources, Contrary to the current practice that requires licence-holders themselves to apply for environmental and other permits from various government agencies before they can get the green light to start their mining activities, the new approach plac-

es the responsibility of obtaining these permits on the shoulders of the Authority itself. Investors will be awarded pre-approved blocks that can be developed from the get go.

The Public Authority for Mining (PAM), tasked with regulating the Sultanate's burgeoning mining sector, has announced plans to offer 'investment-ready' mining concessions that — for the first time — will come bundled with all of the requisite government permits and clearances.

As Oman is endowed with mineral resources, research and development have been largely ignored. An Institute of Minerals and Materials Technology, should be established which can help focusing on research in this area.







the entire region, according to the CEO of Oman's leading mining company.

"With a place like Salalah, we are the epicentre for India, Australasia and the African East coast. These are all areas where there is a strong demand for these commodities," said Dean Cunningham, CEO of Kunooz Oman Holding.

Underlining his belief that the sector could create job opportunities for thousands of people in the Sultanate, he pointed out that his company would be recruiting more people if granted more licences.

"During the construction phases and feasibility studies, recruitment will increase. As far as the newer projects are concerned, we will certainly be looking at bringing in more human capital," he added.

The Public Authority for Mining also recognises the potential that mining industry has with regards to recruitment.

"Our mandate is to improve the mining sector in different ways. It includes generating revenue for the government and creating jobs for the Omanis," said Eng Hilal Al Busaidi from the Public Authority for Mining.

"The sector also has a huge potential for hiring and we do have a lot of opportunities. The chain ranges from excavation itself to

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**Muscat:** Oman could be the epicentre for minerals and metals in

transporting to creating an added value. This entire chain creates jobs."

According to Dean Cunningham, if the Sultanate is able to boost investment and growth in the mining sector consistently for the next couple of decades, the industry could prove to be an asset in terms of urbanisation and infrastructure.

Pointing to the need for a long term growth strategy, he said, "For the next 20 to 30 years, if Oman does this correctly and puts a lot of thought into the process and positions itself properly, we can take advantage of that in urbanisation and infrastructure."

Currently, the state, in its attempt to diversify its economy and shift focus to non-oil sources of revenue, has been emphasising the need to boost growth and investment in the mining sector.

While it is one of the sectors targeted under Tanfeedh, the Public Authority for Mining recently drafted a new legislation that will see an overhaul of Oman's mining regulations.

The legislation in this regard is currently being reviewed by the government.

"The new law covers several aspects to facilitate investments in the mining sector, such as extending the duration of the licenses. Secondly, the law is very transparent with obligations of the investors and the government spelt out clearly," said Eng Hilal Al Busaidi.

The new legislation could help develop the sector better with the government and investors providing the necessary support.



licence is under the consideration of the Public Authority for Mining (PAM). The proposed facility will become a part of the new mining law.

The move is expected to check any delay and hassles faced by the investors, including foreign ones, in developing mines in the country.

"Going forward, we will be having a different approach to offer opportunities to investors by allocating blocks and finalising ourselves all the permits required to be issued by the various ministries. These will then be offered to the investors," said Hilal Al Busaidi, chief executive officer of the Public Authority for Mining (PAM).

It is a single window clearance system and the investors will receive the block ready to start mining activity. In 2017, the PAM will be able to introduce a major part of the single window clearance system.

**Published:**  
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**Muscat:** A one-stop-shop facility for investors applying for a mining

Talking to journalists on the sidelines of the Oman Minerals and Mining Exhibition and Conference, Al Busaidi said it is illegal to transfer a mining licence in the country. "We have to legalise the transfer of licences and it is already included in the new law." However, the first licence holder has to achieve 40 per cent of project execution and then seek an approval from the Public Authority for Mining to become eligible for transferring the licence.

Al Busaidi said the PAM has issued 500 licences to private sector players for all types of minerals, which include permanent and temporary licenses.

He said the prices of minerals dropped as in case of any other commodity in 2015 and 2016. "But we hope that as oil prices recover this year, the mining sector will also flourish."

"Our expectations from the data available so far are that Oman has a lot of minerals, both metallic and non-metallic, and both need a bit of discovery and appraisal activity."



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Oman has the potential to become a “minerals export hub” in the region,

according to experts attending Oman Minerals and Mining Exhibition and Conference here.

“Oman has the potential to become a minerals hub within a short span of time if all concerted efforts of the country bear fruit,” said Ravi, MD, Bedrock Mineral Resources Consulting (BMRC). According to him, Oman is blessed with huge mineral deposits (both metallic and non-metallic), copper, limestone, gypsum, silicon metal, dolomite, etc. “Reports reveal Oman has about 950 million tonnes of gypsum reserves and 500 million tonnes of dolomite deposits.” Oman has a vast wealth of industrial rocks, minerals and metals. Some of its natural resources include — besides petroleum and natural gas — copper, asbestos, limestone, chromium and gypsum, he said.

900547In an attempt to accelerate mining activity in Oman, the country formed the Public Authority for Mining some years ago. Duqm is known for its industrial minerals and salt, while fertilisers such as potash are found some 500 km from central Oman. Thamrait is known for gypsum and Salalah for limestone. Shuwaymya is known for limestone, gypsum and dolomite, while Sohar is rich in copper gold, Gabbro and limestone, said the experts.

Port of Salalah, a major gateway for the export of minerals and other natural deposits, transported 8,576,415 tonnes of limestone and gypsum last year compared with 8,604,408 tonnes in 2015. Of this, gypsum constituted for six million tonnes and limestone three million tonnes.

In 2011, Oman exported 2,896,249 tonnes of limestone, gypsum and other minerals.

“India and Thailand are the biggest users of Omani gypsum and limestone,” said Mohammed al Mashani, GM- Corporate Communications at the Port of Salalah. “For 2017, we have been receiving bulk orders from different corners,” he added. With a highly favourable royalty charged by the government and assured global investment from Canada, India and other Gulf countries, Oman’s minerals sector will continue to grow significantly in the coming years, they added.



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January 16, 2017

The much-awaited new mining law is to be promulgated by June and

discussions for rail lines connecting Al Shuwaymyah and Manji in Dhofar to Duqm port for transporting minerals are on, according to top officials of the Public Authority for Mining (PAM).

Director General of Research and Geological Surveys Ali Salim Ali Al Rajahi said on the sidelines of the Oman Minerals and Mining Exhibition and Conference on Monday that the new law would come into being around the first half of the year.

Authority CEO HE Hilal Al Busaidi said: “We progressed very satisfactorily so far” and the draft law had been finalised by all reviewers and was with the Council of Ministers from where it would go to the Council of Oman.

Although there were established ports and roads, some areas where minerals were located could be served better by railway and discussions to connect Al Shuwaymyah and Manji in Dhofar to Duqm port were on, he said.

Metallic minerals found in the Sultanate include chromite,

copper, gold and silver, manganese, lead and zinc and laterite. Non-metallic minerals include, limestone, dolomite, gypsum, silica and quartzite.

A single window clearance project was being considered for investors in the mining sector.

It was preparing a general mining strategy to set targets and determine future growth, he said.





## Summary of Recommendations

The Oman mining industry is passing through a critical phase, especially in the last few years witnessing some positive growth. The mining and quarrying sector needs to grow further in order to cater to the requirement of raw materials by the industries.

As mining is interlinked with industrial development, the security of raw material is of prime importance and as such, the pro-active role of the government and its entities connected with mining and industries is called for to ensure an era of mineral development. It is time we address the areas of concern coming in the way of mining. Also, the speedy approval of the new mining regulations will help boost the mining sector.

The country has many potential areas for minerals and thus the government needs to encourage exploration through private sector participation. The government has to be keen on further opening up the mining sector through a provision that will allow a licensee to sell the mining licence after completion of exploratory operations. It should set a policy of setting the stage for auctioning exploration permits to private sector players on a revenue-sharing basis.

Exciting proposals with incentives for massive investments in mining, mineral processing and metalwork projects which open up new opportunities should be unveiled by the authorities. There has to be a balanced and coordinated approach towards issues such as mineral resource exploitation, conservation of ecology, local community involvement, and employment.







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